

Minnesota Human Rights Act's Statute Of Limitations Tolls When Employer Investigates Discrimination Complaints

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The Minnesota Human Rights Act (MHRA) requires an individual to either commence a civil action or file a charge with the Minnesota Department of Human Rights (MDHR) within one year after the occurrence of an unlawful discriminatory act. However, that one year time period is suspended when the individual and the employer **voluntarily engage in a dispute resolution process**. The statute states that a “dispute resolution process” can include arbitration, conciliation, mediation or grievance procedures. Most employers have believed the statute of limitations is tolled only as a result of one of these four processes. That now has changed. In [Peterson v. City of Minneapolis](#), the Minnesota Supreme Court expanded the definition of a dispute resolution process to include an employer’s internal investigation of a complaint of discrimination. In October 2012, Scott Peterson – a police officer – filed a complaint with the City of Minneapolis’ human resources department because he believed he was transferred to a different unit as a result of his age (then 54 years old). Peterson made the internal complaint within one month after the transfer under the city’s Respect in the Workplace Policy. The city conducted an investigation. In January 2013 – more than a year later - the city found the transfer was not because of Peterson’s age. In June 2013, Peterson filed a charge of discrimination with the MDHR. Peterson then withdrew the charge and, in March 2014, filed suit alleging discrimination in violation of the MHRA. The city moved for partial summary judgment and argued that Peterson’s MHRA claim was outside the statute of limitations. Although the district court granted the city’s motion, the Minnesota Court of Appeals reversed. The Minnesota Supreme Court agreed and found that the district court erred in granting summary judgment. At the outset, the *Peterson* court examined whether Peterson and the city “voluntarily engaged” in the dispute process. The city argued this did not occur because Peterson could have been required to participate in an interview as part of its investigation of his internal complaint and, therefore, it was not “voluntary”. The court disagreed. According to the court, Peterson chose to file an internal complaint under the policy even though he was not required to do so. As a result, Peterson voluntarily engaged himself in the investigation process, including sitting for a witness interview. The court found this was sufficient under the statute. Next, the court reviewed whether the internal investigation constituted a dispute resolution process. According to the court, the language in the statute for the dispute resolution process provides four **examples** of what might constitute such process: arbitration, conciliation, mediation or grievance procedures. The court explained the central tenet of these examples is to resolve the dispute. The court proceeded to then examine the city’s policy and found that it was a formal process with the capacity to resolve Peterson’s complaint. The policy outlined the manner in which an employee can file a complaint and the steps the city will take to resolve the issue. The city’s policy also stated it would conduct an inquiry even if the complaint does not want an investigation or any action to

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be taken. Further, the policy required the city to take appropriate action, including the possible imposition of disciplinary action, after it concluded its investigations. The policy stated that investigations are conducted by an outside department, which the court likened to the use of third-party neutrals similar to those used in arbitrations, conciliations, mediations or grievance procedures. Based on the language of the policy and the processes used by the city in addressing an internal complaint, the court found that the policy possessed the “same formality and ability to resolve disputes as the examples listed in the statute.” Thus, the policy was a “dispute resolution process” under the MHRA. Finally, the court determined that Peterson’s internal complaint of age discrimination involved a claim of unlawful discrimination under the MHRA. As result, the statute of limitations was tolled because the parties voluntarily engaged in the dispute resolution process involving Peterson’s complaint of unlawful discrimination.