
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2039 (Zbur) - Attorneys

Version: June 25, 2026

Urgency: No

Hearing Date: August 13, 2026

Policy Vote: JUD. 13 - 0

Mandate: No

Consultant: Bob Franzosa

Bill Summary: AB 2039 would increase ethical standards for attorneys to prevent unlawful loans to clients, further deter “capping,” and ensure that specified retaliation provisions of the Labor Code apply to law firms.

***** ANALYSIS ADDENDUM – SUSPENSE FILE *****

The following information is revised to reflect amendments
adopted by the committee on August 13, 2026

Fiscal Impact: Potentially significant costs to the courts to adjudicate new penalties depending on many unknowns, including the numbers of attorneys engaged in fraudulent activities and the factors unique to each case. An eight-hour court day costs approximately \$10,500 based on the hourly rate of court personnel including at minimum the judge, clerk, bailiff, court reporter, jury administrator, administrative staff, and jury per-diems. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would increase pressure to fund additional staff and resources. The FY 2026-27 Budget appropriated \$70 million General Fund for this purpose (Trial Court Trust Fund, General Fund).

Minor costs to the Department of Justice (DOJ) for enforcement of the \$25,000 per-violation civil penalty against attorneys engaged in capping. The AG is authorized but not required to bring these actions. To the extent DOJ pursues enforcement, costs would be partially offset by penalty recoveries and attorney’s fees awards.

Likely minor costs to the State Bar of California for processing and administering confidential or anonymous reporting mechanisms for attorney misconduct. (Special fund)

Author Amendments:

- Make technical clarifying changes.
- Delete references to Section 1102.5 of the Labor Code as it relates to retaliation that would deter a person from reporting misconduct.

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