
Legal Services Funds for the Poor Protected in Texas

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Hale and Dorr LLP recently served as co-counsel on a successful *pro bono* defense of a program which provides substantial funding for legal services programs for the indigent in Texas.

On January 28, 2000, a federal court in Texas upheld the constitutionality of the Texas Interest on Lawyers' Trust Account (IOLTA) program. All 50 states have IOLTA programs in place, which combine client trust funds which are too small or short term to generate interest on their own, and use the interest on the combined funds to provide legal aid to the poor. The federal court ruled that Texas is not unconstitutionally taking property because the client trust funds in question could not generate interest on their own.

The State of Texas generates approximately \$5,000,000 in IOLTA interest each year, and nationally IOLTA accounts generate over \$144,000,000 each year - money currently used for legal aid and which places no burden on taxpayers. Without these funds, legal aid to the poor would be severely compromised, as IOLTA funds are commonly used to provide attorneys in cases of domestic violence, elder abuse, evictions, and access to government benefits. The need for legal services for the poor is substantial, and the Texas lawsuit threatened the use of IOLTA funds for those in desperate need of

legal aid. Hale and Dorr had successfully defended the IOLTA program in Massachusetts, which resulted in the Firm being asked to work on a similar defense in Texas.

Partner Richard A. Johnston, assisted by Associate Francine Rosenzweig, served as co-counsel with the Texas firm of Hughes & Luce, LLP on the case.