No. 36

Introduced by Senator Jackson

December 5, 2016

An act to amend Section 6140 of Sections 6011, 6013.1, 6013.3, 6013.5, 6015, 6016, 6019, 6021, 6022, 6026.7, 6029, 6031.5, 6060.2, 6070, 6086.5, 6144, and 6145 of, to add Section 6140.02 to, to add and repeal Section 6140 of, to add Article 3 (commencing with Section 6055) to Chapter 4 of Division 3 of, and to repeal Sections 6008.5, 6009.7, 6012, 6013.2, 6018, and 6026.5 of, the Business and Professions Code, relating to attorneys.

LEGISLATIVE COUNSEL'S DIGEST

SB 36, as amended, Jackson. Attorneys: annual membership fee. The

(1) The State Bar Act provides for the licensure and regulation of attorneys by the State Bar of California, a public corporation governed by a board of trustees. Existing law, until January 1, 2017, requires the board to charge an annual membership fee for active members of up to \$315 for 2016. trustees comprised of appointed and elected members. The act requires 6 members of the 19-member board to be attorneys elected from State Bar Districts. The act requires the board of trustees to elect or select the president, vice president, and treasurer of the State Bar, as specified.

This bill would state that it is the intent of the Legislature that the board transition to a 13-member board, as specified. The bill would require that a maximum of 6 members of the board be public members, appointed as specified, and would require members of the board to serve a term of 4 years. The bill would require the California Supreme

Court to select from the members of the board a chair and vice chair instead of the board electing a president and vice president. The bill would require members of the executive committee of the board to include at least one member of the board appointed by each appointing authority.

This

The bill would, until January 1, 2019, 2020, require the board to charge an annual membership fee for active members in the same a specified amount for 2018. 2018 and 2019, and would require the State Bar to adhere to a Supreme Court-approved policy to identify and address any proposed decision of the board of trustees that raises antitrust concerns.

(2) Existing law prohibits the Legislature, when the board places a charge upon or otherwise makes available all or any portion of the income or revenue from membership fees for the payment of security of an obligation of the State Bar and so long as any obligation remains unpaid, from reducing the maximum membership fee below the maximum in effect at the time the obligation is created or incurred and provides that this provision constitutes a covenant to the holder of such an obligation.

This bill would repeal the provision prohibiting the Legislature from reducing the maximum membership fee.

(3) The act provides that the State Bar is subject to the Bagley-Keene Open Meeting Act and the California Public Records Act, as specified.

This bill would provide that access to records of the State Bar Court is subject to the rules and laws applicable to the judiciary instead of the California Public Records Act and would exempt the State Bar Court from the Bagley-Keene Open Meeting Act.

(4) Existing law authorizes the State Bar to establish sections and prohibits the activities of the sections from being funded from the annual membership fee. Existing law authorizes the State Bar to provide the sections with administrative support services, provided that the State Bar is reimbursed for the full cost of those services, and authorizes the State Bar to collect voluntary fees to fund the State Bar sections in conjunction with the collection of the annual membership fee. Existing law requires members of the State Bar to complete continuing education requirements, as specified.

This bill would establish the California Bar Sections Association as a private, nonprofit corporation, which would be governed by a board of governors. The bill would provide that the association is a voluntary

association, is not part of the State Bar, is prohibited from being funded by membership fees, and is not considered a state, local, or other public body for any purpose. The bill would require the board of governors to, among other things, adopt a dues schedule for membership in the association. The bill would require the State Bar to, among other things, collect voluntary dues set by the association with the annual membership fee and to pay any such voluntary dues collected to the association. The bill would prohibit the State Bar from having sections and would transfer the existing sections of the State Bar to the association, as specified. The bill would prohibit the State Bar from providing educational programs or materials by which members may satisfy continuing education requirements, except as provided, and would require the association to provide and develop low-cost continuing education programs and materials. The bill would make various findings and declarations.

(5) 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: no. State-mandated local program: no.

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

1 SECTION 1. The Legislature finds and declares all of the 2 following:

3 (a) The proper administration of justice protects people from

4 harm, ensures a common good, settles legal challenges and 5 disputes efficiently, ensures access to justice, and ensures justice

6 *is dispensed fairly and equally.*

7 (b) California has long led the nation and the world in 8 groundbreaking legal jurisprudence.

9 (c) It is in the interest of the people of California that the 10 attorneys of this state achieve the highest standards of education,

11 *effectiveness, professionalism, and competence.*

12 (d) Whereas the sections of the State Bar of California are

13 primarily educational entities that do vital work to mentor and

train attorneys throughout the state and to further an ethical, 1 2 diverse, and responsive bar membership.

3 (e) Whereas the sections of the State Bar would like to safeguard

4 their ability to continue to serve the public and bar members 5 through educational activities and services.

(f) Whereas the sections of the State Bar would like to continue 6 7 a policy of inclusive, affordable membership that provides diversity 8 of representation, including solo practitioners, government

9 attorneys, nongovernment attorneys, and firms of all sizes.

(g) Whereas the regulatory and nonregulatory functions of the 10

State Bar of California are each strengthened by a separation of 11

12 governance, staff, and budgets that enables the Board of Trustees

13 of the State Bar to focus on its primary mission of public protection

through regulatory oversight while allowing and enhancing the 14

15 ability of the sections of the State Bar to advance the public interest

by providing educational programs and materials to members of 16

17 the State Bar and the public (including low- or no-cost mandatory

18 continuing legal education (MCLE)), proposing legislation, rule 19

changes, regulations, and similar acts, and providing expertise 20 and comments on pending, or proposed legislation, rule changes,

21 regulations, and similar acts, and advancing the competent and

22 ethical practice of law, thereby enhancing protection of the public

23 and access to justice for all.

24 (h) Therefore, the State Bar shall establish the California Bar 25 Sections Association, a private, nonprofit corporation, that will

26 be comprised of the current sections of the State Bar and the

27 California Young Lawyers Association.

28 SEC. 2. Section 6008.5 of the Business and Professions Code 29 is repealed.

30 6008.5. Whenever the board has pledged, placed a charge upon,

31 or otherwise made available all or any portion of the income or

32 revenue from membership fees for the payment of security of an

33 obligation of the State Bar or any interest thereon, and so long as

34 any such obligation or any interest thereon remains unpaid, the

Legislature shall not reduce the maximum membership fee below 35

36 the maximum in effect at the time such obligation is created or 37

incurred, and the provisions of this section shall constitute a

38 covenant to the holder or holders of any such obligation.

39 SEC. 3. Section 6009.7 of the Business and Professions Code 40 is repealed.

1 6009.7. (a) (1) The State Bar shall determine the manner by 2 which to reduce the board of trustees from 23 members to 19 3 members, as described in Section 6011, pursuant to the election 4 and appointment processes specified in Sections 6012, 6013.1, 5 6013.2, and 6013.3. 6 (2) The State Bar shall develop a plan for implementing the 7 transition to a 19-member board by January 31, 2012. 8 (3) By January 31, 2012, the State Bar shall submit a written

- 9 report to the Senate and Assembly Committees on Judiciary that
 10 includes, but is not limited to, the implementation plan described
- 11 in paragraph (2).
- (b) The State Bar shall complete the transition to a 19-member
 board no later than October 31, 2014.
- 14 (c) The State Bar shall not change, reduce, shorten, lengthen,
- 15 or abolish the terms of board members commencing prior to
- 16 December 31, 2011, or force any board member to resign in order
- 17 to institute a 19-member board pursuant to this section.
- 18 (d) The State Bar shall report annually to the Senate and
- Assembly Committees on Judiciary on its progress toward
 implementing the transition to a 19-member board.
- 21 SEC. 4. Section 6011 of the Business and Professions Code is 22 amended to read:
- 23 6011. (a) The board shall consist of no more than 23 19
 24 members and no less *fewer* than 19 13 members.
- 25 (b) It is the intent of the Legislature that the board consist of no
- 26 more than 23 *19* members and no less *fewer* than 19 *13* members
- 27 during the period of transition from a 23-member 19-member board
- 28 to a 19-member board, as described in Section 6009.7. 13-member
- 29 *board*. It is the intent of the Legislature that the board, pursuant
- 30 to the plan developed by the State Bar as described in Section 31 6009.7, gradually board decrease its size without shortening,
- lengthening, or abolishing terms commencing prior to December
- 33 $31,\frac{2011}{2017}$, with the ultimate goal of instituting a 19-member
- 34 *13-member* board no later than October 31, 2014, pursuant to
- 35 Section 6009.7. 2020. It is the intent of the Legislature that this
- 36 transition occur by the expiration of the terms of the elected
- 37 members who are serving on the board as of December 31, 2017.
- 38 SEC. 5. Section 6012 of the Business and Professions Code is 39 repealed.
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1 6012. (a) State Bar Districts, as they existed on December 31,

2 2011, pursuant to Section 6012.5, as added by Chapter 1223 of

3 the Statutes of 1989, shall cease, pursuant to the act that added this

4 section, for purposes of the election of attorney members of the

5 board. However, attorney members who were elected in 2009,

6 2010, or 2011 to serve for a three-year term commencing at the

7 conclusion of the annual meeting held in those years shall be

8 eligible to serve their full three-year terms.

9 (b) Commencing on January 1, 2012, State Bar Districts shall

10 be based on the six court of appeal districts as constituted pursuant

11 to Section 69100 of the Government Code, as they existed on

12 December 31, 2011. The board shall provide for the election of

six attorney members of the board from these six State Bar Districts
 as specified in Section 6013.2.

15 SEC. 6. Section 6013.1 of the Business and Professions Code 16 is amended to read:

17 6013.1. (a) The Supreme Court shall appoint five attorney
18 members of the board pursuant to a process that the Supreme Court
19 may prescribe. These attorney members shall serve for a term of
20 three *four* years and may be reappointed by the Supreme Court for
21 one additional term only.

(b) An attorney member elected pursuant to Section 6013.2 may
be appointed by the Supreme Court pursuant to this section to a
term as an appointed attorney member.

(c) The Supreme Court shall fill any vacancy in the term of, andmake any reappointment of, any appointed attorney member.

27 (d) When making appointments to the board, the Supreme Court 28 should consider appointing attorneys that represent the following 29 categories: legal services; small firm or solo practitioners; 30 historically underrepresented groups, including consideration of 31 race, ethnicity, gender, and sexual orientation; and legal academics. 32 In making appointments to the board, the Supreme Court should also consider geographic distribution, years of practice, particularly 33 34 attorneys who are within the first five years of practice or 36 years 35 of age and under, and participation in voluntary local or state bar

36 activities.

37 (e) The State Bar shall be responsible for carrying out the

38 administrative responsibilities related to the appointment process

39 described in subdivision (a).

1 SEC. 7. Section 6013.2 of the Business and Professions Code 2 is repealed.

6013.2. (a) Six members of the board shall be attorneys elected
 from the State Bar Districts created by the board pursuant to
 Section 6012.

(b) An attorney member elected pursuant to this section shall
serve for a term of three years. An elected attorney member may
run for reelection, but may be reelected to only serve one additional
term.

10 SEC. 8. Section 6013.3 of the Business and Professions Code 11 is amended to read:

12 6013.3. (a) One attorney member of the board shall be 13 appointed by the Senate Committee on Rules and one attorney 14 member *of the board* shall be appointed by the Speaker of the 15 Assembly.

16 (b) An attorney member appointed pursuant to this section shall 17 serve for a term of three years. *four years. Vacancies shall be filled*

18 for the remainder of the term. An appointed attorney member may

19 be reappointed pursuant to this section.

20 SEC. 9. Section 6013.5 of the Business and Professions Code 21 is amended to read:

22 6013.5. Notwithstanding any other provision of law, six

23 6013.5. (a) Effective January 1, 2018, a maximum of six 24 members of the board shall be members of the public who have

24 members of the board shall be members of the public who have 25 never been members of the State Bar or admitted to practice before 26 any court in the United States. They shall be appointed through

any court in the officed states. They shall be appointed through
 1982 by the Governor, subject to the confirmation of the Senate.

28 Each

29 (b) Each of such these members shall serve for a term of three

30 years, commencing at the conclusion of the annual meeting next

31 succeeding his appointment, except that for the initial term after

32 enactment of this section, two shall serve for one year, two for two

33 years, and the other two for three years, as determined by lot. four

34 years. Vacancies shall be filled for the remainder of the term.
35 In 1983 one

36 (c) Effective January 1, 2018, one public member shall be

appointed by the Senate Committee on Rules and one publicmember shall be appointed by the Speaker of the Assembly.

39 For each of the years, 1984 and 1985, two public

- 1 (d) Four public members shall be appointed by the Governor,
- 2 subject to the confirmation of the Senate.
- 3 Each
- 4 *(e) Each* respective appointing authority shall fill any vacancy 5 in and make any reappointment to each respective office.
- 6 SEC. 10. Section 6015 of the Business and Professions Code 7 is amended to read:
- 8 6015. No person is eligible for attorney membership on the 9 board unless both of the following conditions are satisfied:
- 10 (a) He or she is an active member of the State Bar.
- 11 (b) Either:
- (1) H Prior to October 31, 2020, if elected, he or she maintains
 his or her principal office for the practice of law within the State
 Bar district from which he or she is elected.
- (2) If appointed by the Supreme Court or the Legislature, he or
 she maintains his or her principal office for the practice of law
 within the State of California.
- 18 SEC. 11. Section 6016 of the Business and Professions Code 19 is amended to read:
- 20 6016. The term of office of each attorney member of the board
- 21 shall-commence at the conclusion of the annual meeting next
- 22 succeeding his or her election or appointment, be four years and
- 23 he or she shall hold office until his or her successor is elected or
- 24 appointed and qualified. For the purposes of this section, the time
- 25 intervening between any two successive annual meetings shall be
- 26 deemed to be one year. Vacancies shall be filled for the remainder
 27 of the term.
- 28 Except as specified in Section 6013.1, vacancies in the board of
- 29 trustees shall be filled by the board by special election or by
- 30 appointment for the unexpired term.
- The board of trustees may provide by rule for an interim board to act in the place and stead of the board when because of vacancies
- 33 during terms of office there is less than a quorum of the board.
- 34 SEC. 12. Section 6018 of the Business and Professions Code 35 is repealed.
- 36 6018. Nominations of elected members of the board shall be
- 37 by petition signed by at least 20 persons entitled to vote for such
 38 nominees.
- 39 Only active members of the State Bar maintaining their principal
- 40 offices for the practice of the law in the respective State Bar
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districts shall be entitled to vote for the member or members of
 the board therefrom.

3 SEC. 13. Section 6019 of the Business and Professions Code 4 is amended to read:

5 6019. Each place upon the board for which a member is to be 6 elected or appointed shall for the purposes of the election or

7 appointment be deemed a separate office.

8 If only one member seeks election to an office, the member is

9 deemed elected. If two or more members seek election to the same

10 office, the election shall be by ballot. The ballots shall be

11 distributed to those entitled to vote at least twenty days prior to 12 the date of canvassing the ballots and shall be returned to a site or

13 sites designated by the State Bar, where they shall be canvassed

14 at least five days prior to the ensuing annual meeting. At the annual

15 meeting, the count shall be certified and the result officially

16 declared.

In all other respects the elections shall be as the board may by
 rule direct.

19 SEC. 14. Section 6021 of the Business and Professions Code 20 is amended to read:

6021. (a) (1) Within the period of 90 days next preceding the
 annual meeting, the board, at a meeting called for that purpose,

23 shall elect the president, vice president, and treasurer for the

24 ensuing year. The president, the vice president, and the treasurer

25 shall be elected from among all members of the board. The

26 California Supreme Court shall select from the members of the

27 board a chair and a vice chair to serve in the absence of the chair.

28 (2) The newly elected president, vice president, and treasurer

29 *chair and vice chairs* shall assume the duties of their respective 30 offices at the conclusion of the annual meeting following their

31 election. appointment.

32 (b) The term of the board president *chair and vice chair* shall 33 be one-year, except that he or she may be reelected to a second

34 one-year term as the board president. year.

35 (c) Notwithstanding the provisions of Sections 6009.7 and 6011

36 regarding a 19-member board, if the president is elected from

37 among those members of the board whose terms on the board

38 expire that year and has not been reelected or reappointed to

39 another term under Section 6013.1, 6013.2, 6013.3, or 6013.5, the

president shall serve as a 20th member of the board during his or 1 2 her one-year term, and he or she may vote. 3 SEC. 15. Section 6022 of the Business and Professions Code 4 is amended to read: 5 6022. The secretary and the treasurer of the State Bar shall be 6 selected annually by the board and need not be a member members 7 of the State Bar. 8 SEC. 16. Section 6026.5 of the Business and Professions Code 9 is repealed. 10 6026.5. (a) Pursuant to Section 6026.7, every meeting of the board shall be open to the public except those meetings, or portions 11 12 thereof, relating to: (1) Consultation with counsel concerning pending or prospective 13 14 litigation. 15 (2) Involuntary enrollment of active members as inactive members due to mental infirmity or illness or addiction to 16 17 intoxicants or drugs. (3) The qualifications of judicial appointees, nominees, or 18 19 candidates. (4) The appointment, employment, or dismissal of an employee, 20

21 consultant, or officer of the State Bar or to hear complaints or

22 charges brought against such employee, consultant, or officer,

23 unless such person requests a public hearing.

24 (5) Disciplinary investigations and proceedings, including

resignations with disciplinary investigations or proceedings
 pending, and reinstatement proceedings.

27 (6) Appeals to the board from decisions of the Board of Legal

28 Specialization refusing to certify or recertify an applicant or

29 suspending or revoking a specialist's certificate.

- 30 (7) Appointments to or removals from committees, boards, or
 31 other entities.
- 32 (8) Joint meetings with agencies provided in Article VI of the
 33 California Constitution.
- 34 (b) This section shall become operative on April 1, 2016.
- 35 SEC. 17. Section 6026.7 of the Business and Professions Code 36 is amended to read:
- 37 6026.7. (a) The State Bar is subject to the Bagley-Keene Open
- 38 Meeting Act (Article 9 (commencing with Section 11120) of
- 39 Chapter 1 of Part 1 of Division 3 of Title 2 of the Government

Code) and all meetings of the State Bar are subject to the
 Bagley-Keene Open Meeting Act.

- 3 (b) Notwithstanding any other law, the Bagley-Keene Open
- 4 Meeting Act shall not apply to the Commission on Judicial
- 5 Nominees Evaluation-or Commission, the Committee of Bar

6 Examiners. Examiners, or the State Bar Court.

- 7 (c) This section shall become operative on April 1, 2016.
- 8 (c) In addition to the grounds authorized in the Bagley-Keene
- 9 Open Meeting Act, a closed session may be held for those meetings,
 10 or portions thereof, relating to both of the following:
- 11 (1) Appeals from decisions of the Board of Legal Specialization
- 12 refusing to certify or recertify an applicant or suspending or 13 revoking a specialist's certificate.
- 14 (2) *The preparation, approval, grading, or administration of* 15 *examinations for certification of a specialist.*

16 SEC. 18. Section 6029 of the Business and Professions Code 17 is amended to read:

18 6029. (*a*) The board may appoint such committees, officers 19 and employees as it deems necessary or proper, and fix and pay 20 salaries and necessary expenses.

- (b) The members of the executive committee of the board shall
- include at least one board member appointed by each of thefollowing appointing authorities:
- 24 (1) The Supreme Court.
- 25 (2) The Governor.
- 26 (3) The Speaker of the Assembly.
- 27 (4) The Senate Committee on Rules.

28 SEC. 19. Section 6031.5 of the Business and Professions Code 29 is amended to read:

30 6031.5. (a) State Bar sections, as established under and

31 pursuant to Article 13 of the Rules and Regulations of the State

32 Bar, and their-The California Bar Sections Association and its

activities shall not be funded with mandatory fees collectedpursuant to subdivision (a) of Section 6140.

- 35 The State Bar may provide an individual *California Bar Sections*
- 36 Association section, or two or more sections collectively, or the 37 board of governors with administrative and support services.
- board of governors with administrative and support services,
 provided the board of governors agrees, before such services are
- 38 provided the board of governors agrees, before such services are 39 provided, to the nature, scope, and cost of those services. The State
- 40 Bar shall be reimbursed for the full cost of those services out of

1 funds collected pursuant to subdivision (b), funds raised by or 2 through the activities of the sections, California Bar Sections 3 Association, or other funds collected from voluntary sources. The 4 financial audit specified in Section 6145 shall confirm that the 5 amount assessed by the State Bar for providing the services 6 reimburses the costs of providing them, and shall verify that 7 mandatory dues are not used to fund the sections. The State Bar 8 and California Bar Sections Association may also contract for 9 other services provided by the State Bar or by the California Bar 10 Sections Association. (b) Notwithstanding the any other provisions of this section, 11 12 *law*, the State Bar is expressly authorized to collect voluntary fees 13 to fund the State Bar sections on behalf of those organizations in 14 conjunction with the State Bar's collection of its annual 15 membership dues. shall collect fees for the California Bar Sections Association and the board of governors as expressly authorized 16 17 and required by Section 6140.02. The California Bar Sections 18 Association shall pay for the actual costs of the collection. Funds 19 collected pursuant to this subdivision, and other funds raised by 20 or through the activities of the sections, California Bar Sections 21 Association, or collected from voluntary sources, for-their its 22 support or operation, shall not be subject to the expenditure 23 limitations of subdivision (b) of Section 6140.05. 24 (c) Notwithstanding any other provision of law, the State Bar 25 is expressly authorized to collect, in conjunction with the State 26 Bar's collection of its annual membership dues, voluntary fees or 27 donations on behalf of the Conference of Delegates of California 28 Bar Associations, the independent nonprofit successor entity to 29 the former Conference of Delegates of the State Bar which has 30 been incorporated for the purposes of aiding in matters pertaining 31 to the advancement of the science of jurisprudence or to the 32 improvement of the administration of justice, and to convey any unexpended voluntary fees or donations previously made to the 33 34 Conference of Delegates of the State Bar pursuant to this section 35 to the Conference of Delegates of California Bar Associations. The Conference of Delegates of California Bar Associations shall 36 37 pay for the cost of the collection. The State Bar and the Conference 38 of Delegates of California Bar Associations may also contract for 39 other services. The financial audit specified in Section 6145 shall

40 confirm that the amount of any contract shall fully cover the costs

of providing the services, and shall verify that mandatory dues are 1 2 not used to fund any successor entity. 3 (d) The Conference of Delegates of California Bar Associations, 4 which is the independent nonprofit successor entity to the former 5 Conference of Delegates of the State Bar as referenced in 6 subdivision (c), is a voluntary association, is not a part of the State 7 Bar of California, and shall not be funded in any way through 8 mandatory dues collected by the State Bar of California. Any 9 contribution or membership option included with a State Bar of 10 California mandatory dues billing statement shall include a 11 statement that the Conference of Delegates of California Bar 12 Associations is not a part of the State Bar of California and that 13 membership in that organization is voluntary. 14 SEC. 20. Article 3 (commencing with Section 6055) is added 15 to Chapter 4 of Division 3 of the Business and Professions Code, 16 to read: 17 18 Article 3. California Bar Sections Association 19 20 6055. This article shall be known, and may be cited, as the 21 California Bar Sections Association Act. 22 6056. (a) The State Bar, acting pursuant to Section 6001, shall 23 assist the California Bar Sections Association to incorporate as 24 a private, nonprofit corporation organized under Section 501(c)(6)25 of the Internal Revenue Code. The California Bar Sections 26 Association shall be a voluntary association, shall not be a part 27 of the State Bar of California, and shall not be funded in any way 28 through mandatory dues collected by the State Bar. The California 29 Bar Sections Association shall have independent contracting 30 authority and full control of its resources. The California Bar 31 Sections Association shall not be considered a state, local, or other 32 public body for any purpose, including, but not limited to, the 33 Bagley-Keene Open Meeting Act (Article 9 (commencing with 34 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of 35 the Government Code) and the California Public Records Act 36 (Chapter 3.5 (commencing with Section 6250) of Division 7 of 37 *Title 1 of the Government Code).* 38 (b) The California Bar Sections Association shall be governed 39 by a board of governors established pursuant to this article. The

- 40 mission of the California Bar Sections Association and the board
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of governors is to serve the public by fostering and promoting 1 2 educational programs and materials to the members of the State 3 Bar and the public, including low- or no-cost mandatory continuing 4 legal education (MCLE), providing expertise and information as 5 requested regarding pending legislation, and assuring the ethical 6 practice of law, thereby enhancing protection of the public and 7 access to justice by the public. 8 (c) The State Bar shall assist the California Bar Sections 9 Association in assuming responsibility for appointment and supervision of some of the positions the State Bar currently holds 10 on the American Bar Association (ABA) House of Delegates, 11 consistent with the California Bar Sections Association's mission 12 13 and subject to the consent of the ABA. 14 (d) The State Bar shall support the California Bar Sections 15 Association's efforts to partner with the Continuing Education of the Bar (CEB), subject to agreement by the University of 16 17 California. 18 (e) The State Bar of California shall ensure that State Bar staff 19 who support the sections, as of September 15, 2017, are reassigned to other comparable positions within the State Bar. 20 21 (f) For purposes of this chapter, the term "board of governors" 22 shall mean the board of governors of the California Bar Sections Association. 23 6056.1. (a) The California Bar Sections Association shall 24 25 initially consist of the following sections: 26 (1) Antitrust, Unfair Competition Law, and Privacy Section. 27 (2) Business Law Section. 28 (3) Criminal Law Section. 29 (4) Environmental Law Section. 30 (5) Family Law Section. 31 (6) Intellectual Property Law Section. 32 (7) International Law Section. 33 (8) Labor and Employment Law Section.

- 34 (9) Law Practice Management and Technology Section.
- 35 (10) Litigation Section.
- 36 (11) Public Law Section.
- 37 (12) Real Property Law Section.
- 38 (13) Solo and Small Firm Section.
- 39 (14) Taxation Section.
- 40 (15) Trusts and Estates Section.

1 (16) Workers' Compensation Law Section.

2 (17) California Young Lawyers Association.

3 (b) The board of governors may authorize the termination of

4 individual sections and the formation of additional sections by a
5 two-thirds vote of the board of governors.

6 (c) The individual sections of the California Bar Sections
7 Association are voluntary organizations of attorneys and affiliates
8 who share interests in legal areas. Each section shall be governed
9 by an executive committee of members of the individual section.

(d) The board of governors shall be comprised of one
representative from each individual section and the California
Young Lawyers Association. The representative to the board of
governors shall be appointed by the executive committee of each
individual section and the California Young Lawyers Association.
(e) The California Bar Sections Association shall not engage
in political activities. It shall not be a violation of this section for

17 the California Bar Sections Association or individual sections to 18 take positions on legislation or make affirmative legislative 19 proposals that are germane to the designated practice area of the

20 section under one of the following germaneness standards:

(1) The matter is necessarily or reasonably related to the
regulation of the legal profession or improvement of the quality
of legal services available to the people of the state.

24 (2) The matter requires the special knowledge, training,25 experience, or technical expertise of the section.

26 (3) The position advocated, while not specifically related to the 27 regulation of the legal profession or improvement of the quality 28 of legal services, would promote clarity or consistency in the law. 29 6056.2. (a) The board of governors is the governing body of 30 the California Bar Sections Association. The board of governors 31 may, for the purpose of carrying into effect and promoting the 32 California Bar Sections Association's mission and objectives, do 33 all other acts necessary or expedient for the administration of its 34 affairs and the attainment of its purposes as provided in this article. 35 (b) (1) The board of governors may also enter into agreements 36 to provide offers of discounts and other benefits to active and 37 inactive members of the State Bar, including, but not limited to, 38 insurance and affinity programs. Notwithstanding any other law, 39 the State Bar shall coordinate with the California Bar Sections 40 Association to ensure the California Bar Sections Association

1 receives updated contact information for all active and inactive

2 members of the State Bar of California, subject to compliance with

3 any applicable privacy laws, and the State Bar shall provide a

4 method for all members of the State Bar to opt out of sharing

5 information with the California Bar Sections Association.

6 (2) The State Bar shall transfer all of the State Bar's affinity

7 and insurance programs, except for the legal malpractice insurance
8 program, to the California Bar Sections Association as soon as

9 practicable consistent with any existing contractual or legal

10 requirements. The State Bar shall not enter into new contracts to

11 offer these programs or similar benefits to its members after

12 January 1, 2018, except for the legal malpractice insurance

13 program.

14 (3) The revenues generated by the California Bar Sections 15 Association's insurance and affinity programs shall be used to

16 assist in making membership dues affordable to attorneys in all

17 income brackets and practice areas and to fund the California

18 Young Lawyers Association and other California Bar Sections

19 Association's programs approved by the Board of Governors.

20 (c) The officers of the board of governors shall be a president, 21 a vice president, a secretary, and a treasurer.

(d) The board of governors shall be the exclusive body that is
authorized to declare rules and regulations necessary or expedient
for the carrying out of the work of the California Bar Sections

25 Association.

(e) The board of governors may appoint any committees,
officers, and employees as it deems necessary or proper and fix
and pay salaries and necessary expenses.

(f) (1) The board of governors shall fix the time and place of
its annual meeting and may coordinate the annual meeting with
the State Bar.

32 (2) At the board of governors' annual meeting, reports of the 33 proceedings by the board of governors since the last annual 34 meeting, reports of other officers and committees, and 35 recommendations of the board shall be received.

36 6056.3. (a) On or before _____, the State Bar shall transfer

37 to the California Bar Sections Association all membership fees

38 and other funds paid for membership in the sections or paid in

39 sponsorships, donations, or funds for the benefit of the sections,

40 including, but not limited to, State Bar section financial reserves,

1 with an accounting that specifies which funds are attributable to

2 each individual section of the California Bar Sections Association. 3 The State Bar shall work with the California Bar Sections

4 Association to transfer all contracts previously entered into by the

5 State Bar on behalf of the sections, as soon as practicable,

6 consistent with any contractual obligations and legal requirements,

7 unless an alternative arrangement is mutually acceptable to the

8 State Bar and the California Bar Sections Association.

9 (b) On or before _____, the State Bar shall provide an itemized 10 list of any outstanding expenses, including contracts made on 11 behalf of section activities.

12 (c) The State Bar and the California Bar Sections Association 13 shall confer and work cooperatively to establish an orderly 14 transition plan.

15 (d) All current intellectual property of the sections of the State Bar and the board of governors, currently in the possession of the 16 17 State Bar, shall be transferred to and retained by the California 18 Bar Sections Association and the board of governors, including,

19 but not limited to, publications, educational materials, online

20 education, membership lists of section members, and products.

21 (e) Programs created by the sections within the State Bar's

22 online education catalog shall be transferred to the California

23 Bar Sections Association, except for the programs or materials

24 the State Bar is permitted to create pursuant to paragraphs (2) to 25 (5), inclusive, of subdivision (e) of Section 6070 that were not

26 created through the efforts of the sections of the State Bar.

27 (f) The amount of the State Bar sections' reserves that are to 28 be transferred shall be determined by cooperative review and 29 accounting between the State Bar and the California Bar Sections 30 Association no later than _____. If the State Bar and sections of 31 the State Bar do not agree on the amount by , the parties 32 shall submit the matter to binding arbitration by a neutral 33 arbitrator who will determine the amount. If the parties cannot 34 agree on a neutral arbitrator, each shall select a neutral arbitrator 35 and the two neutral arbitrators shall select a single neutral 36 arbitrator to determine the amount. The neutral arbitrator chosen 37 to oversee the matter may hire an auditor to assist in this task. The 38 fees charged by the arbitrator, including any auditor fees, shall 39

be borne equally by the State Bar and the California State Sections

40 Association.

1 (g) The State Bar shall no longer include individual sections or 2 voluntary organizations that are similar to sections of the State 3 Bar as they existed before being transferred to the California State 4 Sections Association. 5 SEC. 21. Section 6060.2 of the Business and Professions Code 6 is amended to read: 7 6060.2. (a) All investigations or proceedings conducted by 8 the State Bar concerning the moral character of an applicant shall 9 be confidential and shall not be disclosed pursuant to any state law, including, but not limited to, the California Public Records 10

Act (Chapter 3.5 (commencing with Section 6250) of Division 7 11 12 of Title 1 of the Government Code) unless the applicant, in writing,

13 waives the confidentiality. However, the records of the proceeding 14 may be subject to lawfully issued subpoenas.

15 (b) Notwithstanding subdivision (a), the records of the proceeding may be disclosed in response to either of the following: 16 17

(1) A lawfully issued subpoena.

18 (2) A written request from a government agency responsible 19 for either the enforcement of civil or criminal laws or the professional licensing of individuals that is conducting an 20 21 investigation about the applicant.

22 SEC. 22. Section 6070 of the Business and Professions Code 23 is amended to read:

6070. (a) The State Bar shall request the California Supreme 24 25 Court to adopt a rule of court authorizing the State Bar to establish

26 and administer a mandatory continuing legal education program.

27 The rule that the State Bar requests the Supreme Court to adopt

28 shall require that, within designated 36-month periods, all active

29 members of the State Bar shall complete at least 25 hours of legal

30 education activities approved by the State Bar or offered by a State

31 Bar approved provider, with four of those hours in legal ethics.

32 The legal education activities shall focus on California law and

33 practice and federal law as relevant to its practice in California

34 or tribal law. A member of the State Bar who fails to satisfy the

35 mandatory continuing legal education requirements of the program authorized by the Supreme Court rule shall be enrolled as an 36

37 inactive member pursuant to rules adopted by the Board of Trustees

38 of the State Bar.

39 (b) For purposes of this section, statewide associations of public

40 agencies and incorporated, nonprofit professional associations of

1 attorneys, shall be certified as State Bar approved providers upon 2 completion of an appropriate application process to be established 3 by the State Bar. The certification may be revoked only by majority 4 vote of the board, after notice and hearing, and for good cause 5 shown. Programs provided by the California District Attorneys 6 Association or the California Public Defenders Association, or 7 both, including, but not limited to, programs provided pursuant to 8 Title 1.5 (commencing with Section 11500) of Part 4 of the Penal 9 Code, are deemed to be legal education activities approved by the 10 State Bar or offered by a State Bar approved provider. *Programs* 11 provided by the California Bar Sections Association are deemed 12 to be legal education activities approved by the State Bar or offered 13 by a State Bar-approved provider. 14 (c) Notwithstanding the provisions of subdivision (a), officers 15 and elected officials of the State of California, and full-time 16 professors at law schools accredited by the State Bar of California, 17 the American Bar Association, or both, shall be exempt from the 18 provisions of this section. Full-time employees of the State of 19 California, acting within the scope of their employment, shall be 20 exempt from the provisions of this section. Nothing in this section 21 shall prohibit the State of California, or any political subdivision 22 thereof, from establishing or maintaining its own continuing 23 education requirements for its employees. (d) The State Bar California Bar Sections Association shall 24 25 provide and encourage the development of low-cost programs and 26 materials by which members of the State Bar may satisfy their continuing education requirements. Special emphasis shall be 27 28 placed upon the use of internet capabilities and computer 29 technology in the development and provision of no-cost and 30 low-cost programs and materials. Towards this purpose, the State 31 Bar California Bar Sections Association shall ensure that by July 32 1, 2000, any member possessing or having access to the Internet 33 or specified generally available computer technology shall be

34 capable of satisfying the full self-study portion of his or her MCLE 35 requirement at a cost of fifteen twenty dollars (\$15) (\$20) per hour 36

or less.

37 (e) The State Bar shall no longer provide educational programs

38 or materials by which members of the State Bar may satisfy their

39 continuing education requirements, except the State Bar may offer

- 1 programs directly related to its licensing, disciplinary, and 2 regulatory functions, including:
- 3 (1) Those programs or materials approved by the California
 4 Bar Sections Association.
- 5 (2) The programs offered by the Office of Chief Trial Counsel
 6 and the Office of Professional Competence for attorneys involved
 7 in disciplinary proceedings or at risk of being involved in those
- 8 proceedings.
 9 (3) The internal programs offered by the State Bar exclusively
- for attorneys employed by the State Bar.
 (4) Programs or materials for members to satisfy their legal
- 12 ethics, elimination of bias, and competency requirements.
- 13 (5) Programs or materials for new attorneys to satisfy 14 requirements for new attorneys.
- 15 SEC. 23. Section 6086.5 of the Business and Professions Code 16 is amended to read:
- 17 6086.5. The board of trustees shall establish a State Bar Court, 18 to act in its place and stead in the determination of disciplinary 19 and reinstatement proceedings and proceedings pursuant to subdivisions (b) and (c) of Section 6007 to the extent provided by 20 21 rules adopted by the board of trustees pursuant to this chapter. In 22 these proceedings the State Bar Court may exercise the powers 23 and authority vested in the board of trustees by this chapter, including those powers and that authority vested in committees 24 25 of, or established by, the board, except as limited by rules of the 26 board of trustees within the scope of this chapter. 27
- 27 Access to records of the State Bar Court shall be governed by 28 court rules and laws applicable to records of the judiciary and 20 matche California Public Presents Act (Charter 2.5 (communic
- not the California Public Records Act (Chapter 3.5 (commencing
 with Section 6250) of Division 7 of Title 1 of the Government
- 31 *Code*).
- 32 For the purposes of Sections 6007, 6043, 6049, 6049.2, 6050,
- 6051, 6052, 6077 (excluding the first sentence), 6078, 6080, 6081,
 and 6082, "board" includes the State Bar Court.
- 35 Nothing in this section shall authorize the State Bar Court to
- 36 adopt rules of professional conduct or rules of procedure.
- 37 The Executive Committee of the State Bar Court may adopt
- 38 rules of practice for the conduct of all proceedings within its
- 39 jurisdiction. These rules may not conflict with the rules of

procedure adopted by the board, unless approved by the Supreme
 Court.

3 SEC. 24. Section 6140 is added to the Business and Professions
4 Code, to read:

5 6140. (a) The board shall fix the annual membership fee for 6 active members for 2018 and 2019 at a sum not exceeding three 7 hundred fifteen dollars (\$315).

(b) The annual membership fee for active members is payable
on or before the first day of February of each year. If the board
finds it appropriate and feasible, it may provide by rule for payment

11 of fees on an installment basis with interest, by credit card, or

12 other means, and may charge members choosing any alternative

13 method of payment an additional fee to defray costs incurred by14 that election.

(c) This section shall remain in effect only until January 1, 2020,
and as of that date is repealed.

17 SEC. 25. Section 6140.02 is added to the Business and 18 Professions Code, to read:

19 6140.02. (a) The Board of Governors of the California Bar
20 Sections Association shall adopt a dues schedule for membership

in the California Bar Sections Association and shall provide to

the State Bar that schedule and a schedule for each individual

23 section that is adopted by each section. The board of governors

shall provide that schedule to the State Bar by October 1 of eachyear.

26 (b) Payment of dues for membership in the California Bar 27 Sections Association and individual sections of the association is 28 voluntary. Each member of the State Bar shall have the option of 29 joining the California Bar Sections Association and one or more 30 individual sections by including the dues set by the schedule 31 established pursuant to subdivision (a) with that State Bar 32 member's annual membership fees. Any contribution or 33 membership option included with a State Bar of California 34 mandatory dues billing statement shall include a statement that 35 the California Bar Sections Association is not a part of the State 36 Bar and that membership in that organization is voluntary.

37 (c) The State Bar shall collect, in conjunction with the collection

38 of its annual membership fees under Section 6140, the dues paid

39 by members to join the California Bar Sections Association or

40 individual sections. The State Bar shall include the option to join

- 1 one or more sections on the same invoice provided to members
- 2 for payment of the annual membership fee.
- 3 (d) This section is not intended to limit the California Bar
- 4 Sections Association membership to members of the State Bar or
- 5 restrict the California Bar Sections Association from collecting
- 6 membership dues or donations by other means.
- *SEC.* 26. Section 6144 of the Business and Professions Code *is amended to read:*
- 9 6144. (*a*) All fees shall be paid into the treasury of the State 10 Bar, and, when so paid, shall become part of its funds.
- 11 (b) Notwithstanding subdivision (a) and consistent with the
- reimbursement requirement under Section 6031.5, all fees paidpursuant to Section 6140.02 shall be paid by the State Bar to the
- 14 California Bar Sections Association, and, when paid, shall become
- 15 part of the funds of the California Bar Sections Association.
- 16 SEC. 27. Section 6145 of the Business and Professions Code 17 is amended to read:
- 18 6145. (a) The board shall engage the services of an independent19 national or regional public accounting firm with at least five years
- of experience in governmental auditing for an audit of its financial
 statement for each fiscal year. The financial statement shall be
 promptly certified under oath by the Treasurer of the State Bar,
- and a copy of the audit and financial statement shall be submitted within 120 days of the close of the fiscal year to the board, to the
- 25 Chief Justice of the Supreme Court, and to the Assembly and
- 26 Senate Committees on Judiciary.
- 27 The audit shall examine the receipts and expenditures of the
- 28 State Bar and the State Bar sections to ensure that the receipts of
- 29 the sections are being applied, and their expenditures are being
- 30 made, in compliance with subdivision (a) of Section 6031.5, and
- 31 that the receipts of the sections are applied only to the work of the 32 sections.
- 33 The audit also shall examine the receipts and expenditures of
- 34 the State Bar to ensure that the funds collected on behalf of the
- 35 Conference of Delegates of California Bar Associations as the
- 36 independent successor entity to the former Conference of Delegates
- 37 of the State Bar are conveyed to that entity, that the State Bar has
- 38 been paid or reimbursed for the full cost of any administrative and
- 39 support services provided to the successor entity, including the

collection of fees or donations on its behalf, and that no mandatory
 dues are being used to fund the activities of the successor entity.

3 In selecting the accounting firm, the board shall consider the

4 value of continuity, along with the risk that continued long-term5 engagements of an accounting firm may affect the independence6 of that firm.

(b) The board shall contract with the California State Auditor's
Office to conduct a performance audit of the State Bar's operations
from July 1, 2000, to December 31, 2000, inclusive. A copy of the
performance audit shall be submitted by May 1, 2001, to the board,
to the Chief Justice of the Supreme Court, and to the Assembly
and Senate Committees on Judiciary.

13 Every two years thereafter, the board shall contract with the 14 California State Auditor's Office to conduct a performance audit 15 of the State Bar's operations for the respective fiscal year, commencing with January 1, 2002, to December 31, 2002, 16 17 inclusive. A copy of the performance audit shall be submitted 18 within 120 days of the close of the fiscal year for which the audit 19 was performed to the board, to the Chief Justice of the Supreme 20 Court, and to the Assembly and Senate Committees on Judiciary. 21 For the purposes of this subdivision, the California State 22 Auditor's Office may contract with a third party to conduct the

performance audit. This subdivision is not intended to reduce the
number of audits the California State Auditor's Office may
otherwise be able to conduct.

26 (c) Effective January 1, 2016, the board shall contract with the 27 California State Auditor's Office to conduct an in-depth financial 28 audit of the State Bar, including an audit of its financial statement, 29 internal controls, and relevant management practices. The contract 30 shall include reimbursement for the California State Auditor's 31 Office for the costs of conducting the audit. The audit shall, at a 32 minimum, examine the revenues, expenditures, and reserves of 33 the State Bar, including all fund transfers. The California State 34 Auditor's Office shall commence the audit no later than January 1, 2016, and a copy of the audit shall be submitted by May 15, 35 36 2016, to the board, the Chief Justice of the Supreme Court, and to 37 the Assembly and Senate Committees on Judiciary. The audit shall 38 be submitted in compliance with Section 9795 of the Government

39 Code. This subdivision shall cease to be operative January 1, 2017.

1 SEC. 28. The State Bar shall adhere to a Supreme 2 Court-approved policy to identify and address any proposed 3 decision of the board of trustees of the State Bar that raises 4 antitrust concerns.

5 SEC. 29. Upon enactment of this measure, and to carry out its 6 purposes, the Board of Governors of the California Bar Sections 7 Association is empowered to revise, rescind, modify, or adopt any 8 policies, rules, regulations, guidelines, or other actions adopted 9 by the State Bar with respect to the Council of State Bar Sections 10 and sections of the State Bar.

SEC. 30. The Legislature finds and declares that Sections 17 11 and 23 of this act, which amend Sections 6026.7 and 6086.5 of the 12 Business and Professions Code, impose a limitation on the public's 13 right of access to the meetings of public bodies or the writings of 14 15 public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that 16 17 constitutional provision, the Legislature makes the following 18 findings to demonstrate the interest protected by this limitation 19 and the need for protecting that interest: 20 In order to protect the decisionmaking process of the State Bar 21 *Court in a manner that is similar to the deliberative functions of* 22 other courts and in order to ensure that personal or sensitive

23 information regarding discipline by the State Bar Court is kept

24 confidential, including for persons participating in discussions

25 and offers of settlement pursuant to arbitration or mediation, it is

necessary to exempt the State Bar Court from the provision of the
Bagley-Keene Open Meeting Act and the California Public Records

27 Bagley-Keene Open Meeting Act and the California Fublic Records28 Act.

SECTION 1. Section 6140 of the Business and Professions
 Code is amended to read:

31 6140. (a) The board shall fix the annual membership fee for
 32 active members for 2018 at a sum not exceeding three hundred
 33 fifteen dollars (\$315).

34 (b) The annual membership fee for active members is payable
 35 on or before the first day of February of each year. If the board

36 finds it appropriate and feasible, it may provide by rule for payment

37 of fees on an installment basis with interest, by credit card, or other

38 means, and may charge members choosing any alternative method

39 of payment an additional fee to defray costs incurred by that

40 election.

- 1 (c) This section shall remain in effect only until January 1, 2019,
- 2 and, as of that date, is repealed.

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