AMENDED IN SENATE JUNE 5, 2024

AMENDED IN ASSEMBLY MAY 2, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL No. 3279

Introduced by Committee on Judiciary (Assembly Members Kalra (Chair), Bryan, Connolly, Haney, Maienschein, McKinnor, Pacheco, and Reyes)

February 29, 2024

An act to amend Sections 6031.5, *6046.7,* 6079.1, 6140, 6140.03, *6140.5,* and 6177 of, to amend and repeal Section 6141 of, to add Sections 6016.2, 6070.1, and 6091.3 to, to add and repeal Sections *6060.10,* 6140.10, 6140.11, 6140.13~~, 6140.14 and 6060.10~~ *and 6140.14* of, and to repeal and add Section 6060.7 of, the Business and Professions Code, to amend Section 55.32 of the Civil Code, to amend Section 2015 of the Code of Civil Procedure, and to amend Section 4056 of the Financial Code, relating to attorneys.

LEGISLATIVE COUNSEL'S DIGEST

AB 3279, as amended, Committee on Judiciary. State Bar of California.

Existing law, the State Bar Act, provides for the licensure and regulation of attorneys by the State Bar of California (State Bar), a public corporation governed by a board of trustees. Existing law prescribes the manner of appointment of members of the board by the Supreme Court, the Senate Committee on Rules, the Speaker of the Assembly, and the Governor. Existing law establishes 4-year terms of office for attorney and public members of the board, and authorizes attorney members to be appointed for only one additional term.

This bill would authorize an appointing authority to remove from office at any time a member of the board appointed by that appointing authority for continued neglect of duties, incompetence, or unprofessional or dishonorable conduct.

Existing law requires the State Bar to collect fees for the California Lawyers Association, provided the board determines that the California Lawyers Association continues to serve a public purpose, as prescribed, and continues to comply with certain legal requirements related to establishing criteria for membership in the California Young Lawyers Association.

This bill would delete the above-described requirement on establishing criteria for membership in the California Young Lawyers Association.

Existing law requires the Committee of Bar Examiners to adopt rules for the regulation and oversight of unaccredited law schools that are required to be authorized to operate as a business in California and to have an administrative office in California that are not accredited by the American Bar Association or the Committee of Bar Examiners, and to adopt rules for the regulation and oversight of nonlaw school legal programs leading to a juris doctor (J.D.) degree, bachelor of laws (LL.B.) degree, or other law study program.

This bill would instead make the Committee of Bar Examiners responsible for the approval, regulation, and oversight of degree-granting unaccredited law schools that award the juris doctor (J.D.) degree and that are not approved by the American Bar Association or examining committee.

Existing law makes the examining committee of the State Bar responsible for the approval, regulation, or oversight of certain law schools and law study programs that do not meet specified criteria that became inoperative on January 1, 2008.

This bill would repeal those provisions and instead would make the examining committee responsible for the approval, regulation, and oversight of degree-granting law schools that award the juris doctor professional degree in California and are not approved by the American Bar Association.

This bill, beginning on July 1, 2026, until January 1, 2030, would require the State Bar to annually report to the Legislature on the number of complaints regarding access issues relating to the biannual state bar exam.

Existing law exempts certain full-time employees from continuing legal education otherwise required to be completed by active licensees.

This bill would define “full-time employees” for those purposes to include employees of the California State Legislature, and would declare that this provision is declaratory of existing law.

Existing law provides for the appointment of a presiding judge and hearing judges to the State Bar Court. Existing law requires a hearing judge to be paid a certain percentage of the salary of a superior court judge and requires the presiding judge to be paid the same salary as a superior court judge.

This bill would instead require a hearing judge to be paid the salary of a superior court judge and would require the presiding judge to be paid the same as a justice of the court of appeal. The bill would ~~prohibit funding for State Bar Court judges in excess of the amount authorized as of December 31, 2024, to be paid from certain annual fees imposed on licensees.~~ *limit the use of license fees to compensate State Bar Court judges, as specified.*

Existing law requires the Board of Trustees of the State Bar to establish and administer a Client Security Fund to relieve or mitigate pecuniary losses caused by the dishonest conduct of licensees of the State Bar, among others, arising from the practice of law.

This bill would state that judicial review of a decision to approve or deny an application for reimbursement from the Client Security Fund may be had by filing a petition for a writ of administrative mandamus, and would declare that this provision is declaratory of existing law.

Existing law authorizes the State Bar to impose various annual fees on active and inactive licensees, including an annual license fee. Existing law, until January 1, 2025, requires the board to fix the annual license fee for active licensees for 2024 at a sum not exceeding $390. Existing law also requires the board to fix the annual license fee for inactive licensees for 2024 at a sum not exceeding $97.40.

This bill would ~~extend the operation of the provision requiring the board to fix the annual license fees at the amounts specified above until January 1, 2026.~~ *instead authorize the board, until January 1, 2026, to fix the annual license fee for active licensees for 2025 at a sum not exceeding $400 and to fix the annual license fee for inactive licensees for 2025 at a sum not exceeding $100. The bill would require the date set for payment of the annual license fee for active licensees to be not less than 12 months from the prior year’s due date, and would require individuals who qualified for a specified waiver to pay the fee on an installment basis.* The bill would authorize the State Bar to annually collect additional annual fees from active and inactive licensees, including, until January 1, 2030, an annual fee to pay for costs associated with leasing space in a certain building in San Francisco; until January 1, 2028, an annual fee to fund salaries and ~~benefits, as specified; salary and, until January 1, 2029, an annual fee to fund the Office of Chief Trial Counsel's pilot disciplinary diversion program.~~ *benefits of State Bar employees; until January 1, 2029, an annual fee to fund the cost of administering compliance reviews and audits of client trust accounts; and, until January 1, 2029, an annual fee to fund certain disciplinary diversion pilot programs.*

Existing law, until December 31, 2024, requires $5 of specified annual fees authorized to be imposed on licensees, unless a licensee elects otherwise, to be allocated to qualified legal services projects or qualified support centers to fund law student summer fellowships for the purpose of supporting law students interested in pursuing a career in legal services for indigent persons.

This bill would extend that requirement until January 1, 2030.

Existing law requires a financial institution that is a depository for attorney trust accounts to report to the State Bar in the event any properly payable instrument is presented against an attorney trust account containing insufficient funds.

This bill would require a financial institution, commencing January 1, 2026, to collect an attorney's license number upon the establishment of a new client trust account. The bill would require a financial institution, commencing January 1, 2026, to annually furnish to the State Bar a statement of account for every client trust account, and, commencing January 1, 2027, to annually furnish to the State Bar a report for every client trust account known to the financial institution. The bill would require the State Bar to provide certain information to the financial institutions, and would authorize the State Bar to collect an annual fee from licensees to cover the cost of implementing those provisions.

Existing law, the California Financial Information Privacy Act, generally prohibits a financial institution from disclosing a consumers nonpublic personal information with any nonaffiliated third party without the consumer's consent, and makes an entity that violates those provisions subject to specified civil penalties. Existing law exempts from this prohibition the disclosure of a consumer's nonpublic personal information when the nonpublic personal information is released to the extent specifically required or permitted by law to specified entities, including, among others, law enforcement agencies.

This bill would also authorize the disclosure of a consumer's nonpublic personal information to the extent specifically required or permitted by law to the State Bar.

Existing law requires the State Bar, by April 30 of each year, to include in its Annual Discipline Report certain information on the number of complaints filed against California attorneys alleging a violation of specified financial service provisions. Existing law also requires the State Bar to report, no later than April 30 of each year, as part of its Annual Discipline Report to the Legislature and the Chairs of the Senate and Assembly Judiciary Committees, certain information relating to demand letters received by the State Bar, including the number of investigations opened concerning a violation of construction-related accessibility claim.

This bill would delete the above-described April 30 deadline for those annual reports.

Existing law, when an affidavit is taken before a judge or court in another state or foreign country, requires the clerk of the court to certify the genuineness of the signature of the judge, the existence of the court, and the fact that the judge is a member of the court.

This bill would make those provisions inapplicable to oaths administered for admission to the State Bar.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 6016.2 is added to the Business and Professions Code, to read:

6016.2. (a) Each appointing authority may remove from office at any time any member of the board appointed by that authority for continued neglect of duties required by law, or for incompetence or unprofessional or dishonorable conduct.

(b) Nothing in this section shall be construed as a limitation or restriction on the power of the appointing authority conferred on the appointing authority by any other provision of law to remove any member of the board.

(c) As used in this section, "appointing authority" means the person or entity with authority to make an appointment to the board as provided in this article.

SEC. 2. Section 6031.5 of the Business and Professions Code is amended to read:

6031.5. (a) The California Lawyers Association and its activities shall not be funded with mandatory fees collected pursuant to subdivision (a) of Section 6140.

The State Bar may provide the California Lawyers Association with administrative and support services, provided the California Lawyers Association agrees, before such services are provided, to the nature, scope, and cost of those services. The State Bar shall be reimbursed for the full cost of those services out of funds collected pursuant to subdivision (b) or funds provided by the California Lawyers Association. The financial audit specified in Section 6145 shall confirm that the amount assessed by the State Bar for providing the services reimburses the costs of providing them, and shall verify that mandatory fees are not used to fund the California Lawyers Association. The State Bar and the California Lawyers Association may also contract for other services provided by the State Bar or by the California Lawyers Association.

(b) Notwithstanding any other law, the State Bar shall collect fees for the California Lawyers Association provided the Board of Trustees of the State Bar determines that the California Lawyers Association continues to serve a public purpose by providing the services described in subdivision (f) of Section 6056. The California Lawyers Association shall pay for the actual costs of the collection.

(c) (1) Notwithstanding any other law, the State Bar is expressly authorized to collect, in conjunction with the State Bar's collection of its annual license fees up to and through the collection of fees authorized for the year 2019, voluntary fees or donations on behalf of the Conference of Delegates of California Bar Associations, the independent nonprofit successor entity to the former Conference of Delegates of the State Bar which has been incorporated for the purposes of aiding in matters pertaining to the advancement of the science of jurisprudence or to the improvement of the administration of justice, and to convey any unexpended voluntary fees or donations previously made to the Conference of Delegates of the State Bar pursuant to this section to the Conference of Delegates of California Bar Associations. The Conference of Delegates of California Bar Associations shall pay for the cost of the collection. The State Bar and the Conference of Delegates of

California Bar Associations may also contract for other services. The financial audit specified in Section 6145 shall confirm that the amount of any contract shall fully cover the costs of providing the services, and shall verify that mandatory fees are not used to fund any successor entity.

(2) The Conference of Delegates of California Bar Associations, which is the independent nonprofit successor entity to the former Conference of Delegates of the State Bar as referenced in paragraph (1), is a voluntary association, is not a part of the State Bar of California, and shall not be funded in any way through mandatory fees collected by the State Bar of California. Any contribution or membership option included with a State Bar of California mandatory fees billing statement shall include a statement that the Conference of Delegates of California Bar Associations is not a part of the State Bar of California and that membership in that organization is voluntary.

(3) This subdivision shall become inoperative on January 1, 2020.

SEC. 3. Section 6046.7 of the Business and Professions Code is amended to read:

~~6046.7. (a) (1) Notwithstanding any other provision of law, the Committee of Bar Examiners shall adopt rules that shall be effective on and after January 1, 2008, for the regulation and oversight of unaccredited law schools that are required to be authorized to operate as a business in California and to have an administrative office in California, including correspondence schools, that are not accredited by the American Bar Association or the Committee of Bar Examiners, with the goal of ensuring consumer protection and a legal education at an affordable cost.~~

~~(2) Notwithstanding any other provision of law, the committee shall adopt rules that shall be effective on and after January 1, 2008, for the regulation and oversight of nonlaw school legal programs leading to a juris doctor (J.D.) degree, bachelor of laws (LL.B.) degree, or other law study degree.~~

6046.7. (a) Notwithstanding any other law, the examining committee shall be responsible for the approval, regulation, and oversight of degree-granting unaccredited law schools that meet both of the following:

(1) Award the juris doctor (J.D.) professional degree in California.

(2) Are not approved by the American Bar Association or the Committee of Bar Examiners.

(b) ~~Commencing January 1, 2008, the committee~~ *The Committee of Bar Examiners* shall assess and collect a fee from unaccredited law schools ~~and legal programs in nonlaw schools~~ in an amount sufficient to fund the regulatory and oversight responsibilities imposed by this section. Nothing in this subdivision precludes the board of trustees from using other funds or fees collected by the State Bar or by the *examining* committee to supplement the funding of the regulatory and oversight responsibilities imposed by this section with other funds, if that supplemental funding is deemed necessary and appropriate to mitigate some of the additional costs of the regulation and oversight to facilitate the provision of a legal education at an affordable cost.

~~SEC. 3.~~

SEC. 4. Section 6060.7 of the Business and Professions Code is repealed.

~~SEC. 4.~~

SEC. 5. Section 6060.7 is added to the Business and Professions Code, to read:

6060.7. The examining committee shall be responsible for the approval, regulation, and oversight of degree-granting law schools that meet both of the following:

(a) Award the juris doctor (J.D.) professional degree in California.

(b) Are not approved by the American Bar Association.

~~SEC. 5.~~

SEC. 6. Section 6060.10 is added to the Business and Professions Code, to read:

6060.10. (a) Commencing July 1, 2026, and annually thereafter, the State Bar shall transmit to the Legislature a report detailing the number of complaints regarding access issues related to the biannual state bar exam detailed as follows:

(1) The testing location in which the complaints occurred.

(2) The nature of the access related complaints.

~~(3) The passage rate of those levying access related complaints.~~

~~(4)~~

(3) Accommodations provided to persons levying access related complaints.

(4) Any additional information the State Bar determines to be relevant and necessary for the assessment of the existing programs for addressing access issues related to the biannual state bar exam.

(b) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

~~SEC. 6.~~

SEC. 7. Section 6070.1 is added to the Business and Professions Code, to read:

6070.1. (a) For the purpose of subdivision (c) of Section 6070, “full-time employees of the State of California” shall include all licensees of the State Bar employed by the California State Legislature, regardless of the licensee’s official position classification.

(b) This section is declaratory of existing law.

~~SEC. 7.~~

SEC. 8. Section 6079.1 of the Business and Professions Code is amended to read:

6079.1. (a) The Supreme Court shall appoint a presiding judge of the State Bar Court. In addition, five hearing judges shall be appointed, two by the Supreme Court, one by the Governor, one by the Senate Committee on Rules, and one by the Speaker of the Assembly, to efficiently decide any and all regulatory matters pending before the Hearing Department of the State Bar Court. The presiding judge and all other judges of that department shall be appointed for a term of six years and may be reappointed for additional six-year terms. Any judge appointed under this section shall be subject to admonition, censure, removal, or retirement by the Supreme Court upon the same grounds as provided for judges of courts of record of this state.

(b) Judges of the State Bar Court appointed under this section shall not engage in the private practice of law. The State Bar Court shall be broadly representative of the ethnic, sexual, and racial diversity of the population of California and composed in accordance with Sections 11140 and 11141 of the Government Code. Each judge:

(1) Shall have been a licensee of the State Bar for at least five years.

(2) Shall not have any record of the imposition of discipline as an attorney in California or any other jurisdiction.

(3) Shall meet any other requirements as may be established by subdivision (d) of Section 12011.5 of the Government Code.

(c) Applicants for appointment or reappointment as a State Bar Court judge shall be screened by an applicant evaluation committee as directed by the Supreme Court. The committee, appointed by the Supreme Court, shall submit evaluations and recommendations to the appointing authority and the Supreme Court as provided in Rule 9.11 of the California Rules of Court, or as otherwise directed by the Supreme Court. The committee shall submit no fewer than three recommendations for each available position.

(d) (1) For judges appointed pursuant to this section or Section 6086.65, the board shall fix and pay reasonable compensation and expenses and provide adequate supporting staff and facilities. Hearing judges shall be paid the salary of a superior court judge. The presiding judge shall be paid the same salary as a justice of the court of appeal.

~~(2) Any funding for judges of the State Bar Court in excess of the amount authorized on December 31, 2024, shall not be paid from the annual licensing fee imposed on licensees.~~

(2) Any compensation increase for State Bar Court judges on or after January 1, 2025, that is attributable to increases in the salary of a superior court judge or a justice of the court of appeal shall only be funded by license fees up to the amount of the increase that would have occurred in the absence of the changes to this subdivision made by the act adding this subdivision.

(e) From among the licensees of the State Bar or retired judges, the Supreme Court or the board may appoint pro tempore judges to decide matters in the Hearing Department of the State Bar Court when a judge of the State Bar Court is unavailable to serve without undue delay to the proceeding. Subject to modification by the Supreme Court, the board may set the qualifications, terms, and conditions of service for pro tempore judges and may, in its discretion, compensate some or all of them out of funds appropriated by the board for this purpose.

(f) A judge or pro tempore judge appointed under this section shall hear every regulatory matter pending in the Hearing Department of the State Bar Court as to which the taking of testimony or offering of evidence at trial has not commenced, and when so assigned, shall sit as the sole adjudicator, except for rulings that are to be made by the presiding judge of the State Bar Court or referees of other departments of the State Bar Court.

(g) Any judge or pro tempore judge of the State Bar Court as well as any employee of the State Bar assigned to the State Bar Court shall have the same immunity that attaches to judges in judicial proceedings in this state. Nothing in this subdivision limits or alters the immunities accorded the State Bar, its officers and employees, or any judge or referee of the State Bar Court as they existed prior to January 1, 1989. This subdivision does not constitute a change in, but is cumulative with, existing law.

(h) Nothing in this section shall be construed to prohibit the board from appointing persons to serve without compensation to arbitrate fee disputes under Article 13 (commencing with Section 6200) or to monitor the probation of a licensee of the State Bar, whether those appointed under Section 6079, as added by Chapter 1114 of the Statutes of 1986, serve in the State Bar Court or otherwise.

~~SEC. 8.~~

SEC. 9. Section 6091.3 is added to the Business and Professions Code, to read:

6091.3. (a) Commencing January 1, 2026, upon the establishment of a new client trust account associated with an attorney licensed to practice in California, the financial institution shall collect and retain within its books and records the attorney license number.

(b) Commencing January 1, 2026, a financial institution shall furnish on an annual basis a statement of account for every client trust account actually known to the financial institution based on its books and records that are associated with an attorney licensed to practice in California in a format mutually acceptable by the financial institution and the State Bar. The statement of account shall include, but not be limited to, the name and address of the account holder, other information necessary to identify the account holder, and the account balance as of December 31 of the prior year.

(c) On or before July 1, 2026, the State Bar shall furnish to a financial institution the name, address, and attorney license number for client trust accounts reported from the statement of accounts provided pursuant to subdivision (b), and by attorneys licensed to practice in California to the State Bar that are not included within the statement of accounts furnished by the financial institution pursuant to subdivision (b). The State Bar shall only furnish information to the financial institution where the account holder is a customer of the same financial institution as reported by the attorney licensed to practice in California.

(d) Financial institutions shall cooperate with the State Bar to assist in identifying the license number of any remaining client trust account holders that are not identified pursuant to the process identified in subdivision (c).

(e) Commencing January 1, 2027, a financial institution shall furnish to the State Bar on an annual basis a report for every client trust account actually known to the financial institution based on its books and records that are associated with an attorney licensed to practice in California. The report shall include, but not be limited to, the name and address of the account holder, the attorney license number, and the account balance as of December 31 of the prior year.

(f) A financial institution receiving information pursuant to subdivision (c), shall, after validating the accuracy of the information furnished by the State Bar, incorporate into its books and records the attorney license number for client trust accounts where such information was previously not collected.

~~SEC. 9.~~

SEC. 10. Section 6140 of the Business and Professions Code is amended to read:

6140. (a) The board shall fix the annual license fee for active licensees for 2025 at a sum not exceeding ~~three hundred and ninety dollars ($390).~~ *four hundred dollars ($400).*

(b) The annual license fee for active licensees is payable on or before the ~~first day of February of each year. If~~ *date set by the State Bar, which shall not be less than 12 months from the prior year's due date. Individuals who qualify for a waiver pursuant to subdivision (b) of Section 6141.1 shall be permitted to pay fees on an installment basis, with interest, in the manner determined by the State Bar. Additionally, if* the board finds it appropriate and feasible, it may provide by rule for payment of fees on an installment basis with interest, by credit card, or by other means, and may charge licensees choosing any alternative method of payment an additional fee to defray costs incurred by that election.

(c) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

~~SEC. 10.~~

SEC. 11. Section 6140.03 of the Business and Professions Code is amended to read:

6140.03. (a) The board shall increase each of the annual license fees fixed by Sections 6140 and 6141 by an additional forty-five dollars ($45), to be allocated only for the purposes established pursuant to Section 6033 and subdivision (b), except to the extent that a licensee elects not to support those activities.

(b) (1) Five dollars ($5) of the forty-five-dollar ($45) fee shall be allocated to qualified legal services projects or qualified support centers, as defined in Section 6213, to fund law student summer fellowships for the purpose of supporting law students interested in pursuing a career in legal services for indigent persons. The State Bar shall not make any deductions from the five dollars ($5) for any reason, including, but not limited to, administrative fees, costs, or expenses of the State Bar.

(2) Except as provided in paragraphs (4) and (5), funds shall be allocated pursuant to a competitive grant process administered by the Legal Services Trust Fund Commission and not through the formula set forth in Section 6216.

(3) In awarding these grants, preference shall be given to fund proposals for fellowships serving rural or underserved communities and that serve clients regardless of immigration or citizenship status.

(4) Any funds under paragraph (1) not allocated as of January 1, 2025, shall be distributed to qualified legal services projects and support centers pursuant to the formula set forth in Section 6216.

(5) The allocation described in this subdivision shall remain in effect until January 1, 2030, and after that date, the entire forty-five dollars ($45) shall be allocated only for the purposes established pursuant to Section 6033.

(c) The invoice provided to licensees for payment of the annual license fee shall provide each licensee the option of deducting forty-five dollars ($45) from the annual license fee if the licensee elects not to have this amount allocated for the purposes established pursuant to Section 6033.

SEC. 12. Section 6140.5 of the Business and Professions Code is amended to read:

6140.5. (a) The board shall establish and administer a Client Security Fund to relieve or mitigate pecuniary losses caused by the dishonest conduct of licensees of the State Bar, foreign legal consultants registered with the State Bar, and attorneys registered with the State Bar under the Multijurisdictional Practice Program, arising from or connected with the practice of law. Any payments from the fund shall be discretionary and shall be subject to regulation, conditions, and rules as the board shall prescribe. The board may delegate the administration of the fund to the State Bar Court, or to any board or committee created by the board of trustees.

(b) Upon making a payment to a person who has applied to the fund for payment to relieve or mitigate pecuniary losses caused by the dishonest conduct of a licensee, the State Bar is subrogated, to the extent of that payment, to the rights of the applicant against any person or persons who, or entity that, caused the pecuniary loss. The State Bar may bring an action to enforce those rights within three years from the date of payment to the applicant.

(c) Any licensee whose actions have caused the payment of funds to an applicant from the Client Security Fund shall owe those funds to the State Bar and reimburse the Client Security Fund for all moneys paid out as a result of the licensee's conduct with interest, in addition to payment of the assessment for the procedural costs of processing the claim. The State Bar may collect any money paid out by the Client Security Fund pursuant to this subdivision through any means provided by law. The licensee's obligation to reimburse the Client Security Fund pursuant to this section is imposed as a penalty, payable to and for the benefit of the State Bar of California, a public corporation created pursuant to Article VI of the California Constitution, to promote rehabilitation and protect the public. This subdivision is declaratory of existing law.

(d) For a publicly reproved or suspended licensee, the reimbursed amount by the Client Security Fund, plus applicable interest and costs, shall be paid as a condition of continued practice. This amount shall be added to and become a part of the license fee of a publicly reproved or suspended licensee.

(e) For a licensee who resigns with disciplinary charges pending or a licensee who is resigned or disbarred, the reimbursed amount by the Client Security Fund, plus applicable interest and costs, shall be paid as a condition of applying for reinstatement of the licensee's license to practice law or return to active license status.

(f) Any assessment against an attorney pursuant to subdivision (c) that is part of an order imposing a public reproval on a licensee or is part of an order imposing discipline or accepting a resignation with a disciplinary matter pending, or any reimbursed amount that is part of a final determination by the Client Security Fund, may also be enforced as a money judgment. This subdivision does not limit the power of the Supreme Court to alter the restitution amount owed pursuant to an order imposing public reproval on a licensee or an order imposing discipline or accepting a resignation with a disciplinary matter pending, or to authorize the State Bar Court to do the same.

(g) To obtain a money judgment pursuant to subdivision (f) that is not part of a court order imposing a public reproval on a licensee or is not part of a court order imposing discipline or accepting a resignation with a disciplinary matter pending, the State Bar shall file a certified copy of the Notice of Payment of the Client Security Fund with the clerk of the superior court of any county. The clerk shall immediately enter judgment in conformity with the Notice of Payment. The judgment shall have the same force and effect as a judgment in a civil action and may be enforced in the same manner as any other judgment.

(h) The defense of laches shall not be raised by the licensee whose actions have caused the payment of funds to an applicant from the Client Security Fund with respect to any payment owed to the State Bar, or with respect to any collections efforts by the State Bar for those payments.

(i) Judicial review of a decision to approve or deny, in whole or in part, an application for reimbursement from the Client Security Fund may be had by filing a petition for a writ of administrative mandamus pursuant to Section 1094.5 of the Code of Civil Procedure within 90 days after the date the decision was served. This subdivision is declaratory of existing law.

~~(i)~~

(j) Subdivisions (c), (f), and (h) have, and shall have, retroactive application, as well as prospective application.

~~(j)~~

(k) As used in this section, "licensee" shall include a foreign legal consultant registered with the State Bar.

~~SEC. 11.~~

SEC. 13. Section 6140.10 is added to the Business and Professions Code, to read:

6140.10. (a) In addition to the fee collected pursuant to Sections 6140 and 6141, the State Bar may collect revenue ~~not to exceed three million four hundred thousand dollars ($3,400,000) annually~~ to pay for lease costs associated with leasing space in the building located at 180 Howard Street, San Francisco as follows:

(1) A fee not to exceed fifteen dollars ($15) annually from each individual active licensee.

(2) A fee not to exceed three dollars and fifty cents ($3.50) from each individual inactive licensee.

(b) On or before July 1, 2028, the State Bar shall transmit to the Legislature a report detailing the following:

(1) Potential options for lowering the costs associated with leasing the property at 180 Howard Street, San Francisco including, but not limited to, the following:

(A) Strategies for subleasing space at the property at 180 Howard Street, San Francisco.

(B) Options for ending the lease at the property at 180 Howard Street, San Francisco prior to its expiration, including the amount of money required to pay liquidated damages for ending the lease before term.

(C) Identify potential state-owned buildings in the San Francisco-Oakland-Hayward census area.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

~~SEC. 12.~~

SEC. 14. Section 6140.11 is added to the Business and Professions Code, to read:

6140.11. (a) In addition to the fee collected pursuant to Sections 6140 and 6141, the State Bar may collect revenue ~~not to exceed eight million two hundred thousand dollars ($8,200,000) to fund employee salaries and benefits including those benefits identified in the General Unit Memorandum of Understanding between the State Bar and the Service Employees International Union that took effect January 1, 2023,~~ *to fund the salaries and benefits of employees of the State Bar, including benefits identified in the applicable memorandums of understandings with the bargaining units of State Bar employees,* as follows:

(1) A fee not to exceed ~~thirty nine dollars ($39)~~ *fifty-two dollars ($52)* annually from each individual active licensee.

(2) A fee not to exceed ~~ten dollars ($10)~~ *fourteen dollars ($14)* from each individual inactive licensee.

(b) The State Bar shall seek to achieve, through employee attrition only, a 15 percent vacancy rate by April 1, ~~2026.~~ *2027.*

~~(c) Nothing in subdivision (b) authorizes the State Bar to terminate any employee.~~

(c) The State Bar shall not terminate an employee solely for the purpose of meeting the target vacancy rate specified in subdivision (b).

(d) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

~~SEC. 13.~~

SEC. 15. Section 6140.13 is added to the Business and Professions Code, to read:

6140.13. (a) In addition to the fee collected pursuant to Sections 6140 and 6141, the State Bar may collect revenue not to exceed ~~one million two hundred thousand dollars ($1,200,000), or~~ the actual cost of administering ~~the diversion program, whichever is less, to implement the provisions of Section 6091.3,~~ *compliance reviews and audits of client trust accounts,* as follows:

(1) A fee not to exceed five dollars and fifty cents ($5.50) annually from each individual active licensee.

(2) A fee not to exceed one dollar and ~~twenty five~~ *twenty-five* cents ($1.25) from each individual inactive licensee.

(b) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

~~SEC. 14.~~

SEC. 16. Section 6140.14 is added to the Business and Professions Code, to read:

6140.14. (a) In addition to the fee collected pursuant to Sections 6140 and 6141, the State Bar may collect revenue not to exceed ~~one million two hundred thousand dollars ($1,200,000), or~~ the actual cost of the pilot ~~program whichever is less, to fund the Office of Chief Trial Counsel's pilot disciplinary diversion program,~~ *programs to fund the disciplinary diversion programs, as described in the report to the Legislature submitted pursuant to Section 6145.1,* as follows:

(1) A fee not to exceed five dollars and fifty cents ($5.50) annually from each individual active licensee.

(2) A fee not to exceed one dollar and ~~twenty five~~ *twenty-five* cents ($1.25) from each individual inactive licensee.

(b) On or before April 1, 2027, the State Bar shall transmit to the Legislature a report detailing the following:

(1) The number of attorneys referred to the diversion program.

(2) The number of complaints resulting in a referral to the diversion program.

(3) The rate of reoffending by attorneys referred to the diversion program.

(4) The total reduction in caseload for the Office of Chief Trial Counsel resulting from the pilot disciplinary diversion program.

(c) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

~~SEC. 15.~~

SEC. 17. Section 6141 of the Business and Professions Code is amended to read:

6141. (a) The board shall fix the annual license fee for inactive licensees at a sum not exceeding ~~ninety-seven dollars and forty cents ($97.40).~~ *one hundred dollars ($100).* The annual license fee for inactive licensees for 2025 is payable on or before the first day of February of each year.

(b) An inactive licensee shall not be required to pay the annual license fee for inactive licensees for any calendar year following the calendar year in which the licensee attains 70 years of age.

(c) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

~~SEC. 16.~~

SEC. 18. Section 6177 of the Business and Professions Code is amended to read:

6177. The State Bar shall include in its Annual Discipline Report information on the number of complaints filed against California attorneys alleging a violation of this article. The report shall also include the type of charges made in each complaint, the number of resulting investigations initiated, and the number and nature of any disciplinary actions taken by the State Bar for violations of this article.

~~SEC. 17.~~

SEC. 19. Section 55.32 of the Civil Code is amended to read:

55.32. (a) An attorney who provides a demand letter, as defined in subdivision (a) of Section 55.3, shall do all of the following:

(1) Include the attorney's State Bar license number in the demand letter.

(2) Within five business days of providing the demand letter, send a copy of the demand letter, and submit information about the demand letter in a standard format specified by the California Commission on Disability Access on the commission's internet website pursuant to Section 14985.8 of the Government Code, to the commission.

(b) An attorney who sends or serves a complaint, as defined in subdivision (a) of Section 55.3, or a complaint alleging that an internet website is not accessible, shall do both of the following:

(1) Send a copy of the complaint and submit information about the complaint in a standard format specified by the California Commission on Disability Access on the commission's internet website pursuant to Section 14985.8 of the Government Code to the commission within five business days of sending or serving the complaint.

(2) Notify the California Commission on Disability Access within five business days of judgment, settlement, or dismissal of the claim or claims alleged in the complaint of the following information in a standard format specified by the commission on the commission's internet website pursuant to Section 14985.8 of the Government Code:

(A) The date of the judgment, settlement, or dismissal.

(B) Whether or not the construction-related accessibility violations or accessibility violations related to an internet website alleged in the complaint were remedied in whole or in part after the plaintiff filed a complaint or provided a demand letter, as defined by Section 55.3.

(C) If the construction-related accessibility violations or accessibility violations related to an internet website alleged in the complaint were not remedied in whole or in part after the plaintiff filed a complaint or provided a demand letter, as defined by Section 55.3, whether or not another favorable result was achieved after the plaintiff filed the complaint or provided the demand letter.

(D) Whether or not the defendant submitted an application for an early evaluation conference and stay pursuant to Section 55.54, whether the defendant requested a site inspection of an alleged construction-related accessibility violation, the date of any early evaluation conference, and the date of any site inspection of an alleged construction-related accessibility violation.

(c) A violation of paragraph (2) of subdivision (a) or subdivision (b) shall constitute cause for the imposition of discipline of an attorney if a copy of the demand letter, complaint, or notification of a case outcome is not sent to the California Commission on Disability Access in the standard format specified on the commission's internet website pursuant to Section 14985.8 of the Government Code within five business days. In the event the State Bar receives information indicating that an attorney has failed to send a copy of the demand letter, complaint, or notification of a case outcome to the California Commission on Disability Access in the standard format specified on the commission's internet website pursuant to Section 14985.8 of the Government Code within five business days, the State Bar shall investigate to determine whether paragraph (2) of subdivision (a) or subdivision (b) has been violated.

(d) Notwithstanding subdivisions (a) and (b), an attorney is not required to send to the California Commission on Disability Access a copy of any subsequent demand letter or amended complaint in the same dispute following the initial demand letter or complaint, unless that subsequent demand letter or amended complaint alleges a new construction-related accessibility claim.

(e) A demand letter or notification of a case outcome sent to the California Commission on Disability Access shall be for the informational purposes of Section 14985.8 of the Government Code. A demand letter received by the State Bar from the recipient of the demand letter shall be reviewed by the State Bar to determine whether subdivision (b) or (c) of Section 55.31 has been violated.

(f) (1) Notwithstanding Section 10231.5 of the Government Code, and annually as part of the Annual Discipline Report, the State Bar shall report to the Legislature and the Chairs of the Senate and Assembly Judiciary Committees, both of the following with respect to demand letters received by the State Bar:

(A) The number of investigations opened to date on a suspected violation of subdivision (b) or (c) of Section 55.31.

(B) Whether any disciplinary action resulted from the investigation, and the results of that disciplinary action.

(2) A report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(g) The California Commission on Disability Access shall review and report on the demand letters, complaints, and notifications of case outcomes it receives as provided in Section 14985.8 of the Government Code.

(h) The expiration of any ground for discipline of an attorney shall not affect the imposition of discipline for any act prior to the expiration. An act or omission that constituted cause for imposition of discipline of an attorney when committed or omitted prior to January 1, 2019, shall continue to constitute cause for the imposition of discipline of that attorney on and after January 1, 2019.

(i) Paragraph (2) of subdivision (a) and subdivision (b) shall not apply to a demand letter or complaint sent or filed by an attorney employed or retained by a qualified legal services project or a qualified support center, as defined in Section 6213 of the Business and Professions Code, when acting within the scope of employment in asserting a construction-related accessibility claim. The Legislature finds and declares that qualified legal services projects and support centers are extensively regulated by the State Bar of California, and that there is no evidence of any abusive use of demand letters or complaints by these organizations. The Legislature further finds that, in light of the evidence of the extraordinarily small number of construction-related accessibility cases brought by regulated legal services programs, and given the resources of those programs, exempting regulated legal services programs from the requirements of this section to report to the California Commission on Disability Access will not affect the purpose of the reporting to, and tabulation by, the commission of all other construction-related accessibility claims.

~~SEC. 18.~~

SEC. 20. Section 2015 of the Code of Civil Procedure is amended to read:

2015. (a) When an affidavit is taken before a judge or a court in another state or in a foreign country, the genuineness of the signature of the judge, the existence of the court, and the fact that such judge is a member thereof, must be certified by the clerk of the court under the seal thereof.

(b) This section shall not apply to oaths administered for admission to the State Bar of California pursuant to Section 6067 of the Business and Professions Code.

~~SEC. 19.~~

SEC. 21. Section 4056 of the Financial Code is amended to read:

4056. (a) This division shall not apply to information that is not personally identifiable to a particular person.

(b) Notwithstanding Sections 4052.5, 4053, 4054, and 4054.6, a financial institution may release nonpublic personal information under the following circumstances:

(1) The nonpublic personal information is necessary to effect, administer, or enforce a transaction requested or authorized by the consumer, or in connection with servicing or processing a financial product or service requested or authorized by the consumer, or in connection with maintaining or servicing the consumer's account with the financial institution, or with another entity as part of a private label credit card program or other extension of credit on behalf of that entity, or in connection with a proposed or actual securitization or secondary market sale, including sales of servicing rights, or similar transactions related to a transaction of the consumer.

(2) The nonpublic personal information is released with the consent of or at the direction of the consumer.

(3) The nonpublic personal information is:

(A) Released to protect the confidentiality or security of the financial institution's records pertaining to the consumer, the service or product, or the transaction therein.

(B) Released to protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims, or other liability.

(C) Released for required institutional risk control, or for resolving customer disputes or inquiries.

(D) Released to persons holding a legal or beneficial interest relating to the consumer, including for purposes of debt collection.

(E) Released to persons acting in a fiduciary or representative capacity on behalf of the consumer.

(4) The nonpublic personal information is released to provide information to insurance rate advisory organizations, guaranty funds or agencies, applicable rating agencies of the financial

institution, persons assessing the institution's compliance with industry standards, and the institution's attorneys, accountants, and auditors.

(5) The nonpublic personal information is released to the extent specifically required or specifically permitted under other provisions of law and in accordance with the Right to Financial Privacy Act of 1978 (12 U.S.C. Sec. 3401 et seq.), to law enforcement agencies, including a federal functional regulator, the Secretary of the Treasury with respect to subchapter II of Chapter 53 of Title 31, and Chapter 2 of Title I of Public Law 91-508 (12 U.S.C. Secs. 1951-1959), the California Department of Insurance or other state insurance regulators, the State Bar of California, or the Federal Trade Commission, and self-regulatory organizations, or for an investigation on a matter related to public safety.

(6) The nonpublic personal information is released in connection with a proposed or actual sale, merger, transfer, or exchange of all or a portion of a business or operating unit if the disclosure of nonpublic personal information concerns solely consumers of the business or unit.

(7) The nonpublic personal information is released to comply with federal, state, or local laws, rules, and other applicable legal requirements; to comply with a properly authorized civil, criminal, administrative, or regulatory investigation or subpoena or summons by federal, state, or local authorities; or to respond to judicial process or government regulatory authorities having jurisdiction over the financial institution for examination, compliance, or other purposes as authorized by law.

(8) When a financial institution is reporting a known or suspected instance of elder or dependent adult financial abuse or is cooperating with a local adult protective services agency investigation of known or suspected elder or dependent adult financial abuse pursuant to Article 3 (commencing with Section 15630) of Chapter 11 of Part 3 of Division 9 of the Welfare and Institutions Code.

(9) The nonpublic personal information is released to an affiliate or a nonaffiliated third party in order for the affiliate or nonaffiliated third party to perform business or professional services, such as printing, mailing services, data processing or analysis, or customer surveys, on behalf of the financial institution, provided that all of the following requirements are met:

(A) The services to be performed by the affiliate or nonaffiliated third party could lawfully be performed by the financial institution.

(B) There is a written contract between the affiliate or nonaffiliated third party and the financial institution that prohibits the affiliate or nonaffiliated third party, as the case may be, from disclosing or using the nonpublic personal information other than to carry out the purpose for which the financial institution disclosed the information, as set forth in the written contract.

(C) The nonpublic personal information provided to the affiliate or nonaffiliated third party is limited to that which is necessary for the affiliate or nonaffiliated third party to perform the services contracted for on behalf of the financial institution.

(D) The financial institution does not receive any payment from or through the affiliate or nonaffiliated third party in connection with, or as a result of, the release of the nonpublic personal information.

(10) The nonpublic personal information is released to identify or locate missing and abducted children, witnesses, criminals and fugitives, parties to lawsuits, parents delinquent in child support payments, organ and bone marrow donors, pension fund beneficiaries, and missing heirs.

(11) The nonpublic personal information is released to a real estate appraiser licensed or certified by the state for submission to central data repositories such as the California Market Data Cooperative, and the nonpublic personal information is compiled strictly to complete other real estate appraisals and is not used for any other purpose.

(12) The nonpublic personal information is released as required by Title III of the federal United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA Patriot Act; P.L. 107-56).

(13) The nonpublic personal information is released either to a consumer reporting agency pursuant to the Fair Credit Reporting Act (15 U.S.C. Sec. 1681 et seq.) or from a consumer report reported by a consumer reporting agency.

(14) The nonpublic personal information is released in connection with a written agreement between a consumer and a broker-dealer registered under the Securities Exchange Act of 1934 or an investment adviser registered under the Investment Advisers Act of 1940 to provide investment management services, portfolio

advisory services, or financial planning, and the nonpublic personal information is released for the sole purpose of providing the products and services covered by that agreement.

(c) Nothing in this division is intended to change existing law relating to access by law enforcement agencies to information held by financial institutions.

O