

SB

19

Added to
BBSU 1/20

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 1/11/05

FURTHER: Finance

Date of 5-Day Notice: Jan 13, 2005
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 1/20/05

Judiciary Committee considered

SENATE BILL NO. 19

SB 19 CIVIL LEGAL SERVICES FUND

"An Act relating to the creation of a civil legal services fund."

and recommends:

- be replaced with _____ CS SR 19 (JUD)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:
 Same Title
 New Title

House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
GDV	1/18/05			X	1

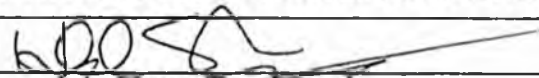

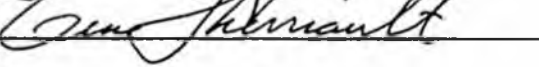
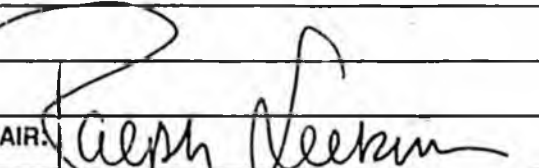
PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:

rench
 Liggins
 Herrault
 Seckins

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
	X			
	X			
	X			
	X			

ALASKA STATE SENATE



Session:
State Capitol
Juneau, Alaska 99801-1182
(907) 465-2327
(907) 465-5241 Fax

Interim:
119 N. Cushman, Suite 201
Fairbanks, Alaska 99701
(907) 456-8161
Senator_Ralph_Seekins@legis.state.ak.us

Senator Ralph Seekins
District D

Senate Bill 19 Sponsor Statement

"An Act relating to the creation of a civil legal services fund."

This bill is designed to provide a financial mechanism whereby the legislature may make appropriations to organizations that provide civil legal services to low-income Alaskans. This would be accomplished through the creation of a civil legal services account funded by provisions required under AS 09.17.020(j). This section of Alaska law requires that 50% of all punitive damage awards be turned over to the state and deposited into the general fund.

The civil legal needs of economically disadvantaged Alaskans are generally no different than anybody else's. Family law, health, wills and probate issues know no socio-economic boundaries. Yet when these needs arise, self-represented litigants quite often find themselves unable to effectively represent their interests. Furthermore, these situations often place the judge in the inappropriate position of offering legal advice or even mediating between parties.

Since 1966 the Alaska Legal Services Corporation (ALSC) has assisted low-income Alaskans (defined as an individual earning equal to or less than federal poverty guidelines) with their civil legal needs. The ALSC is not a state agency but rather a non-profit entity. The ALSC has been funded by a combination of state, federal and private sources. However, over the last several years these funds have been on the decline.

The inherent logic of the proposed legislation lies in the fact that the funds utilized to assist the disadvantaged in civil legal matters flow out of the civil legal system itself. So, high-stakes civil cases provide the funding mechanism for smaller, but no less important, cases impacting low-income Alaskans. Furthermore, necessary efficiencies are achieved throughout the entire process by working these cases through a non-profit entity such as ALSC.

Senate Bill 19 identifies an ongoing source of funding designed to aid the ALSC in its efforts to provide civil legal assistance to low-income Alaskans. This is accomplished through use of the state's 50% share of civil damage awards deposited to the general fund. It's important to note that the bill does not create a mandatory expenditure. Each legislature possesses an option to appropriate these monies to a civil legal services fund.

SENATE BILL NO. 19

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY SENATOR SEEKINS

Introduced: 1/11/05
Referred: Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the creation of a civil legal services fund."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 * Section 1. AS 37.05.146(c) is amended by adding a new paragraph to read:

4 (78) civil legal services fund under AS 37.05.590.

5 * Sec. 2. AS 37.05 is amended by adding a new section to read:

6 **Sec. 37.05.590. Civil legal services fund.** The civil legal services fund is
7 established as a special account in the general fund. The fund consists of
8 appropriations to it. Annually, the legislature may appropriate to the fund the amount
9 deposited into the general fund of the state under AS 09.17.020(j). The legislature
10 may make appropriations from the fund to organizations that provide civil legal
11 services to low-income individuals. Nothing in this section creates a dedicated fund.
12 In this section, "low-income individual" means an individual with an income equal to
13 or less than the federal poverty guidelines for Alaska set by the United States
14 Department of Health and Human Services.

125% of all funds - 1st year. Estimated

24-LS0190\G
Bullock
1/19/05

CS FOR SENATE BILL NO. 19(JUD)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR SEEKINS

A BILL

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10 may make appropriations from the fund to organizations that provide civil legal
11 services to low-income individuals. Nothing in this section creates a dedicated fund.
12 In this section, "low-income individual" means an individual with an income equal to
13 or less than the maximum income levels for Alaska determined by the Legal Services
14 Corporation (42 U.S.C. 2996b).

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 19(JJD)
 (S) Publish Date: 1/21/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Gov.
 Title Civil legal services fund RDU OMB
 Component OMB
 Sponsor Sen. Seekins
 Requester Sen. Judiciary Committee Component No. 2144

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

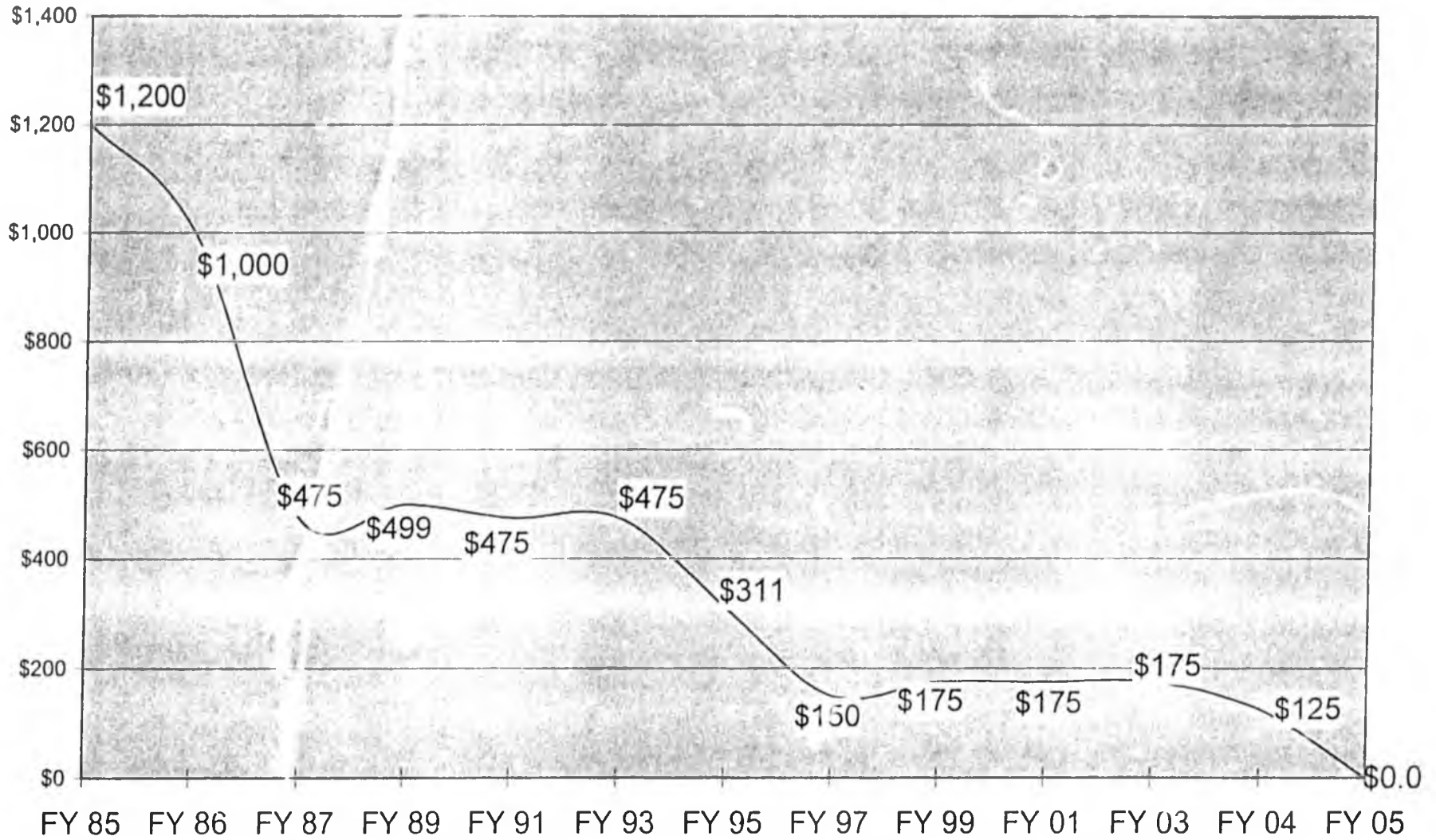
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would not have a significant fiscal impact on the Office of Management and Budget.

Prepared by: Jack Kreinheder, Senior Analyst Phone 465-4676
 Division Office of Management and Budget Date/Time 1/18/05 3:00 PM
 Approved by: Cheryl Frasca, Director Date 1/18/2005
 Agency Office of Management and Budget

Alaska Legal Services Corporation State Funding Trends (in Thousands of Dollars)

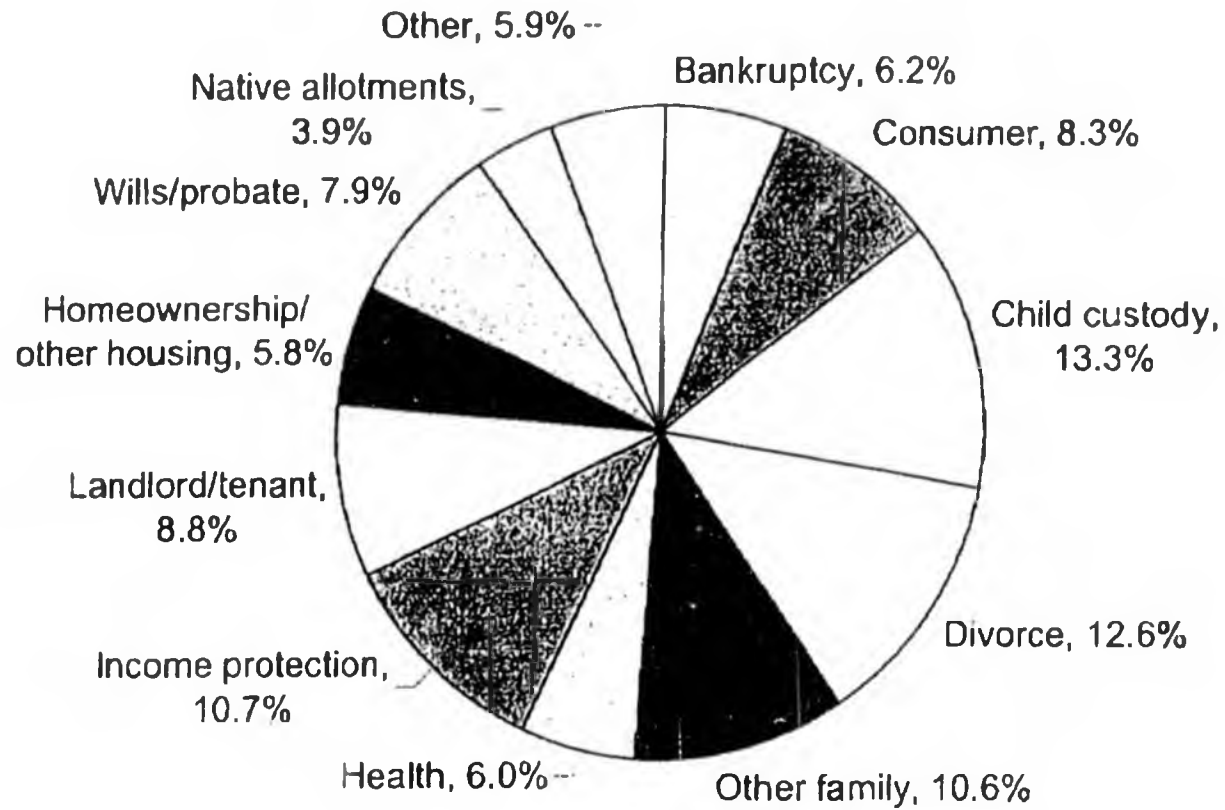


ALSC Total Support and Revenue
(from audited financial statements combining statement of activity)

Total Support and Revenue							
Year	Federal dollars	Federal %	State dollars	State %	Other dollars	Other %	Total
1995	\$ 3,042,915.00	78.6%	\$ 326,288.00	8.4%	\$ 500,343.00	12.9%	\$ 3,869,546.00
1996	\$ 2,828,936.00	80.0%	\$ 260,483.00	7.4%	\$ 446,210.00	12.6%	\$ 3,535,629.00
1997	\$ 1,546,333.00	52.0%	\$ 208,777.00	7.0%	\$ 1,218,312.00	41.0%	\$ 2,973,422.00
1998	\$ 1,335,356.00	47.5%	\$ 225,001.00	7.9%	\$ 1,252,029.00	44.6%	\$ 2,811,246.00
1999	\$ 1,635,232.00	48.5%	\$ 228,735.00	6.8%	\$ 1,510,840.00	44.8%	\$ 3,374,807.00
2000	\$ 1,912,092.00	62.0%	\$ 294,017.00	9.5%	\$ 879,042.00	28.5%	\$ 3,085,151.00
2001	\$ 1,820,116.00	55.1%	\$ 221,258.00	6.7%	\$ 1,263,194.00	38.2%	\$ 3,304,568.00
2002	\$ 1,981,742.00	59.4%	\$ 316,764.00	9.5%	\$ 1,035,136.00	31.1%	\$ 3,333,642.00
2003	\$ 2,308,101.00	63.2%	\$ 327,276.00	9.0%	\$ 1,015,312.00	27.8%	\$ 3,650,689.00

Note: support and revenue includes: grants and contracts; interest income; litigation income; donated services; gain on disposition of property; and other.

ALSC: cases closed in 2004 by subject matter



ALASKA LEGAL SERVICES CORPORATION				
FISCAL YEAR 2004 REVENUE BUDGET WORKSHEET (12-03-04)				
FOR THE PERIOD FROM JANUARY 1, 2004 TO DECEMBER 31, 2004				
GRANT DESCRIPTION:	PROJECTED	PROJECTED	ACTUAL FISCAL	ACTUAL FISCAL
	FISCAL YEAR 2004 01/01/04-12/31/04	FISCAL YEAR 2005 01/01/05-12/31/05	YEAR 21 03 01/01/03-12/31 03	YEAR 2002 01/01/02-12/31/02
LSC BASIC FIELD (101)	\$ 881,292.05	\$ 881,012.00	\$ 889,178.38	\$ 532,560.48
NET ASSETS-(101)	\$ 64,473.14	\$ -	\$ -	\$ -
LSC NATIVE AMERICAN (102)	\$ 498,749.30	\$ 498,283.00	\$ 567,898.55	\$ 495,465.07
LSC TECHNOLOGY GRANT-(103)	\$ -	\$ -	\$ 1,113.81	\$ 28,128.81
LSC TECHNOLOGY GRANT-(104)	\$ -	\$ -	\$ 20,913.39	\$ 4,086.61
LSC TECHNOLOGY GRANT-(105)	\$ 48,087.25	\$ -	\$ 78,451.47	\$ 4,703.77
LSC TECHNOLOGY GRANT 03681-(106)	\$ 3,125.00	\$ 21,875.00	\$ -	\$ -
AK OFFICE ON AGING-SFY 02-(206)	\$ -	\$ -	\$ -	\$ 80,486.00
AK OFFICE ON AGING-CAREGIVER-SFY 01 (207)	\$ -	\$ -	\$ -	\$ 21,408.48
AK OFFICE ON AGING-SFY 03-(208)	\$ -	\$ -	\$ 89,502.88	\$ 88,559.78
AK OFFICE ON AGING-CAREGIVER-SFY 03 (209)	\$ -	\$ -	\$ 31,448.48	\$ 23,147.29
AK OFFICE ON AGING-EQUIP GT-SFY 03 (210)	\$ -	\$ -	\$ 2,073.00	\$ -
AK OFFICE ON AGING-SFY 04-(211)	\$ 88,459.34	\$ -	\$ 64,976.47	\$ -
AK OFFICE ON AGING-CAREGIVER-SFY 04 (212)	\$ 21,448.89	\$ -	\$ 30,551.31	\$ -
AK OFFICE ON AGING-SFY 05-(213)	\$ 86,079.50	\$ 66,079.50	\$ -	\$ -
AK OFFICE ON AGING-CAREGIVER-SFY 05 (214)	\$ 26,000.00	\$ 26,000.00	\$ -	\$ -
AK OFFICE ON AGING-SFY 06-(215)	\$ -	\$ 66,079.50	\$ -	\$ -
AK OFFICE ON AGING-CAREGIVER-SFY 06 (216)	\$ -	\$ 26,000.00	\$ -	\$ -
KAWERAK ALLOTMENT CT-(302)	\$ 385,983.85	\$ 385,088.00	\$ 355,352.84	\$ 349,455.52
NET ASSETS-(302)	\$ 130,350.95	\$ -	\$ 81,162.87	\$ 41,316.84
DEPT OF JUSTICE DV GRANT-2001-(303)	\$ 40,058.05	\$ -	\$ 81,873.09	\$ 118,293.28
DEPT OF JUSTICE DV GRANT-2003-(303)	\$ 231,817.50	\$ 200,902.72	\$ 82,888.15	\$ -
DOJ-VAWA-SUBGRANT (307)	\$ 85,525.71	\$ 76,293.50	\$ 56,331.53	\$ 650.49
NATIVE ALLOTMENT TRAINING GTS (308)	\$ 90,301.37	\$ -	\$ 39,920.33	\$ 301.24
ANA SUBGRANT THROUGH AITC (309)	\$ 43,818.53	\$ -	\$ 360.00	\$ -
INDIAN TRIBAL JUSTICE T&LLA (310)	\$ 15,224.17	\$ 45,524.76	\$ -	\$ -
ALASKA C&ED GT-SFY 02-(411)	\$ -	\$ -	\$ -	\$ 82,500.00
ALASKA H&SS GT-SFY 02-(412)	\$ -	\$ -	\$ -	\$ 25,016.47
ALASKA CHILDREN'S TRUST GT-SFY 02 (413)	\$ -	\$ -	\$ -	\$ 23,980.40
ALASKA C&ED GT-SFY 03-(414)	\$ -	\$ -	\$ -	\$ 125,000.00
ALASKA H&SS GT-SFY 03-(415)	\$ -	\$ -	\$ 23,681.81	\$ 26,310.19
ALASKA CHILDREN'S TRUST GT-SFY 03 (416)	\$ -	\$ -	\$ 8,971.37	\$ 18,029.84
AK MENTAL HEALTH CONS WEB-SFY 03-(417)	\$ -	\$ -	\$ 41,201.29	\$ 4,689.88
ALASKA C&ED GT-SFY 04-(418)	\$ 42,896.00	\$ -	\$ 82,300.00	\$ -
ALASKA CHILDREN'S TRUST GT-SFY 04 (419)	\$ 3,337.00	\$ -	\$ 14,660.00	\$ -
AK MENTAL HEALTH TRUST AUTH-SFY 04 (420)	\$ 25,472.84	\$ -	\$ 24,521.16	\$ -
C&S MGMT ASSOCIATES T 47 6G-SFY 04 (421)	\$ 7,521.28	\$ -	\$ 2,711.62	\$ -
AK MENTAL HEALTH TRUST AUTH-SFY 05 (422)	\$ 25,000.00	\$ 40,000.00	\$ -	\$ -
ALASKA CHILDREN'S TRUST GT-SFY 05 (423)	\$ 9,002.48	\$ 9,000.00	\$ -	\$ -
AK MENTAL HEALTH TRUST AUTH-SFY 06 (424)	\$ -	\$ 25,000.00	\$ -	\$ -
ALASKA CHILDREN'S TRUST GT-SFY 06 (425)	\$ -	\$ 4,500.00	\$ -	\$ -
MUNI OF ANCHORAGE-SFY 02-(520)	\$ -	\$ -	\$ -	\$ 14,308.00
MUNI OF ANCHORAGE-SFY 03/04-(521)	\$ 18,492.00	\$ -	\$ 99,231.00	\$ 21,911.00
MUNI OF ANCHORAGE-SFY 03/04-(522)	\$ 14,895.00	\$ -	\$ 77,821.00	\$ 16,550.00
MUNI OF ANCHORAGE-SFY 06-(523)	\$ 58,044.00	\$ 56,044.00	\$ -	\$ -
MUNI OF ANCHORAGE-SFY 05-(524)	\$ 54,800.00	\$ 111,975.00	\$ -	\$ -
MUNI OF ANCHORAGE-SFY 06-(525)	\$ -	\$ 68,044.00	\$ -	\$ -
BARROW OFFICE LOCAL SUPPORT-01-(535)	\$ -	\$ -	\$ -	\$ 8,278.18

ALASKA LEGAL SERVICES CORPORATION				
FISCAL YEAR 2004 REVENUE BUDGET WORKSHEET (12-03-04)				
FOR THE PERIOD FROM JANUARY 1, 2004 TO DECEMBER 31, 2004				
GRANT DESCRIPTION:	PROJECTED	PROJECTED	ACTUAL FISCAL	ACTUAL FISCAL
	FISCAL YEAR 2004 01/01/04-12/31/04	FISCAL YEAR 2003 01/01/03-12/31/03	YEAR 2003 01/01/03-12/31/03	YEAR 2002 01/01/02-12/31/02
NORTH SLOPE BOROUGH-SFY 02-(537)	\$ -	\$ -	\$ -	\$ 28,806.10
NORTH SLOPE BOROUGH-SFY 03-(538)	\$ -	\$ -	\$ 40,033.4	\$ 6,683.35
NORTH SLOPE BOROUGH-SFY 04-(539)	\$ 37,725.78	\$ -	\$ 12,274.2	\$ -
NORTH SLOPE BOROUGH-SFY 05-(531)	\$ 25,000.00	\$ 25,000.00	\$ -	\$ -
FBX NORTH STAR BOROUGH-SFY 02-(556)	\$ -	\$ -	\$ -	\$ 25,000.00
FBX NORTH STAR BOROUGH-SFY 03-(557)	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00
FBX NORTH STAR BOROUGH-SFY 04-(558)	\$ 24,708.00	\$ -	\$ 25,292.00	\$ -
FBX NORTH STAR BOROUGH-SFY 05-(569)	\$ 24,919.50	\$ 24,919.50	\$ -	\$ -
FBX NORTH STAR BOROUGH-SFY 06-(551)	\$ -	\$ 24,919.60	\$ -	\$ -
CITY/BOROUGH OF JUNEAU-SFY 02-(588)	\$ -	\$ -	\$ -	\$ 28,105.50
CITY/BOROUGH OF JUNEAU-SFY 03-(589)	\$ -	\$ -	\$ 10,027.00	\$ 10,027.00
CITY OF KETCHIKAN-02-(579)	\$ -	\$ -	\$ -	\$ 22,000.00
CITY OF KETCHIKAN-03-(571)	\$ -	\$ -	\$ 22,007.7	\$ -
CITY OF KETCHIKAN-04-(572)	\$ 22,022.58	\$ -	\$ -	\$ -
CITY OF KETCHIKAN-05-(573)	\$ -	\$ 22,000.00	\$ -	\$ -
AK BAR FOUNDATION-IOLTA-SFY 02-(606)	\$ -	\$ -	\$ 31,850.17	\$ 43,812.81
AK BAR FOUNDATION-IOLTA-SFY 03-(607)	\$ 7,993.93	\$ -	\$ 42,939.31	\$ 29,475.00
AK BAR FOUNDATION-IOLTA-SFY 04-(608)	\$ 14,250.22	\$ -	\$ 28,224.76	\$ -
AK BAR FOUNDATION-IOLTA-SFY 05-(809)	\$ 17,170.00	\$ 18,170.00	\$ -	\$ -
AK BAR FOUNDATION-IOLTA-SFY 08-(810)	\$ -	\$ 16,170.00	\$ -	\$ -
TRIBAL WORK CONTRACTS (700)	\$ -	\$ -	\$ -	\$ 357.81
NET ASSETS-(700)	\$ -	\$ -	\$ -	\$ 6,260.52
NOME OFFICE DONATIONS (709)	\$ 23,290.50	\$ -	\$ 43,522.10	\$ 37,338.83
LOCAL FUNDING-DILLINGHAM OFFICE-(710)	\$ -	\$ -	\$ 2,004.12	\$ 1,500.00
MANILAQ KOTZEBUE OFFICE GRANT-02 (713)	\$ -	\$ -	\$ -	\$ 143,272.21
BRISTOL BAY NATIVE ASSN GRANTS (714)	\$ 57,015.58	\$ 57,000.00	\$ 57,118.58	\$ 27,864.82
NET ASSETS-(714)	\$ 18,038.51	\$ -	\$ 42,350.71	\$ -
MANILAQ KOTZEBUE OFFICE GRANT-03 (715)	\$ -	\$ -	\$ 143,193.32	\$ 57,367.53
MANILAQ KOTZEBUE OFFICE GRANT-04 (716)	\$ 141,720.08	\$ -	\$ 54,078.33	\$ -
MANILAQ KOTZEBUE OFFICE GRANT-05 (717)	\$ 58,700.00	\$ 178,100.00	\$ -	\$ -
KOTZEBUE IRA-ICWA CONTRACT-05 (718)	\$ 1,866.87	\$ 3,333.33	\$ -	\$ -
KOTZEBUE IRA-GENERAL CONTRACT-05 (719)	\$ 1,866.67	\$ 3,333.33	\$ -	\$ -
MANILAQ KOTZEBUE OFFICE GRANT-06 (720)	\$ -	\$ 58,700.00	\$ -	\$ -
PARTNERS IN JUSTICE CONTRIBUTIONS (802)	\$ 99,903.39	\$ 85,800.00	\$ 113,052.00	\$ 107,883.19
PARTNERS IN JUSTICE NET ASSETS-(802)	\$ 170,898.13	\$ -	\$ 140,408.73	\$ 112,984.98
UNRESTRICTED FUND (901)	\$ 1,534.85	\$ -	\$ 4,973.81	\$ 80,784.92
CONVENANT HOUSE CONTRACT (911)	\$ -	\$ -	\$ 845.00	\$ 3,386.50
NAPIL HOUSING GRANT-02 (912)	\$ -	\$ -	\$ -	\$ 39,429.39
RASMUSON FOUNDATION (913)	\$ 65,980.45	\$ -	\$ 24,780.73	\$ 24,530.39
UNITED WAY PREMIERA CASE WORK (914)	\$ 48,988.34	\$ -	\$ 41,116.05	\$ -
RASMUSON FOUNDATION (915)	\$ 14,068.00	\$ -	\$ -	\$ 24,530.39
INDIAN LAND TENURE FOUNDATION GT (916)	\$ 28,484.87	\$ 51,118.71	\$ -	\$ -
AMERICAN COLLEGE OF BANKRUPTCY GT (917)	\$ 4,005.78	\$ -	\$ -	\$ -
AK NATIVE JUSTICE CENTER CONTRACT (918)	\$ 3,750.00	\$ 26,250.00	\$ -	\$ -
TOTAL REVENUE BUDGET	\$ 3,640,458.56	\$ 2,990,505.30	\$ 3,523,901.17	\$ 3,088,325.58
LESS:				
KAWERAK ALLOTMENT CT-(302)	\$ 516,334.80	\$ 385,068.00	\$ 416,601.31	\$ 349,455.52
NATIVE ALLOTMENT TRAINING GTS (308)	\$ 90,301.37	\$ -	\$ 39,921.33	\$ 301.24
INDIAN LAND TENURE FOUNDATION GT (916)	\$ 28,484.87	\$ 51,118.71	\$ -	\$ -
ADJUSTED REVENUE BUDGET	\$ 3,014,327.52	\$ 2,554,318.65	\$ 3,067,477.53	\$ 2,738,568.82

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

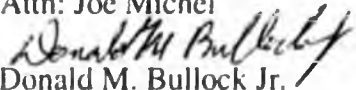
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 20, 2005

SUBJECT: 42 U.S.C. 2996b (CSSB 19(JUD))

TO: Senator Ralph Seekins
Attn: Joe Michel

FROM: 
Donald M. Bullock Jr.
Legislative Counsel

During the meeting of the Senate Judiciary Committee this morning, a committee member thought that the "b" in 42 U.S.C. 2996b, cited in the last line of the bill, should be in parentheses.

In this particular citation, as well as in a number of other provisions in the United States Code, the section citation includes a letter. For your information, the cited code section is as follows:

42 U.S.C. § 2996b. Legal Services Corporation

(a) Establishment; purpose. There is established in the District of Columbia a private nonmembership nonprofit corporation, which shall be known as the Legal Services Corporation, for the purpose of providing financial support for legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance.

(b) Principal office; agent for service of process. The Corporation shall maintain its principal office in the District of Columbia and shall maintain therein a designated agent to accept service of process for the Corporation. Notice to or service upon the agent shall be deemed notice to or service upon the Corporation.

(c) Status of corporation under tax laws. The Corporation, and any legal assistance program assisted by the Corporation, shall be eligible to be treated as an organization described in *section 170(c)(2)(B) of the Internal Revenue Code of 1954 [26 USCS § 170(c)(2)(B)]* and as an organization described in *section 501(c)(3) of the Internal Revenue Code of 1954 [26 USCS § 501(c)(3)]* which is exempt from taxation under section 501(a) of such Code [26 USCS § 501(a)]. If such treatments are conferred in accordance with the provisions of such Code [26 USCS § § 1 et seq.], the

Senator Ralph Seekins

January 20, 2005

Page 2

Corporation, and legal assistance programs assisted by the Corporation, shall be subject to all provisions of such Code [26 USCS § § 1 et seq.] relevant to the conduct of organizations exempt from taxation.

If I may be of further assistance, please advise.

DMB:jad

05-034.jad