

**SB-574 Attorneys, arbitrators, judicial officers, and alternative resolution providers.**
(2025-2026)

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Date Published: 10/01/2026 09:00 PM

Senate Bill No. 574**CHAPTER 858**

An act to amend Section 6173 of, and to add Section 6068.1 to, the Business and Professions Code, and to amend Section 128.7 of, and to add Sections 180 and 1282.1 to, the Code of Civil Procedure, relating to civil proceedings.

[Approved by Governor September 30, 2026. Filed with Secretary of State September 30, 2026.]

LEGISLATIVE COUNSEL'S DIGEST

SB 574, Umberg. Attorneys, arbitrators, judicial officers, and alternative resolution providers.

Existing law, the State Bar Act, provides for the licensure and regulation of attorneys by the State Bar of California, a public corporation. The act requires an attorney to strictly maintain client confidences and to preserve client secrets at their own peril.

This bill would prohibit an attorney from delegating the practice of law to generative artificial intelligence. The bill would require an attorney who uses generative artificial intelligence to assist in the practice of law to, among other things, not enter confidential, personal identifying, and other nonpublic information into a generative artificial intelligence system, as specified. The bill would also require an attorney to take reasonable steps to verify the accuracy of generative artificial intelligence outputs and to correct any erroneous or hallucinated output in any material used by the attorney.

Existing law requires every pleading, petition, written notice of motion, or other similar paper to be signed by the attorney of record, or if a party is unrepresented, by the party, thereby certifying to the best of the person's knowledge, information, and belief that it is not being presented primarily for an improper purpose and that the claims, defenses, and legal and factual contentions are warranted, as specified.

This bill would prohibit 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 verified, including any citation provided by generative artificial intelligence.

Existing law, the California Arbitration Act, provides a statutory framework for the enforcement of contractual arbitration under California law. The act establishes that a written agreement to submit a present or future controversy to arbitration is valid, enforceable, and irrevocable, except as specified. The act defines a neutral arbitrator as one who is selected jointly by the parties or by the parties' arbitrators, or is appointed by the court if the parties or their arbitrators cannot jointly select an arbitrator. The act requires a person selected to serve as a neutral arbitrator to disclose all matters that could cause a person aware of the facts to reasonably entertain a doubt as to the proposed neutral arbitrator's impartiality.

This bill would prohibit an arbitrator from delegating any part of their decisionmaking process to any generative artificial intelligence tool, and would prohibit an arbitrator from relying on information generated by generative artificial intelligence outside the record without making appropriate disclosures to the parties beforehand, as specified.

The California Constitution establishes the Judicial Council, and requires the Judicial Council to adopt rules for court administration, practice, and procedure, and to undertake certain responsibilities with regard to court facilities.

This bill would require the Judicial Council to publicly revisit a specified standard of judicial administration to incorporate any necessary changes reflecting the further development of generative artificial intelligence.

Existing law requires the State Bar to create a program to certify alternative resolution firms, providers, or practitioners. Existing law requires the program to include procedures to verify, among other things, that a firm, provider, or practitioner has procedures in place for persons to make complaints regarding the failure of an arbitrator or mediator of the firm, provider, or practitioner to comply with ethical standards, as applicable, and procedures to remedy failures of arbitrators or mediators to comply with those standards.

This bill would instead 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 bill would require complaint proceedings to occur in private and be confidential. After a decision on a complaint, the bill would authorize the State Bar to publicly disclose information or records concerning complaint proceedings that do not reveal confidential or privileged communications. The bill would exempt information, records, or communications provided under these provisions from disclosure under the Public Records Act.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 6068.1 is added to the Business and Professions Code, to read:

6068.1. (a) (1) Nothing in this section shall be construed to abrogate an attorney's duty to exercise reasonable competence and diligence in the practice of law.

(2) An attorney shall not delegate the practice of law to generative artificial intelligence.

(3) An attorney who uses generative artificial intelligence to assist in the practice of law shall do all of the following:

(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 to do both of the following:

(i) Verify the accuracy of generative artificial intelligence 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 artificial intelligence to the court for all documents submitted to the court and consider whether to disclose the use of generative artificial intelligence if it is used to create content provided to the public.

(b) For purposes of this section:

(1) "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.

(2) "Personal identifying information" includes all the following:

(A) Driver's license numbers.

(B) Dates of birth.

(C) Social security numbers.

(D) National Crime Information and Criminal Identification and Information numbers.

(E) Addresses and phone numbers of parties, victims, witnesses, and court personnel.

(F) Medical or psychiatric information.

(G) Financial information.

(H) Account numbers.

(I) Any other content sealed by court order or deemed confidential by court rule or statute.

SEC. 2. Section 6173 of the Business and Professions Code is amended to read:

6173. (a) (1) The State Bar shall create a voluntary program to certify alternative dispute resolution firms, providers, or practitioners.

(2) A program created pursuant to paragraph (1) shall not require a firm, provider, or practitioner to be a licensee of the State Bar in order to be certified under the program.

(b) The program shall include, but shall not be limited to, all of the following:

(1) Procedures established by the State Bar for a firm, provider, or practitioner to become a certified alternative dispute resolution firm, provider, or practitioner that include, but are not limited to, a requirement that the firm, provider, or practitioner verify all of the following:

(A) The firm, provider, or practitioner requires, at a minimum, its arbitrators to comply with the Ethics Standards for Neutral Arbitrators in Contractual Arbitration as adopted by the Judicial Council pursuant to Section 1281.85 of the Code of Civil Procedure.

(B) The firm, provider, or practitioner requires, at a minimum, its mediators to comply with ethical standards that are equivalent to the Rules of Conduct for Mediators in Court-Connected Mediation Programs for General Civil Cases as provided in Rules 3.850 to 3.860, inclusive, of the California Rules of Court.

(2) Procedures for 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.

(A) For mediators, those complaint procedures shall be substantially similar to the complaint procedures specified in Article 3 (commencing with Rule 3.865) of Chapter 3 of Division 8 of Title 3 of the California Rules of Court.

(B) Notwithstanding subdivision (e) of Section 6068, Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code, the Lawyer-Client Privilege Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the Evidence Code, the Attorney Work Product doctrine as restated in Chapter 4 (commencing with Section 2018.010) of Title 4 of Part 4 of the Code of Civil Procedure, or any other law, alternative dispute resolution firms, providers, or practitioners certified by the State Bar pursuant to Section 6173, licensees of the State Bar, limited liability partnerships, or law corporations registered with the State Bar shall, 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 relevant to the conduct alleged in the complaint. This subparagraph is subject to clauses (i), (ii), and (iii).

(i) A person is not required under this subparagraph to provide information, records, or communications protected by the lawyer-client privilege or the attorney work product doctrine, without regard to which person has possession or custody of the material, unless each holder of the privilege or protection has consented in writing to its production. A person who submits a complaint under this paragraph is deemed to have consented to the production of material for which that person is the sole holder.

(ii) Information, records, or communications provided under this subparagraph shall be used solely for the receipt, investigation, and resolution of the complaint, and shall not be disclosed to any person other than the person who submitted the complaint, the firm, provider, or practitioner that is the subject of the complaint, a holder of a privilege or protection in the material, and State Bar personnel and agents assigned to the proceeding.

(iii) This subparagraph shall only apply to a mediation where one of the parties is self-represented.

(C) By providing any information, records, or communications under subparagraph (B), a person described in subparagraph (B) does not violate, waive, or extinguish, and a holder of a privilege or protection in the material does not waive or extinguish, any privilege, protection, or duty of confidentiality under subdivision (e) of Section 6068, Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code, the Lawyer-Client Privilege under Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the

Evidence Code, the Attorney Work Product doctrine as restated in Chapter 4 (commencing with Section 2018.010) of Title 4 of Part 4 of the Code of Civil Procedure, or the protections of any other rule or law.

(D) 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 provided in subparagraph (E) or as required by an order of a court of competent jurisdiction.

(E) 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.

(F) Any information, records, or communications provided under this paragraph shall not be disclosed pursuant to any state law, including, but not limited to, the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).

(3) Different levels or tiers for certification that meet both of the following requirements:

(A) Higher levels or tiers are awarded to firms, providers, or practitioners that demonstrate a higher level of commitment to accountability and consumer protection based on criteria or other standards, including, but not limited to, additional education or training, adopted by the State Bar.

(B) The levels or tiers do not reflect an assessment of the quality of a firm, provider, or practitioner.

(4) Authority for the State Bar to deny or revoke certification for a failure to meet or maintain certification standards.

(5) The professional organization approved by the State Bar pursuant to paragraph (2) shall not be a voluntary association of attorneys.

(c) (1) The State Bar may charge an alternative dispute resolution firm, provider, or practitioner seeking certification pursuant to this section a fee to cover the reasonable costs of administering the program.

(2) The fee charged pursuant to paragraph (1) may be higher in the early years of the program to reimburse the State Bar for costs related to the planning and establishment of the program, including, but not limited to, technology and preliminary staffing costs.

(3) The State Bar shall not use any moneys received from the annual license fees collected pursuant to Section 6140 or 6141 for any costs associated with this section.

(d) For purposes of this article:

(1) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decisionmaking process.

(2) "Program" means the program created pursuant to subdivision (a).

SEC. 3. Section 128.7 of the Code of Civil Procedure is amended to read:

128.7. (a) Every pleading, petition, written notice of motion, or other similar paper shall 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, shall be signed by the party. Each paper shall state the signer's address and telephone number, if any. Except when otherwise provided by law, pleadings need not be verified or accompanied by affidavit. An unsigned paper shall be stricken unless omission of the signature is corrected promptly after being called to the attention of the attorney or party.

(b) (1) 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.

(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.

(2) (A) A brief, pleading, motion, or any other paper filed in any court shall not contain any citations that an attorney responsible for submitting the pleading has not personally verified, including any citation provided by generative artificial intelligence.

(B) For purposes of this paragraph, "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.

(c) If, after notice and a reasonable opportunity to respond, the court determines that subdivision (b) has been violated, the court may, subject to the conditions stated below, impose an appropriate sanction upon the attorneys, law firms, or parties that have violated subdivision (b) or are responsible for the violation. In determining what sanctions, if any, should be ordered, the court shall consider whether a party seeking sanctions has exercised due diligence.

(1) A motion for sanctions under this section shall be made separately from other motions or requests and shall describe the specific conduct alleged to violate subdivision (b). Notice of motion shall be served as provided in Section 1010, but shall not be filed with or presented to the court unless, within 21 days after service of the motion, or any other period as the court may prescribe, the challenged paper, claim, defense, contention, allegation, or denial is not withdrawn or appropriately corrected. If warranted, the court may award to the party prevailing on the motion the reasonable expenses and attorney's fees incurred in presenting or opposing the motion. Absent exceptional circumstances, a law firm shall be held jointly responsible for violations committed by its partners, associates, and employees.

(2) On its own motion, the court may enter an order describing the specific conduct that appears to violate subdivision (b) and directing an attorney, law firm, or party to show cause why it has not violated subdivision (b), unless, within 21 days of service of the order to show cause, the challenged paper, claim, defense, contention, allegation, or denial is withdrawn or appropriately corrected.

(d) A sanction imposed for violation of subdivision (b) shall be limited to what is sufficient to deter repetition of this conduct or comparable conduct by others similarly situated. Subject to the limitations in paragraphs (1) and (2), the sanction may consist of, or include, directives of a nonmonetary nature, an order to pay a penalty into court, or, if imposed on motion and warranted for effective deterrence, an order directing payment to the movant of some or all of the reasonable attorney's fees and other expenses incurred as a direct result of the violation.

(1) Monetary sanctions may not be awarded against a represented party for a violation of paragraph (2) of subdivision (b).

(2) Monetary sanctions may not be awarded on the court's motion unless the court issues its order to show cause before a voluntary dismissal or settlement of the claims made by or against the party that is, or whose attorneys are, to be sanctioned.

(e) When imposing sanctions, the court shall describe the conduct determined to constitute a violation of this section and explain the basis for the sanction imposed.

(f) In addition to any award pursuant to this section for conduct described in subdivision (b), the court may assess punitive damages against the plaintiff upon a determination by the court that the plaintiff's action was an action maintained by a person convicted of a felony against the person's victim, or the victim's heirs, relatives, estate, or personal representative, for injuries arising from the acts for which the person was convicted of a felony, and that the plaintiff is guilty of fraud, oppression, or malice in maintaining the action.

(g) This section shall not apply to disclosures and discovery requests, responses, objections, and motions.

(h) A motion for sanctions brought by a party or a party's attorney primarily for an improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation, shall itself be subject to a motion for sanctions. It is the intent of the Legislature that courts shall vigorously use its sanctions authority to deter that improper conduct or comparable conduct by others similarly situated.

(i) This section shall apply to a complaint or petition filed on or after January 1, 1995, and any other pleading, written notice of motion, or other similar paper filed in that matter.

SEC. 4. Section 180 is added to the Code of Civil Procedure, to read:

180. The Judicial Council shall publicly revisit, and revise as necessary, Standard 10.80 of the California Standards of Judicial Administration to incorporate any necessary changes to reflect the further development of

generative artificial intelligence.

SEC. 5. Section 1282.1 is added to the Code of Civil Procedure, to read:

1282.1. (a) Nothing in this section shall be construed to abrogate an arbitrator's duty of neutrality and duty to exercise reasonable competence and diligence.

(b) (1) An arbitrator shall not delegate any part of their decisionmaking process to any generative artificial intelligence tool.

(2) An arbitrator shall not rely 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.

(c) For purposes of this section, "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.

SEC. 6. The Legislature finds and declares that Section 2 of this act, which amends Section 6173 of the Business and Professions Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to protect the confidentiality of privileged records and communications disclosed during an investigation conducted by the State Bar or a professional organization approved by the State Bar under Section 6173 of the Business and Professions Code, it is necessary to exempt those records and communications from disclosure.