



California's Law Barring Arbitration Won't Go Into Effect January 1

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In October 2019, California Governor Gavin Newsom signed Assembly Bill 51, which aimed to effectively prohibit and criminalize arbitration of most employment-related claims, including claims for discrimination and claims under the California Labor Code. The law was set to take effect on January 1, 2020.

However, [as expected, the law is being challenged](#) based on the argument that it is preempted by the Federal Arbitration Act. On December 30, 2019, opponents of the law received a win, at least for the time being. U.S. District Judge Kimberly Mueller granted a temporary restraining order filed by the U.S. Chamber of Commerce and other business groups. Judge Mueller will hear the business groups' motion for a preliminary injunction on January 10, 2020.

While it will likely take years before this litigation reaches a final resolution, Judge Mueller's ruling provides hope for employers that the new law could be struck down. January 10 becomes an important date for California employers as the court weighs the parties' contentions.

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