UTAH SUPREME COURT AD HOC COMMITTEE

REGULATORY REFORM
Nick Stiles, Co-Chair
Maryt Fredrickson, Co-Chair
Workgroup Meeting: AI/Legal Tech
January 16, 2026
12:00 – 1:00
Virtual & In-person Meeting
In person: Judicial Council Room, Matheson
Meeting LINK

1. Welcome

2. Approval of December Minutes (Tab 2)

3. Welcome Zach Boyd, Brady Young, and Cam Bronson from the Governor's Office of AI Policy.
   a. See information about their work here

4. Workshop the preliminary report with the group (Tab 3)

5. Action items needed
   a. Further review of report by email and comment
   b. Upcoming all working group meeting on Thursday, Feb. 5

Tab 1

Current AI/Legal Tech Scope

Artificial Intelligence and Legal Technology	
- Identify current and emerging trends in legal technology. - Research recommendations from legal regulatory reform experts on how to adapt to advancing technology. - Examine other states' approaches to regulating or carving our legal technology, including how they define the practice of law and deal with multijurisdictional issues. - Draft proposed rule changes, if any.	- Develop a recommendation: - Delineating between legal technology that should and should not be regulated as the practice of law, - Identifying any additional rules or enforcement mechanisms needed to property regulate technology-aided legal practice. - Identify whether collaboration with other branches of government or other stakeholders will be needed to implement recommendations.

Tab 2

Meeting Minutes
Utah Supreme Court's Ad Hoc Committee on Regulatory Reform
AI/Legal Tech Meeting Minutes
Friday, December 19, 2025
12:00 – 1:00
Virtual & In-person

The Committee accepted the minutes from the previous meeting with minor revisions.

The meeting agenda identified Zach Boyd and Brady Young from the Governor's Office of AI Policy as guests for this meeting, but it was clarified that they will attend the next AI/Legal Tech meeting.

The group briefly discussed the December 11, 2025 Executive Order and its relevance to Utah's AI and legal technology initiatives.
- The Executive Order will be discussed in greater detail in the next meeting with Zach and Brady.
- Not a significant concern at this time where the focus is on regulating the practice of law, perhaps using safe harbor provisions, not regulating AI. Some discussion of whether state regulation adds value within UT with non-Utah-specific technologies and whether UT-specific AI tools warrant differentiated regulation.

Connor reported his research on how other states regulate/carve out AI/tech tools related to the practice of law.
- Entity-Based Authorizations
  - Arizona's ABS program affirmatively authorizes entities with nonlawyer ownership or decision-making authority to provide legal services.
- Programmatic/Pilot Carve-Outs
  - Washington and Utah both have pilot programs (e.g., the Sandbox).
- Limited scope non-lawyer authorizations, like CJA regulation (Minnesota and Oregon)
- Disclosure-based authorizations - California
- Colorado doesn't necessarily make any carve-outs. Colorado's approach is enforcement discretion, not authorization. Nevertheless, it is an important state to watch. IAALS is

supporting CO's non-prosecution approach. Discussion of non-prosecution policy is a half-step towards regulation, for a slow transition towards a rule change.

The group discussed other AI/Legal Tech-related issues in preparation for the preliminary presentation for the Court.

Alex shared the Open Source Law Project with the group. This is a project that Alex developed and has been working on that includes a chatbot, Minerva, which is specifically and exclusively trained on Utah law. Terms of use and disclosures, with instructions not to enter confidential information, were discussed. Entered test examples of non-confidential information and confidential information to compare results. Discussion of accuracy of information compared to first year attorney, but simplicity of changing the validity of results with simple code changes. The project was useful for discussing disclaimers, the practice of law, and other concerns. Also discussed click-through disclaimers, knowing and voluntary waiver issues, civil consumer harm protections (civil actions) compared to legal malpractice.

Discussion of back-end control/disciplinary mechanisms like OPC. Sandbox complaint mechanism was different than OPC process, provided limited data about the services provided, and is not a parallel comparison. Audit process was also complicated and labor intensive, but had aimed to have a peer-reviewed process. OPC option raises resources concerns and whether a licensing fee would be collected to contribute to those costs. Some discussion of whether OPC process would deter innovation, particularly for free tools. Some discussion of example from medium-innovation entities that use compliance attorney who is subject to OPC.

Action Items
- The group will need to begin preparing a preliminary report/recommendation for the Court.
- Connor, Nick, and Maryt will have a draft of the preliminary report available for workshopping by the next meeting.

Tab 3

<u>AI/Legal Tech working group</u>

1. <u>Purpose and Scope</u>

The AI/Legal Tech working group is assessing how emerging technologies are affecting the delivery of legal services, the practice of law, and the court's regulatory responsibilities. Its charge from the supreme court is:

Artificial Intelligence and Legal Technology	
- Identify current and emerging trends in legal technology. - Research recommendations from legal regulatory reform experts on how to adapt to advancing technology. - Examine other states' approaches to regulating or carving our legal technology, including how they define the practice of law and deal with multijurisdictional issues. - Draft proposed rule changes, if any.	- Develop a recommendation: 3. Delineating between legal technology that should and should not be regulated as the practice of law, 4. Identifying any additional rules or enforcement mechanisms needed to property regulate technology-aided legal practice. - Identify whether collaboration with other branches of government or other stakeholders will be needed to implement recommendations.

This group is not evaluating AI used by attorneys or courts. That topic is being studied by bar committees (for lawyers) and the Administrative Office of Courts (for courts).

This preliminary report summarizes lessons learned, describes the current state of AI and legal technology, and identifies regulatory tools under consideration.

2. <u>Lessons from the Utah Sandbox</u>

The Sandbox provided useful but limited insight into technology-enabled legal services. Use cases and developments outside the Sandbox are providing more information.

a. Technology is commonly associated with innovation, but few Sandbox participants deployed advanced or novel AI systems in core legal decision-making without lawyer involvement. There are currently no high-innovation entities—meaning legal services provided entirely by technology with no lawyer involvement—in the Sandbox. No lawyer-free models were approved. In some ways, the Sandbox was ahead of its time in

aspiring to test tech-provided, autonomous, nonlawyer legal services, with advanced AI platforms largely launching in 2025, two years before the end of the Sandbox. Three medium-innovation—which have some lawyer involvement—continue in Phase 2 of the Sandbox. [Insert examples]

b. Pre-authorization vetting of entities, as a front-end control, is labor intensive. Performance and compliance audits are also labor intensive. For these tools to continue would require significant financial investment in labor resources and data management.

c. The data system to measure consumer harm, as a form of back-end control, was challenging and incomplete. [More summary to add?]

d. Measuring access-to-justice outcomes attributable to technology is another challenge. Even where costs to consumers were reduced or services were streamlined, it was difficult to measure the impact to underserved populations within the justice gap.

3. Current & Emerging Trends

a. AI has become increasingly capable of producing fluent legal text, summarizing documents, and identifying potential issues. At the same time, AI is probabilistic, may generate inaccurate outputs, and depends heavily on human configuration and review. Courts have already seen the impact of hallucinations in attorney filings. A recent AI-generated case filing in Arizona, filed by a self-represented party, generated more than 1000 hallucinations and has been referred to Arizona's UPL and disciplinary committees.

b. Despite those challenges, AI is emerging as a dominant tool. Most growth is in vertically integrated tools, like marrow, attorney-facing tools used by lawyers and which fit nicely within the existing UPL and disciplinary structure.

c. Existing rules of professional conduct address competence, supervision, confidentiality, and communication, but do not explicitly contemplate AI systems that function autonomously or semi-autonomously or are offered directly to consumers. The disciplinary system operates as a remedy for consumer harm for lawyers using AI. It does not currently operate as a remedy for consumer harm for entities providing AI tools to self-represented consumers.

d. There are large tools, like Google and ChatGPT, which already provide legal advice to consumers, with no recourse for consumer harm or disciplinary vehicle for the unauthorized practice of law (UPL)

4. Recommendations from Regulatory Reform Experts

At the outset, this working group met with Dean Andrew Perlman, formerly of Suffolk University, who is one of the nation's leading experts on Legal Technology and Regulatory Reform. He identified two primary trending pathways:

  a. Redefine UPL to include a carve out from disciplinary enforcement for legal technology.
  b. Modify Rule 5.4

Both UPL and 5.4 can deter innovation and prohibit the creation of interdisciplinary teams. Growth needs a confluence of three things: the technology, the regulatory environment, and profitability.

Other expertise around the country includes IAALS and efforts at Duke University. Each of those have published reports.

5. Other States' Approaches

Arizona has taken an approach through Rule 5.4, by eliminating that rule. The Arizona counterpart to Utah's Innovation Office faces a large workload to vet entities.

New York has a rule related to multijurisdictional practice related to Rule 5.4 but it not expressly related to legal technology.

6. Collaboration with Other Braches of Government & Stakeholders

 The working group has had preliminary outreach with the Utah executive branch's AI office. A workgroup meeting with that office is pending. That office affords expertise on AI issues in other regulatory sectors, the state's position on AI regulation after a recent federal executive order regarding state AI regulation and uses an expedited enforcement mechanism for consumer harm. However, that office is currently time limited by statute, unless its funding is extended.

The working group met with some of Utah's legal services providers and the bar's access to justice (ATJ) office. Those offices have been exploring how to do non-legal tasks with AI, such as intake and administrative tasks, but are not currently using generative AI for legal service.

7. Overlap with Rule 5.4 and Structural Regulation

AI-enabled legal services frequently intersect with ownership, fee-sharing, and organizational structures governed by Rule 5.4. As a result, this working group and the 5.4 working group met jointly for several months. Coordination between the groups will be warranted to ensure that AI regulation does not inadvertently create inconsistencies.

Entities and law firms are avoiding 5.4 restrictions on fee-sharing by developing dual entities that operate in tandem.

8. Preliminary Leanings

AI raises distinct concerns when deployed by nonlawyers or entities offering legal services outside a traditional attorney–client relationship. The working group is discussing regulatory tools that could address these risks without categorically prohibiting innovation, including:

Possibilities	Things to avoid
- Creating an enforcement carve out by modifying UCJA 14-802 which defines UPL and includes exceptions and exclusions. - Mandatory disclosures: Requiring clear notice to consumers that the service is not a lawyer and does not provide legal representation; potential inaccuracies; role & limits of AI. - Leave opportunity for autonomous legal technology as it develops. - Coordinating with rule 5.4 working group. - Develop how to measure and evaluate ATJ impacts - Compare recommended rule changes against entities currently in the Sandbox to ensure ongoing services with investment-backed expectations. - Include public messaging with roll out of rule changes.	- Front-end controls of vetting and compliance audits which are labor intensive and difficult to scale. - Relying exclusively on a market-based approach for back-end controls via consumer complaints is not supported by the Sandbox experience. - Stay open to multijurisdictional concerns, but in the absence of a national framework to fit within, stay within jurisdictional limits; staying within the court's jurisdiction, restricted to Utah.

9. Next Steps

- Define parameters and scope of safe harbors, e.g., whether regulatory structure varies from low-innovation to high-innovation; applies to non-generative technologies (like document generation, intake and triage, etc.); applies to existing global-sized platforms, etc.

- Define disclosures

- Identify how to measure ATJ impacts

- Identify front-end controls

- Evaluate the other models used for UPL. The United Kingdom defines "reserved activities." That model flips UPL on its head, defining which activities are reserved for fully licensed lawyers. Another model is based on tiers of risk, like for licensed paralegals, community justice workers, etc. which may either define out of UPL or take a non-enforcement or hybrid enforcement approach.

- Identify enforcement mechanism as back-end control, i.e., disciplinary office like attorneys, some expedited mechanism as at the state's AI office, or a hybrid mechanism. Consider institutional capacity and resource constraints.

- Identify and incorporate Rule 5.4 overlaps

- Consider viability of reciprocity with the other state working in this sphere (AZ)

- Continue outreach to Utah providers, such as Lucian Paera, Ransom Witner, and the upcoming platform for landlord-tenant issues developed through, or adjacent to, Wilson Sonsini.