
State-by-State Fee-Sharing Compliance Guide 2026

A Comprehensive Resource for Attorney-to-Attorney Collaboration

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Executive Summary

Attorney-to-attorney fee-sharing is one of the most powerful — yet most misunderstood — tools for legal collaboration in the United States. When attorneys connect to share expertise across practice areas and jurisdictions, clients benefit from broader access to specialized counsel. Yet the rules governing these arrangements vary dramatically from state to state, creating a complex patchwork of compliance obligations that no single practitioner can easily navigate.¹²

The regulatory landscape is shifting rapidly in 2026. Three key developments demand attention:

California AB 931 — Effective January 1, 2026, California has prohibited fee-sharing with out-of-state Alternative Business Structure (ABS) entities, creating a significant new compliance barrier for cross-border attorney collaboration.³

Arizona's ABS Expansion — Arizona's pioneering ABS framework has now licensed 151 entities, including the approval of KPMG Law in January 2025, signaling growing acceptance of non-traditional legal practice structures.⁴⁵

AI Integration in Legal Tech — 52% of law firms now incorporate AI-powered tools into their workflows, accelerating how attorneys discover collaboration opportunities and manage fee-sharing compliance.⁹

This guide provides a comprehensive, state-by-state analysis of fee-sharing rules across all 50 states and the District of Columbia. It classifies each jurisdiction into one of three tiers based on the level of obligation imposed on participating attorneys, identifies critical special requirements, and offers practical guidance for maintaining compliance. Whether you are exploring a new collaboration opportunity or formalizing an existing arrangement, this resource is designed to serve as your authoritative starting point.

This guide is published for informational purposes only and does not constitute legal advice. Attorneys should consult their jurisdiction's specific rules and, where appropriate, seek ethics counsel before entering into fee-sharing arrangements.

1. Atticus Ethical Fee-Sharing Guide, <https://static.atticus.com/resources/Ethical%20Fee%20Sharing%20Guide.pdf>

2. Holt Law Fee-Sharing Guide (2025), <https://djholtlaw.com/the-law-firms-guide-to-referral-fee-sharing-across-the-u-s/>

3. Reuters on CA AB 931,

<https://www.reuters.com/legal/government/california-law-sets-up-new-contingency-fee-sharing-roadblock-2025-10-16/>

4. Arizona State Law Journal on ABS, <https://arizonastatelawjournal.org/2026/02/15/arizonas-alternative-business-structures-innovation-meets-neighboring-resistance-2/>

5. MSBA on KPMG Law, https://www.msba.org/site/site/content/News-and-Publications/News/General-News/Groundbreaking_Decision_by_Arizona_Supreme_Court_to_Allow_Non-Lawyers_to_Own_and_Operate_Law_Firm.aspx

9. Miami-Dade Bar Legal Tech Trends,

<https://www.miamidadebar.org/legal-tech-trends-for-2025-embracing-ai-cloud-and-data-driven-solutions/>

Understanding the Framework

ABA Model Rule 1.5(e)

The foundation of attorney fee-sharing law is ABA Model Rule 1.5(e), which permits a division of fees between lawyers who are not in the same firm, provided three conditions are met:⁷⁸

1. Proportionality or Joint Responsibility — The division is proportional to the services performed by each lawyer, or each lawyer assumes joint responsibility for the representation.
2. Client Consent — The client agrees to the arrangement, including the share each lawyer will receive, and the agreement is confirmed in writing.
3. Reasonable Total Fee — The total fee charged to the client is reasonable and not increased by the arrangement.

While most states have adopted some version of this rule, the specific requirements — particularly around joint responsibility — vary significantly. These variations create the three-tier classification system used throughout this guide.

Three-Tier Classification

Tier	Category	States	Key Requirement
1	Pure / Relaxed	13 states	No joint responsibility required. Written consent and reasonable total fee.
2	Model Rules	31 states + DC	Joint responsibility OR proportional services required, plus written consent.
3	Stricter	2 states	BOTH proportional services AND joint responsibility required.

Key Concepts

Joint Responsibility. In Model Rules states, the non-performing attorney must assume ethical co-responsibility for the quality of the representation. The precise scope varies: in New York, this means joint and several liability for malpractice, while in Arizona, it constitutes vicarious malpractice liability.⁸²

Proportional Services. An alternative to joint responsibility in Model Rules states. The fee division must correspond to the proportion of legal work each attorney actually performs. Stricter states (Hawaii, Wyoming) require both proportional services and joint responsibility.¹

Written Client Consent. Nearly every jurisdiction requires that the client be informed of and consent to the fee-sharing arrangement. Best practice: obtain written consent before the division occurs, specifying the percentage each attorney will receive and the basis for the division.⁷

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2. Holt Law Fee-Sharing Guide (2025), <https://djholtlaw.com/the-law-firms-guide-to-referral-fee-sharing-across-the-u-s/>

7. Hinshaw Fee-Sharing, <https://www.hinshawlaw.com/en/insights/lawyers-lawyer-newsletter/sharing-fees-between-lawyers>

8. Hinshaw ABA 1.5(e), <https://www.hinshawlaw.com/en/insights/lawyers-lawyer-newsletter/fee-sharing-between-lawyers-and-aba-rule-15e-how-to-protect-yourself-and-the-client>

State-by-State Compliance Tables

The following tables classify each U.S. jurisdiction by its fee-sharing requirements. States marked with an asterisk (*) have notable special requirements detailed in the footnotes below each table.

Category 1: Pure / Relaxed States — No Joint Responsibility Required

State	Key Requirement	Rule Citation
California	Written consent after disclosure; total fee not increased. AB 931 restricts ABS fee-sharing (eff. Jan 1, 2026)	Rule 1.5.1 CRPC
Connecticut	Total fee reasonable; client advised in writing, no objection needed	Rule 1.5(g)
Delaware	Total fee reasonable; client advised in writing	Rule 1.5(e)
Kansas	Total fee reasonable; client advised and does not object	Rule 1.5(e)
Maine	Client written consent to terms after full disclosure	Rule 1.5(e)
Massachusetts	Client notified in writing, consents; total fee reasonable	Rule 1.5(e)
Michigan	Total fee reasonable; client advised of participation	MRPC 1.5(e)
Nevada	Total fee reasonable; client agrees in writing	RPC 1.5(e)
New Hampshire	Fee-sharing allowed without proportional work; signed client consent	Rule 1.5(e)
Oregon	Informed consent confirmed in writing; total fee not clearly excessive	RPC 1.5(d)
Pennsylvania	Total fee not illegal or excessive; client advised of arrangement	Rule 1.5(e)
Virginia	Client consent in advance, preferably in writing	Rule 1.5(e)
West Virginia	Client agrees to the arrangement per rule commentary	Rule 1.5(e)

13 states. These jurisdictions allow fee-sharing based primarily on client consent and a reasonable total fee, without requiring that the non-performing attorney assume joint responsibility for the representation.¹²¹⁰

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2. Holt Law Fee-Sharing Guide (2025), <https://djholtlaw.com/the-law-firms-guide-to-referral-fee-sharing-across-the-u-s/>
10. California Rule 1.5.1, https://www.calbar.ca.gov/Portals/0/documents/rules/Rule_1.5-Exec_Summary-Redline.pdf

Category 2: Model Rules States — Joint Responsibility OR Proportional Services

State	Key Requirement	Rule Citation
Alabama*	Joint responsibility or proportional; contingency cases relaxed	Rule 1.5(e)
Alaska	Joint responsibility or proportional; client consent in writing	Rule 1.5(e)
Arizona*	Joint responsibility (= vicarious liability); also has ABS framework	ER 1.5(e)
Arkansas	Joint responsibility or proportional; written client consent	Rule 1.5(e)
DC	Joint responsibility or proportional; written consent	Rule 1.5(e)
Florida*	Joint responsibility or proportional; 25% cap for PI contingency	Rule 4-1.5(g)
Georgia	Joint responsibility or proportional; written consent	Rule 1.5(e)
Idaho	Joint responsibility or proportional; written client consent	Rule 1.5(e)
Illinois*	Explicitly approves sharing where primary value is the connection	Rule 1.5(e)
Indiana	Joint responsibility or proportional; client agrees in writing	Rule 1.5(e)
Iowa	Joint responsibility or proportional; written consent	Rule 1.5(e)
Kentucky	Joint responsibility or proportional; written client consent	Rule 1.5(e)
Maryland	Joint responsibility or proportional; client agreement in writing	Rule 1.5(e)
Minnesota	Joint responsibility or proportional; written client consent	Rule 1.5(e)
Mississippi	Joint responsibility or proportional; client consent	Rule 1.5(e)
Missouri	Joint responsibility or proportional; client consent in writing	Rule 1.5(e)

Category 2: Model Rules States (continued)

State	Key Requirement	Rule Citation
Montana	Joint responsibility or proportional; written client consent	Rule 1.5(e)
Nebraska	Joint responsibility or proportional; written consent	Rule 1.5(e)
New Jersey*	Joint responsibility or proportional; exception for certified specialists	RPC 1.5(e)
New Mexico	Joint responsibility or proportional; written client consent	Rule 1.5(e)
New York*	Joint responsibility (= joint and several liability); written consent	Rule 1.5(g)
North Carolina	Joint responsibility or proportional; written client consent	Rule 1.5(e)
North Dakota	Joint responsibility or proportional; client consent in writing	Rule 1.5(e)
Ohio	Joint responsibility or proportional; written client consent	Rule 1.5(e)
Oklahoma	Joint responsibility or proportional; written consent	Rule 1.5(e)
Rhode Island	Joint responsibility or proportional; client agreement	Rule 1.5(e)
South Carolina	Joint responsibility or proportional; written consent	Rule 1.5(e)
South Dakota	Joint responsibility or proportional; written client consent	Rule 1.5(e)
Tennessee	Joint responsibility or proportional; written consent	Rule 1.5(e)
Texas*	Must assure adequacy, select competent lawyer, monitor case; written consent before	Rule 1.04(g)
Utah	Joint responsibility or proportional; written client consent	Rule 1.5(e)
Vermont	Joint responsibility or proportional; written consent	Rule 1.5(e)
Washington	Joint responsibility or proportional; written client consent	Rule 1.5(e)
Wisconsin*	Must verify competence, monitor case, correct issues	SCR 20:1.5(e)

Special Requirements (*)

- Alabama: Contingency fee cases are relaxed — joint responsibility is not required for contingency arrangements.
- Arizona: Joint responsibility constitutes vicarious malpractice liability. Arizona also operates an ABS framework (151 licensed entities as of 2026).
- Florida: A 25% cap applies to the connecting attorney's share in personal injury and wrongful death contingency cases.
- Illinois: Explicitly approves fee-sharing where the primary service provided is the connection between attorney and client.

- New Jersey: An exception exists for certified trial attorney specialists, who may share fees under different terms.
- New York: Joint responsibility means joint and several liability — each attorney is fully liable for any malpractice.
- Texas: The connecting attorney must assure adequacy of representation, select a competent receiving attorney, and monitor the case. Written consent must be obtained before the arrangement begins.
- Wisconsin: The connecting attorney must verify the receiving attorney's competence, monitor the case throughout, and take corrective action if problems arise.

31 states + DC. These jurisdictions follow the ABA Model Rule 1.5(e) framework, requiring either joint responsibility or proportional services alongside written client consent.¹²⁷

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 2. Holt Law Fee-Sharing Guide (2025), <https://djholtlaw.com/the-law-firms-guide-to-referral-fee-sharing-across-the-u-s/>
 7. Hinshaw Fee-Sharing, <https://www.hinshawlaw.com/en/insights/lawyers-lawyer-newsletter/sharing-fees-between-lawyers>

Category 3: Stricter States — Both Proportional AND Joint Responsibility Required

State	Key Requirement	Rule Citation
Hawaii	Requires BOTH proportional services AND joint responsibility; written client consent	Rule 1.5(e)
Wyoming	Requires BOTH proportional services AND joint responsibility; written client consent	Rule 1.5(e)

2 states. These jurisdictions impose the most stringent requirements, demanding that each attorney both perform proportional work AND assume joint responsibility for the representation.¹

Not Available on Harlan (2 States)

State	Reason for Exclusion	Rule Citation
Colorado	Fee-sharing without proportional work is prohibited; ambiguous rules per Larson v. Grinnan (2017)	Rule 1.5(d)
Louisiana	Must render "meaningful legal services" — effectively prevents connection-only fee-sharing	Rule 1.5(e)

These states are excluded from Harlan's platform due to rules that effectively prohibit or create unacceptable ambiguity around connection-based fee-sharing.²

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2. Holt Law Fee-Sharing Guide (2025), <https://djholtlaw.com/the-law-firms-guide-to-referral-fee-sharing-across-the-u-s/>

2026 Regulatory Trends

The legal profession is navigating a period of significant regulatory flux. Three developments in particular are reshaping how attorneys collaborate across state lines and share fees.

California AB 931: A New Barrier to Cross-Border Fee-Sharing

Effective January 1, 2026, California Assembly Bill 931 prohibits California-licensed attorneys from sharing fees with out-of-state Alternative Business Structure (ABS) entities. The legislation was driven by concerns that non-lawyer-owned entities operating under ABS frameworks in states like Arizona and Utah could undermine California's traditional restrictions on non-lawyer ownership of law firms.³

For attorneys engaged in interstate collaboration, AB 931 creates a critical compliance checkpoint: before entering into any fee-sharing arrangement with counsel in an ABS-permitting jurisdiction, California attorneys must verify that their counterpart is operating through a traditional law firm structure, not an ABS entity. This restriction does not affect fee-sharing between traditionally structured firms.³¹⁰

Arizona's ABS Expansion: A Model for Innovation

Arizona continues to lead the nation in legal practice innovation through its Alternative Business Structure (ABS) framework, established in 2021. As of early 2026, the Arizona Supreme Court has licensed 151 ABS entities, a substantial increase from previous years. The January 2025 approval of KPMG Law as an ABS marked a watershed moment — the first time a Big Four accounting firm received authorization to operate a law firm in the United States.⁴⁵⁶

The Arizona model allows non-lawyers to hold ownership stakes in legal services entities, provided the entity obtains ABS licensure and complies with the Arizona Supreme Court's regulatory framework. While this has generated significant interest from legal tech companies and multidisciplinary firms, it has also triggered counter-measures in states like California. Attorneys operating in both jurisdictions must carefully evaluate which rules govern any proposed fee-sharing arrangement.⁴⁶

AI Integration in Legal Collaboration

The adoption of artificial intelligence in legal practice has accelerated dramatically. According to the Miami-Dade Bar Association, 52% of law firms now incorporate AI-powered tools into their workflows — a figure that has grown steadily year over year.⁹

In the context of fee-sharing, AI-powered platforms are transforming how attorneys discover collaboration opportunities, evaluate potential co-counsel, and manage compliance documentation. Platforms that provide built-in compliance tools — such as electronic fee-sharing agreements, bar verification, and jurisdiction-specific rule guidance — reduce the administrative burden of interstate collaboration while helping attorneys maintain ethical compliance.⁹

Looking Ahead

The tension between Arizona's openness and California's restrictions represents the central regulatory question of 2026: Will more states follow California in erecting barriers to ABS fee-sharing, or will Arizona's innovation-friendly approach gain broader acceptance? Attorneys engaged in cross-border collaboration should monitor developments closely and ensure their fee-sharing practices comply with the most restrictive applicable jurisdiction.

3. Reuters on CA AB 931,

<https://www.reuters.com/legal/government/california-law-sets-up-new-contingency-fee-sharing-roadblock-2025-10-16/>

4. Arizona State Law Journal on ABS, <https://arizonastatelawjournal.org/2026/02/15/arizonas-alternative-business-structures-innovation-meets-neighboring-resistance-2/>

5. MSBA on KPMG Law, https://www.msba.org/site/site/content/News-and-Publications/News/General-News/Groundbreaking_Decision_by_Arizona_Supreme_Court_to_Allow_Non-Lawyers_to_Own_and_Operate_Law_Firm.aspx

6. Holland & Knight on ABS,

<https://www.hklaw.com/en/insights/publications/2025/12/so-you-want-to-start-an-arizona-alternative-business-structure>

9. Miami-Dade Bar Legal Tech Trends,

<https://www.miamidadebar.org/legal-tech-trends-for-2025-embracing-ai-cloud-and-data-driven-solutions/>

10. California Rule 1.5.1, https://www.calbar.ca.gov/Portals/0/documents/rules/Rule_1.5-Exec_Summary-Redline.pdf

Best Practices Checklist

The following checklist provides a practical framework for attorneys entering into fee-sharing arrangements. While specific requirements vary by jurisdiction, these best practices apply universally and represent the standard of care for ethical fee-sharing compliance.

Written Fee-Sharing Agreement

- Identify all attorneys participating in the fee-sharing arrangement
- Specify the percentage or dollar amount each attorney will receive
- Define each attorney's role: performing attorney, connecting attorney, or both
- State whether joint responsibility is assumed (required in Model Rules states)
- Include the basis for the fee division (proportional to services or joint responsibility)
- Specify the total fee and confirm it is reasonable for the services rendered
- Include effective date and term of the agreement
- Obtain signatures from all participating attorneys

Client Consent Documentation

- Disclose the fee-sharing arrangement to the client in writing
- Identify each attorney involved and their respective roles
- Disclose the percentage of the fee each attorney will receive
- Explain the total fee and confirm it will not be increased by the arrangement
- Obtain the client's written consent before the fee division takes effect
- Provide the client a copy of the signed consent for their records
- In Texas: obtain written consent before the arrangement begins

Compliance Monitoring

- Verify the receiving attorney is licensed and in good standing in the relevant jurisdiction(s)
- Confirm the receiving attorney's competence in the specific practice area

- Identify the applicable state rules for both the connecting and receiving attorneys
- Determine whether joint responsibility or proportional services (or both) are required
- Check for jurisdiction-specific caps or restrictions (e.g., Florida's 25% PI cap)
- Monitor the case for quality of representation (required in Texas and Wisconsin)
- In California: verify the counterpart is not an ABS entity (per AB 931)

Record-Keeping

- Maintain copies of all fee-sharing agreements and client consent forms
- Document the services performed by each attorney and the time expended
- Retain correspondence related to the fee-sharing arrangement
- Keep records of bar status verifications for all participating attorneys
- Store records for the period required by your jurisdiction's retention rules (typically 5-7 years)
- Use electronic signature platforms with audit trails for added compliance assurance

1. Atticus Ethical Fee-Sharing Guide, <https://static.atticus.com/resources/Ethical%20Fee%20Sharing%20Guide.pdf>

7. Hinshaw Fee-Sharing, <https://www.hinshawlaw.com/en/insights/lawyers-lawyer-newsletter/sharing-fees-between-lawyers>

8. Hinshaw ABA 1.5(e), <https://www.hinshawlaw.com/en/insights/lawyers-lawyer-newsletter/fee-sharing-between-lawyers-and-er-aba-rule-15e-how-to-protect-yourself-and-the-client>

About Harlan Intelligence, Inc.

Harlan Intelligence, Inc. is an AI-powered attorney networking platform that enables case collaboration and electronic fee-sharing agreements across 46 states and the District of Columbia. Harlan helps attorneys discover new collaboration opportunities, communicate directly with potential co-counsel, and execute compliant fee-sharing arrangements — all within a single, secure platform.

Platform Capabilities

- **Attorney Networking:** Browse and connect with attorneys across practice areas and jurisdictions. Post case opportunities and explore listings from other attorneys seeking collaboration.
- **Electronic Fee-Sharing Agreements:** Generate, review, and execute fee-sharing agreements with built-in compliance guardrails tailored to each jurisdiction's specific requirements.
- **Bar Verification:** Automated verification of attorney licensing and good standing status for all participating attorneys before any agreement is executed.
- **Compliance Tools:** Jurisdiction-specific guidance, automated compliance checks, and documentation templates designed to meet the requirements of all three fee-sharing tiers.
- **Electronic Signatures:** Secure, legally binding electronic signature capabilities with full audit trails for both attorney agreements and client consent documentation.

IMPORTANT DISCLAIMER

Harlan Intelligence, Inc. is NOT A LAWYER REFERRAL SERVICE. Harlan does not participate in, facilitate, or receive any portion of attorney fees. All fee-sharing arrangements are made directly between independent attorneys. Harlan provides technology tools to support attorney collaboration; it does not provide legal advice or make any representations regarding the legal compliance of any specific fee-sharing arrangement.

[Learn more at tryharlan.ai](https://tryharlan.ai)

Sources

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