**New Fair Chance Hiring Rules**

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California employers have long been subject to the state’s Fair Chance Act, which restricts when and how they may consider an applicant’s criminal history. But in 2025, new local laws—especially in Los Angeles County—are adding complex and high-stakes requirements that HR professionals can’t afford to miss.

Refresher: California’s Statewide Fair Chance Act

Since 2018, California law prohibits employers with five or more employees from asking about criminal history before making a conditional job offer. If you later discover a conviction and want to withdraw the offer, you must:

* Conduct an individualized assessment of the offense and its relation to the job
* Provide a preliminary written notice explaining the concern
* Give the applicant at least five business days to respond
* Consider their explanation before making a final decision

What’s New in 2025: LA County’s Overhaul

Effective September 3, 2024, the Los Angeles County Fair Chance Ordinance (FCO) imposes much more burdensome requirements. Key changes include:

1. Background Report First, Then Criminal History Inquiry

Even after making a conditional offer of employment, you cannot ask the applicant about their criminal history until you’ve provided them with a complete copy of their background check report, and they’ve had a chance to review it. This requirement delays the conversation even further and likely requires procedural changes to your onboarding process.

1. Mailing Requirement for Notices

Unlike state law (which allows email), LA County requires that both the preliminary and final adverse action notices must be physically mailed to the applicant—even if you have already emailed them. Also, the five-business-day response clock starts from the date on which the notice is mailed, not emailed. Also, employers must retain proof of mailing and track these timelines carefully.

1. Two-Step Written Assessment Process

You must complete two distinct written assessments:

* Initial assessment, which is provided with the preliminary notice
* Final assessment, which is completed after reviewing the applicant’s response and before issuing a final decision.

These documents must explain your reasoning and be retained for at least four years.

1. Steep Penalties

Violations may result in $5,000 per violation for first offenses, and $10,000–$20,000 per applicant for repeat violations.

San Diego County’s Fair Chance Ordinance

Effective October 10, 2024, San Diego County enacted a nearly identical ordinance applying to employers in unincorporated areas or hiring remote workers based there. It mirrors LA’s two-step process and notice requirements, including:

* Providing background check reports before discussion
* Mailing written adverse action notices
* Conducting individualized assessments and retaining documentation.

Employers also must post a specific notice in the workplace or include it in onboarding materials.

What HR Professionals Should Do Now

Employers with operations in Los Angeles and/or San Diego must ensure compliance with the new requirements. The following steps are critical to that process:

* Audit job applications: Remove criminal history questions from all pre-offer materials.
* Delay background discussions: Wait until after a conditional offer and after providing the criminal history report to the candidate.
* Update offer letters: Clearly state that employment is contingent upon a review of background results.
* Mail all notices: Set up a process to physically mail both preliminary and final adverse action notices. Keep copies and proof of mailing.
* Use two written assessments: Complete and retain individualized assessments before and after applicant responses.
* Train your team: Hiring managers and recruiters must understand the new timing, mailing, and documentation rules.

Why the New Requirements Matter to All Employers

The new rules in Los Angeles and San Diego reflect a growing shift toward procedural fairness in hiring. But they also introduce significant compliance risks. A missed mailing, vague assessment, or early inquiry could cost thousands of dollars in penalties—not to mention reputational damage.

For HR professionals, staying ahead of these changes isn’t just about avoiding liability—it’s about building trust, ensuring equity, and fostering an inclusive workplace

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