
UNFINISHED BUSINESS

Bill No: SB 574
Author: Umberg (D), et al.
Amended: 8/21/26
Vote: 21

SENATE JUDICIARY COMMITTEE: 13-0, 1/13/26

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

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26

AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SENATE FLOOR: 39-0, 1/29/26

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, 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: Reyes

ASSEMBLY FLOOR: Passed, 8/31/26

SUBJECT: Attorneys, arbitrators, judicial officers, and alternative resolution providers

SOURCE: Author

DIGEST: This bill governs the use of generative artificial intelligence (AI) by an attorney to assist in the practice of law, prohibits an attorney from delegating the practice of law to generative AI, prohibits an arbitrator from delegating any part of their decision-making process to any generative AI, as provided, requires the Judicial Council to publicly revisit a specified standard of judicial administration to incorporate any necessary changes reflecting the further development of generative AI, and prohibits a brief, pleading, motion, or any other paper filed in any court

from containing any citations that the an attorney responsible for submitting the pleading has not personally read and verified, including any citation provided by generative AI.

Assembly Amendments 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, requires the State Bar to adopt procedures for the State Bar or a professional organization to receive, investigate, and resolve any complaints that a certified firm, provider, or practitioner failed to comply with the applicable ethical standards of conduct, as specified, and places other regulations on the use of generative AI by alternative resolution providers.

ANALYSIS:

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 § 128.7.)
- 2) Provides that by presenting to the court, whether by signing, filing, submitting, or later advocating, a pleading, petition, written notice of motion, or other similar paper, an attorney or unrepresented party is certifying that to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, all of the following conditions are met:
 - a) it is not being presented primarily for an improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation;
 - b) the claims, defenses, and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;
 - c) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and
 - d) the denials of factual contentions are warranted on the evidence or, if specifically so identified, are reasonably based on a lack of information or belief. (*Ibid.*)

- 3) 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, article (art.) VI, § 9; Business & Professions (Bus. & Prof.) Code §§ 6000 et seq.)
- 4) Governs arbitrations in California pursuant to the California Arbitration Act (CAA), including the enforcement of arbitration agreements, rules for neutral arbitrators, the conduct of arbitration proceedings, and the enforcement of arbitration awards. (Code of Civil (Civ.) Procedure (Proc.) § 1280 et. seq.)
- 5) Requires the State Bar to create a program to certify alternative dispute resolution firms, providers, or practitioners, as provided. (Bus. & Prof. Code § 6173.)

This bill:

- 1) Prohibits an attorney from delegating the practice of law to generative AI.
- 2) Provides that an attorney who uses generative AI to assist in the practice of law must do the following listed below.
 - a) Not enter confidential, personal identifying, and other nonpublic information into a generative artificial intelligence system for which access to confidential, personal identifying, or other nonpublic information the attorney inputs into the system is not restricted to the attorney and persons authorized by the attorney under obligations to protect the confidentiality of the information.
 - b) Take reasonable steps are taken to:
 - i. verify the accuracy of generative AI outputs, including, but not limited to, the accuracy of all case and statutory citations;
 - ii. correct any erroneous or hallucinated output in any material used by the attorney.
 - c) Disclose the use of generative AI to the court for all documents submitted to the court and consider whether to disclose the use of generative AI if it is used to create content provided to the public.
- 3) Prohibits a brief, pleading, motion, or any other paper filed in any court from containing any citations that an attorney responsible for submitting the pleading

has not personally read and verified, including any citation provided by generative AI.

- 4) Prohibits an arbitrator from delegating any part of their decision-making process to any generative AI tool.
- 5) Prohibits an arbitrator from relying 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.
- 6) Prohibits an arbitrator from relinquishing their decision-making powers to generative AI and delegating any tasks to generative AI tools if such use could influence procedural or substantive decisions.
- 7) Defines “generative artificial intelligence” means an AI 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.
- 8) Requires the State Bar to adopt procedures for the State Bar or a professional organization to receive, investigate, and resolve any complaints that a certified firm, provider, or practitioner failed to comply with the applicable ethical standards of conduct, as provided.
 - a) All complaint proceedings shall occur in private and be kept confidential. No confidential or privileged information, records, or communications concerning the receipt, investigation, or resolution of a complaint may be disclosed outside the course of the complaint proceeding, except as specified.
 - b) After a decision on a complaint, the State Bar may 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.
 - c) Any information, records, or communications provided under this paragraph shall not be disclosed under the California Public Records Act.

Comments

The California State Bar’s Standing Committee on Professional Responsibility and Conduct 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.¹

Recently, an attorney was fined \$10,000 for filing a state court appeal full of fake quotations generated by the AI tool ChatGPT. The Court of Appeal noted that “nearly all of the quotations in plaintiff’s opening brief, and many of the quotations in plaintiff’s reply brief, have been fabricated.”² The opinion further elucidated that the attorney of record admitted he used AI to “support citation of legal issues” and that the “fabricated quotes were AI-generated. He further asserted that he had not been aware that generative AI frequently fabricates or hallucinates legal sources and, thus, he did not ‘manually verify [the quotations] against more reliable sources.’”³ The court of appeal published the opinion as a warning to the legal community writing “[s]imply stated, no brief, pleading, motion, or any other paper filed in any court should contain *any* citations—whether provided by generative AI or any other source—that the attorney responsible for submitting the pleading has not personally read and verified.”⁴

The American Arbitration Association–International Centre for Dispute Resolution (AAA-ICDR) announced in September of 2025 that it was releasing an AI arbitrator to resolve actual cases for two-party, documents only construction cases where both parties opted in to its use.⁵ The AA-ICDR websites states:

the AI arbitrator was trained on actual arbitrator reasoning from AAA-ICDR construction cases and calibrated and trained with human arbitrator input. With each step of the dispute resolution process, the AI arbitrator will evaluate the merits of claims, generate explainable recommendations, and prepare draft

¹ State Bar of Cal. Standing Comm. on Prof. Responsibility and Conduct, Practical Guidance for the use of Generative Artificial Intelligence in the Practice of Law, available at <https://www.calbar.ca.gov/Portals/0/documents/ethics/Generative-AI-Practical-Guidance.pdf>.

² *Noland v. Land of the Free* (2025) 114 Cal.App.5th 426 at 435.

³ *Id.* at 441.

⁴ *Id.* at 430.

⁵ 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/>.

awards that will be benchmarked to maintain alignment with expert human legal judgment. A human-in-the-loop framework embeds human arbitrators to review reasoning, evaluate and, if needed, revise AI-driven outcomes before a decision is finalized, and validate results, safeguarding trust, transparency, and due process.⁶

The California Rules of Court Standard 10.80 prescribe rules for the use of generative AI for any task with an adjudicative role. These include:

- not entering confidential, personal identifying, or other nonpublic information into a public generative AI system;
- not using generative AI to unlawfully discriminate against or disparately impact individuals or communities based on certain protected classifications;
- taking 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; and
- considering whether to disclose the use of generative AI if it is used to create content provided to the public.

This bill seeks to provide basic guidelines for the use of generative AI by attorneys, judges, arbitrators and mediators by modeling some of its provisions off the California Rules of Court Standard 10.80 and the ruling in *Noland* regarding verifying cases and citations used in documents submitted to the courts.

This bill also amends the existing alternative dispute resolution voluntary certification program overseen by the State Bar to require the State Bar to adopt procedures for the State Bar or a professional organization to receive, investigate, and resolve any complaints that a certified firm, provider, or practitioner failed to comply with the applicable ethical standards of conduct, as specified. The complaint proceedings must occur in private and be confidential. After a decision on a complaint, the State Bar is authorized to publicly disclose information or records concerning complaint proceedings that do not reveal confidential or privileged communications. Under this bill certain information would be exempt from disclosure under the California Public Records Act.

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

SUPPORT: (Verified 8/27/26)

⁶ *Ibid.*

California State Council of Service Employees International Union (seiu
California)
Oakland Privacy
TechEquity Action

OPPOSITION: (Verified 8/27/26)

American Arbitration Association
California Dispute Resolution Council
California Lawyers Association, Litigation Section, ADR Committee
Collaborative Practice California
Family Law Section Los Angeles County Bar Association

ARGUMENTS IN SUPPORT: The author writes:

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.

Oakland Privacy writes in support stating:

Oakland Privacy writes to offer our support to Senate Bill 574. The bill would prevent attorneys from entering the personal information of clients or other individuals into a public generative AI system, require all citations in a legal filing, including those generated by an AI system, to be personally verified by the filing attorney, and limits the role of artificial intelligence programs in arbitration decisions. [...]

ARGUMENTS IN OPPOSITION: The American Arbitration Association writes in opposition stating:

We have previously communicated our concerns and modest suggested amendments to the AI elements of this bill via a letter transmitted yesterday.

New section (b)(2)(B) in SB 574 would eliminate the long-standing assurance of mediation privilege/confidentiality for parties who use a State Bar-certified mediator. The result is likely to be greatly reduced participation in the voluntary certification program by mediators.

The legislature should consider removing this section from SB 574 to preserve the important ability of mediators to maintain confidentiality, as has been allowed under California law for over three decades. We also urge the committees to adopt our amendments to the AI provisions of this legislation, as detailed in our letter of June 25, 2026.

Prepared by: Amanda Mattson / JUD. / (916) 651-4113
8/31/26 12:51:48

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