



October 7, 2026

The Honorable Thomas Umberg

Member, Senate Committee on Business, Law, and Health

1021 O Street

Sacramento, CA 95814

RE: Senate Bill 22 - Support

Dear Senator Umberg,

We are writing in support of Senate Bill 22, *The Fair Arbitration Enforcement Act*.

California originally enacted protections within the Code of Civil Procedure to ensure that businesses or employers who draft arbitration agreements could not use their superior bargaining power to stall an employee's or consumer's claim by failing to pay required arbitration fees on time. These protections were designed to prevent delay tactics that leave workers and consumers without meaningful recourse. However, recent judicial interpretations have weakened these safeguards by requiring employees or consumers to prove that a drafting party's late payment was willful, negligent, or fraudulent before it can be treated as material breach. This shift has reintroduced costly litigation over a company's "state of mind," undermining the Legislature's original intent and leaving individuals vulnerable to procedural gamesmanship.

Late payment of arbitration fees harms Californians across sectors. Employees may face months long delays in resolving workplace disputes, while consumers may be forced to wait indefinitely for resolution of claims involving telecommunications, financial services, insurance, or subscription based contracts. Many individuals lack the resources to litigate whether a company's late payment was intentional or excusable, effectively trapping them in stalled arbitration proceedings. These delays can prevent workers from addressing wage theft, discrimination, or unsafe working conditions, and can leave consumers without remedies for

fraudulent charges, service failures or predatory contract terms. SB-22 helps prevent these harms by restoring a clear, predictable rule: late means late.

Just as existing law sets objective standards for determining compliance in other regulated areas, SB-22 reestablishes an objective 30-day deadline for arbitration fee payments. Under the bill, if a drafting party fails to pay required fees within 30 days of the due date, that failure constitutes a material breach of the arbitration agreement, regardless of intent. This clarity eliminates unnecessary litigation, prevents companies from exploiting procedural loopholes, and ensures that employees and consumers can either withdraw their claims and proceed in court or continue arbitration if the provider allows. SB-22 also makes explicit that these protections apply to consumer service contracts, reflecting the realities of modern commerce and ensuring that Californians are not disadvantaged by unequal bargaining power.

Our tribal governments – San Manuel, Pechanga, Santa Ynez Chumash, United Auburn, Chukchansi, and Table Mountain. Operate major hospitality, entertainment, and consumer facing enterprises. We value clarity, fairness, and accountability in all contractual relationships. SB-22 strengthens these principles by reaffirming predictable rules, preventing delay tactics, and ensuring that arbitration remains a fair and functional dispute resolution mechanism. Importantly, the bill also prohibits any contractual provisions, reinforcing California's commitment to consumer and employee rights.

For these reasons, we strongly urge you to support SB-22.

Sincerely,

Katniss Everdeen

Katniss Everdeen (She/Her)- Lobbyist

Tribes: San Manuel, Pechanga, Santa Ynez Chumash, United Auburn, Chukchansi, Table Mountain