



SENATE BILL 572: S Corp Pro Se Representation in Court.

2019-2020 General Assembly

Committee:	House Judiciary. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	June 19, 2019
Introduced by:	Sen. Perry	Prepared by:	Brad Krehely
Analysis of:	PCS to Second Edition S572-CSRN-45		Committee Co-Counsel

OVERVIEW: *Senate Bill 572 would allow an S Corporation to represent itself in court in this State in civil actions where the amount in controversy is \$25,000 or less under certain circumstances.*

CURRENT LAW: Currently, it is unlawful for any corporation to practice law or appear as an attorney for any person in any court, before any judicial body or the North Carolina Industrial Commission, Utilities Commission, or the Department of Commerce, or the Division of Employment Security.

BILL ANALYSIS: Senate Bill 572 would create an exception to this representation rule for S Corporations, as defined in G.S. 105-131, which would allow an S Corporation to represent themselves using a nonattorney representative who is an owner of the business entity, if the owner's interest is at least 25% and the owner files an affidavit with the court. The affidavit would be required to provide that the owner's interest in the business entity is at least 25% and one of the following:

- The owner controls the majority of shares of the business entity.
- The owner has been given the right to represent the interests of the business entity by a vote of the shareholders holding a majority of shares of the business entity.

These provisions would apply only to the trial of civil actions in which the amount in controversy is \$25,000 or less.

EFFECTIVE DATE: The bill would be effective when it becomes law.

*Amy Darden, Staff Attorney for the Legislative Analysis Division contributed substantially to this summary.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578