

3509

2009-2010 Regular Sessions

I N S E N A T E

March 20, 2009

Introduced by Sen. SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

AN ACT to amend the labor law and the civil service law, in relation to protection of employees against retaliatory action by employers

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 740 of the labor law, as added by chapter 660 of
2 the laws of 1984, paragraph (g) of subdivision 1 as added and paragraph
3 (a) of subdivision 2 as amended by chapter 442 of the laws of 2006, and
4 paragraph (d) of subdivision 4 as added by chapter 24 of the laws of
5 2002, is amended to read as follows:

6 S 740. Retaliatory personnel action by employers; prohibition. 1.
7 Definitions. For purposes of this section, unless the context specif-
8 ically indicates otherwise:

9 (a) "Employee" means an individual who performs services for and under
10 the control and direction of an employer for wages or other remunera-
11 tion.

12 (b) "Employer" means any person, firm, partnership, institution,
13 corporation, or association that employs one or more employees.

14 (c) "Law, rule or regulation" includes: (I) any duly enacted FEDERAL,
15 STATE OR LOCAL statute or ordinance [or]; (II) any rule or regulation
16 promulgated pursuant to [any federal, state or local] SUCH statute or
17 ordinance; (III) ANY INTERNAL RULE PROMULGATED BY THE EMPLOYER PURSUANT
18 TO ANY STATUTE OR ORDINANCE; OR (IV) ANY JUDICIAL OR ADMINISTRATIVE
19 DECISION, RULING OR ORDER.

20 (d) "Public body" includes the following:

21 (i) the United States Congress, any state legislature, or any [popu-
22 larly-elected] ELECTED local governmental body, or any member or employ-
23 ee thereof;

24 (ii) any federal, state, or local [judiciary] COURT, or any member or
25 employee thereof, or any grand or petit jury;

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 (iii) any federal, state, or local regulatory, administrative, or
2 public agency or authority, or instrumentality thereof; [or]

3 (iv) any federal, state, or local law enforcement agency, prosecu-
4 al office, or police or peace officer;

5 (V) ANY FEDERAL, STATE OR LOCAL DEPARTMENT OF AN EXECUTIVE BRANCH OF
6 GOVERNMENT; OR

7 (VI) ANY DIVISION, BOARD, BUREAU, OFFICE, COMMITTEE, OR COMMISSION OF
8 ANY OF THE PUBLIC BODIES DESCRIBED IN SUBPARAGRAPHS (I) THROUGH (V) OF
9 THIS PARAGRAPH.

10 (e) "Retaliatory personnel action" means the discharge, suspension [or
11 demotion of], DEMOTION, PENALIZATION OR DISCRIMINATION AGAINST an
12 employee, or ANY other [adverse employment action] ACT OF REPRISAL taken
13 against an employee [in the terms and conditions of employment].

14 (f) "Supervisor" means any individual within an employer's organiza-
15 tion who has the authority to direct and control the work performance of
16 [the affected] AN employee; or who has [managerial] authority to take
17 corrective action regarding the [violation of the law, rule or regu-
18 lation] IMPROPER BUSINESS ACTIVITY of which the employee complains.

19 (g) "Health care fraud" means health care fraud as defined by article
20 one hundred seventy-seven of the penal law.

21 (H) "AGENT" MEANS ANY INDIVIDUAL, PARTNERSHIP, ASSOCIATION, CORPO-
22 RATION OR GROUP OF PERSONS ACTING ON BEHALF OF AN EMPLOYER.

23 (I) "IMPROPER BUSINESS ACTIVITY" MEANS ANY PRACTICE, PROCEDURE, ACTION
24 OR FAILURE TO ACT BY AN EMPLOYER, OR AN EMPLOYEE OR AGENT OF SUCH
25 EMPLOYER, TAKEN IN THE COURSE OF THE EMPLOYER'S BUSINESS, WHETHER OR NOT
26 WITHIN THE SCOPE OF EMPLOYMENT OR AGENCY, WHICH IS IN VIOLATION OF ANY
27 LAW, RULE OR REGULATION.

28 2. Prohibitions. An employer shall not take any retaliatory personnel
29 action against an employee because such employee does any of the follow-
30 ing:

31 (a) discloses, or threatens to disclose to a supervisor [or to a],
32 AGENT, INTERNAL AGENCY, OR TO THE public [body] INFORMATION ABOUT an
33 IMPROPER BUSINESS activity[, policy or practice of the employer that is
34 in violation of law, rule or regulation which violation creates and
35 presents a substantial and specific danger to the public health or safe-
36 ty, or which constitutes health care fraud];

37 (b) provides information to, or testifies before, any public body
38 conducting an investigation, hearing or inquiry into any such [violation
39 of a law, rule or regulation by such employer] IMPROPER BUSINESS ACTIV-
40 ITY; or

41 (c) objects to, or refuses to participate in any [such] IMPROPER BUSI-
42 NESS activity[, policy or practice in violation of a law, rule or regu-
43 lation].

44 3. Application. The protection against retaliatory personnel action
45 provided by [paragraph (a) of subdivision two of this section pertaining
46 to disclosure to a public body shall not apply to an employee who makes
47 such disclosure to a public body unless the employee has brought the
48 activity, policy or practice in violation of law, rule or regulation to
49 the attention of a supervisor of the employer and has afforded such
50 employer a reasonable opportunity to correct such activity, policy or
51 practice] SUBDIVISION TWO OF THIS SECTION SHALL APPLY TO ANY EMPLOYEE
52 WHO IN GOOD FAITH REASONABLY BELIEVES THAT AN IMPROPER BUSINESS ACTIVITY
53 HAS OCCURRED OR WILL OCCUR, BASED ON INFORMATION THAT THE EMPLOYEE IN
54 GOOD FAITH REASONABLY BELIEVES TO BE TRUE.

55 4. Violation; remedy. (a) An employee who has been the subject of a
56 retaliatory personnel action in violation of this section may institute

1 a civil action in a court of competent jurisdiction for relief as set
2 forth in subdivision five of this section within [one year] TWO YEARS
3 after the alleged retaliatory personnel action was taken.

4 (b) Any action authorized by this section may be brought in the county
5 in which the alleged retaliatory personnel action occurred, in the coun-
6 ty in which the complainant resides, or in the county in which the
7 employer has its principal place of business.

8 (c) It shall be a defense to any action brought pursuant to this
9 section that the personnel action was predicated upon grounds other than
10 the employee's exercise of any rights protected by this section. It
11 shall also be a defense that the individual was an independent contrac-
12 tor.

13 (d) [Notwithstanding the provisions of paragraphs (a) and (c) of this
14 subdivision, a health care employee who has been the subject of a retal-
15 iatory action by a health care employer in violation of section seven
16 hundred forty-one of this article may institute a civil action in a
17 court of competent jurisdiction for relief as set forth in subdivision
18 five of this section within two years after the alleged retaliatory
19 personnel action was taken.] In addition to the relief set forth in
20 [that] subdivision FIVE OF THIS SECTION, the court, in its discretion,
21 based upon a finding that the employer acted in bad faith in the retali-
22 atory action, may assess the employer a civil penalty of an amount not
23 to exceed ten thousand dollars, to be paid to the improving quality of
24 patient care fund, established pursuant to section ninety-seven-aaaa of
25 the state finance law.

26 5. Relief. In any action brought pursuant to subdivision four of this
27 section, the court may order relief as follows:

28 (a) [an injunction to restrain continued violation of this section;

29 (b)] the reinstatement of the employee to the same position held
30 before the retaliatory personnel action, or to an equivalent position;

31 [(c)] (B) the reinstatement of full fringe benefits and seniority
32 rights;

33 [(d)] (C) the compensation for lost wages, benefits and other remuner-
34 ation; [and

35 (e)] (D) COMPENSATORY DAMAGES FOR ECONOMIC LOSS;

36 (E) the payment by the employer of reasonable costs, disbursements,
37 and attorney's fees;

38 (F) AN INJUNCTION TO RESTRAIN THE EMPLOYER'S CONTINUED VIOLATION OF
39 THIS SECTION WITH RESPECT TO THE EMPLOYEE; AND

40 (G) A CIVIL PENALTY OF AN AMOUNT NOT TO EXCEED THIRTY THOUSAND
41 DOLLARS, IF THE COURT, IN ITS DISCRETION, FINDS THAT THE EMPLOYER ACTED
42 IN BAD FAITH IN THE RETALIATORY ACTION.

43 6. [Employer relief. A court, in its discretion, may also order that
44 reasonable attorneys' fees and court costs and disbursements be awarded
45 to an employer if the court determines that an action brought by an
46 employee under this section was without basis in law or in fact.

47 7.] Existing rights. Nothing in this section shall be deemed to dimin-
48 ish the rights, privileges, or remedies of any employee under any other
49 law or regulation or under any collective bargaining agreement or
50 employment contract; except that the institution of an action in accord-
51 ance with this section shall be deemed a waiver of the rights and reme-
52 dies available under any other contract, collective bargaining agree-
53 ment, law, rule or regulation or under the common law.

54 7. PUBLICATION. EVERY EMPLOYER SHALL INFORM EMPLOYEES OF THEIR
55 PROTECTIONS, RIGHTS AND OBLIGATIONS UNDER THIS SECTION, BY POSTING A
56 NOTICE THEREOF. SUCH NOTICES SHALL BE POSTED CONSPICUOUSLY IN EASILY

1 ACCESSIBLE AND WELL-LIGHTED PLACES CUSTOMARILY FREQUENTED BY EMPLOYEES
2 AND APPLICANTS FOR EMPLOYMENT.

3 S 2. Section 741 of the labor law, as added by chapter 24 of the laws
4 of 2002 and paragraph (b) of subdivision 1 as amended by chapter 505 of
5 the laws of 2003, is amended to read as follows:

6 S 741. Prohibition; health care employer who penalizes employees
7 because of complaints of employer violations. 1. Definitions. As used in
8 this section, the following terms shall have the following meanings:

9 (a) "Employee" means any person who performs health care services for
10 and under the control and direction of any public or private employer
11 which provides health care services for wages or other remuneration.

12 (b) "Employer" means any partnership, association, corporation, the
13 state, or any political subdivision of the state which: (i) provides
14 health care services in a facility licensed pursuant to article twenty-
15 eight or thirty-six of the public health law; (ii) provides health care
16 services within a primary or secondary public or private school or
17 public or private university setting; (iii) operates and provides health
18 care services under the mental hygiene law or the correction law; or
19 (iv) is registered with the department of education pursuant to section
20 sixty-eight hundred eight of the education law.

21 (c) "Agent" means any individual, partnership, association, corpo-
22 ration, or group of persons acting on behalf of an employer.

23 (d) "Improper quality of patient care" means, with respect to patient
24 care, any practice, procedure, action or failure to act of an employer
25 which violates any law, rule, regulation or declaratory ruling adopted
26 pursuant to law, where such violation relates to matters which may pres-
27 ent a substantial and specific danger to public health or safety or a
28 significant threat to the health of a specific patient.

29 (e) "Public body" means:

30 (1) the United States Congress, any state legislature, or any elected
31 local governmental body, or any member or employee thereof;

32 (2) any federal, state or local court, or any member or employee ther-
33 eof, any grand or petit jury;

34 (3) any federal, state or local regulatory, administrative or public
35 agency or authority, or instrumentality thereof;

36 (4) any federal, state or local law enforcement agency, prosecutorial
37 office, or police or peace officer;

38 (5) any federal, state or local department of an executive branch of
39 government; or

40 (6) any division, board, bureau, office, committee or commission of
41 any of the public bodies described in subparagraph one, two, three, four
42 or five of this paragraph.

43 (f) "Retaliatory action" means the discharge, suspension, demotion[,
44 penalization] or discrimination against an employee, or [other adverse
45 employment action taken] ANY ACT OF REPRISAL against an employee [in the
46 terms and conditions of employment].

47 (g) "Supervisor" means any person within an employer's organization
48 who has the authority to direct and control the work performance of an
49 employee, or who has the authority to take corrective action regarding
50 the violation of a law, rule or regulation to which an employee submits
51 a complaint.

52 (H) "LAW, RULE OR REGULATION" INCLUDES:

53 (1) ANY DULY ENACTED FEDERAL, STATE OR LOCAL STATUTE OR ORDINANCE;

54 (2) ANY RULE OR REGULATION PROMULGATED PURSUANT TO ANY STATUTE OR
55 ORDINANCE;

1 (3) ANY INTERNAL RULE PROMULGATED BY THE EMPLOYER PURSUANT TO ANY
2 STATUTE OR ORDINANCE; OR

3 (4) ANY JUDICIAL OR ADMINISTRATIVE DECISION, RULING OR ORDER.

4 2. Retaliatory action prohibited. Notwithstanding any other provision
5 of law, no employer shall take retaliatory action against any employee
6 because the employee does any of the following:

7 (a) discloses or threatens to disclose to a supervisor, AGENT or to a
8 public body an activity, policy or practice of the employer or agent
9 that the employee, in good faith, reasonably believes constitutes
10 improper quality of patient care; [or]

11 (b) PROVIDES INFORMATION TO, OR TESTIFIES BEFORE, ANY PUBLIC BODY
12 CONDUCTING AN INVESTIGATION, HEARING OR INQUIRY INTO ANY VIOLATION OR
13 ACTION DESCRIBED IN SUBPARAGRAPH (I) OF PARAGRAPH (A) OF SUBDIVISION TWO
14 OF SECTION SEVENTY-FIVE-B OF THE CIVIL SERVICE LAW; OR

15 (c) objects to, or refuses to participate in any activity, policy or
16 practice of the employer or agent that the employee, in good faith,
17 reasonably believes constitutes improper quality of patient care.

18 3. [Application. The protection against retaliatory personnel action
19 provided by subdivision two of this section shall not apply unless the
20 employee has brought the improper quality of patient care to the atten-
21 tion of a supervisor and has afforded the employer a reasonable opportu-
22 nity to correct such activity, policy or practice. This subdivision

23 shall not apply to an action or failure to act described in paragraph
24 (a) of subdivision two of this section where the improper quality of
25 patient care described therein presents an imminent threat to public
26 health or safety or to the health of a specific patient and the employee
27 reasonably believes in good faith that reporting to a supervisor would
28 not result in corrective action.

29 4.] Enforcement. A health care employee may seek enforcement of this
30 section pursuant to paragraph (d) of subdivision four of section seven
31 hundred forty of this article.

32 [5] 4. Relief. In any court action brought pursuant to this section
33 it shall be a defense that the personnel action was predicated upon
34 grounds other than the employee's exercise of any rights protected by
35 this section.

36 S 3. Subdivision 2 of section 75-b of the civil service law, as added
37 by chapter 660 of the laws of 1984 and paragraph (a) as amended by chap-
38 ter 899 of the laws of 1986, is amended to read as follows:

39 2. (a) A public employer shall not dismiss, SUSPEND, DEMOTE, PENALIZE
40 OR DISCRIMINATE AGAINST, or take other disciplinary or other [adverse
41 personnel action] ACT OF REPRISAL against a public employee regarding
42 the employee's employment because the employee:

43 (I) discloses OR THREATENS TO DISCLOSE to a SUPERVISOR, governmental
44 body [information:(i) regarding a violation of a law, rule or regulation
45 which violation creates and presents a substantial and specific danger
46 to the public health or safety; or (ii) which the employee reasonably
47 believes to be true and reasonably believes], AGENCY OR TO THE PUBLIC
48 ANY CONDUCT WHICH constitutes an improper governmental action. ["Improp-
49 er governmental action" shall mean any action by a public employer or
50 employee, or an agent of such employer or employee, which is undertaken
51 in the performance of such agent's official duties, whether or not such
52 action is within the scope of his employment, and which is in violation
53 of any federal, state or local law, rule or regulation.]

54 (II) PROVIDES INFORMATION TO, OR TESTIFIES BEFORE, ANY PUBLIC BODY
55 CONDUCTING AN INVESTIGATION, HEARING OR INQUIRY INTO ANY IMPROPER
56 GOVERNMENTAL ACTION; OR

1 (III) OBJECTS TO, OR REFUSES TO PARTICIPATE IN, ANY IMPROPER GOVERN-
2 MENTAL ACTION.

3 (b) [Prior to disclosing information pursuant to paragraph (a) of this
4 subdivision, an employee shall have made a good faith effort to provide
5 the appointing authority or his or her designee the information to be
6 disclosed and shall provide the appointing authority or designee a
7 reasonable time to take appropriate action unless there is imminent and
8 serious danger to public health or safety. For the purposes of this
9 subdivision, an employee who acts pursuant to this paragraph shall be
10 deemed to have disclosed information to a governmental body under para-
11 graph (a) of this subdivision.] THE PROTECTION AGAINST RETALIATORY
12 PERSONNEL ACTION PROVIDED IN PARAGRAPH (A) OF THIS SUBDIVISION SHALL
13 APPLY TO ANY EMPLOYEE WHO IN GOOD FAITH REASONABLY BELIEVES THAT A
14 VIOLATION OR IMPROPER GOVERNMENTAL ACTION HAS OCCURRED OR WILL OCCUR,
15 BASED ON INFORMATION THAT THE EMPLOYEE IN GOOD FAITH REASONABLY BELIEVES
16 TO BE TRUE.

17 (C)(I) "IMPROPER GOVERNMENTAL ACTION" SHALL MEAN ANY PRACTICE, PROCE-
18 DURE, ACTION OR FAILURE TO ACT BY A PUBLIC EMPLOYER OR EMPLOYEE, OR AN
19 AGENT OF SUCH EMPLOYER OR EMPLOYEE, WHETHER OR NOT SUCH ACTION IS WITHIN
20 THE SCOPE OF SUCH PERSON'S EMPLOYMENT, WHICH IS IN VIOLATION OF ANY LAW,
21 RULE OR REGULATION.

22 (II) "LAW, RULE OR REGULATION" INCLUDES: (A) ANY DULY ENACTED FEDERAL,
23 STATE OR LOCAL STATUTE OR ORDINANCE; (B) ANY RULE OR REGULATION PROMUL-
24 GATED PURSUANT TO ANY SUCH STATUTE OR ORDINANCE; OR (C) ANY JUDICIAL OR
25 ADMINISTRATIVE DECISION, RULING OR ORDER.

26 S 4. Paragraph (c) of subdivision 3 of section 75-b of the civil
27 service law, as added by chapter 660 of the laws of 1984, is amended to
28 read as follows:

29 (c) [Where] IN ADDITION TO OR IN LIEU OF THE PROCEDURES SET FORTH IN
30 PARAGRAPHS (A) AND (B) OF THIS SUBDIVISION, OR WHERE an employee is not
31 subject to any of the provisions of [paragraph (a) or (b) of this subdi-
32 vision] SUCH PARAGRAPHS, the employee may commence an action in a court
33 of competent jurisdiction under the same terms and conditions AND FOR
34 THE SAME RELIEF as set forth in article twenty-C of the labor law.

35 S 5. Section 75-b of the civil service law is amended by adding a new
36 subdivision 5 to read as follows:

37 5. EVERY PUBLIC EMPLOYER SHALL INFORM EMPLOYEES OF THEIR PROTECTIONS,
38 RIGHTS AND OBLIGATIONS UNDER THIS SECTION, BY POSTING A NOTICE THEREOF.
39 SUCH NOTICES SHALL BE POSTED CONSPICUOUSLY IN EASILY ACCESSIBLE AND
40 HIGHLY VISIBLE AREAS FREQUENTLY VISITED BY EMPLOYEES AND APPLICANTS FOR
41 EMPLOYMENT.

42 S 6. This act shall take effect on the ninetieth day after it shall
43 have become a law.