An act to amend Sections 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 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 bill would, until January 1, 2019, require the board to charge an annual membership fee for active members in the same 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.


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

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

(a) The proper administration of justice protects people from harm, ensures a common good, settles legal challenges and disputes efficiently, ensures access to justice, and ensures justice is dispensed fairly and equally.

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

(c) It is in the interest of the people of California that the attorneys of this state achieve the highest standards of education, effectiveness, professionalism, and competence.

(d) Whereas the sections of the State Bar of California are primarily educational entities that do vital work to mentor and
train attorneys throughout the state and to further an ethical, diverse, and responsive bar membership.

(e) Whereas the sections of the State Bar would like to safeguard their ability to continue to serve the public and bar members through educational activities and services.

(f) Whereas the sections of the State Bar would like to continue a policy of inclusive, affordable membership that provides diversity of representation, including solo practitioners, government attorneys, nongovernment attorneys, and firms of all sizes.

(g) Whereas the regulatory and nonregulatory functions of the State Bar of California are each strengthened by a separation of governance, staff, and budgets that enables the Board of Trustees of the State Bar to focus on its primary mission of public protection through regulatory oversight while allowing and enhancing the ability of the sections of the State Bar to advance the public interest by providing educational programs and materials to members of the State Bar and the public (including low- or no-cost mandatory continuing legal education (MCLE)), proposing legislation, rule changes, regulations, and similar acts, and providing expertise and comments on pending, or proposed legislation, rule changes, regulations, and similar acts, and advancing the competent and ethical practice of law, thereby enhancing protection of the public and access to justice for all.

(h) Therefore, the State Bar shall establish the California Bar Sections Association, a private, nonprofit corporation, that will be comprised of the current sections of the State Bar and the California Young Lawyers Association.

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

6008.5—Whenever the board has pledged, placed a charge upon, or otherwise made 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 or any interest thereon, and so long as any such obligation or any interest thereon remains unpaid, the Legislature shall not reduce the maximum membership fee below the maximum in effect at the time such obligation is created or incurred, and the provisions of this section shall constitute a covenant to the holder or holders of any such obligation.

SEC. 3. Section 6009.7 of the Business and Professions Code is repealed.
6009.7. (a) (1) The State Bar shall determine the manner by which to reduce the board of trustees from 23 members to 19 members, as described in Section 6011, pursuant to the election and appointment processes specified in Sections 6012, 6013.1, 6013.2, and 6013.3.

(2) The State Bar shall develop a plan for implementing the transition to a 19-member board by January 31, 2012.

(3) By January 31, 2012, the State Bar shall submit a written report to the Senate and Assembly Committees on Judiciary that includes, but is not limited to, the implementation plan described in paragraph (2).

(b) The State Bar shall complete the transition to a 19-member board no later than October 31, 2014.

(c) The State Bar shall not change, reduce, shorten, lengthen, or abolish the terms of board members commencing prior to December 31, 2011, or force any board member to resign in order to institute a 19-member board pursuant to this section.

(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.

SEC. 4. Section 6011 of the Business and Professions Code is amended to read:

6011. (a) The board shall consist of no more than 23 19 members and no less than 19 13 members.

(b) It is the intent of the Legislature that the board consist of no more than 23 19 members and no less than 19 13 members during the period of transition from a 23-member 19-member board to a 19-member board, as described in Section 6009.7, 13-member board. It is the intent of the Legislature that the board, pursuant to the plan developed by the State Bar as described in Section 6009.7, gradually decrease its size without shortening, lengthening, or abolishing terms commencing prior to December 31, 2011, 2017, with the ultimate goal of instituting a 19-member 13-member board no later than October 31, 2014, pursuant to Section 6009.7, 2020. It is the intent of the Legislature that this transition occur by the expiration of the terms of the elected members who are serving on the board as of December 31, 2017.

SEC. 5. Section 6012 of the Business and Professions Code is repealed.
6012. (a) State Bar Districts, as they existed on December 31, 2011, pursuant to Section 6012.5, as added by Chapter 1223 of the Statutes of 1989, shall cease, pursuant to the act that added this section, for purposes of the election of attorney members of the board. However, attorney members who were elected in 2009, 2010, or 2011 to serve for a three-year term commencing at the conclusion of the annual meeting held in those years shall be eligible to serve their full three-year terms.

(b) Commencing on January 1, 2012, State Bar Districts shall be based on the six court of appeal districts as constituted pursuant to Section 69100 of the Government Code, as they existed on 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.

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

6013.1. (a) The Supreme Court shall appoint five attorney members of the board pursuant to a process that the Supreme Court may prescribe. These attorney members shall serve for a term of three-four years and may be reappointed by the Supreme Court for 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, and make any reappointment of, any appointed attorney member.

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

(e) The State Bar shall be responsible for carrying out the administrative responsibilities related to the appointment process described in subdivision (a).
SEC. 7. Section 6013.2 of the Business and Professions Code 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.

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

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

(b) An attorney member appointed pursuant to this section shall serve for a term of three years. Vacancies shall be filled for the remainder of the term. An appointed attorney member may be reappointed pursuant to this section.

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

6013.5. Notwithstanding any other provision of law, six

6013.5. (a) Effective January 1, 2018, a maximum of six members of the board shall be members of the public who have never been members of the State Bar or admitted to practice before any court in the United States. They shall be appointed through 1982 by the Governor, subject to the confirmation of the Senate.

(b) Each of such members shall serve for a term of three years, commencing at the conclusion of the annual meeting next succeeding his appointment, except that for the initial term after enactment of this section, two shall serve for one year, two for two years, and the other two for three years, as determined by lot. Vacancies shall be filled for the remainder of the term.

In 1983 one

(c) Effective January 1, 2018, one public member shall be appointed by the Senate Committee on Rules and one public member shall be appointed by the Speaker of the Assembly.

For each of the years, 1984 and 1985, two public
(d) *Four public* members shall be appointed by the Governor, subject to the confirmation of the Senate.

Each

(e) *Each* respective appointing authority shall fill any vacancy in and make any reappointment to each respective office.

SEC. 10. *Section 6015 of the Business and Professions Code is amended to read:*

6015. No person is eligible for attorney membership on the board unless both of the following conditions are satisfied:

(a) He or she is an active member of the State Bar.

(b) Either:

1. *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.

SEC. 11. *Section 6016 of the Business and Professions Code is amended to read:*

6016. The term of office of each attorney member of the board shall commence at the conclusion of the annual meeting next succeeding his or her election or appointment, be four years and he or she shall hold office until his or her successor is elected or appointed and qualified. For the purposes of this section, the time intervening between any two successive annual meetings shall be deemed to be one year. Vacancies shall be filled for the remainder of the term.

Except as specified in Section 6013.1, vacancies in the board of trustees shall be filled by the board by special election or by 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 during terms of office there is less than a quorum of the board.

SEC. 12. *Section 6018 of the Business and Professions Code is repealed.*

6018. Nominations of elected members of the board shall be by petition signed by at least 20 persons entitled to vote for such nominees.

Only active members of the State Bar maintaining their principal offices for the practice of the law in the respective State Bar
districts shall be entitled to vote for the member or members of
the board therefrom.

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

6019. Each place upon the board for which a member is to be
elected or appointed shall for the purposes of the election or
appointment be deemed a separate office.

If only one member seeks election to an office, the member is
deemed elected. If two or more members seek election to the same
office, the election shall be by ballot. The ballots shall be
distributed to those entitled to vote at least twenty days prior to
the date of canvassing the ballots and shall be returned to a site or
sites designated by the State Bar, where they shall be canvassed
at least five days prior to the ensuing annual meeting. At the annual
meeting, the count shall be certified and the result officially
declared:

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

SEC. 14. Section 6021 of the Business and Professions Code
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,
shall elect the president, vice president, and treasurer for the
ensuing year. The president, the vice president, and the treasurer
shall be elected from among all members of the board. The
California Supreme Court shall select from the members of the
board a chair and a vice chair to serve in the absence of the chair.

(2) The newly elected president, vice president, and treasurer
chair and vice chairs shall assume the duties of their respective
offices at the conclusion of the annual meeting following their
election appointment.

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

(e) Notwithstanding the provisions of Sections 6009.7 and 6011
regarding a 19-member board, if the president is elected from
among those members of the board whose terms on the board
expire that year and has not been reelected or reappointed to
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 her one-year term, and he or she may vote.

SEC. 15. Section 6022 of the Business and Professions Code is amended to read:

6022. The secretary and the treasurer of the State Bar shall be selected annually by the board and need not be a member of the State Bar.

SEC. 16. Section 6026.5 of the Business and Professions Code is repealed.

6026.5. (a) Pursuant to Section 6026.7, every meeting of the board shall be open to the public except those meetings, or portions thereof, relating to:

(1) Consultation with counsel concerning pending or prospective litigation.

(2) Involuntary enrollment of active members as inactive members due to mental infirmity or illness or addiction to intoxicants or drugs.

(3) The qualifications of judicial appointees, nominees, or candidates.

(4) The appointment, employment, or dismissal of an employee, consultant, or officer of the State Bar or to hear complaints or charges brought against such employee, consultant, or officer, unless such person requests a public hearing.

(5) Disciplinary investigations and proceedings, including resignations with disciplinary investigations or proceedings pending, and reinstatement proceedings.

(6) Appeals to the board from decisions of the Board of Legal Specialization refusing to certify or recertify an applicant or suspending or revoking a specialist’s certificate.

(7) Appointments to or removals from committees, boards, or other entities.

(8) Joint meetings with agencies provided in Article VI of the California Constitution.

(b) This section shall become operative on April 1, 2016.

SEC. 17. Section 6026.7 of the Business and Professions Code is amended to read:

6026.7. (a) The State Bar is subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of 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.
(b) Notwithstanding any other law, the Bagley-Keene Open
Meeting Act shall not apply to the Commission on Judicial
Nominees Evaluation or Commission, the Committee of Bar
Examiners, Examiners, or the State Bar Court.
(c) This section shall become operative on April 1, 2016.
(d) In addition to the grounds authorized in the Bagley-Keene
Open Meeting Act, a closed session may be held for those meetings,
or portions thereof, relating to both of the following:
(1) Appeals from decisions of the Board of Legal Specialization
refusing to certify or recertify an applicant or suspending or
revoking a specialist’s certificate.
(2) The preparation, approval, grading, or administration of
examinations for certification of a specialist.
SEC. 18. Section 6029 of the Business and Professions Code
is amended to read:
6029. (a) The board may appoint such committees, officers
and employees as it deems necessary or proper, and fix and pay
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 the
following appointing authorities:
(1) The Supreme Court.
(2) The Governor.
(3) The Speaker of the Assembly.
(4) The Senate Committee on Rules.
SEC. 19. Section 6031.5 of the Business and Professions Code
is amended to read:
6031.5. (a) State Bar sections, as established under and
pursuant to Article 13 of the Rules and Regulations of the State
Bar, and their The California Bar Sections Association and its
activities shall not be funded with mandatory fees collected
pursuant to subdivision (a) of Section 6140.
The State Bar may provide an individual California Bar Sections
Association section, or two or more sections collectively, or the
board of governors with administrative and support services,
provided the board of governors 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

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funds collected pursuant to subdivision (b), funds raised by or through the activities of the sections, California Bar Sections Association, or other funds collected from voluntary sources. 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 dues are not used to fund the sections. The State Bar and California Bar Sections Association may also contract for other services provided by the State Bar or by the California Bar Sections Association.

(b) Notwithstanding any other provisions of this section, law, the State Bar is expressly authorized to collect voluntary fees to fund the State Bar sections on behalf of those organizations in conjunction with the State Bar’s collection of its annual membership dues. shall collect fees for the California Bar Sections Association and the board of governors as expressly authorized and required by Section 6140.02. The California Bar Sections Association shall pay for the actual costs of the collection. Funds collected pursuant to this subdivision, and other funds raised by or through the activities of the sections, California Bar Sections Association, or collected from voluntary sources, for their support or operation, shall not be subject to the expenditure limitations of subdivision (b) of Section 6140.05.

(c) Notwithstanding any other provision of law, the State Bar is expressly authorized to collect, in conjunction with the State Bar’s collection of its annual membership dues, 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 dues are not used to fund any successor entity.

(d) 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 subdivision (c), is a voluntary association, is not a part of the State Bar of California, and shall not be funded in any way through mandatory dues collected by the State Bar of California. Any contribution or membership option included with a State Bar of California mandatory dues 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.

SEC. 20. Article 3 (commencing with Section 6055) is added to Chapter 4 of Division 3 of the Business and Professions Code, to read:

Article 3. California Bar Sections Association

6055. This article shall be known, and may be cited, as the California Bar Sections Association Act.

6056. (a) The State Bar, acting pursuant to Section 6001, shall assist the California Bar Sections Association to incorporate as a private, nonprofit corporation organized under Section 501(c)(6) of the Internal Revenue Code. The California Bar Sections Association shall be a voluntary association, shall not be a part of the State Bar of California, and shall not be funded in any way through mandatory dues collected by the State Bar. The California Bar Sections Association shall have independent contracting authority and full control of its resources. The California Bar Sections Association shall not be considered a state, local, or other public body for any purpose, including, but not limited to, the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) and the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(b) The California Bar Sections Association shall be governed by a board of governors established pursuant to this article. The mission of the California Bar Sections Association and the board
of governors is to serve the public by fostering and promoting
educational programs and materials to the members of the State
Bar and the public, including low- or no-cost mandatory continuing
legal education (MCLE), providing expertise and information as
requested regarding pending legislation, and assuring the ethical
practice of law, thereby enhancing protection of the public and
access to justice by the public.
(c) The State Bar shall assist the California Bar Sections
Association in assuming responsibility for appointment and
supervision of some of the positions the State Bar currently holds
on the American Bar Association (ABA) House of Delegates,
consistent with the California Bar Sections Association’s mission
and subject to the consent of the ABA.
(d) The State Bar shall support the California Bar Sections
Association’s efforts to partner with the Continuing Education of
the Bar (CEB), subject to agreement by the University of
California.
(e) The State Bar of California shall ensure that State Bar staff
who support the sections, as of September 15, 2017, are reassigned
to other comparable positions within the State Bar.
(f) For purposes of this chapter, the term “board of governors”
shall mean the board of governors of the California Bar Sections
Association.
6056.1. (a) The California Bar Sections Association shall
initially consist of the following sections:
(1) Antitrust, Unfair Competition Law, and Privacy Section.
(2) Business Law Section.
(3) Criminal Law Section.
(4) Environmental Law Section.
(5) Family Law Section.
(6) Intellectual Property Law Section.
(7) International Law Section.
(8) Labor and Employment Law Section.
(9) Law Practice Management and Technology Section.
(10) Litigation Section.
(11) Public Law Section.
(12) Real Property Law Section.
(13) Solo and Small Firm Section.
(14) Taxation Section.
(15) Trusts and Estates Section.
Workers’ Compensation Law Section.

California Young Lawyers Association.

(b) The board of governors may authorize the termination of individual sections and the formation of additional sections by a two-thirds vote of the board of governors.

(c) The individual sections of the California Bar Sections Association are voluntary organizations of attorneys and affiliates who share interests in legal areas. Each section shall be governed 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 the California Bar Sections Association or individual sections to take positions on legislation or make affirmative legislative proposals that are germane to the designated practice area of the 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.

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

(3) The position advocated, while not specifically related to the regulation of the legal profession or improvement of the quality of legal services, would promote clarity or consistency in the law.

6056.2. (a) The board of governors is the governing body of the California Bar Sections Association. The board of governors may, for the purpose of carrying into effect and promoting the California Bar Sections Association’s mission and objectives, do all other acts necessary or expedient for the administration of its affairs and the attainment of its purposes as provided in this article.

(b) (1) The board of governors may also enter into agreements to provide offers of discounts and other benefits to active and inactive members of the State Bar, including, but not limited to, insurance and affinity programs. Notwithstanding any other law, the State Bar shall coordinate with the California Bar Sections Association to ensure the California Bar Sections Association
receives updated contact information for all active and inactive members of the State Bar of California, subject to compliance with any applicable privacy laws, and the State Bar shall provide a method for all members of the State Bar to opt out of sharing information with the California Bar Sections Association.

(2) The State Bar shall transfer all of the State Bar’s affinity and insurance programs, except for the legal malpractice insurance program, to the California Bar Sections Association as soon as practicable consistent with any existing contractual or legal requirements. The State Bar shall not enter into new contracts to offer these programs or similar benefits to its members after January 1, 2018, except for the legal malpractice insurance program.

(3) The revenues generated by the California Bar Sections Association’s insurance and affinity programs shall be used to assist in making membership dues affordable to attorneys in all income brackets and practice areas and to fund the California Young Lawyers Association and other California Bar Sections Association’s programs approved by the Board of Governors.

(c) The officers of the board of governors shall be a president, 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 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.

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

6056.3. (a) On or before ________, the State Bar shall transfer to the California Bar Sections Association all membership fees and other funds paid for membership in the sections or paid in sponsorships, donations, or funds for the benefit of the sections, including, but not limited to, State Bar section financial reserves,
with an accounting that specifies which funds are attributable to
each individual section of the California Bar Sections Association.

The State Bar shall work with the California Bar Sections
Association to transfer all contracts previously entered into by the
State Bar on behalf of the sections, as soon as practicable,
consistent with any contractual obligations and legal requirements,
unless an alternative arrangement is mutually acceptable to the
State Bar and the California Bar Sections Association.

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

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

d) All current intellectual property of the sections of the State
Bar and the board of governors, currently in the possession of the
State Bar, shall be transferred to and retained by the California
Bar Sections Association and the board of governors, including,
but not limited to, publications, educational materials, online
education, membership lists of section members, and products.

e) Programs created by the sections within the State Bar’s
online education catalog shall be transferred to the California
Bar Sections Association, except for the programs or materials
the State Bar is permitted to create pursuant to paragraphs (2) to
(5), inclusive, of subdivision (e) of Section 6070 that were not
created through the efforts of the sections of the State Bar.

(f) The amount of the State Bar sections’ reserves that are to
be transferred shall be determined by cooperative review and
accounting between the State Bar and the California Bar Sections
Association no later than ____. If the State Bar and sections of
the State Bar do not agree on the amount by _____, the parties
shall submit the matter to binding arbitration by a neutral
arbitrator who will determine the amount. If the parties cannot
agree on a neutral arbitrator, each shall select a neutral arbitrator
and the two neutral arbitrators shall select a single neutral
arbitrator to determine the amount. The neutral arbitrator chosen
to oversee the matter may hire an auditor to assist in this task. The
fees charged by the arbitrator, including any auditor fees, shall
be borne equally by the State Bar and the California State Sections
Association.
(g) The State Bar shall no longer include individual sections or voluntary organizations that are similar to sections of the State Bar as they existed before being transferred to the California State Sections Association.

SEC. 21. Section 6060.2 of the Business and Professions Code is amended to read:

6060.2. (a) All investigations or proceedings conducted by the State Bar concerning the moral character of an applicant shall be confidential and shall not be disclosed pursuant to any state law, including, but not limited to, the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) unless the applicant, in writing, waives the confidentiality. However, the records of the proceeding may be subject to lawfully issued subpoenas.

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

(1) A lawfully issued subpoena.

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

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

6070. (a) The State Bar shall request the California Supreme Court to adopt a rule of court authorizing the State Bar to establish and administer a mandatory continuing legal education program. The rule that the State Bar requests the Supreme Court to adopt shall require that, within designated 36-month periods, all active members of the State Bar shall complete at least 25 hours of legal education activities approved by the State Bar or offered by a State Bar approved provider, with four of those hours in legal ethics. The legal education activities shall focus on California law and practice and federal law as relevant to its practice in California or tribal law. A member of the State Bar who fails to satisfy the mandatory continuing legal education requirements of the program authorized by the Supreme Court rule shall be enrolled as an inactive member pursuant to rules adopted by the Board of Trustees of the State Bar.

(b) For purposes of this section, statewide associations of public agencies and incorporated, nonprofit professional associations of
attorneys, shall be certified as State Bar approved providers upon completion of an appropriate application process to be established by the State Bar. The certification may be revoked only by majority vote of the board, after notice and hearing, and for good cause shown. Programs provided by the California District Attorneys Association or the California Public Defenders Association, or both, including, but not limited to, programs provided pursuant to Title 1.5 (commencing with Section 11500) of Part 4 of the Penal Code, are deemed to be legal education activities approved by the State Bar or offered by a State Bar approved provider. Programs provided by the California Bar Sections Association are deemed to be legal education activities approved by the State Bar or offered by a State Bar-approved provider.

(c) Notwithstanding the provisions of subdivision (a), officers and elected officials of the State of California, and full-time professors at law schools accredited by the State Bar of California, the American Bar Association, or both, shall be exempt from the provisions of this section. Full-time employees of the State of California, acting within the scope of their employment, shall be exempt from the provisions of this section. Nothing in this section shall prohibit the State of California, or any political subdivision thereof, from establishing or maintaining its own continuing education requirements for its employees.

(d) The State Bar California Bar Sections Association shall provide and encourage the development of low-cost programs and materials by which members of the State Bar may satisfy their continuing education requirements. Special emphasis shall be placed upon the use of internet capabilities and computer technology in the development and provision of no-cost and low-cost programs and materials. Towards this purpose, the State Bar California Bar Sections Association shall ensure that by July 1, 2000, any member possessing or having access to the Internet or specified generally available computer technology shall be capable of satisfying the full self-study portion of his or her MCLE requirement at a cost of fifteen twenty dollars ($15) ($20) per hour or less.

(e) The State Bar shall no longer provide educational programs or materials by which members of the State Bar may satisfy their continuing education requirements, except the State Bar may offer
programs directly related to its licensing, disciplinary, and regulatory functions, including:

(1) Those programs or materials approved by the California Bar Sections Association.

(2) The programs offered by the Office of Chief Trial Counsel and the Office of Professional Competence for attorneys involved in disciplinary proceedings or at risk of being involved in those proceedings.

(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 ethics, elimination of bias, and competency requirements.

(5) Programs or materials for new attorneys to satisfy requirements for new attorneys.

SEC. 23. Section 6086.5 of the Business and Professions Code is amended to read:

6086.5. The board of trustees shall establish a State Bar Court, to act in its place and stead in the determination of disciplinary and reinstatement proceedings and proceedings pursuant to subdivisions (b) and (c) of Section 6007 to the extent provided by rules adopted by the board of trustees pursuant to this chapter. In these proceedings the State Bar Court may exercise the powers and authority vested in the board of trustees by this chapter, including those powers and that authority vested in committees of, or established by, the board, except as limited by rules of the board of trustees within the scope of this chapter.

Access to records of the State Bar Court shall be governed by court rules and laws applicable to records of the judiciary and not the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

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.

Nothing in this section shall authorize the State Bar Court to adopt rules of professional conduct or rules of procedure.

The Executive Committee of the State Bar Court may adopt rules of practice for the conduct of all proceedings within its jurisdiction. These rules may not conflict with the rules of
procedure adopted by the board, unless approved by the Supreme Court.

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

6140. (a) The board shall fix the annual membership fee for active members for 2018 and 2019 at a sum not exceeding three 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 of fees on an installment basis with interest, by credit card, or other means, and may charge members 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, 2020, and as of that date is repealed.

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

6140.02. (a) The Board of Governors of the California Bar 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 section that is adopted by each section. The board of governors shall provide that schedule to the State Bar by October 1 of each year.

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

(c) The State Bar shall collect, in conjunction with the collection of its annual membership fees under Section 6140, the dues paid by members to join the California Bar Sections Association or individual sections. The State Bar shall include the option to join
one or more sections on the same invoice provided to members for payment of the annual membership fee.

(d) This section is not intended to limit the California Bar Sections Association membership to members of the State Bar or restrict the California Bar Sections Association from collecting membership dues or donations by other means.

SEC. 26. Section 6144 of the Business and Professions Code is amended to read:

6144. (a) All fees shall be paid into the treasury of the State Bar, and, when so paid, shall become part of its funds.

(b) Notwithstanding subdivision (a) and consistent with the reimbursement requirement under Section 6031.5, all fees paid pursuant to Section 6140.02 shall be paid by the State Bar to the California Bar Sections Association, and, when paid, shall become part of the funds of the California Bar Sections Association.

SEC. 27. Section 6145 of the Business and Professions Code is amended to read:

6145. (a) The board shall engage the services of an independent 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 Chief Justice of the Supreme Court, and to the Assembly and Senate Committees on Judiciary.

The audit shall examine the receipts and expenditures of the State Bar and the State Bar sections to ensure that the receipts of the sections are being applied, and their expenditures are being made, in compliance with subdivision (a) of Section 6031.5, and that the receipts of the sections are applied only to the work of the sections.

The audit also shall examine the receipts and expenditures of the State Bar to ensure that the funds collected on behalf of the Conference of Delegates of California Bar Associations as the independent successor entity to the former Conference of Delegates of the State Bar are conveyed to that entity, that the State Bar has been paid or reimbursed for the full cost of any administrative and 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.
In selecting the accounting firm, the board shall consider the
value of continuity, along with the risk that continued long-term
engagements of an accounting firm may affect the independence
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.
Every two years thereafter, the board shall contract with the
California State Auditor’s Office to conduct a performance audit
of the State Bar’s operations for the respective fiscal year,
commencing with January 1, 2002, to December 31, 2002,
inclusive. A copy of the performance audit shall be submitted
within 120 days of the close of the fiscal year for which the audit
was performed to the board, to the Chief Justice of the Supreme
Court, and to the Assembly and Senate Committees on Judiciary.
For the purposes of this subdivision, the California State
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.
(c) Effective January 1, 2016, the board shall contract with the
California State Auditor’s Office to conduct an in-depth financial
audit of the State Bar, including an audit of its financial statement,
internal controls, and relevant management practices. The contract
shall include reimbursement for the California State Auditor’s
Office for the costs of conducting the audit. The audit shall, at a
minimum, examine the revenues, expenditures, and reserves of
the State Bar, including all fund transfers. The California State
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,
2016, to the board, the Chief Justice of the Supreme Court, and to
the Assembly and Senate Committees on Judiciary. The audit shall
be submitted in compliance with Section 9795 of the Government
Code. This subdivision shall cease to be operative January 1, 2017.
SEC. 28. The State Bar shall adhere to a Supreme Court-approved policy to identify and address any proposed decision of the board of trustees of the State Bar that raises antitrust concerns.

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

SEC. 30. The Legislature finds and declares that Sections 17 and 23 of this act, which amend Sections 6026.7 and 6086.5 of the Business and Professions Code, impose a limitation on the public’s right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to protect the decisionmaking process of the State Bar Court in a manner that is similar to the deliberative functions of other courts and in order to ensure that personal or sensitive information regarding discipline by the State Bar Court is kept confidential, including for persons participating in discussions 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 Act.

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

6140. (a) The board shall fix the annual membership fee for active members for 2018 at a sum not exceeding three 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 of fees on an installment basis with interest, by credit card, or other means, and may charge members 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, 2019, and, as of that date, is repealed.