

2015 -- H 5630

=====  
LC001715  
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

---

A N A C T

RELATING TO CRIMINAL OFFENSES -- LAW PRACTICE

Introduced By: Representatives Lally, Keable, and Shekarchi

Date Introduced: February 25, 2015

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 11-27-2 of the General Laws in Chapter 11-27 entitled "Law  
2 Practice" is hereby amended to read as follows:

3 **11-27-2. "Practice of law" defined.** -- "Practice law" as used in this chapter means the  
4 doing of any act for another person usually done by attorneys at law in the course of their  
5 profession, and, without limiting the generality of the definitions in this section, includes the  
6 following:

7 (1) The appearance or acting as the attorney, solicitor, or representative of another  
8 person before any court, referee, master, auditor, division, department, commission, board,  
9 judicial person, or body authorized or constituted by law to determine any question of law or fact  
10 or to exercise any judicial power, or the preparation of pleadings or other legal papers incident to  
11 any action or other proceeding of any kind before or to be brought before the court or other body;

12 (2) The giving or tendering to another person for a consideration, direct or indirect, of  
13 any advice or counsel pertaining to a law question or a court action or judicial proceeding brought  
14 or to be brought;

15 (3) The undertaking or acting as a representative or on behalf of another person to  
16 commence, settle, compromise, adjust, or dispose of any civil or criminal case or cause of action;

17 (4) The preparation or drafting for another person of a will, codicil, corporation  
18 organization, amendment, or qualification papers, or any instrument which requires legal  
19 knowledge and capacity and is usually prepared by attorneys at law.

1           (5) The evaluation of legal rights and obligations of buyers, sellers, lenders or borrowers  
2 in a real estate transaction, including, but not limited to, representation of the buyer in examining  
3 the title and removing exceptions to the title, supervising the disbursement of funds which are not  
4 regulated by chapter 20.5 of title 5 and responding to questions and ramifications of a transaction  
5 by which title to real estate is transferred or used as security for the repayment of a debt or the  
6 performance of an obligation with the exception of home equity lines of credit, or title I loans in  
7 which the lender is acting a pro se capacity and no evaluation of exceptions to title is required;  
8 provided however, that a holder of a license pursuant to chapter 20.5 of title 5 shall not be  
9 precluded from responding to questions and explaining ramifications arising out of an offer to  
10 purchase, or a purchase and sales agreement with any addenda thereto, and real estate disclosures.

11           (6) The practice of law is regulated by the state of Rhode Island and the Rhode Island  
12 supreme court in conjunction with the Rhode Island bar association and all attorneys so licensed  
13 shall remain a member in good standing in order to be engaged in the "practice of law" as defined  
14 herein, provided that no city or town may promulgate rules or regulations governing the practice  
15 of law nor shall any city or town require a separate license to practice law within the boundaries  
16 of any municipality nor pass any law, ordinance or resolution requiring the licensure or  
17 registration of any attorney or law office.

18           SECTION 2. Section 11-27-16 of the General Laws in Chapter 11-27 entitled "Law  
19 Practice" is hereby amended to read as follows:

20           **11-27-16. Practices permitted to corporations and associations.** -- (a) Nothing in §§  
21 11-27-2 -- 11-27-11 or §§ 11-27-16 -- 11-27-18 shall be construed to limit or prevent:

22           (1) Any corporation, or its officers or agents, lawfully engaged in the insuring of titles to  
23 real property from conducting its business, and the drawing of deeds, mortgages, and other legal  
24 instruments in or in connection with the conduct of the business of the corporation;

25           (2) Any public utility corporation or insurance company, or its officers or agents, from  
26 adjusting claims against the corporation or company or those insured by the company with the  
27 restrictions provided in § 11-27-9, or the company, or its officers or agents, from advertising to  
28 furnish or from furnishing any attorney at law to represent those insured by the company as  
29 provided in its policies;

30           (3) Any corporation or association, or its officers or agents, from drawing, in the regular  
31 course of its business, any note, bill, draft, bill of sale, conditional bill of sale, or any ordinary  
32 business agreement to which it is a party;

33           (4) Any corporate administrator, executor, guardian, trustee, or other fiduciary, or its  
34 officers or agents, from preparing and filing inventories and accounts and income, inheritance,

1 and estate tax returns, and from attending to the allowance of uncontested accounts in relation to  
2 the fiduciary estates;

3 (5) Any nonprofit sharing credit corporation or association, or its officers or agents,  
4 licensed under former Chapter 1782 of the Public Laws, 1931, from collecting or adjusting, as  
5 incidental to its main purposes, contract claims of its own members. However, if the aid of any  
6 court is to be invoked on a claim, it shall be turned back to the creditor member for reference to  
7 his or her own attorney at law;

8 (6) Any nonprofit sharing automobile service corporation or association, or its officers or  
9 agents, from furnishing the services of an attorney at law, who resides and practices exclusively  
10 in another state or country, to its members who reside in this state;

11 (7) Any person or corporation, or its officers or clerks, whose principal source of income  
12 is his or its commissions or profits from his, her, or its selling or leasing real estate, or both, and  
13 who regularly maintains an office for that purpose, from drafting deeds, mortgages, leases, and  
14 agreements in connection with sales or leases made or negotiated by him, her, or it; provided, that  
15 in every such case the drafter shall so endorse his or her full name and business address upon the  
16 face of the instrument that the endorsement will be recorded if the instrument is recorded;

17 (8) Any automobile club or association from paying or agreeing to pay for the services of  
18 an attorney to advise and defend its members, providing the attorney is of the member's own  
19 selection and is not subject to the control of the club or association; or

20 (9) Any nonprofit credit counseling corporation or association, or its officers or agents,  
21 from providing financial and budgetary advice and judgment to individuals in connection with:

22 (i) The creation of a budgetary plan;

23 (ii) The creation of a plan whereby an individual turns over an agreed amount of his or  
24 her income to a nonprofit credit counseling corporation which distributes it to his or her creditors  
25 in accordance with a plan which they have approved and which may provide for smaller  
26 payments or a longer term than the original contract;

27 (iii) The providing of educational services relating to the use of credit; or

28 (iv) Any combination of paragraphs (i) through (iii) of this subdivision.

29 (b) No corporation established for the purpose of providing credit counseling shall  
30 engage in the practice of law, and an individual receiving credit counseling shall, when necessary,  
31 be referred to an attorney of his or her own choice, the local bar association referral service, or a  
32 local legal aid program, whichever may seem most appropriate.

33 (10) Any domestically chartered title insurance company or any corporation, its officers  
34 or agents, the stock of which is owned exclusively by attorneys licensed to practice law by and in

1 [the state of Rhode Island, lawfully engaged in performing real estate closings, from conducting its](#)  
2 [business; provided, however, that any such officer or agent to the extent not an attorney, shall act](#)  
3 [under the direct supervision of an attorney duly licensed by this state.](#)

4 SECTION 3. This act shall take effect upon passage.

=====  
LC001715  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO CRIMINAL OFFENSES -- LAW PRACTICE

\*\*\*

1           This act would expand the definition of the practice of law to include activities relating to  
2 conducting real estate closings and the rendering of advice in connection with those activities. It  
3 would provide certain exceptions to those licensed real estate brokers. It would also prohibit  
4 municipalities from imposing licensing requirements on attorneys licensed in the state of Rhode  
5 Island.

6           This act would take effect upon passage.

=====  
LC001715  
=====