SENATE JUDICIARY COMMITTEE Senator Thomas Umberg, Chair 2025-2026 Regular Session

SB 477 (Blakespear) Version: March 26, 2025 Hearing Date: April 22, 2025 Fiscal: Yes Urgency: No AWM

SUBJECT

California Fair Employment and Housing Act: enforcement procedures

DIGEST

This bill makes a number of changes and clarifications to the California Fair Employment and Housing Act (FEHA) relating to group or class complaints, tolling periods, right-to-sue notices, and the county in which the Civil Rights Department (CRD) may file a civil action for an unlawful housing practice.

EXECUTIVE SUMMARY

California's FEHA establishes the mechanism by which Californians can seek relief from invidious discrimination in employment and housing. FEHA requires all potential FEHA plaintiffs to file an administrative complaint with the CRD before proceeding to a civil action. The CRD is tasked with conducting an investigation and may opt to proceed with a suit in the name of the plaintiff; if the CRD elects not to sue in the plaintiff's name, the plaintiff may file a lawsuit against the employer or housing provider. If the CRD determines that an administrative complaint relates to a class or group of similarly situated individuals, the CRD may also elect to proceed with a class or group claim.

This bill makes a number of changes to FEHA relating to class or group actions and various administrative timelines. This bill is similar to SB 1022 (Skinner, 2024), except that it does not also extend the CRD's statute of limitations for bringing a class or group action; SB 1022 was vetoed by Governor Newsom last year on the ground that the statute of limitations extension was too long.

This bill is sponsored by the author. The Committee has not received timely opposition to this bill.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes the California Fair Employment and Housing Act (FEHA). (Gov. Code, tit. 2, div. 3, pt. 2.8, §§ 12900 et seq.)
- 2) Declares that:
 - a) It is the public policy of this State that it is necessary to protect and safeguard the right and opportunity of all persons to seek, obtain, and hold employment without discrimination or abridgment on account of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, reproductive health decisionmaking, or military and veteran status.
 - b) It is recognized that the practice of denying employment opportunity and discriminating in the terms of employment for these reasons foments domestic strife and unrest, deprives the state of the fullest utilization of its capacities for development and advancement, and substantially and adversely affects the interests of employees, employers, and the public in general.
 - c) The practice of discrimination because of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information in housing accommodations is declared to be against public policy.
 - d) It is the purpose of FEHA to provide remedies that will eliminate these discriminatory practices, and FEHA shall be deemed an exercise of the police power of the state for the protection of the welfare, health, and peace of the people of this State. (Gov. Code, § 12920.)
- 3) Establishes the Civil Rights Department (CRD) and the Civil Rights Council (Council) within the CRD to effectuate and enforce FEHA, as specified. (Gov. Code, §§ 12901-12907.)
- 4) Makes it an unlawful employment practice in California, unless based upon a bona fide occupational qualification or, except where based on applicable security regulations established by the United States or this State, for employers and labor organizations to engage in discrimination and other negative employment actions on the basis of the characteristics listed in 2)(a), subject to certain exemptions. (Gov. Code, § 12940.)
- 5) Sets forth procedures for the prevention and elimination of practices made unlawful under 4), including:

- a) Any person claiming to be aggrieved by an alleged unlawful practice may file a complaint with the CRD, as specified. (Gov. Code, § 12960.)
- b) Upon receipt of a complaint alleging facts sufficient to constitute a violation of 4), the CRD must make a prompt investigation of the allegations. (Gov. Code, § 12963.)
- c) The CRD may bring an action in the name of the CRD and on behalf of the person claiming to be aggrieved, if it determines the circumstances warrant and the parties did not resolve the dispute in the CRD's internal dispute resolution division. The CRD may file the suit in any county in which the CRD has an office; in a county in which unlawful practices are alleged to have been committed; in the county in which records relevant to the alleged unlawful practices are maintained and administered; in the county in which the person claiming to be aggrieved would have worked or would have had access to public accommodation, but for the alleged unlawful practices; or in the county of the defendant's residence or principal office; if the civil action includes a group or class allegation, the CRD may bring the action in any county in the state. (Gov. Code, § 12965(a).)
- d) If the CRD does not file a civil action within 150 days after the filing of a complaint, or the CRD determines earlier that it will not bring a civil action, the CRD shall promptly notify the person claiming to be aggrieved that the CRD shall issue, on request, a right to sue notice. (Gov. Code, § 12965(c).)
- e) If the person who filed the complaint does not request a notice, the CRD shall issue the notice upon completion of its investigation, which must be no later than one year after the complaint was filed (or two years, for complaints treated as group or class complaints). These time periods are tolled during a mandatory or voluntary dispute resolution proceeding. (Gov. Code, § 12965(c).)
- f) Upon receipt of a right to sue notice, an aggrieved person may file a civil action in a superior court in any county in which the unlawful practice is alleged to have been committed, in the county in which the records relevant to the practice are maintained or administered, or in the county in which the aggrieved person would have worked or would have had access to the public accommodation but for the alleged unlawful practice; if the defendant is not found within any of these counties, an action may be brought within the county of the defendant's residence or principal office. (Gov. Code, § 12965(c).)
- g) The aggrieved person may, if the unlawful practice adversely affects a group or class of persons, or raises questions of law similar to a group or class, file the complaint on behalf of and as representative of a group or class. (Gov. Code, § 12961.)
- h) A court may, at its discretion, award a prevailing plaintiff, including the CRD, reasonable attorney fees and costs; notwithstanding Code of Civil Procedure section 998, a court shall not award a prevailing defendant fees and costs unless the court finds the action was frivolous, unreasonable, or

groundless when brought, or the plaintiff continued to litigate after it clearly became so. (Gov. Code, § 12965(c)(6).)

- 6) Establishes statutes of limitations for civil actions filed pursuant to 4), which are tolled as follows:
 - a) The time for a complainant to file a civil action is tolled during the period commencing with the filing of a complaint with the CRD and until either (1) the CRD files a civil action or (1) one year after the CRD issues a written notice to the complainant that it has closed its investigation without electing to file a civil action. (Gov. Code, § 12960(f).)
 - b) The one-year window in which a person may bring a civil action following the CRD's issuance of a right to sue notice is tolled when the aggrieved person has also filed a charge of discrimination with the Equal Employment Opportunity Commission (EEOC) and it conducts its own investigation, as specified. (Gov. Code, § 12965(f).)
 - c) For suits filed by the CRD, the filing deadlines are tolled during a mandatory or voluntary dispute resolution conducted by the CRD's dispute resolution division. (Gov. Code, § 12965(a).)
- 7) Authorizes, where an unlawful practice alleged in a verified complaint under 5) that adversely affects a group or class of persons in a similar manner or raises questions of law common to a group or class, the aggrieved individual or the CRD to file the complaint on behalf of and as representative of such group or class. (Gov. Code, § 12961(a).)
 - a) The CRD may investigate a complaint as a group or class complaint. (Gov. Code, § 12961(b).)
 - b) The director of the CRD shall communicate in writing its determination to treat a complaint as a group or class action within one year of the filing of the complaint to each person or entity alleged in the complaint to have committed the unlawful practice. (Gov. Code, § 12961(c).)
 - c) The CRD may bring a group or class action in any county in the state. (Gov. Code, § 12965(a)(4).)
- 8) Establishes procedures for the prevention and elimination of discrimination in housing under FEHA which are generally similar to those for unlawful employment practices, including permitting the Attorney General or the director of the CRD to make, sign, and file complaints citing practices that appear to relate to housing discrimination, as specified. (Gov. Code, § 12980.)
- 9) Provides that, when the CRD brings a housing complaint in the public interest, the civil action shall be filed in any county in the state where the unlawful practice is alleged to have been committed, in the county in which the records relevant to that practice are maintained or administered, or the county in which the aggrieved person would have resided in the housing accommodation. (Gov. Code, § 12981.)

SB 477 (Blakespear) Page 5 of 9

This bill:

- 1) Provides that a "group or class complaint" within FEHA includes any complaint alleging a pattern or practice, and states that this change is declaratory of, and clarifies, existing law.
- 2) Expands the circumstances under which a complainant's time to file a civil action alleging a FEHA employment violation or related violation is tolled after the complainant filed a complaint with the CRD, so that the tolling window runs until either of the following:
 - a) The CRD files a civil action for the alleged violation.
 - b) One year after the CRD issues to the complainant either (1) written notice that it has closed its investigation without election to file a civil action for the alleged violation, or (2) if the complainant timely appeals to the CRD the closure of their complaint, written notice that the complaint has remained closed following the appeal.
- 3) Expands the circumstances under which the CRD's time to bring a civil action against an employer alleged to have committed a CRD employment violation, either before or after an attempt to eliminate the unlawful practice through mediation, persuasion, or other means, is tolled, to include the following periods:
 - a) The period of time specified in a written agreement between the CRD and a respondent that was executed before the expiration of the applicable deadline.
 - b) The period of time for which the CRD's investigation is extended due to the pendency of a petition to compel.
 - c) During a timely appeal within the CRD of the closure of the complaint by the CRD.
- 4) Requires the CRD, if the CRD determines that a complaint filed with the CRD relates in whole or in part to a complaint filed in the name of the director of the CRD or a group or class complaint for purposes of investigation, conciliation, mediation, or civil action, the CRD shall issue a right-to-sue notice upon request by the person claiming to be aggrieved or, if the person claiming to be aggrieved does not request a right-to-sue notice, after the director's complaint or group or class complaint has been fully and finally disposed of and all administrative proceedings, civil actions, appeals, or proceedings have terminated.
- 5) Expands the time during which the CRD's time to issue a right-to-sue letter to a complainant is tolled, to include the following periods:
 - a) The period of time specified in a written agreement between the CRD and the respondent that was executed before the expiration of the applicable deadline.

- b) The period of time for which the CRD's investigation is extended due to the pendency of a petition to compel.
- c) During a timely appeal within the CRD of the closure of the complaint by the CRD.
- 6) Eliminates the requirement that the CRD bring a civil action for the failure to eliminate a housing discrimination violation in any county in the state in which the unlawful practice is alleged to have been committed, in the county in which the records relevant to that practice are maintained or administered, or in the county in which the aggrieved person would have resided in the housing accommodation, or if the defendant is not found in that county, in the county of the defendant's residence or principal office.

COMMENTS

1. Author's comment

According to the author:

SB 477 equips the California Civil Rights Department (CRD) with improved tools designed to defend against discrimination, harassment, and hate crimes in addition to civil rights violations in employment, housing, and more. Despite changes in the priorities of federal leadership, our state remains steadfast in protecting the rights and dignity of all Californians. Tasked with investigating thousands of complaints of civil rights violations each year, CRD is the institutional centerpiece responsible for mediating, settling, and prosecuting these complaints to ensure Californians are rightfully protected from abuse. Specifically, SB 477 will clarify deadlines to process complaints, rectify long-running civil rights violations, allow pausing of investigations when deemed appropriate by all parties involved, and ensure housing discrimination cases can be brought in any county where CRD has an office.

2. The FEHA complaint and investigation process

California's FEHA governs claims involving workplace harassment, discrimination, and civil rights-related retaliation.¹ Under the FEHA, such claims cannot be filed directly in court. Instead, workers alleging that they have been harassed, discriminated against, or retaliated against in the workplace must first exhaust their administrative remedies by filing a claim with the CRD.² Aggrieved persons have from one year to ten years after the alleged violation to file a claim, depending on the nature of the claim.³ FEHA violations and certain sexual harassment violations have a three-year statute of

¹ Gov. Code, § 12940.

 $^{^{2}}$ Id., §§ 12965, 12980

³ *Id.*, § 12960(e).

SB 477 (Blakespear) Page 7 of 9

limitations; ⁴ the three-year window was put in place in 2021, when it was extended from one year.⁵ The statute of limitations may be tolled under specified conditions, such as where the victim was a minor or the identity of the employer was rebutted.⁶ Claims for housing discrimination must be brought within one year of the alleged violation.⁷

After the claim is filed with the CRD, the CRD investigates the claim; it must finish the investigation within one year, or two years for a group or class complaint.⁸ If the CRD determines that a FEHA violation took place, then the department has discretion to file a civil action in court on behalf of the worker, either individually or as a class complaint.⁹ Alternatively, if the CRD is unable to determine that a violation took place, or if the worker requests it at any time, then the department will provide the worker with a right-to-sue letter.¹⁰ Only upon receipt of the right-to-sue letter may the worker proceed to file a civil action in court.¹¹ The worker has one year from the date of the right-to-sue letter to do so.¹²

3. <u>SB 1022 and the Governor's veto</u>

Last session, the Legislature enacted SB 1022 (Skinner, 2022), which would have made all of the changes to FEHA in this bill and additionally extended the statute of limitations on CRD-filed class action or group complaints to seven years. Governor Newsom vetoed the bill, stating in his veto message:

I am concerned with specific provisions in this bill that provide the Civil Rights Department (CRD) with a seven-year period to file a group or class complaint under FEHA. This limitations period is significantly longer than the limitations period for similar civil matters, including class action litigation on behalf of employees.

For this reason, I cannot sign this bill.

However, I encourage the Legislature to pursue legislation next year that enacts the other changes that this bill would make, together with a more reasonable period for CRD to initiate a group or class complaint.

⁴ *Id.*, § 12960.

⁵ SB 807 (Wieckowski, Ch. 278, Stats. 2021).

⁶ Gov. Code, § 12960.

⁷ Id., § 12980.

⁸ Id., § 12965.

⁹ Id., §§ 12960, 12961.

¹⁰ *Id.*, § 12965(c).

¹¹ Id., § 12960(f).

¹² Ibid.

4. This bill makes minor changes and clarifications to FEHA

This bill follows the Governor's guidance insofar as it makes all of the changes to FEHA from SB 1022, and rather than extend the statute of limitations for fewer than seven years, leaves the statute of limitations as-is. SB 477's changes are as follows:

<u>First</u>, the bill clarifies that a "class or group complaint" under FEHA includes any complaint alleging a pattern or practice of FEHA violations.

<u>Second</u>, the bill adds circumstances under which an individual's time to file a civil action after filing a complaint with the CRD is tolled, to account for the time when a complainant files an appeal with the CRD.

<u>Third</u>, this bill adds circumstances that toll the CRD's time to file a class action complaint and time to issue a right-to-sue notice to a complainant. The new circumstances include (1) the time in which the CRD and the respondent are operating pursuant to a timely executed written agreement, (2) during the pendency of a motion to compel filed with the superior court, and (3) during the pendency of a timely appeal filed within the CRD. Additionally, the bill allows the CRD to delay issuing a right-to-sue notice to a complainant who has not requested a notice if the CRD determines that the complaint relates in whole or in part to a complaint filed in the name of the director or a group or class complaint.

<u>Fourth</u>, the bill deletes the requirement that the CRD file a complaint arising from an unlawful housing practice in any county in the state in which the unlawful practice is alleged to have been committed, in the county in which the records relevant to that practice are maintained or administered, or in the county in which the aggrieved person would have resided in the housing accommodation; or, if the defendant is not found within that county, within the county of the defendant's residence or principal office.

SUPPORT

None received

OPPOSITION

None received

RELATED LEGISLATION

Pending legislation: None known.

Prior legislation:

SB 1022 (Skinner, 2024) is discussed in Part 3 of this analysis.

SB 477 (Blakespear) Page 9 of 9

SB 807 (Wieckowski, Ch. 278, Stats. 2021) among other things, modified the statutes of limitations for a person to file a claim with the CRD; authorized the CRD to bring actions in any county in which the CRD has an office or, for class or group claims, in any county in the state; and clarified certain tolling provisions.

AB 9 (Reyes, Ch. 709, Stats. 2019) extended the statute of limitations for filing a FEHA claim with the CRD from one year to three years.
