Date of Hearing: June 30, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
SB 574 (Umberg) – As Amended June 22, 2026

SENATE VOTE: 39-0

SUBJECT: ATTORNEYS, ARBITRATORS, JUDICIAL OFFICERS, AND ALTERNATIVE RESOLUTION PROVIDERS

SYNOPSIS

As with many sectors of the American economy, the use of artificial intelligence is expanding rapidly in the legal profession. From attorneys, to judges, to arbitrators, artificial intelligence presents the opportunity to introduce meaningful efficiencies across the legal sector. However, there are growing concerns about the technology's impact on the integrity of the legal system. In the last year there have been several cases in which attorneys provided incorrect or outright false citations in documents provided to the courts generated using artificial intelligence. Similarly, arbitration firms now have the tools to permit artificial intelligence to adjudicate cases in the place of a trained human neutral party. While artificial intelligence may provide for efficiencies, when used improperly it is the litigants who suffer.

Seeking to ensure that artificial intelligence does not undermine the integrity of the legal system this bill adopts a series of standards for the use of artificial intelligence by attorneys, judges, and arbitrators. The bill generally aims to protect privileged information from being submitted to artificial intelligence systems, ensure that artificial intelligence does not override a legal professional's ethical duty of competence and reasonable diligence, and prevents artificial intelligence from rendering decisions in legal cases. The bill also aims to strengthen the enforcement powers of the State Bar's arbitration certification program.

This measure is supported by several organizations seeking to prevent the worst excesses of artificial intelligence from harming society. The proponents of this bill argue its provisions will ensure that artificial intelligence does not harm clients and does not supplant the ethical obligations of legal professionals. The bill is opposed by the American Arbitration Association who believe the provisions related to arbitration and artificial intelligence need clarity and seek liability protections should an arbitrator use artificial intelligence. Should this bill be approved by this Committee it will be heard by the Committee on Privacy and Consumer Protection, which maintains primary jurisdiction over all areas of artificial intelligence regulation. Due to impending legislative deadlines, several amendments proposed by this Committee must be adopted in the Committee on Privacy and Consumer Protection. Although not reflected in the summary, as this bill will not be amended in this Committee, they are discussed in the analysis.

SUMMARY: Provides guidelines for the use of generative artificial intelligence in the practice of law and modifies the existing mandate that the State Bar adopt a program to certify alternative resolution firms, providers, or practitioners. Specifically, **this bill**:

1) Provides that it is the duty of an attorney using generative artificial intelligence to practice law to ensure all the following:

a) Confidential, personal identifying, or other nonpublic information is not entered into a public generative artificial intelligence system;

b) The use of generative artificial intelligence does not unlawfully discriminate against or disparately 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;

c) Take reasonable steps to verify the accuracy of generative artificial materials, as specified;

d) The attorney considers whether to disclose the use of generative artificial intelligence if it is used to create content provided to the public.

2) Requires a judicial officer, whether in a civil or criminal matter, to disclose whether they or any other person involved in the process of researching or drafting any order, ruling, decision, finding, recommendation, or other determination made by that officer relied on generative artificial intelligence in that process.

3) Prohibits an arbitrator from delegating any part of their decision making process to any generative artificial intelligence tool.

4) Provides that the use of generative artificial intelligence tools by arbitrators cannot replace their independent analysis of the facts, the law, and the evidence.

5) Prohibits an arbitrator from relinquishing their decision making powers to generative artificial intelligence and to avoid delegating any tasks to generative artificial intelligence tools if such use could influence procedural or substantive decisions.

6) Prohibits an arbitrator from relying on information generated by generative artificial intelligence outside the record without making appropriate disclosures to the parties beforehand and, as far as practical, allowing the parties to comment on its use, as specified.

7) Requires an arbitrator to take responsibility for all aspects of an award, regardless of any use of generative artificial intelligence tools to assist with the decision making process.

8) Defines "generative artificial intelligence" means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data.

9) Authorizes, as a part of the State Bar's certification program for dispute resolution firms, providers, or practitioners, the State Bar or a professional organization approved by the State Bar to receive, investigate, and resolve any complaints that a certified firm, provider, or practitioner failed to comply with the applicable ethical standards of conduct.

10) Provides that notwithstanding privilege laws, alternative dispute resolution firms, providers, or practitioners certified by the State Bar, licensees of the State Bar, limited liability partnerships, or law corporations registered with the State Bar are to, pursuant to a request made as part of a procedure to address a complaint that a firm, provider, or practitioner

violated applicable ethical standards, provide to the State Bar or its agents all requested information, records, or communications.

11) Provides that providing the State Bar the information specified in 10) does not violate, waive, or extinguish the duty to maintain the confidence of the information, records, or communications.

12) Provides that all arbitrator complaint proceedings are to occur in private and be kept confidential.

13) Permits, after a decision regarding a complaint against an arbitrator, the State Bar publicly disclose information or records concerning the complaint proceeding that do not reveal any confidential or privileged communications, including the name of a certified firm, provider, or practitioner that has been found to have violated an applicable ethical standard, any action that has been taken to remedy the violation, and the general basis on which the action was taken.

14) Exempts records provided to the State Bar for the purpose of adjudicating a complaint against an arbitrator from disclosure pursuant to the California Public Record Act.

EXISTING LAW:

1) Requires every pleading, petition, written notice of motion, or other similar paper to be signed by at least one attorney of record in the attorney's individual name, or, if the party is not represented by an attorney, by the party. (Code of Civil Procedure Section 128.7.)

2) Provides that it is the duty of an attorney licensed in this state to do, among other requirements, the following:

   a) To maintain the respect due to the courts of justice and judicial officers;

   b) To employ, for the purpose of maintaining the causes confided to them those means only as are consistent with truth, and never to seek to mislead the judge or any judicial officer by an artifice or false statement of fact or law;

   c) To advance no fact prejudicial to the honor or reputation of a party or witness, unless required by the justice of the cause with which they are charged;

   d) To respond promptly to reasonable status inquiries of clients and to keep clients reasonably informed of significant developments in matters with regard to which the attorney has agreed to provide legal services. (Business and Professions Code Section 6068.)

3) Imposes a duty upon all attorneys in California to perform legal services with competence and reasonable diligence. (California Rules of Professional Conduct, Rules 1.1 & 1.3.)

4) Provides that a judicial officer using generative AI for any task within their adjudicative role:

   a) Should not enter confidential, personal identifying, or other nonpublic information into a public generative AI system, as specified;

b) Should not use generative AI to unlawfully discriminate against or disparately 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;

c) Should take reasonable steps to verify that generative AI material, including any material prepared on their behalf by others, is accurate, and should take reasonable steps to correct any erroneous or hallucinated output in any material used;

d) Should take reasonable steps to remove any biased, offensive, or harmful content in any generative AI material used, including any material prepared on their behalf by others;

e) Should consider whether to disclose the use of generative AI if it is used to create content provided to the public. (California Rules of Court, Standard 10.80.)

5) Governs arbitrations in California pursuant to the California Arbitration Act, including the enforcement of arbitration agreements, rules for neutral arbitrators, the conduct of arbitration proceedings, and the enforcement of arbitration awards. (Code of Civil Procedure 1280 *et seq*.)

6) Requires the State Bar to create a program to certify alternative dispute resolution firms, providers, or practitioners. (Business and Professions Code Section 6173 (a).)

7) Requires the program specified in 6) to include the following:

a) Procedures established by the State Bar for a firm, provider, or practitioner to become a certified alternative dispute resolution firm, provider, or practitioner that requires the firm, provider, or practitioner verify compliance with various ethical standards, as specified;

b) Different levels or tiers for certification, as specified; and

c) Authority for the State Bar to deny or revoke certification for a failure to meet or maintain certification standards. (Business and Professions Code Section 6173 (b).)

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

COMMENTS: Generative artificial intelligence has the potential to streamline work and boost productivity across a range of industries. The legal field is no different. However, in recent years a series of embarrassing stories have emerged whereby attorneys utilizing generative artificial intelligence have not checked the technology's work and submitted documents to the court that are replete with errors or outright incorrect case citations. Although many of the attorneys committing these mistakes have been heavily sanctioned, their clients still suffer the result of bad legal representation. Similarly, a growing fear within the legal community is the use of artificial intelligence in rendering legal decisions by both judges and arbitrators. This bill aims to deploy statutory rules governing the use of generative artificial intelligence in the legal system. In support of the bill the author states:

Artificial Intelligence and its use now permeate every industry in the U.S. Its capabilities continue to improve at an exponential rate, but it is far from perfect. We must be cautious when determining best practices for its use in high-stakes industries, including the legal profession. SB 574 protects those receiving legal services by codifying certain safeguards for the use of A.I. by attorneys and arbitrators.

The growing use of artificial intelligence in the legal field. Like many sectors of the American economy, legal practitioners see potential efficiencies from using generative artificial intelligence. From drafting simple briefs to synthesizing large volumes of case research, artificial intelligence can eliminate hours of painstaking work for attorneys. Similarly, judges and arbitrators can use artificial intelligence tools to assist in research and drafting judgements, minute orders, and other legal findings. Beyond assisting in drafting legal rulings, last fall the American Arbitration Association–International Centre for Dispute Resolution announced it had developed an artificial intelligence tool that could resolve actual cases between two parties and generate the documents related with a decision so long as both parties opted in to its use. (AAA-ICDR® to Launch AI-Native Arbitrator, Transforming Dispute Resolution, Amer. Arbitration Assn., (Sept. 17, 2025), https://www.adr.org/press-releases/aaa-icdr-to-launch-ai-native-arbitrator-transforming-dispute-resolution/.)

Despite the efficiencies gained by the use of artificial intelligence, recent examples have demonstrated that the technology is no supplement for the training, judgment, and actual work of attorneys. In April, the State Bar instituted disciplinary actions against two attorneys that submitted false, artificial intelligence-generated content in court filings. (California Courts Newsroom, *Two Attorneys Face Disciplinary Charges, Third Agrees to License Suspension for AI Misuse*, Judicial Council of California (Apr. 13, 2026) available at: https://newsroom.courts.ca.gov/news/two-attorneys-face-disciplinary-charges-third-agrees-license-suspension-ai-misuse.) Although not in California, earlier this month, a federal judge in Mississippi was forced to cancel a civil trial and fined attorneys on *both* sides of the dispute when it was determined that counsel for both the plaintiff and defendant submitted briefs with fake case citations as a result of outsourcing work to artificial intelligence. (Neil Vigdor, *Judge Punishes 4 Lawyers After Catching Both Sides Using A.I. in Lawsuit*, New York Times (June 9, 2026) available at: https://www.nytimes.com/2026/06/09/us/ai-lawyers-sanctioned-mississippi.html.)

Although both the Judicial Council and the State Bar have adopted, and continue to refine, rules governing the use of artificial intelligence in the legal profession, cases like those mentioned above continue to occur with frightening regularity. Accordingly, the author of this bill contends that statutory guidance is necessary to regulate the use of artificial intelligence in the legal industry.

This bill seeks to provide guidance on the use of artificial intelligence by legal professionals. This bill, as currently in print, seeks to address the growing use of artificial intelligence in the legal industry. The bill requires attorneys using artificial intelligence to ensure that no privileged or personal information is submitted to an artificial intelligence system, requires the attorney to check the work of the artificial intelligence system, and to ensure that any outputs from the artificial intelligence system do not introduce biased, offensive, or harmful content into materials being submitted to the court. The bill requires attorneys submitting materials to a court to attest that they actually read the cases they cite in the document, presumably preventing the filing of documents citing non-existent cases. The bill also seeks to ensure that artificial intelligence

systems are not being used by arbitration service providers to make the *actual* judgment in the case. Similarly, as currently in print, the bill would require a judicial officer to disclose whether they or any other person involved in the process of researching or drafting any order, ruling, decision, finding, recommendation, or other determination made by that officer relied on generative artificial intelligence in that process. The bill also adopts several definitions related to artificial intelligence.

This bill modifies the State Bar's arbitration certification programs to address complaint adjudication. In addition to regulating the use of artificial intelligence, this bill also builds upon the author's prior efforts to certify and regulate arbitration providers in California. In 2024, the author successfully passed legislation tasking the State Bar with developing a certification program for arbitration firms, providers, and practitioners. (SB 940 (Umberg) Chap. 986, Stats. 2024.) Although that bill laid out the certification program it lacked any meaningful enforcement mechanism or ability to investigate complaints against arbitrators.

As the use of artificial intelligence by arbitrators grows, the author is now seeking to add a complaint process whereby parties who believe they have been aggrieved by an arbitrator may seek a venue for their grievances. Although driven by some arbitration providers developing artificial intelligence tools that may serve as the actual arbitrator, the complaint process would apply to all arbitrators – human and computer. The bill tasks the State Bar, or a professional organization certified by the State Bar, with serving as a body adjudicating complaints. The bill then adopts several provisions to protect privileged information from public disclosure while ensuring it can be evaluated during the review of a complaint. The bill states that the State Bar may announce the outcome of its complaint, but much like investigations into attorneys, the disclosure cannot occur when the complaint review is pending.

Proposed amendments to this measure will be adopted in the Committee on Privacy and Consumer Protection. This bill has been doubled referred to the Committee on Privacy and Consumer Protection. Due to pending legislative deadlines, all amendments to this bill must be adopted by that Committee. Although this bill will be heard as it currently stands in print, the author has agreed to several amendments within the jurisdiction of this Committee. Those amendments include:

- Clarifying that the use of artificial intelligence is not to be construed to abrogate an attorney's professional duty to exercise reasonable competence and diligence in the practice of law.

- Clarifying that an arbitrator's use of artificial intelligence does not excuse their duty of competence and to make unbiased decisions.

- Requiring attorneys to verify the accuracy of all case citations.

- Requiring an attorney filing a document with the court to certify that either they, or an attorney under their supervision, have personally read all cases cited in the document.

- Revises and recasts provisions of the bill related to judicial disclosure of the use of artificial intelligence to instead require the Judicial Council of California to revisit existing Rules of Court related to judicial use of artificial intelligence (Standard 10.80) every two years.

- While maintaining the State Bar's ability to certify an organization to conduct oversight of complaints against arbitrators, to avoid any potential for bias, clarifies that the organization cannot be a voluntary association of attorneys.

As of the date of the publication of this analysis, additional amendments are being discussed between the author and the Committee on Privacy and Consumer Protection. These amendments appear related to definitions and other technical concerns related to artificial intelligence systems and do not directly implicate the obligations of legal professionals within the jurisdiction of this Committee. As that Committee will formally adopt the amendments, the final amendments will be discussed in totality in that Committee's analysis of this bill.

***ARGUMENTS IN SUPPORT**:* This bill is supported by several organizations seeking to mitigate the worst potential impacts of artificial intelligence technology. In support of the bill, Oakland Privacy writes:

> Senate Bill 574 proposes some modest baseline standards for a set of problems that seem to be considerably ramping up in frequency and for which remedies and standing expectations have been somewhat unclear.
> The first standard established by the bill is to prevent the entry of several kinds of personal information about plaintiffs, defendants, witnesses or other individuals involved in a lawsuit into a public generative AI system like Chat GPT, Gemini, Claude or many others. The set of personal information data points includes identifying numbers including drivers licenses, SS#, DOB, addresses and phone numbers as well as NCIC ID's and medical, psychiatric and financial information. The bill includes a useful clause that allows additional data points that may be deemed confidential by court or statute, which makes the law adaptable to changing norms.
> This clause is consistent with existing privacy laws in that it makes clear that attorney-client privilege does not extend as far as converting personal information into publicly available information that can be repurposed in multiple ways. We agree that consent or the lack thereof is somewhat irrelevant in this situation, as individuals involved in a lawsuit are under some level of relative coercion due to circumstances, and public generative AI systems can be used in many different ways by absolutely anyone.

***ARGUMENTS IN OPPOSITION**:* The bill is opposed by the American Arbitration Association. They write:

> As background, the AAA has taken a leadership role in promoting the responsible and ethical use of artificial intelligence (AI) in the field of arbitration. Last year, we developed and published "AAAi Standards for AI in ADR" (copy attached), which provides a comprehensive framework for the use of AI in the ADR field, focusing on six key areas: (i) Ethical & Human-Centered Values; (ii) Privacy & Security; (iii) Accuracy & Reliability; (iv) Explainability & Transparency; (v) Accountability; and (vi) Adaptability. Several elements of the AAAi Standards for AI align with the objectives of SB 574. The AAAi Standards also delineate the six key areas for the different roles involved in ADR: ADR administrators, neutrals (arbitrators and mediators), and advocates.
>
> The AAA has also developed guidance for our arbitrators in their use of AI tools (copy attached), encouraging them to use this technology to streamline tasks and improve work quality while adhering to their professional obligations under applicable state rules, the Code of Ethics for Arbitrators in Commercial Disputes, the Code of Professional Responsibility for

Arbitrators of Labor-Management Disputes, and other relevant requirements to ensure fairness, integrity, and confidentiality in arbitration.

Thoughtful calibration is essential to ensure that well-intentioned safeguards, such as those in SB 574, do not inadvertently impede innovation or the responsible adoption of new technologies that serve parties and the arbitration process.

REGISTERED SUPPORT / OPPOSITION:

Support

Oakland Privacy
SEIU California
Techequity Action

Opposition

American Arbitration Association

Analysis Prepared by: Nicholas Liedtke / JUD. / (916) 319-2334