



General Assembly

January Session, 2007

**Raised Bill No. 1142**

LCO No. 3971

\*03971\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:  
(BA )

**AN ACT CONCERNING ADMINISTRATION OF THE PROGRAM FOR THE USE OF INTEREST EARNED ON LAWYERS' CLIENTS' FUNDS ACCOUNTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (c) to (e), inclusive, of section 51-81c of the  
2 general statutes are repealed and the following is substituted in lieu  
3 thereof (*Effective July 1, 2007*):

4 (c) The program shall not require the banking corporations or  
5 financial institutions receiving such funds, holding such accounts and  
6 paying interest on such accounts to the depositors of the account to  
7 perform any additional administrative functions or assume any  
8 additional responsibilities or obligations in connection with the  
9 program or the accounts so maintained. If a banking corporation or  
10 financial institution believes that the program is not being  
11 administered or implemented in accordance with the provisions of this  
12 section, including the rules adopted pursuant to subsection (b) of this  
13 section, such banking corporation or financial institution may apply in  
14 writing to the Superior Court for an order authorizing the banking  
15 corporation or financial institution to submit the matter in controversy

16 to arbitration by a person or persons who are mutually agreed upon by  
17 the petitioning banking corporation or financial institution and the  
18 organization then designated to administer the program. The court  
19 may authorize the submission to arbitration following a hearing of  
20 which notice has been given to the parties in interest as ordered by the  
21 court. The decision made upon submission to arbitration shall be in  
22 writing, signed by the arbitrator or arbitrators and returned to the  
23 Superior Court. As a part of the decision, the arbitrator or arbitrators  
24 shall assign the cost of the arbitration to the nonprevailing party,  
25 provided the arbitrator or arbitrators may allocate the costs between  
26 the parties, in just proportions, if the merits of the decision reasonably  
27 justify such an allocation. When the decision is returned to and  
28 accepted by the Superior Court, the decision shall be final and binding  
29 upon all parties.

30 (d) An advisory panel shall be established to perform the functions  
31 described in subsection (e) of this section consisting of [~~five~~] ten  
32 members on and after July 1, 2007, to be selected as follows: Three  
33 members shall be appointed by the Governor, one of whom shall be an  
34 executive director of a nonprofit corporation which provides legal  
35 services to the poor in this state and two of whom shall be executive  
36 directors of nonprofit corporations that do not receive funding from  
37 the organization designated to administer the program; three members  
38 shall be appointed by the cochairpersons of the joint standing  
39 committee of the General Assembly having cognizance of matters  
40 relating to banks, which members shall represent the interests of banks  
41 in this state and shall have experience in deposit-related functions as  
42 an employee or former employee of a banking institution in this state;  
43 and [~~two~~] four members shall be appointed by the cochairpersons of  
44 the joint standing committee of the General Assembly having  
45 cognizance of matters relating to the judiciary, at least two of whom  
46 shall be public members who are not lawyers or otherwise  
47 significantly related to the legal profession. Each member of the panel  
48 shall serve for a term which is coterminous with the term of the  
49 member's appointing authority, except that the terms of all members

50 serving on the panel on June 30, 2007, shall expire on July 1, 2007, and  
51 new appointments shall be made effective July 1, 2007. A vacancy shall  
52 be filled by the original appointing authority for the balance of the  
53 unexpired term.

54 (e) The advisory panel shall: (1) Consult with and make  
55 recommendations to the tax-exempt organization administering the  
56 program regarding the implementation and administration of the  
57 program, including the methods of allocation and the allocation of  
58 funds to be disbursed under the program; (2) review and evaluate the  
59 program, and monitor the impact of the program and the performance  
60 of the tax-exempt organization in administering the program; and (3)  
61 report on the program to the joint standing [committee] committees of  
62 the General Assembly having cognizance of matters relating to the  
63 judiciary and to banks and to the Chief Court Administrator, as may  
64 from time to time be requested by such committees or administrator.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	51-81c(c) to (e)

**Statement of Purpose:**

To provide for an appeal process and to increase the membership of the advisory panel of the IOLTA program from five to ten members.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*