
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

SB 574 (Umberg) - Generative artificial intelligence: attorneys and arbitrators

Version: January 5, 2026

Urgency: No

Hearing Date: January 20, 2026

Policy Vote: JUD. 13 - 0

Mandate: No

Consultant: Liah Burnley

Bill Summary: SB 574 would establish guidelines for the use of generative artificial intelligence by attorneys and arbitrators.

Fiscal Impact:

- Unknown, potential costs pressures to the state funded trial court system (Trial Court Trust Fund, General Fund), may lead to additional filings that otherwise would not have been commenced (such as motions against attorneys for prohibited AI-related conduct, evidentiary disputes, or sanctions proceedings) and could lead to lengthier and more complex court proceedings with attendant workload and resource costs to the court. The fiscal impact of this bill to the courts will depend on many unknowns, including the number of filings and the factors unique to each case. An eight-hour court day costs approximately \$10,500 in staff in workload. This is a conservative estimate, 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. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations.
- Unknown, potential costs pressures to state and local agencies employing attorneys, including the Department of Justice, to litigate motions regarding use of generative AI tools, and to ensure compliance with confidentiality and nondiscrimination requirements when AI tools are used.

Background: The California State Bar's Standing Committee on Professional Responsibility and Conduct recently released guidance on the use of generative AI noting that:

Generative AI use presents unique challenges; it uses large volumes of data, there are many competing AI models and products, and, even for those who create generative AI products, there is a lack of clarity as to how it works. In

addition, generative AI poses the risk of encouraging greater reliance and trust on its outputs because of its purpose to generate responses and its ability to do so in a manner that projects confidence and effectively emulates human responses. A lawyer should consider these and other risks before using generative AI in providing legal services.

The intent of this bill is to codify safeguards for the use of AI by attorneys and arbitrators.

Proposed Law:

- Provides that it is the duty of an attorney using generative AI to practice law to ensure all the following:
 - Confidential, personal identifying, or other nonpublic information is not entered into a public generative artificial intelligence system;
 - The use of generative AI does not unlawfully discriminate against or disproportionately impact individuals or communities based on age, ancestry, color, ethnicity, gender, gender expression, gender identity, genetic information, marital status, medical condition, military or veteran status, national origin, physical or mental disability, political affiliation, race, religion, sex, sexual orientation, socioeconomic status, and any other classification protected by federal or state law;
 - Reasonable steps are taken to do all the following:
 - Verify the accuracy of generative artificial intelligence material, including any material prepared on their behalf by others;
 - Correct any erroneous or hallucinated output in any material used by the attorney;
 - Remove any biased, offensive, or harmful content in any generative AI material used, including any material prepared on their behalf by others; and,
 - The attorney considers whether to disclose the use of generative AI if it is used to create content provided to the public.
- Provides that a brief, pleading, motion, or any other paper filed in any court shall not contain any citations that the attorney responsible for submitting the pleading has not personally read and verified, including any citation provided by generative AI.
- Prohibits an arbitrator from delegating any part of their decision-making process to any generative AI tool.
- Provides that the use of generative AI tools by arbitrators shall not replace their independent analysis of the facts, the law, and the evidence.

- Prohibits an arbitrator from relinquishing their decision-making powers to generative AI.
- States that an arbitrator shall avoid delegating any tasks to generative AI tools if such use could influence procedural or substantive decisions.
- Provides that an arbitrator shall not rely on information generated by generative AI outside the record without making appropriate disclosures to the parties beforehand and, as far as practical, allowing the parties to comment on its use.
- Provides that, if a generative AI tool cannot cite sources that can be independently verified, an arbitrator shall not assume that such sources exist or are characterized accurately.
- Requires an arbitrator to assume responsibility for all aspects of an award, regardless of any use of generative AI tools to assist with the decision-making process.

-- END --