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California Places Third on Annual "Judicial Hellholes" List!

California Employment Law Update on **December 8, 2023**

For the second year in a row, California has avoided being "the worst in the nation," but still managed to secure the unenviable third position on the American Tort Reform Foundation's ("ATRF") Annual Judicial Hellholes List.

The ATRF characterizes California as the "plaintiffs' bar's laboratory for finding new ways to expand liability," highlighting several key judicial and legislative trends contributing to each Californian paying an annual "tort tax" of $2,120 – the third highest in the nation. Highlights include:

- The California Supreme Court's opinions "opening the floodgate" for even more Private Attorneys General Act (PAGA) claims being litigated in court, the vast bulk of the proceeds from which go to the plaintiffs' lawyers;
- The California Privacy Rights Act of 2020 (which became effective on January 1, 2023) coupled with Attorney General Rob Bonta's announcement that his office would be doing "an investigative sweep of all large employers in the state to ensure compliance with the Act";
- The California courts and legislature's unrelenting attack on employment arbitration agreements, including SB 365, which ends the automatic pause on trial court proceedings pending an appeal of whether arbitration should have been compelled; and
- Ongoing battles over classification of workers as independent contractors or employees surrounding the interpretation of Assembly Bill 5 (which all but invalidated most independent contractor arrangements) and the constitutionality of Proposition 22, exempting Uber/Lyft drivers and other gig economy workers from AB 5.

For those keeping track at home, according to the ATRF, California finishes behind Georgia and Pennsylvania (tied for first) and Cook County, Illinois.

Read the ATRF's full report here.

View original.

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