

STATE OF MINNESOTA
IN SUPREME COURT

ADM04-8001
ADM10-8002
ADM10-8005
ADM10-8008
ADM10-8021
ADM10-8050



**ORDER RE PROPOSED AMENDMENTS TO
THE MINNESOTA RULES OF CIVIL PROCEDURE,
RULES OF THE SUPREME COURT ON LAWYER REGISTRATION,
MINNESOTA RULES OF PROFESSIONAL CONDUCT,
RULES OF THE BOARD OF CONTINUING LEGAL EDUCATION,
LEGAL SERVICES ADVISORY COMMITTEE RULES, AND
AMENDMENT TO AN ORDER RE ACCESS TO DISTRICT COURT CASE
RECORDS FOR CERTAIN CIVIL LEGAL SERVICE PROVIDERS FILED
NOVEMBER 4, 2019**

In 2024, the Legislature created the State Board of Civil Legal Aid (the Board). Act of May 24, 2024, ch. 123, art. 11, 2024 Minn. Laws 1, 125–28 (codified at Minn. Stat. § 480.24, *et seq.* (2024)). The Board comes into existence on July 1, 2025. *Id.*, art. 11, § 8, 2024 Minn. Laws at 128. In the same enactment, the Legislature eliminated Minn. Stat. § 480.242 (2022), which required the supreme court to establish the Legal Services Advisory Committee (LSAC) and provided authority for this advisory committee to undertake certain responsibilities, including obligations related to the distribution of civil legal services funds. The Board is assuming LSAC’s responsibilities and duties. The creation of the Board requires that we amend several rules and orders related to LSAC. To the extent some of those same rules would benefit from additional revision, we take this opportunity to do so here.

Under our current rules, interest earned on lawyer trust accounts funds the Minnesota Interest on Lawyer Trust Accounts (IOLTA) program. The IOLTA program was created, and continues, to help fund the delivery of civil legal aid services for the poor and to support programs of law related education for the public and programs for the enhancement of the administration of justice.¹ LSAC currently administers the IOLTA program, including distribution of the funds generated by interest on IOLTA accounts. In addition, in prior court orders we dedicated a portion of lawyer registration and pro hac vice fees to fund civil legal aid services in Minnesota and grant programs through LSAC. Further, under Minn. R. Civ. P. 23.05, residual funds that remain after paying all approved claims, expenses, litigation costs, attorney’s fees, and other court-approved disbursements in class actions may be allocated to cover the cost of providing civil legal aid services. We conclude that those funds, as allocated to and administered by LSAC under current law, rules, procedures, practices, or

¹ We created the IOLTA program in 1982. Order Amending Code of Professional Responsibility Relating to Client Trust Fund, and Establishing Lawyer Trust Account Board, No. A-8, Order (Minn. filed Dec. 27, 1982) (Dec. 27, 1982 Order). Among other things, we created a new Lawyers Trust Account Board, the duties of which included receiving funds from IOLTA accounts, *see* Minn. R. Prof. Conduct 1.15(o) (defining “IOLTA account”), and disbursing the funds. Dec. 27, 1982 Order at 5; *see* Mem. Op. No. A-8, Mem. Op. at 9 (Minn. filed Dec. 27, 1982) (stating that we adopted the IOLTA proposal “having in mind that the purpose for which the funds generated by the program would be used will, as recommended by the MSBA, initially be limited to that of legal aid to the poor, law-related education, and projects to improve the administration of justice”). In 2010, we eliminated the Lawyers Trust Account Board and transferred responsibility for the administration of IOLTA funds to LSAC as the successor state entity. *In re the Lawyer Trust Account Board*, No. C1-84-2140, Order (Apr. 1, 2010) (the 2010 Order). Under the 2010 Order, IOLTA funds are deposited in a special fund in the State treasury pursuant to Minn. Stat. § 481.01. *Id.*

agreements, should continue to be used to fund civil legal services and grant programs and should be transferred to the Board for that purpose.

Based on all the files, records, and proceedings herein,

IT IS HEREBY ORDERED THAT:

1. The Legal Services Advisory Committee will sunset at 11:59 p.m. on June 30, 2025. The Legal Services Advisory Committee Rules will no longer be necessary and will be eliminated as set forth in Attachment A to this Order.

2. Effective July 1, 2025, the Office of Lawyer Registration must (a) remit to the Board the portion of lawyer registration fees currently dedicated to the Legal Services Advisory Committee for civil legal services and grant program purposes, and (b) remit to the State Court Administrator's Office the portion of lawyer registration fees currently dedicated to the Legal Services Advisory Committee for the Lawyers' Assistance Program.

3. Effective July 1, 2025, administration of the Interest on Lawyer Trust Accounts funds is transferred to the State Board of Civil Legal Aid as the successor state entity and the Interest on Lawyer Trust Accounts funds shall be deposited in a special fund in the State treasury pursuant to Minn. Stat. § 481.01. The Minnesota Supreme Court retains control of the Interest on Lawyer Trust Accounts funds, may require the State Board of Civil Legal Aid to provide reports and records regarding the administration of Interest on Lawyer Trust Accounts funds upon request, and may transfer responsibility for administration of Interest on Lawyer Trust Accounts funds by future order. The State Board of Civil Legal Aid is required to maintain adequate financial records of the Interest on Lawyer Trust Accounts funds. The purpose of the Interest on Lawyer Trust Accounts program remains to

enhance the availability of legal services to the poor and to support programs of law related education for the public and programs for the enhancement of the administration of justice. Effective July 1, 2025, our order in *In re Lawyer Trust Account Board* dated April 1, 2010, is amended to reflect the transfer of responsibility for administration of the Interest on Lawyer Trust Accounts funds from the Legal Services Advisory Committee to the State Board of Civil Legal Aid. The definition of “IOLTA account” in Minnesota Rule of Professional Conduct 1.15(o) is amended to reflect that the State Board of Civil Legal Aid has authority and responsibility to administer the Interest on Lawyer Trust Accounts program. The amended language is set forth in Attachment B to this Order.

4. Rule 23 of the Rules of the Supreme Court on Lawyer Registration is amended to authorize the Lawyers Registration Office to share trust account information with the Office of Lawyers Professional Responsibility for the purpose of monitoring trust accounts and with the Board for the purpose of administering the Minnesota Interest on Lawyer Trust Accounts program. In addition, Rule 23 is amended to authorize the Lawyer Registration Office to provide, upon written request, the names and postal addresses of lawyers and judges to Minnesota Judicial Branch access to justice initiatives and to the State Board of Civil Legal Aid for pro bono promotional purposes. The amended language is set forth in Attachment C to this Order.

5. Rule 2 of the Rules of the Board of Continuing Legal Education is amended to replace the phrase “Minnesota Legal Services Advisory Committee” with the phrase “State Board of Civil Legal Aid” as set forth in Attachment D to this Order.

6. Minnesota Rule of Civil Procedure 23.05 is amended to replace the phrase “Minnesota Legal Services Advisory Committee” with the phrase “State Board of Civil Legal Aid” and correspondingly insert the relevant citation to Minnesota statutes as set forth in Attachment E to this Order.

7. Our Order Regarding Access to District Court Case Records for Certain Civil Legal Service Providers filed on November 4, 2019, is amended so that all references to “Legal Services Advisory Committee” or the “supreme court’s Legal Services Advisory Committee” are replaced with the “State Board of Civil Legal Aid.” Any organization that has previously been granted access under the court’s November 4, 2019 Order shall continue to have uninterrupted access to the district court cases and case records to which it was previously granted access.

8. The attached amendments to the various rules are prescribed and promulgated as shown below. The amendments to the Legal Services Advisory Committee Rules go into effect at 11:59 p.m. on June 30, 2025. The amendments to Rule 1.15 of the Minnesota Rules of Professional Conduct, Rule 23 of the Rules of the Supreme Court on Lawyer Registration, Rule 2 of the Rules of the Board of Continuing Legal Education, Rule 23.05 of the Minnesota Rules of Civil Procedure, and our Order Regarding Access to District Court Case Records

for Certain Civil Legal Service Providers filed on November 4, 2019, go into effect on July 1, 2025.

Dated: May 20, 2025

BY THE COURT:

A handwritten signature in black ink, appearing to read "Natalie E. Hudson". The signature is written in a cursive, flowing style.

Natalie E. Hudson
Chief Justice

ATTACHMENT A

AMENDMENTS TO LEGAL SERVICES ADVISORY COMMITTEE RULES

[Note: In the following amendments, deletions are indicated by a line drawn through the words and additions are indicated by a line drawn under the words.]

~~Legal Services Advisory Committee Rules~~

~~Adopted May 24, 1982~~

~~With amendments received through July 3, 2023~~

Rule 1. Purpose

~~It is of primary importance for all Minnesotans to have access to our system of justice. The Minnesota Legislature has recognized this necessity by appropriating funds for legal services for persons unable to afford private counsel and to fund programs which organize members of the private bar to perform services for qualified alternative dispute resolution programs. The Minnesota Supreme Court has also designated funds to support access to justice. The distribution of funds for such legal services, alternative dispute resolution, and other programs as directed by the Court shall be accomplished in accordance with these rules.~~

Rule 2. Legal Services Advisory Committee

~~A. Composition.~~

~~The Legal Services Advisory Committee shall consist of:~~

~~1. A chair and ten additional committee members.~~

~~a. The chair appointed by the Court for such time as it designates and serving at the pleasure of this Court but not more than six years as chair; and~~

~~b. Ten members appointed by the Court for three year terms or until their successors are appointed, except that shorter terms shall be used where necessary to assure that as nearly as may be possible one third of all terms expire each June 30th. No persons may serve more than two three year terms in addition to any additional shorter terms to which they were originally appointed to fill a vacancy and any period served as chair.~~

~~2. The members specified in subdivision 1a. and 1.b. shall be constituted as follows: seven attorneys at law who are well acquainted with the provision of legal services in civil matters, four of whom shall be nominated by the state bar association in a manner determined by it; two public members who are not attorneys and two persons who could qualify as eligible clients (“client eligible members”). In making the appointments of the~~

~~attorney-at-law members the Court shall not be bound by the nominations prescribed above.~~

~~B. Vacancy.~~

~~In the event of a vacancy, the Court shall fill the vacancy from same constituency represented by the member being replaced. Any member who misses three consecutive regularly scheduled meetings will be deemed to have resigned from the committee and the Court will appoint a new member to fill the vacancy and complete the term.~~

~~C. Members Expenses.~~

~~1. The members shall be paid reimbursed their reasonable and necessary expenses incurred in the performance of their duties when requested.~~

~~2. Client eligible members shall receive additional per diem compensation when requested, pursuant to operational guidelines published by the Legal Services Advisory Committee, which are subject to review by the Court.~~

~~D. Duties.~~

~~The committee shall have general supervisory authority over the administration of these rules, shall advise the Court on the distribution of funds to qualified legal services programs, or alternative dispute resolution programs, and other programs as directed by the Court after a review of applications which meet the eligibility criteria established by the committee and perform such other duties as the Court may direct. The committee may elect a vice chairman and specify the duties of the position. The committee may also elect an executive committee and authorize it to perform specified duties of the Legal Services Advisory Committee between meetings.~~

~~E. Staff.~~

~~The State Court Administrator or his designee(s) shall serve as staff to the Legal Services Advisory Committee. When authorized by the Court, the State Court Administrator may employ such additional personnel as necessary with funds appropriated for this purpose to administer these rules.~~

~~F. Guidelines.~~

~~The committee may adopt operational guidelines not inconsistent with these rules.~~

ATTACHMENT B

AMENDMENTS TO THE MINNESOTA RULES OF PROFESSIONAL CONDUCT

[Note: In the following amendments, deletions are indicated by a line drawn through the words and additions are indicated by a line drawn under the words.]

Minnesota Rules of Professional Conduct

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Rule 1.15 Safekeeping Property

* * *

(o) Definitions. “Trust account” is an account denominated as such in which a lawyer or law firm holds funds on behalf of a client or third person(s) and is: (1) an interest-bearing checking account; (2) a money market account with or tied to check-writing; (3) a sweep account, which is a money market fund or daily overnight financial institution repurchase agreement invested solely in or fully collateralized by U.S. Government Securities; or (4) an open-end money market fund solely invested in or fully collateralized by U.S. Government Securities. An open-end money market fund must hold itself out as a money market fund as defined by applicable federal statutes and regulations under the Investment Act of 1940, and, at the time of the investment, have total assets of at least \$250,000,000. “U.S. Government Securities” refers to U.S. Treasury obligations and obligations issued or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. A daily overnight financial institution repurchase agreement may be established only with an institution that is deemed to be “well capitalized” or “adequately capitalized” as defined by applicable federal statutes and regulations.

“IOLTA account” is a pooled trust account in an eligible financial institution that has agreed to:

(1) remit the earnings accruing on this account, net of any allowable reasonable fees, monthly to the IOLTA program as established by order of the Minnesota Supreme Court, which is administered by the State Board of Civil Legal Aid;

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ATTACHMENT C

AMENDMENTS TO THE RULES OF THE SUPREME COURT ON LAWYER REGISTRATION

[Note: In the following amendments, deletions are indicated by a line drawn through the words and additions are indicated by a line drawn under the words.]

Rules of the Supreme Court on Lawyer Registration

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Rule 23. Access to Lawyer Registration Records

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D. Lists Available to Continuing Legal Education Providers~~and the Courts, and the State Board of Civil Legal Aid.~~ Upon written request and payment of \$200, the Lawyer Registration Office will issue to any bona fide continuing legal education provider a complete list of the names, postal addresses, admission dates, continuing legal education categories, current statuses, and license numbers of all lawyers and judges. The Lawyer Registration Office may ~~also~~ disclose the same information to courts and judicial districts to provide postal addresses of lawyers and judges for a judicial evaluation program. Upon written request, the Lawyer Registration Office is authorized to provide the names and postal addresses of lawyers and judges to Minnesota Judicial Branch access to justice initiatives and to the State Board of Civil Legal Aid for pro bono promotional purposes.

E. Client Trust Account Information. The Lawyer Registration Office must not disclose to the public any client trust account information submitted by lawyers and judges as part of the lawyer registration process. The trust account information may be shared with the Office of Lawyers Professional Responsibility for the purpose of monitoring trust accounts and with the State Board of Civil Legal Aid for the purpose of administering the Minnesota IOLTA program.

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ATTACHMENT D

AMENDMENTS TO THE RULES OF THE BOARD OF CONTINUING LEGAL EDUCATION

[Note: In the following amendments, deletions are indicated by a line drawn through the words and additions are indicated by a line drawn under the words.]

Rules of the Board of Continuing Legal Education

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Rule 2. Definitions

In these Rules,

* * *

B. “Approved legal services provider” means a legal services organization that meets at least one of the following criteria:

(1) Funded by the Legal Services Corporation, or the Minnesota ~~Legal Services Advisory Committee~~ State Board of Civil Legal Aid; or

(2) Designated by the ~~Minnesota Legal Services Advisory Committee~~ State Board of Civil Legal Aid as an approved legal service provider. Eligibility for designation is limited to:

(a) Programs providing pro bono legal representation within 501(c)(3) nonprofit organizations that have as their primary purpose the furnishing of legal services to individuals with limited means.

(b) Law firms, law libraries, or bar associations that conduct programs that have as their primary purpose the furnishing of legal services to individuals with limited means and are under the supervision of a pro bono coordinator or designated lawyer.

(c) Law firms that provide pro bono legal services on behalf of a Minnesota Judicial Branch program, including but not limited to, the Guardian ad Litem Program.

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ATTACHMENT E

AMENDMENTS TO THE MINNESOTA RULES OF CIVIL PROCEDURE

[Note: In the following amendments, deletions are indicated by a line drawn through the words and additions are indicated by a line drawn under the words.]

Minnesota Rules of Civil Procedure

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23.05 Settlement, Voluntary Dismissal, or Compromise

* * *

(e) Distribution of Residual Funds, If Any.

In the event there are residual funds that remain after payment of all approved class member claims (including any supplemental distributions to the class), expenses, litigation costs, attorney's fees, and other court-approved disbursements, the court shall direct notice regarding the distribution of these funds and establish a deadline by which potential recipients must submit a statement asserting a basis to designate the organization as a recipient of the residual funds. This notice shall be provided as directed by the court to any potential recipient of residual funds identified by the parties or the court and to the ~~Legal Services Advisory Committee~~ State Board of Civil Legal Aid for the purpose of informing qualified legal services programs within the meaning of Minnesota Statutes, section 480.24, subdivision 3. The notice must include the deadline established by the court for submission of statements by potential recipients. Notice given to the ~~Legal Services Advisory Committee~~ State Board of Civil Legal Aid shall be made using the form and delivery method required by State Court Administration.

In approving the distribution or other disposition of residual funds, the district court shall consider all relevant factors, including the recommendations of the parties, the nexus between the nature, purpose, and objectives of the class action and the interests of the class members, and the interests of potential recipients of the residual funds.