

AMENDED IN ASSEMBLY MAY 27, 2016

AMENDED IN ASSEMBLY APRIL 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2878

Introduced by Committee on Judiciary (Assembly Members Mark Stone (Chair), Alejo, Chau, Chiu, Cristina Garcia, and Holden)

February 25, 2016

An act to amend ~~Section~~ Sections 6001, 6011, 6015, 6016, 6019, 6021, 6022, 6026.7, 6060.2, 6060.25, 6086.5, and 6140 of, to add Section 6140.56, and to repeal ~~Section 6008.5~~ Sections 6008.5, 6009.7, 6012, 6013.2, 6018, and 6026.5 of, the Business and Professions Code, relating to ~~attorneys: the State Bar.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2878, as amended, Committee on Judiciary. Attorneys: ~~annual membership fees.~~ State Bar: board of trustees.

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, That act requires 6 members of the 19-member board to be attorneys elected from State Bar Districts. That act provides that the State Bar is subject to the Bagley-Keene Open Meeting Act and the California Public Records Act, as specified. That act, until January 1, 2017, requires the board to charge an annual membership fee for active members of up to \$315 for 2016. Existing law prohibits the Legislature, when the board of trustees 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. *That act establishes the State Bar Court to act in the place of the board of trustees in the determination of disciplinary proceedings, as specified. That act authorizes the State Bar to raise additional revenue by any lawful means, including, but not limited to, the creation of foundations or not-for-profit corporations. That act requires the board to establish and administer a Client Security Fund to relieve or mitigate pecuniary losses caused by dishonest conduct of active members of the State Bar, as specified.*

This bill would provide that the board of trustees consist of no more than 19 members and no fewer than 13 members and would require the board to transition to a 13-member board, as specified. The bill would remove from the board attorney members elected from State Bar Districts and would make conforming changes. The bill would require each member of the board appointed after December 31, 2016, to have demonstrated educational or experience expertise, or both, in one of 5 specified areas, including public finance. 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.

~~This bill would, bill, until January 1, 2018, would require the board to charge an annual membership fee in the same a specified amount for 2017. The bill would repeal the above provision prohibiting the Legislature from reducing the maximum membership fee and the provision authorizing the State Bar to raise additional revenue by any lawful means. The bill would require the State Bar to conduct a thorough analysis of the Client Security Fund and to submit a report to the Legislature on its analysis of that fund by March 15, 2017, as specified. The bill would state various findings and declarations of the Legislature.~~

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 protection of the public is required, by statute, to be the
4 highest priority of the State Bar of California and must be the
5 paramount focus of the State Bar, its employees, and, most
6 importantly, its board of trustees. All other duties and activities of
7 the State Bar are ancillary to its regulatory oversight of the state's
8 more than 250,000 attorneys, over 185,000 of whom are active
9 members.

10 (b) Throughout its history, the State Bar has been the subject
11 of substantial controversies, including allegations of serious fiscal
12 and management improprieties, and most recently failure to
13 properly protect the public against the unauthorized practice of
14 law, including allowing hundreds of complaints to languish in a
15 drawer.

16 (c) In May 2015, the California State Auditor released its
17 biannual performance audit of the State Bar, reviewing the State
18 Bar's backlog of discipline cases and its recent \$75,000,000
19 purchase and renovation of a building in Los Angeles at three times
20 the cost originally estimated and requiring a loan against the Public
21 Protection Fund, which is designed to be an emergency fund to
22 protect the public in the event of a financial emergency. The audit
23 uncovered significant, questionable decisions made by the State
24 Bar in the handling of both matters, including that the State Bar
25 had not fully or consistently reported its backlog of discipline cases
26 and that, in order to reduce its backlog of discipline cases, the State
27 Bar made questionable choices, potentially causing "significant
28 risk to the public."

29 (d) Most recently and without consultation with the Legislature,
30 the State Bar chose to replace the loan on the Los Angeles building,
31 along with a brand new loan for updating its San Francisco
32 building, with a securitization on future members dues, potentially
33 tying the hands of the Legislature in setting future dues amounts.

34 (e) As a result of the troubling findings of the audit, the
35 Legislature, as part of the 2015 State Bar dues legislation, imposed

1 important new preliminary reforms on the State Bar. First, the
2 Legislature mandated that the State Bar be subject to both the
3 California Public Records Act and the Bagley-Keene Open
4 Meetings Act. These good government reforms help ensure the
5 integrity, transparency, and accountability of the State Bar. Second,
6 the Legislature directed the California State Auditor to conduct a
7 full financial audit of the State Bar, which is due on May 15, 2016.
8 Finally, the State Bar must develop a workforce plan for its attorney
9 discipline system and a spending plan to determine the level for
10 dues to recommend to the Legislature, which are both due on May
11 15, 2016. These reports should help inform the Legislature
12 regarding the appropriate actions to take in its oversight
13 responsibility of the State Bar and its own determination of the
14 proper dues amount.

15 (f) In 2011, the Legislature directed the State Bar to establish
16 a Governance in the Public Interest Task Force to make
17 recommendations to the Governor, the Supreme Court, and the
18 Legislature every three years, beginning May 15, 2014, for, among
19 other things, enhancing the protection of the public and ensuring
20 that protection of the public is the highest priority in the licensing,
21 regulation, and discipline of attorneys, to be reviewed by the
22 Assembly and Senate Committees on Judiciary in their regular
23 consideration of the annual State Bar dues measure. That first
24 report is now two years overdue and, although the Governance in
25 the Public Interest Task Force finally began holding meetings this
26 year, it appears that this already long overdue report will not be
27 completed during this legislative session.

28 (g) It is the intent of the Legislature, in fulfilling its important
29 oversight responsibility over the State Bar and the proper amount
30 State Bar members must pay in annual dues, that this bill serve as
31 the vehicle to implement possible recommendations for
32 substantially improving the operations, effectiveness, and efficiency
33 of the State Bar based on the 2016 California State Auditor's audit
34 of the State Bar, along with the State Bar's discipline workforce
35 and spending plans and any draft Governance Task Force report
36 or other information, in order to ensure that the dues are the
37 appropriate amount, that the State Bar becomes more accountable
38 to the public, and that public protection is, and remains, the State
39 Bar's top priority.

1 *SEC. 2. Section 6001 of the Business and Professions Code is*
2 *amended to read:*

3 6001. The State Bar of California is a public corporation. It is
4 hereinafter designated as the State Bar.

5 The State Bar has perpetual succession and a seal and it may sue
6 and be sued. It may, for the purpose of carrying into effect and
7 promoting its objectives:

8 (a) Make contracts.

9 (b) Borrow money, contract debts, issue bonds, notes and
10 debentures and secure the payment or performance of its
11 obligations.

12 (c) Own, hold, use, manage and deal in and with real and
13 personal property.

14 (d) Construct, alter, maintain and repair buildings and other
15 improvements to real property.

16 (e) Purchase, lease, obtain options upon, acquire by gift, bequest,
17 devise or otherwise, any real or personal property or any interest
18 therein.

19 (f) Sell, lease, exchange, convey, transfer, assign, encumber,
20 pledge, dispose of any of its real or personal property or any
21 interest therein, including without limitation all or any portion of
22 its income or revenues from membership fees paid or payable by
23 members.

24 (g) Do all other acts incidental to the foregoing or necessary or
25 expedient for the administration of its affairs and the attainment
26 of its purposes.

27 Pursuant to those powers enumerated in subdivisions (a) to (g),
28 inclusive, it is recognized that the State Bar has authority to raise
29 revenue in addition to that provided for in Section 6140 and other
30 statutory provisions. ~~The State Bar is empowered to raise that~~
31 ~~additional revenue by any lawful means, including, but not limited~~
32 ~~to, the creation of foundations or not-for-profit corporations.~~

33 The State Bar shall conspicuously publicize to its members in
34 the annual dues statement and other appropriate communications,
35 including its Web site and electronic communications, that its
36 members have the right to limit the sale or disclosure of member
37 information not reasonably related to regulatory purposes. In those
38 communications the State Bar shall note the location of the State
39 Bar's privacy policy, and shall also note the simple procedure by
40 which a member may exercise his or her right to prohibit or restrict,

1 at the member's option, the sale or disclosure of member
2 information not reasonably related to regulatory purposes. On or
3 before May 1, 2005, the State Bar shall report to the Assembly
4 and Senate Committees on Judiciary regarding the procedures that
5 it has in place to ensure that members can appropriately limit the
6 use of their member information not reasonably related to
7 regulatory purposes, and the number of members choosing to
8 utilize these procedures.

9 No law of this state restricting, or prescribing a mode of
10 procedure for the exercise of powers of state public bodies or state
11 agencies, or classes thereof, including, but not by way of limitation,
12 the provisions contained in Division 3 (commencing with Section
13 11000), Division 4 (commencing with Section 16100), and Part 1
14 (commencing with Section 18000) and Part 2 (commencing with
15 Section 18500) of Division 5, of Title 2 of the Government Code,
16 shall be applicable to the State Bar, unless the Legislature expressly
17 so declares. Notwithstanding the foregoing or any other law,
18 pursuant to Sections 6026.7 and 6026.11, the State Bar is subject
19 to the California Public Records Act (Chapter 3.5 (commencing
20 with Section 6250) of Division 7 of Title 1 of the Government
21 Code) and, commencing April 1, 2016, the Bagley-Keene Open
22 Meeting Act (Article 9 (commencing with Section 11120) of
23 Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
24 Code).

25 ~~SEC. 2.~~

26 *SEC. 3.* Section 6008.5 of the Business and Professions Code
27 is repealed.

28 *SEC. 4.* *Section 6009.7 of the Business and Professions Code*
29 *is repealed.*

30 ~~6009.7. (a) (1) The State Bar shall determine the manner by~~
31 ~~which to reduce the board of trustees from 23 members to 19~~
32 ~~members, as described in Section 6011, pursuant to the election~~
33 ~~and appointment processes specified in Sections 6012, 6013.1,~~
34 ~~6013.2, and 6013.3.~~

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

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

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

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

7 ~~(d) The State Bar shall report annually to the Senate and~~
8 ~~Assembly Committees on Judiciary on its progress toward~~
9 ~~implementing the transition to a 19-member board.~~

10 *SEC. 5. Section 6011 of the Business and Professions Code is*
11 *amended to read:*

12 6011. (a) The board shall consist of no more than ~~23~~ 19
13 members and no less *fewer* than ~~19~~ 13 members.

14 (b) It is the intent of the Legislature that the board consist of no
15 more than ~~23~~ 19 members and no less *fewer* than ~~19~~ 13 members
16 during the period of transition from a ~~23-member~~ 19-member board
17 to a 19-member board, as described in Section 6009.7. 13-member
18 board. It is the intent of the Legislature that the board, pursuant
19 to the plan developed by the State Bar as described in Section
20 6009.7, gradually board decrease its size without shortening,
21 lengthening, or abolishing terms commencing prior to December
22 31, ~~2011, 2016~~, with the ultimate goal of instituting a ~~19-member~~
23 13-member board no later than October 31, ~~2014~~, pursuant to
24 Section ~~6009.7. 2019~~. It is the intent of the Legislature that this
25 transition occur by the expiration of the terms of the elected
26 members who are serving on the board as of December 31, 2016.

27 (c) Each member appointed after December 31, 2016, shall
28 have demonstrated educational or experience expertise, or both,
29 in at least one of the following:

30 (1) Public finance.

31 (2) Public administration.

32 (3) Business or financial management.

33 (4) State government, particularly prior regulatory experience.

34 (5) Legal ethics.

35 *SEC. 6. Section 6012 of the Business and Professions Code is*
36 *repealed.*

37 6012. (a) State Bar Districts, as they existed on December 31,
38 2011, pursuant to Section 6012.5, as added by Chapter 1223 of
39 the Statutes of 1989, shall cease, pursuant to the act that added this
40 section, for purposes of the election of attorney members of the

1 board. However, attorney members who were elected in 2009,
 2 2010, or 2011 to serve for a three-year term commencing at the
 3 conclusion of the annual meeting held in those years shall be
 4 eligible to serve their full three-year terms.

5 (b) Commencing on January 1, 2012, State Bar Districts shall
 6 be based on the six court of appeal districts as constituted pursuant
 7 to Section 69100 of the Government Code, as they existed on
 8 December 31, 2011. The board shall provide for the election of
 9 six attorney members of the board from these six State Bar Districts
 10 as specified in Section 6013.2.

11 *SEC. 7. Section 6013.2 of the Business and Professions Code*
 12 *is repealed.*

13 ~~6013.2. (a) Six members of the board shall be attorneys elected~~
 14 ~~from the State Bar Districts created by the board pursuant to~~
 15 ~~Section 6012.~~

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

20 *SEC. 8. Section 6015 of the Business and Professions Code is*
 21 *amended to read:*

22 6015. No person is eligible for attorney membership on the
 23 board unless both all of the following conditions are satisfied:

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

25 (b) Either:

26 (1) ~~If Prior to October 31, 2019, if~~ elected, he or she maintains
 27 his or her principal office for the practice of law within the State
 28 Bar district from which he or she is elected.

29 (2) If appointed by the Supreme Court or the Legislature, he or
 30 she maintains his or her principal office for the practice of law
 31 within the State of California.

32 (c) *If newly appointed after December 31, 2016, he or she*
 33 *satisfies the requirements of subdivision (c) of Section 6011.*

34 *SEC. 9. Section 6016 of the Business and Professions Code is*
 35 *amended to read:*

36 6016. The term of office of each attorney member of the board
 37 shall commence at the conclusion of the annual meeting next
 38 succeeding his or her election or appointment, and he or she shall
 39 hold office until his or her successor is elected or appointed and
 40 qualified. For the purposes of this section, the time intervening

1 between any two successive annual meetings shall be deemed to
2 be one year.

3 ~~Except as specified in Section 6013.1, vacancies in the board of~~
4 ~~trustees shall be filled by the board by special election or by~~
5 ~~appointment for the unexpired term.~~

6 The board of trustees may provide by rule for an interim board
7 to act in the place and stead of the board when because of vacancies
8 during terms of office there is less than a quorum of the board.

9 *SEC. 10. Section 6018 of the Business and Professions Code*
10 *is repealed.*

11 ~~6018. Nominations of elected members of the board shall be~~
12 ~~by petition signed by at least 20 persons entitled to vote for such~~
13 ~~nominees.~~

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

18 *SEC. 11. Section 6019 of the Business and Professions Code*
19 *is amended to read:*

20 6019. Each place upon the board for which a member is to be
21 elected or appointed shall for the purposes of the election or
22 appointment be deemed a separate office.

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

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

34 *SEC. 12. Section 6021 of the Business and Professions Code*
35 *is amended to read:*

36 6021. (a) (1) Within the period of 90 days next preceding the
37 annual meeting, the board, at a meeting called for that purpose,
38 shall elect the president, vice president, and treasurer for the
39 ensuing year. The president, the vice president, and the treasurer
40 shall be elected from among all members of the board.

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

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

7 (c) Notwithstanding the provisions of ~~Sections 6009.7 and~~
8 *Section 6011* regarding a ~~19-member~~ *13-member* board, if the
9 president is elected from among those members of the board whose
10 terms on the board expire *by* that year and has not been reelected
11 ~~or~~ reappointed to another term under ~~Section 6013.1, 6013.2,~~
12 ~~6013.3, 6013.1~~ or 6013.5, the president shall serve as a ~~20th~~ *14th*
13 member of the board during his or her one-year term, and he or
14 she may vote.

15 *SEC. 13. Section 6022 of the Business and Professions Code*
16 *is amended to read:*

17 6022. The ~~secretary~~ *officers of the State Bar* shall be selected
18 annually by the board and need not be a member of the State Bar.

19 *SEC. 14. Section 6026.5 of the Business and Professions Code,*
20 *as added by Section 3 of Chapter 537 of the Statutes of 2015, is*
21 *repealed.*

22 ~~6026.5. (a) Pursuant to Section 6026.7, every meeting of the~~
23 ~~board shall be open to the public except those meetings, or portions~~
24 ~~thereof, relating to:~~

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

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

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

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

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

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

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

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

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

9 *SEC. 15. Section 6026.7 of the Business and Professions Code,*
10 *as added by Section 5 of Chapter 537 of the Statutes of 2015, is*
11 *amended to read:*

12 6026.7. (a) The State Bar is subject to the Bagley-Keene Open
13 Meeting Act (Article 9 (commencing with Section 11120) of
14 Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
15 Code) and all meetings of the State Bar are subject to the
16 Bagley-Keene Open Meeting Act.

17 (b) Notwithstanding any other law, the Bagley-Keene Open
18 Meeting Act shall not apply to the Judicial Nominees Evaluation
19 ~~Commission or Commission~~, the Committee of Bar ~~Examiners-~~
20 ~~Examiners, or the State Bar Court.~~

21 ~~(e) This section shall become operative on April 1, 2016.~~

22 (c) *In addition to the grounds authorized in the Bagley-Keene*
23 *Open Meeting Act, a closed session may be held for those meetings,*
24 *or portions thereof, relating to both of the following:*

25 (1) *Appeals to the board from decisions of the Board of Legal*
26 *Specialization refusing to certify or recertify an applicant or*
27 *suspending or revoking a specialist's certificate.*

28 (2) *The preparation, approval, grading, or administration of*
29 *examinations for certification of a specialist.*

30 *SEC. 16. Section 6060.2 of the Business and Professions Code*
31 *is amended to read:*

32 6060.2. (a) All investigations or proceedings conducted by
33 the State Bar concerning the moral character of an applicant shall
34 be confidential and shall not be disclosed pursuant to any state
35 law, including, but not limited to, the California Public Records
36 Act (Chapter 3.5 (commencing with Section 6250) of Division 7
37 of Title 1 of the Government Code) unless the applicant, in writing,
38 waives the confidentiality. ~~However, the~~

1 (b) Notwithstanding subdivision (a), the records of the
2 proceeding may be ~~subject~~ disclosed in response to ~~lawfully~~ either
3 of the following:

4 (1) A lawfully issued ~~subpoenas~~. subpoena.

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

9 SEC. 17. Section 6060.25 of the Business and Professions Code
10 is amended to read:

11 6060.25. (a) Notwithstanding any other law, any identifying
12 information submitted by an applicant to the State Bar for
13 admission and a license to practice law and all State Bar admission
14 records, including, but not limited to, bar examination scores, law
15 school grade point average (GPA), undergraduate GPA, Law
16 School Admission Test scores, race or ethnicity, and any
17 information contained within the State Bar Admissions database
18 or any file or other data created by the State Bar with information
19 submitted by the applicant that may identify an individual
20 applicant, *other than information described in subdivision (b)*,
21 shall be confidential and shall not be disclosed pursuant to any
22 state law, including, but not limited to, the California Public
23 Records Act (Chapter 3.5 (commencing with Section 6250) of
24 Division 7 of Title 1 of the Government Code).

25 (b) *This section does not prohibit the disclosure of any of the*
26 *following:*

27 (1) *The names of applicants who have passed any examination*
28 *administered, given, or prescribed by the Committee of Bar*
29 *Examiners.*

30 (2) *Information that is provided at the request of an applicant*
31 *to another jurisdiction where the applicant is seeking admission*
32 *to the practice of law.*

33 (3) *Information provided to a law school that is necessary for*
34 *the purpose of the law school's compliance with accreditation or*
35 *regulatory requirements.*

36 (4) *Information provided to the National Conference of Bar*
37 *Examiners or a successor nonprofit organization in connection to*
38 *the State Bar's administration of any examination.*

39 (c) *Disclosure of any of the information in paragraphs (2) to*
40 *(4), inclusive, of subdivision (b) shall not constitute a waiver under*

1 *Section 6254.5 of the Government Code of the exemption from*
2 *disclosure provided for in subdivision (a) of this section.*

3 *SEC. 18. Section 6086.5 of the Business and Professions Code*
4 *is amended to read:*

5 6086.5. The board of trustees shall establish a State Bar Court,
6 to act in its place and stead in the determination of disciplinary
7 and reinstatement proceedings and proceedings pursuant to
8 subdivisions (b) and (c) of Section 6007 to the extent provided by
9 rules adopted by the board of trustees pursuant to this chapter. In
10 these proceedings the State Bar Court may exercise the powers
11 and authority vested in the board of trustees by this chapter,
12 including those powers and that authority vested in committees
13 of, or established by, the board, except as limited by rules of the
14 board of trustees within the scope of this chapter.

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

20 For the purposes of Sections 6007, 6043, 6049, 6049.2, 6050,
21 6051, 6052, 6077 (excluding the first sentence), 6078, 6080, 6081,
22 and 6082, “board” includes the State Bar Court.

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

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

30 ~~SEC. 3.~~

31 *SEC. 19. Section 6140 of the Business and Professions Code*
32 *is amended to read:*

33 6140. (a) The board shall fix the annual membership fee for
34 active members for 2017 at a sum not exceeding three hundred
35 fifteen dollars (\$315).

36 (b) The annual membership fee for active members is payable
37 on or before the first day of February of each year. If the board
38 finds it appropriate and feasible, it may provide by rule for payment
39 of fees on an installment basis with interest, by credit card, or other
40 means, and may charge members choosing any alternative method

1 of payment an additional fee to defray costs incurred by that
2 election.

3 (c) This section shall remain in effect only until January 1, 2018,
4 and, as of that date, is repealed, unless a later enacted statute, that
5 is enacted before January 1, 2018, deletes or extends that date.

6 *SEC. 20. Section 6140.56 is added to the Business and*
7 *Professions Code, to read:*

8 *6140.56. (a) To ensure that the Client Security Fund can*
9 *adequately protect the public and relieve or mitigate financial*
10 *losses caused by the dishonest conduct of members of the State*
11 *Bar by paying claims in a timely manner, the State Bar shall*
12 *conduct a thorough analysis of the Client Security Fund, including*
13 *a determination of the ongoing needs of the fund to satisfy claims*
14 *in a timely manner, a review of additional efforts that can be taken*
15 *to increase the collection of payments from the responsible*
16 *attorneys, and a review of other State Bar expenditures to*
17 *determine whether other expenditures that do not directly impact*
18 *the State Bar's public protection functions, including, but not*
19 *limited to, executive salaries and benefits, can be reduced or*
20 *redirected in order to better fund the Client Security Fund through*
21 *existing revenue, and, whether, after all other options have been*
22 *fully and thoroughly exhausted, an increase in membership dues*
23 *is necessary to ensure that the Client Security Fund can timely*
24 *pay claims.*

25 *(b) The State Bar shall submit a report on its analysis of the*
26 *Client Security Fund to the Legislature by March 15, 2017, so that*
27 *the plans can be reviewed in conjunction with the bill that would*
28 *authorize the imposition of the State Bar's membership fee. The*
29 *report shall be submitted in compliance with Section 9795 of the*
30 *Government Code.*

31 *(c) For purposes of this section, "timely manner" means within*
32 *12 months from the time the claim is received by the State Bar.*

33 *SEC. 21. The Legislature finds and declares that Sections 17*
34 *and 20 of this act, which amend Sections 6026.7 and 6086.5 of the*
35 *Business and Professions Code, impose a limitation on the public's*
36 *right of access to the meetings of public bodies or the writings of*
37 *public officials and agencies within the meaning of Section 3 of*
38 *Article I of the California Constitution. Pursuant to that*
39 *constitutional provision, the Legislature makes the following*

1 *findings to demonstrate the interest protected by this limitation*
2 *and the need for protecting that interest:*

3 *In order to protect the decisionmaking process of the State Bar*
4 *Court in a manner that is similar to the deliberative functions of*
5 *other courts and in order to ensure that personal or sensitive*
6 *information regarding discipline by the State Bar Court is kept*
7 *confidential, including for persons participating in discussions*
8 *and offers of settlement pursuant to arbitration or mediation, it is*
9 *necessary to exempt the State Bar Court from the provision of the*
10 *Bagley-Keene Open Meeting Act and the California Public Records*
11 *Act.*

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