

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 714

Short Title: Legal Services. (Public)

Sponsors: Representative Torbett (Primary Sponsor).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Rules, Calendar, and Operations of the House.

April 7, 2011

A BILL TO BE ENTITLED

AN ACT TO ALLOW NONPROFIT CORPORATIONS OPERATING AS A  
PROFESSIONAL AND TRADE ASSOCIATION OR A BUSINESS LEAGUE TO  
PROVIDE LEGAL SERVICES TO ITS MEMBERS USING ATTORNEYS DULY  
LICENSED TO PRACTICE LAW IN THIS STATE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 84-5 is amended by adding a new subsection to read:

"(c) Nothing in this section shall prohibit, subject to the rules and regulations of The North Carolina State Bar, as approved by the Supreme Court of North Carolina, a nonprofit corporation, tax exempt under 26 U.S.C. § 501 (c)(5) or (6), organized or authorized under Chapter 55A of the General Statutes and operating as a professional and trade association or business league as defined by the applicable Internal Revenue Service guidelines, from rendering legal services to its members provided by attorneys duly licensed to practice law in North Carolina. The nonprofit corporation must have a governing structure that does not permit an individual or group of individuals other than an attorney duly licensed to practice law in North Carolina to control the manner or course of the legal services rendered and must continually satisfy the criteria established by the Internal Revenue Service for 26 U.S.C. § 501 (c)(5) or (6) status, whether or not any action has been taken to revoke that status. Notwithstanding any other provision of law, such a nonprofit corporation may charge for the legal services of its officers, employees, and agents rendered to it members under this section, may collect for those charges, and may compensate those who render the legal services."

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

