

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 763\*  
PROPOSED COMMITTEE SUBSTITUTE S763-PCS55379-ST-17

Short Title: Legal Services Clarification.

(Public)

Sponsors:

Referred to:

March 24, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY THE AUTHORIZATION FOR CERTAIN NONPROFIT  
3 CORPORATIONS TO RENDER LEGAL SERVICES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 84-5.1 reads as rewritten:

6 "**§ 84-5.1. Rendering of ~~indigent~~ legal services by certain nonprofit corporations.**

7 (a) Subject to the rules and regulations of the North Carolina State Bar, as approved by  
8 the Supreme Court of North Carolina, a nonprofit corporation, organized and tax exempt under  
9 26 U.S.C. § 501(c)(3) and Chapter 55A of the General Statutes of North Carolina for  
10 benevolent or charitable purposes or for the sole primary purpose of rendering indigent legal  
11 services, may render such legal services through provided by attorneys duly licensed to practice  
12 law in North Carolina. The nonprofit corporation must have a governing structure that does not  
13 permit an individual or group of individuals other than a lawyer duly licensed to practice law in  
14 North Carolina for the purposes for which it is organized to control the manner or course of the  
15 legal services rendered and must continually satisfy the criteria established by the Internal  
16 Revenue Service for 26 U.S.C. § 501(c)(3) status, whether or not any action has been taken to  
17 revoke that status.

18 (b) In no instance may legal services rendered by a nonprofit corporation under  
19 subsection (a) of this section be conditioned upon the purchase or payment for any product,  
20 good, or service other than the legal service rendered."

21 **SECTION 2.** This act is effective when it becomes law.

