

Date of Hearing: April 14, 2026

ASSEMBLY COMMITTEE ON JUDICIARY

Ash Kalra, Chair

AB 2784 (Committee on Judiciary) – As Amended April 8, 2026

As Proposed to be Amended

SUBJECT: STATE BAR OF CALIFORNIA

KEY ISSUE: SHOULD THE LEGISLATURE AUTHORIZE THE STATE BAR OF CALIFORNIA TO COLLECT THE 2027 LICENSING FEES FROM ATTORNEYS IN THE STATE AT THE SAME AMOUNT AUTHORIZED FOR THE 2026 LICENSING FEE?

SYNOPSIS

This measure is the annual bill that reauthorizes the fees imposed on attorneys licensed in California and serves as a tool for implementing policy reforms governing the State Bar of California. This year's fee bill sets the 2027 attorney licensing fee at the same rate as was authorized for 2026. Given that the annual licensing fee remains unchanged for 2027, the primary focus on this bill is on policy reforms to the State Bar and associated stakeholders in the legal industry.

First, recognizing that it is has been nearly a decade since the California Lawyers Association (CLA) was created to house the "sections" of the State Bar following the deunification of the State Bar in 2017, this bill ends the practice of the State Bar collecting CLA's membership and makes several other reforms to stand up CLA as a trade association wholly separate from its regulator. The bill also includes several modest reforms to the Bar's discipline system and clarifies what entities may refer to themselves as a "law school." As a result of recent contractual agreements, the bill also modifies the formula for allocating revenues from the state's "affinity fund" program. The bill also makes various minor technical reforms to the State Bar Act.

As proposed to be amended this bill has no known support or opposition as the proposed amendments address concerns raised by a county district attorney to one provision of the bill in print.

SUMMARY: Authorizes the State Bar of California to collect licensing fees from attorneys licensed in this state for the 2027 billing cycle. Specifically, **this bill:**

- 1) Authorizes the State Bar to collect up to \$400 in annual licensing fees from active members for a total annual fee of up to \$553 for the year 2027, as specified.
- 2) Authorizes the State Bar to collect up to \$100 in annual membership fees from inactive members for a total annual fee of up to \$161 for the year 2027, as specified.
- 3) Requires the notice transmitted to attorneys facing discipline before the State Bar Court to inform the licensee at or near the beginning of the notice, in clear, easily understandable language in at least 12-point font and in capital letters, that the failure to file a timely answer or failure to appear at trial will result in all of the following:

- a) The State Bar Court will enter the licensee in default;
 - b) The licensee's status will be changed to inactive;
 - c) The licensee will be prohibited from practicing law;
 - d) The licensee will be prohibited from participating further in the proceeding unless the default is set aside; and
 - e) The State Bar Court will enter an order recommending disbarment and may recommend the imposition of sanctions.
- 4) Repeals provisions of existing law requiring the State Bar to assist the California Lawyers Association by collecting membership dues.
 - 5) Prohibits a person or entity from referring to itself as a law school, or any similar name, in any firm name, trade name, fictitious business name, or on any advertisement, letterhead, business card, or sign, unless the person or entity does both of the following:
 - a) Awards the juris doctorate professional degree in California; and
 - b) Is either approved by the American Bar Association, accredited by the Committee of Bar Examiners, or registered with the Committee of Bar Examiners.
 - 6) Repeals provisions requiring the State Bar to assist in establishing the California Lawyers Association and gain the Association appointment to the American Bar Association's House of Delegates.
 - 7) Permits the State Bar to assist a voluntary association of attorneys in gaining appointment to the American Bar Association House of Delegates, consistent with the conduct of the former Sections of the State Bar and subject to the consent of the American Bar Association.
 - 8) Permits the State Bar to enter into a memorandum of understanding with a voluntary association of attorneys to provide any of the following:
 - a) Low- and no-cost mandatory continuing legal education;
 - b) Expertise and information to the State Bar, as requested; and
 - c) Educational programs and materials to the licensees of the State Bar and the public.
 - 9) Repeals the express authority for the California Lawyers Association to develop low-cost programs and materials for licensees of the State Bar to satisfy their continuing education requirements.
 - 10) Provides that a failure to pay the Client Security Fund as part of the license fee is a basis for suspension from the practice of law and payment to the Client Security Fund is to be a condition of transfer of a licensee's status to active status from a suspension, involuntary inactive enrollment, or voluntary inactive status.

- 11) Revises and recasts the formula for distributing revenues from CalBar Connect to provide that two-thirds of the funds go to California Change Lawyers and that one third is to be distributed to qualified legal services projects and support centers, as specified.
- 12) Repeals the provision of existing law requiring the State Bar to provide a physical certificate to attorneys evidencing the payment of the fees specified in 1) and 2).

EXISTING LAW:

- 1) Requires all attorneys who practice law in California to be licensees of the State Bar and establishes the State Bar for the purpose of regulating the legal profession. Pursuant to the State Bar Act, requires the annual mandatory membership fee set by the Board to pay for discipline and other functions to be ratified by the Legislature. (Business and Professions Code Section 6000 *et seq.*)
- 2) Authorizes the State Bar to collect up to \$400 in annual licensing fees from active members for a total annual fee bill of up to \$553 for the year 2026, and an additional \$153 authorization to assess annually the following fees: \$40 for the Client Security Fund; \$25 for the disciplinary system; \$10 for the Lawyer Assistance Program; \$15 for lease costs of the San Francisco office of the State Bar; \$52 for State Bar employee salaries and \$5.50 for administering compliance reviews of client trust accounts; and \$5.50 for the disciplinary diversion program. (Business and Professions Code Sections 6140, 6140.55, 6140.6, 6140.9, 6140.10, 6140.11, 6140.14.)
- 3) Authorizes the State Bar to collect up to \$100 in annual membership fees from inactive members for a total annual dues bill of up to \$161 for the year 2026, and an additional \$61 authorization to assess annually the following fees: \$10 for the Client Security Fund; \$25 for the disciplinary system; \$5 for the Lawyer Assistance Program; \$3.50 for lease costs of the San Francisco office of the State Bar; \$14 for State Bar employee salaries; \$1.25 for administering compliance reviews of client trust accounts; and \$1.25 for the disciplinary diversion program. (Business and Professions Code Sections 6141, 6140.55, 6140.6, 6140.9, 6140.10, 6140.11, 6140.149.)
- 4) Authorizes the State Bar to provide the California Lawyers Association with administrative and support services, including the collection of the California Lawyers Association's membership dues in conjunction with the collection of the annual licensing fees specified in 2) and 3). (Business and Professions Code Section 6031.5.)
- 5) Requires the State Bar to administer a Client Security Fund to relieve or mitigate pecuniary losses caused by the dishonest conduct of licensees of the State Bar, foreign legal consultants registered with the State Bar, and attorneys registered with the State Bar under the Multijurisdictional Practice Program, arising from or connected with the practice of law. (Business and Professions Code Section 6140.5.)
- 6) Specifies the manner in which funds for affinity programs are to be allocated to the California Lawyers Association and California Change Lawyers to provide for low cost legal services. (Business and Professions Code Section 6141.3.)

- 7) Requires the State Bar to transmit to the Legislature an annual report detailing the number of complaints regarding access issues related to the biannual state bar exam. (Business and Professions Code Section 6060.10.)

FISCAL EFFECT: As currently in print this bill is keyed non-fiscal.

COMMENTS: Attorneys who wish to practice law in California generally must be admitted and licensed in this state by the State Bar. (Cal. Const., Art. VI, Sec. 9.) The State Bar of California is the largest state bar in the country, with nearly 200,000 active attorneys practicing law in the state. This bill is the annual measure to reauthorize the State Bar to collect the licensing fees from attorneys in the state and to implement policy changes to the statutes governing the practice of law in California. In support of the bill, the Committee notes:

AB 2784 is the annual vehicle to set the licensing fees for attorneys and make policy changes to the State Bar. This year's measure critically holds the licensing fee flat and does not raise fees on attorneys. The bill also formally ends the somewhat awkward legal relationship between the State Bar and the California Lawyers Association where the State Bar was collecting the membership dues of a trade group consisting of the State Bar's regulated community. Recognizing that no other legal trade organization is recognized in statute, the bill removes statutory references to the California Lawyers Association.

This bill holds the annual licensing fees for attorneys flat. Facing rising information technology costs, employee salaries and benefits, and mortgage and lease payments, in 2024, the State Bar requested a \$125 fee increase for all active attorneys. After review by the Legislature, an \$88 fee increase was approved. Unlike prior increases approved by the Legislature, this fee increase was separated into several specific statutory grants of authority and then purposefully directed to a specific use, for example paying for information technology upgrades. The 2024 fee bill, AB 3279 (Committee on Judiciary) Chap. 227, Stats. 2024, was designed to ensure that the State Bar could not redirect funds away from the purpose for which they were requested.

To date, it appears that the State Bar has followed through on its commitments to use the new revenues prudently and efficiently. The State Bar's website has been updated and made more user friendly. Additionally, the State Bar's new client trust account monitoring program is being stood up and the State Bar remains in communications with the state's banking industry to implement this vital consumer protection program. Similarly, the State Bar's efforts to develop a diversion program for low-level disciplinary matters appear to be generating efficiencies for the Office of Chief Trial Counsel while not undermining public protection. In order to ensure that the State Bar achieved the policy and programmatic goals the Legislature established in AB 3279, the authority to collect fees for specific purposes is slated to sunset in 2029. While it appears that the State Bar will be able to demonstrate the programmatic success necessary for the Legislature to remove those sunsets, there is no pressing need to eliminate the 2029 sunset date at this time. Accordingly, the Committee will continue to monitor the programs funded in the 2024 fee bill and can consider making the funding permanent in 2028 when this Committee next authors the State Bar licensing fee bill.

Nearly a decade after the "sections" were split off from the State Bar, this bill eliminates the mandate that the State Bar collect dues for the California Lawyers Association. After several years of acrimonious debate, in 2017, the Legislature formally recognized the inherent conflict of interest presented by the State Bar serving as both the regulator of attorneys and the trade association for the profession. Accordingly, the trade association aspects of the State Bar, then

referred to as the “sections” were split off from the State Bar and moved into a new private entity now known as the California Lawyers Association (CLA). (SB 36 (Jackson) Chap. 422, Stats. 2017.) In order to ease the transition of the sections into a standalone trade association, SB 36 mandated that the State Bar and its staff help the California Lawyers Association stand up operations. Those mandates included a requirement that the State Bar collect CLA’s dues as part of the annual licensing fee collection process. Given that attorneys used to be able to pay an additional fee to the State Bar to join a section, this approach seemed reasonable at the time. However, nearly a decade later, the State Bar is in the unique position of being the only regulatory body in this state that both polices a profession while simultaneously collecting dues for a trade association of its licensees. This is especially awkward since the California Lawyers Association has full authority to lobby the bar on behalf of the profession. Given that CLA has matured into an effective professional advocacy organization, this bill would end the mandate that the State Bar collect the dues for the California Lawyers Association. These reforms will not only save the State Bar money and ensure that the organization can focus on its core mission, but will end any potential for conflicts of interest between the State Bar and the California Lawyers Association.

A second mandate imposed on the State Bar in the wake of deunification was to assist the California Lawyers Association in receiving recognition from the American Bar Association. Much like the potential conflicts arising from a regulator collecting the fees for an association of regulated parties, requiring the State Bar to advocate for a trade association no longer seems prudent. This bill would also eliminate that mandate and serve to complete the process of severing the sections from the State Bar itself.

This bill makes several reforms to the attorney discipline process. In the wake of the scandal surrounding the State Bar’s mishandling of disciplinary complaints against Tom Girardi, the Legislature and the State Bar have been working together to reform the State Bar’s discipline system. Although most of the major reforms were enacted in the early part of this decade, this bill contains several minor modifications to the law surrounding the discipline system. First, the bill updates the notice transmitted to attorneys facing discipline to make clear that the failure to respond to the State Bar will result in a default judgment and loss of the right to practice law in California. Secondly, the bill clarifies that payments to the Client Security Fund are a condition of being readmitted to the practice of law following a disciplinary proceeding. Finally, to assist the State Bar in investigating disciplinary complaints, the bill clarifies that a formal disciplinary investigation is sufficient to trigger provisions of existing law mandating the disclosure of certain documents that may otherwise be confidential to the State Bar’s investigators.

This bill clarifies what entities may promote themselves as a “law school.” This bill also addresses a unique case brought to the Committee’s attention by the State Bar whereby an institution was holding itself out as a “school of law” despite not being an accredited institution or even offering the juris doctorate degree. Accordingly, this bill amends the existing law related to accrediting law schools to make it clear that a person or entity may not hold themselves out as a law school unless they are both accredited by the American Bar Association or the State Bar and awards juris doctorate degrees.

This bill permits the State Bar to empower local bar associations to develop continuing education materials. In recent months, the Committee has heard from several local bar associations that the phrasing of the existing law regarding the generation of low-cost continuing education course materials may preclude them from developing their own low-cost continuing

education program. Although the existing law appears to permit an “incorporated non-profit association of attorneys” to generate continuing education requirements, the law appears to grant the California Lawyers Association the exclusive right to develop low-cost trainings. Several local bar associations would like to create their own low-cost continuing education materials, with a focus on legal issues impacting specific regions of the state. To ensure that all attorney associations can produce low-cost continuing education documents, this bill would delete the specific reference to the California Lawyers Association and replace that reference with the phrase “a voluntary association of attorneys.” This should not preclude the California Lawyers Association from its current work of generating continuing education materials but will ensure that all official bar associations can produce such materials as well. It should be noted that nothing in this bill eliminates the requirement that the State Bar approve a continuing education provider.

As a result of concerns about the use of revenues generated from “affinity programs” this bill revises the formula for funding various legal aid initiatives. Last year, concerns were raised to this Committee about a lack of transparency from the California Lawyers Association regarding the use of revenues generated from the State Bar “affinity programs.” The affinity programs are offered by CalBar Connect and are designed to provide discounts on services to attorneys, including malpractice insurance and other office management services. Existing law requires that fifteen percent of the revenue generated by the affinity programs be utilized to fund activities to improve access to justice and equality in the justice system. Presently most of the revenue is provided to the California Lawyers Association and California Change Lawyers (the former charitable arm of the State Bar before deunification) with the remainder going to fund legal aid.

To ensure that these funds were being spent in an efficient manner, last year, Change Lawyers asked the California Lawyers Association for information regarding how they were spending the money to avoid duplicative efforts. To the Committee’s knowledge that information was never provided. As a result, Change Lawyers asked the Committee to insert a reporting requirement into last year’s State Bar bill (SB 253 (Umberg) Chap. 405, Stats. 2025) requiring the California Lawyers Association to outline how it spends its affinity revenues. That report, released in January 2026, provided topline spending numbers but lacked the specificity Change Lawyers sought.

Additionally, the California Lawyers Association has now ended its contract with CalBar Connect to coordinate offering the discounted services to its members. Presumably the Association will develop its own program and CalBar Connect will once again partner directly with the State Bar. Given all of these developments, stakeholders proposed to the Committee to reform the affinity fund distribution formula. Recognizing the termination of the relationship between CalBar Connect and the California Lawyers Association, this bill would remove the California Lawyers Association from the list of entities receiving affinity fund revenues. The fund would now grant two-thirds of the funds to Change Lawyers and one-third to fund legal services.

Proposed amendments. The Committee is proposing two amendments to the bill. First, Section 9 of the bill in print would have modified rules for granting immunity to parties testifying in State Bar proceedings. The Los Angeles County District Attorney raised concerns this language may undermine prosecutorial discretion and thus all modifications to Business and Professions Code Section 6094 will be stricken from the bill.

Secondly, the State Bar requested an additional component be added to the bill. Existing law requires the State Bar to send licensees “a certificate issued under the direction of the board evidencing the payment” once the Bar received a licensee’s annual fee. This provision of law reflects the bygone era when most attorneys paid their licensing fees via check and needed proof of the payment to seek reimbursement from their employer. As the State Bar has moved to the online payment portal system and ceased issuing physical membership cards to every attorney in the state, these provisions are antiquated and unnecessary. Accordingly, amendments will be made to this bill to repeal Business and Professions Code Section 6142.

The Committee continues to monitor ongoing complaints about the State Bar’s refusal to properly evaluate disability accommodations for the bar exam. Since the pandemic, the Committee has received a growing number of complaints from examinees seeking disability-related accommodations for taking the bar exam. As a result, AB 3279 required the State Bar to begin reporting to the Legislature about the annual number of complaints received about the testing accommodation process. The first such report is due in July.

However, following the calamitous administration of the February 2025 bar exam, the number of complaints transmitted to the Committee have skyrocketed and advocates are pressing the Committee to act immediately to reform the accommodation process. As a result of the separation of powers, and the Supreme Court’s primary role in admitting attorneys to practice law, it is unclear if the Committee possesses the authority to impose many of the reforms the advocates seek. However, the Committee awaits the result of the first report this summer and may consider further amendments to this bill in the Senate to impose some timelines and framework on the accommodation request process.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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