
UNFINISHED BUSINESS

Bill No: SB 253
Author: Umberg (D), et al.
Amended: 9/2/25 in Assembly
Vote: 21

SENATE JUDICIARY COMMITTEE: 12-0, 5/6/25

AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Weber Pierson, Wiener

NO VOTE RECORDED: Valladares

SENATE FLOOR: 38-0, 5/28/25

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

NO VOTE RECORDED: Cervantes, Reyes

ASSEMBLY FLOOR: 78-0, 9/8/25 - See last page for vote

SUBJECT: State Bar of California

SOURCE: Author

DIGEST: This bill requires the Board of Trustees (Board) of the California State Bar (State Bar) to fix the annual license fee for active licensees for 2026 at a sum not exceeding an unspecified amount and makes other changes to the State Bar Act.

Assembly Amendments of 9/2/25 prohibit the Committee of Bar Examiners from making certain changes to the Bar Examination without specified notice, requires the California Lawyers Association to submit an annual report to the Legislature detailing their use of funds and a statement of compliance with the prohibition on creating, operating, or soliciting members for affinity or royalty programs involving similar products or services, makes changes to a program to certify

alternative resolution firms, providers, or practitioners, and makes various other technical or nonsubstantive changes.

ANALYSIS:

Existing law:

- 1) Requires all attorneys who practice law in California to be licensed by the State Bar and establishes the State Bar, within the judicial branch of state government, for the purpose of regulating the legal profession. (California Constitution, art. VI, § 9; Business (Bus.) & Professions (Prof.) Code §§ 6000 et seq.)
- 2) Establishes that protection of the public, which includes support for greater access to, and inclusion in, the legal system, is the highest priority for the State Bar in exercising their licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public is to be paramount. (Bus. & Prof. Code § 6001.1.)
- 3) Authorizes the State Bar to collect \$553 in fees from active licensees for the year 2024 and authorizes the State Bar to collect \$161 in fees from inactive licensees for the year 2024. (Bus. & Prof. Code § 6140 & 6141.)
- 4) Requires the State Bar to charge a \$45 fee in addition to the annual license fee for active and inactive licensees for the purposes of funding legal services for persons of limited means, as provided, unless a licensee elects not to support those activities in which case the licensee can deduct the amount from the annual license fee. (Bus. & Prof. Code § 6140.03.)
- 5) Prohibits the Committee of Bar Examiners (CBE) from altering the bar examination in a manner that requires the substantial modification of the training or preparation required for passage of the examination, except after giving two years' notice of that change, and requires the CBE to communicate and cooperate with the Law School Council. (Bus. & Prof. Code § 6046.6.)
- 6) Specifies the manner in which funds for affinity programs are to be allocated to the California Lawyers Association. (Bus. & Prof. Code § 6141.3.)
- 7) Requires the State Bar to create a program to certify alternative resolution firms, providers, or practitioners and requires the program to include different

levels or tiers of certification of alternative dispute resolution firms, providers, or practitioners, as specified. (Bus. & Prof. Code § 6173.)

This bill:

- 1) This bill requires the Board to fix the annual license fee for active licensees for 2026 at a sum not exceeding an unspecified amount, and repeals this provision on January 1, 2027.
- 2) Prohibits the CBE from changing the vendor or creator of the multiple choice questions except after giving 18 months' notice, except as specified, and would prohibit the Committee of Bar Examiners from authorizing a remote administration of the bar examination except after giving 2 years' notice. The bill would require 120 days notice for specified alterations of the bar examination, including changes to the medium in which testing materials are provided.
- 3) Requires the CBE to communicate and cooperate with the Law School Council and their deans, or their designees, of law schools accredited by the American Bar Association or the committee.
- 4) Requires the California Lawyers Association or an affiliated 501(c)(3) organization to submit an annual report to the Legislature by January 31 of each year detailing their use of fund revenues received from specified affinity programs as well as a statement of compliance with provisions of law mandating certain funds be transferred to the California ChangeLawyers, as specified.
- 5) Requires higher levels or tiers to be awarded to firms, providers, or practitioners that demonstrate a high level of commitment to accountability and consumer protection based on criteria or other standards, including additional education or training, as adopted by the State Bar.

Comment

This bill is the annual State Bar fee authorization bill, which allows the Legislature to exercise its regulatory authority over the State Bar. Last year, the State Bar submitted a report to the Legislature requesting a \$125 active licensee fee increase; however, the Legislature ultimately granted them an \$88 active license fee increase. This year the State Bar has not sought a fee increase from the Legislature.

The State Bar has two core functions—oversee admissions of applicants for licensure to practice law in this state and discipline those licensees for violating the law and rules of professional conduct. The State Bar has faced issues with its discipline system in the past decade, including a backlog of cases, having no Chief Trial Counsel to head its discipline program for a 5-year stretch, and the fall out of the Girardi scandal. This year, the State Bar’s administration of the February Bar exam was an utter disaster with widespread technological failures and queries regarding the fairness and accuracy of the actual exam questions.

As a constitutional matter, the judicial power of California is vested in the Supreme Court, Courts of Appeal, and superior courts. (Cal. Const., art. VI, Sec. 1.) (*In re Attorney Discipline System* (1998) 19 Cal.4th 582, 592; *Obrien v. Jones* (2000) 23 Cal.4th 40, 48.) Attorneys who wish to practice law in California generally must be admitted and licensed by the State Bar. (Cal. Const., art. VI, Sec. 9.) The State Bar of California is a public corporation. Although originally a creature of statute, the State Bar is now “a constitutional entity within the judicial article of the California Constitution.” (*Obrien, supra*, 23 Cal.4th at 48; *see* Cal. Const., art. VI, § 9; Bus. & Prof. Code, Sec. 6001.) The State Bar’s regulatory assistance is an integral part of the judicial function. (*Obrien, supra*, 23 Cal.4th at 48.) Emphasizing the *sui generis* nature of the State Bar as its administrative arm, the Supreme Court has made clear that “express legislative recognition of reserved judicial power over admission and discipline is critical to the constitutionality of the State Bar Act.” (*In re Attorney Discipline System, supra*, 19 Cal.4th at 600, citing Bus. & Prof. Code Sec. 6087.)

At the same time, the Legislature’s exercise, under the police power, of a reasonable degree of regulation and control over the profession and practice of law in California, is well established. (*Obrien, supra*, 23 Cal.4th at 48.) The Legislature exercises regulatory authority pursuant to the State Bar Act and has authority to set the amount of license fees necessary to fund the disciplinary system. The Legislature has enacted statutes making protection of the public the highest priority of the State Bar (Bus. & Prof. Code § 6001.1) and subjecting the Executive Director, the General Counsel, and the CTC of the State Bar to Senate confirmation. (Bus. & Prof. Code §§ 6011(c), 6012(c), & 6079.5.) The Executive Director’s current contract expires in July of this year.

In 2019, based largely on recommendations from the California State Auditor and the Legislative Analyst’s Office, the 2020 annual license fee was increased to \$438 for active licensees and \$108 for inactive licensees. The 2021 annual license fee was decreased to \$395 for active licensees and \$97.40 for inactive licensees

through AB 3362 (Committee on Judiciary, Chapter 360, Statutes of 2020). The decrease included the cessation of several of the onetime fee increases imposed in 2020. When all fees were added together, excluding the optional legal services fee, the total license fee for 2021 was \$470 for active licensees and \$137.40 for inactive licensees.¹ The 2022 annual license fee was the same as the license fee for 2021. (SB 211 (Umberg, Chapter 723, Statutes. 2021.) The 2023 annual license fees were the same as 2022, except it provided that the active license fee is to be reduced by \$4 and the inactive licensee fee by \$1 if the State Bar has entered into a contract to sell its San Francisco office building by October 31, 2022. The State Bar sold its building November 2023 for \$54 million. Leah Wilson, Executive Director of the State Bar stated “the sale of 180 Howard was a prudent and necessary action on our part in these post-pandemic and precarious financial times. This deal helps our finances by allowing us to remain whole through 2024. It also allows us to remain in the building we have called home for 25 years.”² In 2024, the active license fee was raised by \$88 and the inactive license fee by \$23.60. This bill keeps the fees for 2026 the same as they were in 2025.

The February administration of the State Bar Exam, which was administered remotely and used a new vendor for the multiple choice questions for the first time in several decades, was an utter failure. Reports of difficulties included: inability to log in or access the test, unstable servers, issues with proctors, lost time, delayed prompts, factual errors in questions, and the inability to start or finish exam components. Of the 5,600 people registered for the exam, more than 964 withdrew before the day of the exam, after the bar offered unprecedented refunds in the face of technological problems that rose during pre-mock exams and issues with scheduling locations to take the exam. As noted by Dean Erwin Chemerinsky of the UC Berkeley School of Law this 2025 bar exam was “stunning incompetence from an entity that exists to measure competence.”³ In conversations with the State Bar and Committee staff, it was indicated that virtually every examinee

¹ This amount includes the fee for the Attorney Diversion and Assistance Program of \$10 for active licensees and \$5 for inactive licensees, which last year was only \$1 and \$0, respectively. (Bus. & Prof. Code § 6140.9(a).).

² *State Bar of California Sells 180 Howard Building in San Francisco*, State Bar of Cal., (Nov. 14, 2023), available at <https://www.calbar.ca.gov/About-Us/News/News-Releases/state-bar-of-california-sells-180-howard-building-in-san-francisco>.

³ Malcolm MacLachlan, Daily Journal, *California Bar exam failure sparks lawsuit, legislative inquiry*, (Mar. 3, 2025), available at https://www.dailyjournal.com/articles/383949-california-bar-exam-failure-sparks-lawsuit-legislative-inquiry?utm_source=ActiveCampaign&utm_medium=email&utm_content=Legal%20battle%20over%20Point%20Reyes%20ranching%20deal%20escalates&utm_campaign=Legal%20News%203%2F3&vgo_ee=cUekTHCZPyLa0dLz%2FgoXbTrxWqEMTgXT%2BgypjC3Mn6xwO1644QLwGw%3D%3D%3ATT7IZwFcfYgN%2B46NDnKPDsLFczdr1him.

experienced some issue on the bar exam. This bill requires the CBE to provide a certain length of notice before making changes to the vendor of the multiple choice questions and before attempting another remote administration.

Following the separation of the former sections of the State Bar from the regulatory arm of the State Bar, and the creation of the California Lawyers Association in 2017 (SB 36 (Jackson, Ch. 422, Stats. 2017)), the Legislature enacted a series of statutes to govern how various affinity funds operated by the sections would transfer to the California Lawyers Association. Certain funds were to be utilized for “diversity, equity and inclusion, access to justice, and civic engagement efforts.” Unfortunately, some stakeholders have raised concerns with this Committee regarding the actual use of these funds. Accordingly, this bill requires the California Lawyers Association to begin reporting on the use of affinity fund revenues.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 9/8/25)

None received

OPPOSITION: (Verified 9/8/25)

Kohn Law Office of California
4 individuals

ASSEMBLY FLOOR: 78-0, 9/8/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, 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, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Bains, Nguyen

Prepared by: Amanda Mattson / JUD. / (916) 651-4113
9/8/25 19:31:59

**** **END** ****