

5.6 Approval of Licensee Requests for Adjustments of Fees, Penalties, and Charges



The State Bar of California

AGENDA ITEM

3.1 MAY 2025

FINANCE COMMITTEE

DATE: May 22, 2025

TO: Members, Finance Committee
Members, Board of Trustees

FROM: Raymond Buenaventura, Member, Board of Trustees
Mary Huser, Member, Board of Trustees

SUBJECT: Approval of Licensee Requests for Adjustments of Fees, Penalties, and Charges

EXECUTIVE SUMMARY

Licensees may request adjustments to their licensing fees and penalties. Staff are empowered to approve or deny requests based on certain factors delineated in the rules. Title Two, Rule 2.16 (H) of the Rules of the State Bar states that the Board reserves the right for good cause to grant requests for waivers that were denied by staff and to consider all other requests for waivers outside the scope of staff's authority. Each year, staff convenes an informal working group of Board members to review these waiver requests. This agenda item outlines the working group's decisions with respect to that review.

RECOMMENDED ACTION

Review and approve the waivers of annual licensing fees and annual licensing fee penalties set forth below.

DISCUSSION

Rule 2.16 of Title Two of the Rules of the State Bar authorizes the waiver of annual license fees and annual license fee penalties in defined circumstances. Rule 2.16(C) specifies three circumstances where staff may grant a licensee's request for waiver of up to \$1,000 in annual licensing fees and penalties for the year in which they are due:

(1) the licensee serves full-time as a magistrate, commissioner, or referee for a state or federal court of record; (2) the licensee is a retired judge who accepts assignments from the Chief Justice in the assigned judges' program; or (3) the licensee's total gross annual household income from all sources is \$20,000 or less, in which case the waiver is 50 percent of the annual license fees.

Rule 2.16(D)–(G) also allow staff to grant waivers for licensees serving in the National Guard or in one of the military reserve units for at least 30 days, judicial officers who are leaving office, inactive licensees over 70 years of age, and licensees enrolled in the State Bar of California Pro Bono Practice Program.

Rule 2.16(H) reserves to the Board of Trustees the authority, for good cause: (1) to grant requests for waivers denied by staff; and (2) to consider requests that fall outside of staff's authorization for granting a waiver of fees and penalties. Traditionally, a small group of Board members volunteers to meet with staff, review the waiver requests that come under rule 2.16(H) and then make recommendations to the Board of Trustees on whether good cause is present to grant the waiver requests. After confirming with the chair of the Finance Committee that this structure for consideration of waiver requests remained acceptable, staff secured Trustees Raymond Buenaventura and Mary Huser, as the Board volunteers.

In assessing what constitutes good cause for purposes of determining whether or not the Board of Trustees should grant a fee waiver, the licensee's justifications for a fee waiver should be weighed against the public policy reasons for imposing annual license fees. The primary public policy reason for imposing State Bar license fees is to provide funding for an effective attorney regulatory system that protects the public. The system is funded solely through the imposition and collection of annual fees. For this reason, license fee waivers should not be granted as a matter of course, but rather should be limited to extraordinary, compelling, and exigent situations.

The following table lists all three requests for waivers considered by the informal working group, along with the recommendations of the group to grant or deny the request 1. The three waiver requests fall into two categories: (1) requests that are outside staff's authority to grant because they exceed \$1,000 or do not meet the parameters of rule 2.16(C); and (2) appeals of requests within staff's authority to consider, but which staff denied. The working group's recommendations are based on their review of the full request and supporting information provided by the requesting attorney.

Name	Status	Request/Comments	Working Group Recommendations
Waiver Applicant 1	Active	Attorney has no current balance. Attorney requests a waiver of the reinstatement fee for 2024. Attorney's request is based on being unaware that her original payment was rejected by the bank. Attorney has not requested a Board waiver in the past.	Approve
Waiver Applicant 2	Not Eligible	Attorney has a current balance of \$9,912.00. Attorney requests a waiver or reduction of his outstanding license fees and penalties. Attorney's request is based on medical and financial hardship. Attorney has not requested a Board waiver in the past.	Approve
Waiver Applicant 3	Active	Attorney has a current balance of \$528.50. Attorney requests a waiver of her remaining license fees and late fee. Attorney's request is based on a hardship created by ongoing cyber-attacks. Attorney has not requested a Board waiver in the past.	Approve

Moreover, the Finance Committee considered relief for licensees impacted by the January 2025 Los Angeles County wildfires during discussion of [agenda item 2.1](#) at their February 11, 2025, meeting. The Finance Committee decided to allow licensees with primary residences or principal places of business in any of the zip codes listed in Governor Newsom's January 29, 2025, Executive Order ([N-15-25](#)) to apply for an extension to pay fees or a fee waiver through the existing Board fee waiver process. We received 261 applications, of which 257 were in the affected zip codes set forth in the Governor's order. For the 257 qualified applicants, the working group recommends approving full fee waivers totaling \$118,813.00.

PREVIOUS ACTION

None

FISCAL/PERSONNEL IMPACT

This item contains 260 recommendations for a waiver or adjustment of fees for a total financial impact of \$129,078.50.

AMENDMENTS TO RULES

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

None – core business operations

RESOLUTIONS

Should the Finance Committee concur, it is:

RESOLVED, that the Finance Committee recommends that the Board of Trustees approves the fee adjustments for the State Bar licensees as presented this day, and on file in the San Francisco office of the State Bar.

Should the Board of Trustees concur, it is:

RESOLVED, that the Board of Trustees, upon recommendation of the Finance Committee, approves the fee adjustments for the State Bar licensees as presented this day, and on file in the San Francisco office of the State Bar.

ATTACHMENT LIST

None