

CONCURRENCE IN SENATE AMENDMENTS

AB 2784 (Committee on Judiciary)

As Amended June 25, 2026

Majority vote

SUMMARY

Authorizes the State Bar of California to collect licensing fees from attorneys licensed in this state for the 2027 billing cycle.

Major Provisions

- 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, that the failure to file a timely answer or failure to appear at trial will result in *specified actions including the loss of a license to practice law*.
- 4) Repeals provisions of existing law requiring the State Bar to assist the California Lawyers Association by collecting membership dues *starting in 2030*.
- 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) *Clarifies the secure file transport protocol to be utilized by banks transmitting IOLTA account data to the State Bar.*
- 13) *Clarifies that any felony committed under the laws of the United States, the State of California, or any other state or territory is grounds for the suspension of an attorney's license.*
- 14) *Makes various findings about the State Bar's status as a public entity.*

Senate Amendments

- 1) *Adopt findings and declarations.*
- 2) *Make various technical changes to the statutes regarding attorney discipline.*
- 3) *Delay the implementation of several provisions ending the State Bar's collection of various fees for the California Lawyers Association.*

COMMENTS

Attorneys who wish to practice law in California generally must be admitted and licensed in this state by the State Bar. (California Constitution, Article. VI, Section 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.

As a result of 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) Chapter 227, Statutes of 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 Judiciary Committee will continue to monitor the programs funded in the 2024 fee bill and can consider making the funding permanent in 2028 when the Judiciary Committee next authors the State Bar licensing fee bill.

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) Chapter 422, Statutes of 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 *phase out 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.

According to the Author

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.

Arguments in Support

This bill is supported by the State Bar of California. They state:

The State Bar of California is pleased to support AB 2784 (Judiciary), which maintains attorney license fees at the current level and includes various governance and operational amendments to the State Bar Act adopted as priorities by the State Bar's Board of Trustees.

The bill also includes language to clearly reflect the role of the State Bar as a regulatory state agency within the judicial branch of California government, update statutory language to more accurately reflect confidential matters about discipline or applicants for admission or that must be addressed in closed session, and make technical amendments to revise or repeal obsolete language. All of these changes are important to advance these important public protection and consumer protection solutions. For these reasons, we support AB 2784.

Arguments in Opposition

None on file

FISCAL COMMENTS

None

VOTES:**ASM JUDICIARY: 12-0-0**

YES: Kalra, Macedo, Bauer-Kahan, Bryan, Connolly, Dixon, Harabedian, Pacheco, Papan, Sanchez, Stefani, Zbur

ASSEMBLY FLOOR: 73-0-7

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Ramos, Ransom, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Arambula, Lowenthal, Quirk-Silva, Celeste Rodriguez, Michelle Rodriguez, Solache, Soria

UPDATED

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CONSULTANT: Nicholas Liedtke / JUD. / (916) 319-2334

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