

Date of Hearing: July 16, 2025

**ASSEMBLY COMMITTEE ON APPROPRIATIONS**

Buffy Wicks, Chair

SB 37 (Umberg) – As Amended July 3, 2025

Policy Committee: Judiciary

Vote: 12 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill strengthens existing laws regarding attorney advertising and solicitation and authorizes private rights of action to enforce violations.

Specifically, among other provisions, this bill:

- 1) Authorizes a person to bring a civil action against a person who acts as a runner or capper for any attorneys or to solicit any business on behalf of any attorney at a location in which such solicitation is prohibited in existing law.
- 2) Authorizes a person to bring a civil action against a person who operates an attorney referral service not authorized by the State Bar of California.
- 3) Prohibits an advertisement for legal services from containing any of the following:
  - a) Misleading, deceptive, or false statements, words, or phrases regarding a lawyer's or law firm's skills, experience, or record.
  - b) References to a lawyer's or law firm's recognition by, or awards from, an organization, unless the recognition or award is not conferred by virtue of being a member of the organization and the organization does not charge or solicit a fee, cost, or payment for the recognition or award.
- 4) Requires an advertisement for legal services to contain (a) the name of at least one lawyer licensed to practice law in California, the law firm, or the certified lawyer referral service responsible for the advertisement and (b) the city, town, or county of at least one bona fide office location or the address of record listed with the State Bar for the lawyer or law firm.
- 5) Authorizes a person misled by an advertisement that violates the requirements referenced in items 3 and 4, above, to bring a civil action under specified conditions.
- 6) Specifies available remedies for the civil actions referenced in items 1, 2, and 5, above.
- 7) States the bill does not limit any other right available under existing law or otherwise available to a person seeking redress for false, misleading, or deceptive advertisements.

**FISCAL EFFECT:**

Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate civil actions authorized by this bill, possibly in the hundreds of thousands of dollars annually. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2025-26 state budget provides \$82 million ongoing General Fund to the Trial Court Trust Fund for court operations.

**COMMENTS:**

- 1) **Background.** California's False Advertising Law (FAL) prohibits a person or business from making untrue and misleading statements about the goods and services they provide. The FAL is enforced through civil actions filed by public prosecutors, and the law includes a narrow private right of action that allows a person to bring a lawsuit if they suffered an injury and monetary or property damage as a result of a violation of the law. In addition to the FAL, advertisements by attorneys and law firms are subject to additional statutory requirements. For example, an advertisement for legal services may not contain any guarantee about the outcome of a legal matter as a result of an attorney's legal representation and may not promise quick settlements for an attorney's clients. According to the Assembly Committee on Judiciary's analysis of this bill:

The enforcement of most regulations of attorney advertisements and solicitations falls to only the State Bar of California and the Bar's Office of Chief Trial Counsel. As this Committee is well aware, the State Bar's enforcement unit has struggled, at times, in the last decade to adequately police the profession. While the Office of Chief Trial Counsel, under its current leadership, has made great strides in improving oversight and regulation of the profession, stakeholders note that more tools may be needed to police the industry.

- 2) **Purpose.** This bill, which is sponsored by the Consumer Attorneys of California, seeks to strengthen both the laws that govern attorney and legal services advertisements and the enforcement of those laws. According to the author:

Updating the advertising definitions and adding prohibitions paired with authorizing citizen lawsuits against unethical attorney advertising is a necessary step to protect consumers, supplement state regulatory efforts, deter misconduct, empower victims, and foster a fair legal marketplace.

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