

Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 574 (Umberg) – As Amended July 2, 2026

Policy Committee:	Judiciary	Vote:	12 - 0
	Privacy and Consumer Protection		15 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes duties governing the use of generative artificial intelligence (GenAI) by attorneys and arbitrators, and expands the State Bar's alternative dispute resolution (ADR) certification program to include a complaint intake, investigation, and resolution process.

More specifically, this bill:

- 1) Prohibits an attorney from delegating the practice of law to GenAI, and specifies that nothing in the new provisions abrogates an attorney's duty to exercise reasonable competence and diligence.
- 2) Requires an attorney who uses GenAI to assist in the practice of law to refrain from entering confidential, personal identifying, or other nonpublic information into a public artificial intelligence system, as specified; to refrain from using GenAI to unlawfully discriminate against or disparately impact individuals or communities on the basis of specified protected classifications; to take reasonable steps to verify the accuracy of GenAI outputs, including all case and statutory citations, correct erroneous or hallucinated output, and remove biased, offensive, or harmful content; and to disclose the use of GenAI to the court for all documents submitted to the court.
- 3) Prohibits a brief, pleading, motion, or other paper filed in any court from containing a citation the responsible attorney has not personally read and verified, including a citation provided by GenAI, and prohibits monetary sanctions for a violation of that prohibition from being awarded against a represented party.
- 4) Requires the State Bar's ADR certification program to include procedures for the State Bar, or a professional organization approved by the State Bar, to receive, investigate, and resolve complaints that a certified firm, provider, or practitioner failed to comply with applicable ethical standards.
- 5) Requires certified ADR firms, providers, and practitioners, State Bar licensees, registered limited liability partnerships, and law corporations to provide all requested information, records, or communications to the State Bar or its agents in connection with a complaint proceeding, notwithstanding specified confidentiality, privilege, and work product protections, and provides that disclosure does not waive those protections.

- 6) Requires complaint proceedings to occur in private and remain confidential, authorizes the State Bar to publicly disclose specified nonprivileged information after a decision on a complaint, and exempts information provided under these provisions from disclosure under the California Public Records Act.
- 7) Prohibits a professional organization approved by the State Bar to handle complaints from being a voluntary association of attorneys.
- 8) Requires the Judicial Council to publicly revisit, and revise as necessary, Standard 10.80 of the California Standards of Judicial Administration to reflect the further development of GenAI.
- 9) Prohibits an arbitrator from delegating any part of the arbitrator's decisionmaking process to a GenAI tool, from relying on GenAI-generated information outside the record without prior disclosure to the parties, and from assuming that sources a GenAI tool cannot independently verify exist or are accurately characterized; and requires an arbitrator to assume responsibility for all aspects of an award.

FISCAL EFFECT:

- 1) State Bar costs of an unknown amount, but likely in excess of \$150,000 annually (State Bar Funds), to administer the ADR complaint process. The State Bar estimates one to two full-time employees and one part-time supervisor would handle the entire ADR certification process, including complaint intake, investigation, and resolution, and states all costs fall within existing fee authority. Notably, that estimate covers the full certification program, which existing law already requires; only a portion is attributable to this bill. The State Bar cannot project complaint volume, citing uncertainty over how many firms and practitioners will seek certification.
- 2) Judicial Council costs of an unknown amount (Trial Court Trust Fund) to revisit and revise Standard 10.80.
- 3) Potential court cost pressures of an unknown, but potentially significant amount (Trial Court Trust Fund, General Fund) from processing GenAI disclosures accompanying filed documents and from sanctions activity under the new citation standard.

COMMENTS:

- 1) **Purpose.** According to the author:

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. It also makes important technical changes to the upcoming voluntary California State Bar Alternative Dispute Resolution (ADR) Certification program.

- 2) **Background. *GenAI in the Legal Profession.*** Attorneys, judicial officers, and arbitrators have adopted GenAI tools for research, drafting, and document review, including some high-profile reports of filings containing fabricated case citations. In April 2026, the State Bar instituted disciplinary charges against two attorneys who submitted false GenAI-generated content in court filings, and a third attorney agreed to a license suspension. Existing standards address the issue without statutory force: the California Rules of Professional Conduct impose duties of competence and diligence on attorneys, and Standard 10.80 of the California Standards of Judicial Administration addresses judicial officer use of GenAI. This bill converts several of those advisory standards into statutory duties and adds a citation-verification requirement. Notably, this bill defines GenAI by capability rather than use — an artificial intelligence system that “can generate” derived synthetic content. That definition likely reaches GenAI features embedded in enterprise legal research platforms, which bears on the volume of court disclosures required by this bill.

ADR certification. SB 940 (Umberg), Chapter 986, Statutes of 2024, required the State Bar to create a voluntary program certifying ADR firms, providers, and practitioners, including verification of compliance with ethical standards, tiered certification levels, and authority to deny or revoke certification. The program is fee-supported, and existing law prohibits the State Bar from using annual license fee revenue for program costs. That program does not currently include a mechanism to investigate or resolve complaints against certified neutrals. This bill supplies that mechanism and establishes related provisions governing privilege, confidentiality, and public disclosure of complaint outcomes. The program is not yet operating, so the population of certified firms and practitioners subject to the complaint process is not known.

- 3) **Support and Opposition.** This bill is supported by Oakland Privacy, SEIU California, and TechEquity Action. The American Arbitration Association (AAA) is opposed unless amended, stating that the bill “would eliminate the long-standing assurance of mediation privilege/confidentiality for parties who use a State Bar-certified mediator.” This, AAA argues, would likely result in “greatly reduced participation in the voluntary certification program by mediators.”

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