

WASHINGTON STATE BAR ASSOCIATION

To: The President, President-elect, and The Board of Governors

From: Terra Nevitt, Executive Director
Tiffany Lynch, Director of Finance
Laurie Powers, General Counsel

Date: August 18, 2026

Re: 2027 License Fee *Keller* Deduction

ACTION: Approve 2027 *Keller* deduction schedule.

Each year, the annual license fee form provides an “optional *Keller* deduction” approved by the Board of Governors¹. This is in response to the U. S. Supreme Court 1990 decision in *Keller v. State Bar of California*² holding that state bar mandatory fees may not be used over a member’s objection for activities that are *not reasonably related to (1) regulating the practice of law, or (2) improving the quality of legal services*. In *Eugster v. WSBA*³, the court stated that “the WSBA provides robust procedural safeguards to ensure compliance with *Keller*.” Recent court decisions affirm that *Keller* has not been overruled. In addition to *Keller*’s Constitutional limitations, General Rules 12-12.3 set out the Washington Supreme Court’s plenary authority over the WSBA, its regulatory objectives for regulating the practice of law, and the WSBA’s purposes, authorized, and prohibited activities.

Article XV of the WSBA Bylaws explains the *Keller* deduction approach, notice, and arbitration provisions. The Bylaws state that “[w]hen calculating the *Keller* deduction, the Bar shall use a conservative test for determining whether an individual activity is chargeable or nonchargeable. When in doubt, the Bar will err in favor of the membership by considering activities to be nonchargeable even when a reasonable argument could be made that such activities were chargeable.” This year’s calculation reflects this conservative approach and includes activities that could reasonably be considered chargeable.

OVERVIEW OF OPTIONAL KELLER DEDUCTION CALCULATION

The optional *Keller* deduction amount for 2027 is the sum of the following two numbers:

¹ Over 15,000 people took the *Keller* deduction in 2026.

² *Keller v. State Bar of California*, 496 U.S. 1 (1990).

³ *Eugster v. WSBA*, No. C15-0375JLR 2015 WL 5175722 (W.D. Wash Sept. 3, 2015), *aff’d*, 684 F. App’x 618 (9th Cir. 2017).

- (1) The actual costs of non-chargeable legislative activities in the current fiscal year; and
- (2) The cost of other potentially non-chargeable activities based on a detailed review of the current fiscal year, including staff salary, benefits, and overhead (including meeting time and conference call costs). We used the time period July 1, 2025—June 30, 2026 to gather 12 months of financial information.

LEGISLATIVE EXPENSE CALCULATION

We start by determining each license fee paying member's share of the entire legislative function budget. For FY 2027, the budgeted amount is \$308,518. We divide this amount by the expected number of license fee paying members for 2027 to calculate the per member amount.

$$\$308,518 \div 43,640 = \$7.10$$

We then review a detailed list of the WSBA legislative staff's activity for the past year (2025-2026) to determine the proportion of the legislative budget spent on "non-chargeable" activities. We apply this percentage to the FY 2027 legislative budget. The attachment includes a detailed listing of the legislative staff's activities for the period. This calculation also includes expenses related to legislative staff time spent during and preparing for BOG, BOG Legislative Committee, and BOG Legislative Review Committee meetings.

For 2027, the non-chargeable percentage applied was 0.79%. The per member legislative expense of \$7.10 is multiplied by the percentage of non-chargeable activities (0.79%) to arrive at a per member cost of \$0.055.

$$(\$308,518 \div 43,640) \times 0.0079 = \$0.055$$

OTHER NON-CHARGEABLE EXPENSES/GENERAL STAFF TIME

We reviewed all other WSBA activities to identify other potentially non-chargeable activities. WSBA employees review meeting agendas and minutes and provide details of staff time and meeting expenses for activities that might be non-chargeable. We reviewed all activities, including CLE programming, Bar News and publications, BOG meetings, diversity, and access to justice activities. We followed the same conservative approach and included germane activities in this calculation where it is unclear from recent court decisions whether the activity would be considered germane. In this category, we included some Access to Justice Board and Washington New Members activities. The detailed information is attached.

We calculated the amount of the deduction as follows:

- (1) Determine the activities to include in the deduction;
- (2) Determine the percentage of time spent on non-chargeable activities;
- (3) Apply this percentage to the FY 2027 budgeted amount for these activities

The total amount spent for staff time, overhead, and costs for this category is \$50,334.46.

$$\$50,334.46 \div 43,640 = \$1.15$$

KELLER DEDUCTION CALCULATION AND ROUNDING UP

The *Keller* deduction is the sum of the amounts in #1 and #2 above.

$$\$0.055 + \$1.15 = \$1.21$$

We recommend rounding up for simplicity and ease in calculations. Therefore, we recommend that the Keller deduction for 2027 be set at **\$1.25**

The comparison to previous years is shown in this table:

YEAR	DEDUCTION
2027	\$1.25
2026	\$8.65
2025	\$7.70
2024	\$8.00
2023	\$6.90
2022	\$9.02
2021	\$3.85
2020	\$1.55
2019	\$1.25
2018	\$2.50
2017	\$3.50
2016	\$6.40
2015	\$4.40
2014	\$4.70
2013	\$6.40
2012	\$6.00

Based on these calculations, we recommend the following Keller deduction schedule for 2027 pro-rated by the amount of license fee paid by various categories of WSBA membership:

	License Fee	Keller Deduction
Active Lawyer Admitted to any Bar before 2025	\$475.00	\$1.25
Active Lawyer Admitted to any Bar in 2025 or 2026	\$237.50	\$0.63
Inactive/Pro Bono Lawyer	\$200.00	\$0.53
New Active Lawyer-admitted same year of exam (Jan 1-June 30)	\$237.50	\$0.63
New Active Lawyer-admitted same year of exam (July 1-Dec 31)	\$118.75	\$0.31
Active Limited License Legal Technician Admitted before 2025	\$229.00	\$0.60
Active LLLT Admitted in 2025 or 2026	\$114.50	\$0.30
New Active LLLT – admitted same year of exam Jan 1-Jun 30	\$114.50	\$0.30
New Active LLLT – admitted same year of exam Jul 1-Dec 31	\$57.25	\$0.15
Active LPO Admitted before 2025	\$200.00	\$0.53
Active LPO Admitted in 2025 or 2026	\$100.00	\$0.26
New Active LPO – admitted same year of exam Jan 1-Jun 30	\$100.00	\$0.26
New Active LPO – admitted same year of exam Jul 1-Dec 31	\$50.00	\$0.13
Inactive LLLT/LPO	\$100.00	\$0.26
Judicial	\$50.00	\$0.13

2027 KELLER CALCULATION DATALEGISLATIVE

BILL # OR TOPIC	NON-CHARGEABLE ACTIVITY	EMPLOYEE HOURS
Uniform Consumer Debt Default Judgments Act	8/12/25 meeting with Sen. Pedersen and Creditor/Debtor Section representative and external stakeholders to discuss proposed uniform act	1
FLEC legislative priorities	9/8/25 call with FLEC representative to discuss Family Law Section legislative priorities	0.5
Uniform Consumer Debt Default Judgments Act	9/16/25 follow up meeting with Sen. Pedersen and Creditor/Debtor Section representative and external stakeholders to discuss proposed uniform act	1
Probate reform	9/25/25 meeting with Probate & Trust Council representatives and Attorney General's Office re: proposed probate reform legislation	1
Business Law Section legislative proposal	10/15/25 meeting with Department of Licensing re: Business Law Section's legislative proposal	0.5
Uniform Consumer Debt Default Judgments Act	10/22/25 follow up meeting with Sen. Pedersen and Creditor/Debtor Section representative and external stakeholders to discuss proposed uniform act	1
Uniform Consumer Debt Default Judgments Act	11/18/25 follow up meeting with Sen. Pedersen and Creditor/Debtor Section representative and external stakeholders to discuss proposed uniform act	1
Early mediation legislation	11/20/25 discussion with Rep. Goodman and the Dispute Resolution Section legislative subcommittee re: early mediation and other dispute resolution legislation in the 2026 session	0.5
Charitable organizations legislation	1/15/26 meeting with Sen. Riccelli and Probate & Trust Council members re: legislation concerning transfer of property to charitable organizations	0.5
Probate reform	1/16/26 meeting with Rep. Richards and Probate & Trust Council re: HB 2445 (probate for profit legislation)	0.5
Charitable organizations legislation	1/26/26 meeting with Rep. Taylor re: HB 2500 (concerning transfer of property to charitable organizations)	0.5

LLC statutes	5/19/26 meeting with Sen. Pedersen and members of the Business Law Section's Partnership & LLC Law Committee re: 2027 legislative project to modernize LLC statutes	1
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ACCESS TO JUSTICE BOARD

TOPIC	NON-CHARGEABLE ACTIVITY	EMPLOYEE HOURS
9/18/2025	ATJ Conference in Yakima and online	80
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2/27/2026	The ATJ Board submitted a letter in support of HB 2632, updating outdated terminology in Washington State statutes and directing state and local entities to replace references to the term "alien" with "noncitizen" or other context-appropriate language, except where federal law requires otherwise.	1.5
1/16/2026	Took action to support Modernizing Washington Law: Replacing "Alien" with "Noncitizen" Proposal for the 2026 Legislative Session	1.5
7/1/2025	ATJ Conference Planning Committee Meeting	4
8/5/2025	ATJ Conference Planning Committee Meeting	4
9/2/2025	ATJ Conference Planning Committee Meeting	4
10/7/2025	ATJ Conference Planning Committee Meeting	4
7/16/2025	ATJ Conference Planning Committee Internal Meeting	1
7/16/2025	ATJ Conference Planning Committee Met with CLE staff to discuss reporting for the conference	1
7/29/2025	ATJ Conference Planning Committee Scheduling Community Justice Workers Plenary at ATJ Conference meeting	3
8/13/2025	ATJ Conference Planning Committee Logistics meeting with vendor	1
8/18/2025	ATJ Conference Planning Committee Staff/Co-chair planning meeting	1
8/18/2025	ATJ Conference Planning Committee Logistics meeting with vendor	1
9/3/2025	ATJ Conference Planning Committee Event preparation	8
9/9/2025	ATJ Conference Planning Committee Logistics meeting with vendor	1
9/17/2025	ATJ Conference Planning Committee Day 1	42
9/18/2025	ATJ Conference Planning Committee Day 2	80
9/19/2025	ATJ Conference Planning Committee Day 3	80