[BILL NUMBER TBD]
[Congress Session]

A BILL

To strengthen and expand federal protections against employment discrimination on the basis of sexual orientation, gender identity, and related characteristics, to ensure equal opportunity for LGBTQIA+ persons—particularly transgender and gender-nonconforming individuals—in both public and private sector workplaces, and for other purposes.

SECTION 1. SHORT TITLE.
Rights and Anti-discrimination for Individuals Based on Orientation and Workplace Identity Act of 2027. This Act may be cited as the "RAINBOW Act of 2027."

SECTION 2. FINDINGS AND PURPOSES.
(a) FINDINGS. Congress finds the following:

Despite existing civil rights statutes and Supreme Court precedent, LGBTQIA+ people—especially transgender, nonbinary, and intersex people—continue to face widespread employment discrimination, harassment, and disparate treatment in both the private and public sectors.

Discrimination based on actual or perceived sexual orientation, gender identity, or gender expression undermines individual dignity, limits economic mobility, and burdens federal and state assistance programs.

Federal agencies and contractors must lead by example in fostering inclusive workplaces, yet gaps in statutory language and inconsistent enforcement leave workers vulnerable.

Clear, nationwide standards are necessary to ensure equal employment opportunity and to provide uniform remedies and enforcement mechanisms.

(b) PURPOSES. The purposes of this Act are:

To codify comprehensive employment protections for LGBTQIA+ persons, including explicit coverage for transgender, nonbinary, gender-nonconforming, and intersex individuals;

To extend such protections to all employees of the Federal Government and to employees of entities that contract with, subcontract with, or receive grants from the Federal Government;

To strengthen enforcement authority, data collection, and education efforts of the Equal Employment Opportunity Commission (EEOC);

To provide effective remedies and deterrent penalties for violations; and

To promote economic security, workplace safety, and human dignity for all workers.

SECTION 3. DEFINITIONS.
In this Act:

Covered Entity means:
(A) A person, partnership, corporation, unincorporated association, labor organization, or other entity engaged in an industry affecting commerce and employing 15 or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year; and
(B) The Federal Government, including every Executive agency, the U.S. House of Representatives, the U.S. Senate, and the Government Publishing Office; and
(C) Any contractor, subcontractor, or grantee of the Federal Government with a contract, subcontract, or grant in excess of $10,000 in a 12-month period.

Employee and Employer have the meanings given those terms in section 701 of the Civil Rights Act of 1964 (42 U.S.C. § 2000e), except that they include Federal employees and employing agencies.

Sexual Orientation means homosexuality, heterosexuality, or bisexuality.

Gender Identity means the gender-related identity, appearance, mannerisms, or other gender-related characteristics of an individual, regardless of the individual's sex assigned at birth.

Gender Expression means the external appearance, characteristics, or behavior of an individual that are socially defined as masculine, feminine, or androgynous.

LGBTQIA+ is an inclusive term encompassing lesbian, gay, bisexual, transgender, queer, questioning, intersex, asexual, aromantic, agender, two-spirit, nonbinary, and other sexual orientation or gender identity minorities.

Harassment means unwelcome conduct, including physical, verbal, or visual conduct, that is based on a protected characteristic and that:
(A) Has the purpose or effect of unreasonably interfering with an individual's work performance; or
(B) Creates an intimidating, hostile, or offensive working environment.

Retaliation means any adverse action taken against an individual for opposing practices made unlawful by this Act, participating in proceedings, or assisting in investigations under this Act.

SECTION 4. PROHIBITED EMPLOYMENT PRACTICES.
(a) General Rule. It shall be an unlawful employment practice for a Covered Entity to fail or refuse to hire, to discharge, or to otherwise discriminate against any individual with respect to compensation, terms, conditions, or privileges of employment because of such individual's sexual orientation, gender identity, or gender expression.

(b) Harassment. A Covered Entity shall be liable for harassment on the basis of sexual orientation, gender identity, or gender expression in the same manner and to the same extent as harassment prohibited under Title VII of the Civil Rights Act of 1964.

(c) Segregation and Classification. It shall be an unlawful employment practice to limit, segregate, or classify employees or applicants in any way that would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect status as an employee, because of sexual orientation, gender identity, or gender expression.

(d) Access to Facilities. A Covered Entity shall permit employees to access bathrooms, locker rooms, and other sex-segregated facilities consistent with the employee's gender identity.

(e) Dress and Grooming Standards. A Covered Entity may not impose dress or grooming standards that are inconsistent with an employee's gender identity or that intentionally or disproportionately burden LGBTQIA+ employees.

(f) Health Benefits. Any group health plan offered by a Covered Entity shall not discriminate in coverage or cost sharing on the basis of sexual orientation, gender identity, or gender expression, including coverage for gender-affirming care.

SECTION 5. FEDERAL EMPLOYMENT AND CONTRACTING.
(a) Federal Workforce. All personnel actions affecting employees or applicants for employment in the Federal Government shall be free from discrimination based on sexual orientation, gender identity, or gender expression.

(b) Contracts and Grants. Each contract, subcontract, or grant described in Section 3(1)(C) shall include a clause requiring the contractor, subcontractor, or grantee to comply with this Act. Violation of such clause is grounds for contract termination, debarment, or other sanctions.

SECTION 6. ENFORCEMENT AND REMEDIES.
(a) Enforcement Authority. The powers, remedies, and procedures set forth in sections 705 and 706 of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000e-4 & 2000e-5) shall apply to violations of this Act as if:

References to “this title” were references to this Act; and

Sexual orientation, gender identity, and gender expression were included as protected characteristics.

(b) Civil Actions by the Attorney General. The Attorney General may commence a civil action in the appropriate United States district court if the Attorney General has reasonable cause to believe that a pattern or practice of discrimination in violation of this Act has occurred.

(c) Damages and Penalties. In addition to the relief authorized under Title VII, a prevailing plaintiff may recover:

Compensatory and punitive damages without the statutory caps of 42 U.S.C. § 1981a; and

A civil penalty up to $50,000 for the first violation and $100,000 for each subsequent violation, payable to the Treasury.

SECTION 7. EEOC LGBTQIA+ WORKPLACE EQUALITY UNIT.

(a) Establishment. The Equal Employment Opportunity Commission shall establish an LGBTQIA+ Workplace Equality Unit dedicated to:

Investigating charges alleging violations of this Act;

Providing technical assistance and outreach to employers and employees;

Coordinating with other federal agencies on policy and enforcement; and

Publishing an annual report on complaints, resolutions, and systemic investigations.

(b) Staffing and Funding. There are authorized to be appropriated $25,000,000 for each fiscal year 2028–2032 to carry out this section.

SECTION 8. TRAINING AND EDUCATION.
(a) Mandatory Training. Each Covered Entity shall provide annual training to all employees and supervisors on rights and responsibilities under this Act, including guidance on respectful workplace practices and bystander intervention.

(b) Technical Assistance. The EEOC shall develop model training materials and make them publicly available.

SECTION 9. DATA COLLECTION AND REPORTING.
(a) Workforce Demographics. The EEOC shall revise the Employer Information Report (EEO-1) to allow for voluntary, self-identified disclosure of sexual orientation and gender identity.

(b) Confidentiality. Individual-level data collected under subsection (a) shall be confidential and used solely for statistical and enforcement purposes.

SECTION 10. WHISTLEBLOWER PROTECTIONS.
No Covered Entity may discharge, demote, harass, or otherwise retaliate against an individual because that individual:

Opposed any practice made unlawful by this Act;

Participated in any manner in an investigation, proceeding, or hearing under this Act; or

Requested or used any accommodation, benefit, or right afforded by this Act.

SECTION 11. TECHNICAL AND CONFORMING AMENDMENTS.
(a) Civil Service Reform Act. Section 2302(b)(10) of title 5, United States Code, is amended by inserting "sexual orientation, gender identity, gender expression," after "race, color, religion."

(b) Title VII Definitions. Section 701 of the Civil Rights Act of 1964 (42 U.S.C. § 2000e) is amended by adding at the end the definitions of "sexual orientation," "gender identity," and "gender expression" as set forth in Section 3 of this Act.

(c) Other Laws. Any reference in Federal law to "sex" (when used as a protected characteristic in an anti-discrimination context) shall be interpreted to include sexual orientation, gender identity, and gender expression.

SECTION 12. SEVERABILITY.
If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act, or the application of the provision to other persons or circumstances, shall not be affected.

SECTION 13. EFFECTIVE DATE.
(a) In General. Except as provided in subsection (b), this Act shall take effect 180 days after the date of enactment.

(b) Data Collection. Section 9 shall take effect on the first day of the first calendar year that begins 12 months after the date of enactment.

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