S T A T E  O F  N E W  Y O R K

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:

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

S 740. Retaliatory personnel action by employers; prohibition. 1. Definitions. For purposes of this section, unless the context specifically indicates otherwise:

(a) "Employee" means an individual who performs services for and under the control and direction of an employer for wages or other remuneration.

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

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

(d) "Public body" includes the following:

(i) the United States Congress, any state legislature, or any [popularly-elected] ELECTED local governmental body, or any member or employee thereof;

(ii) any federal, state, or local [judiciary] COURT, or any member or 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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(iii) any federal, state, or local regulatory, administrative, or public agency or authority, or instrumentality thereof; [or]

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

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

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

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

(f) "Supervisor" means any individual within an employer's organization who has the authority to direct and control the work performance of [the affected] AN employee; or who has [managerial] authority to take corrective action regarding the [violation of the law, rule or regulation] IMPROPER BUSINESS ACTIVITY of which the employee complains.

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

(H) "AGENT" MEANS ANY INDIVIDUAL, PARTNERSHIP, ASSOCIATION, CORPORATION OR GROUP OF PERSONS ACTING ON BEHALF OF AN EMPLOYER.

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

2. Prohibitions. An employer shall not take any retaliatory personnel action against an employee because such employee does any of the following:

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

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

(c) objects to, or refuses to participate in any [such] IMPROPER BUSINESS activity[, policy or practice in violation of a law, rule or regulation].

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

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

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

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

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

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

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

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

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

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

[(d)] (C) the compensation for lost wages, benefits and other remuneration; [and

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

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

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

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

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

7.] Existing rights. Nothing in this section shall be deemed to diminish the rights, privileges, or remedies of any employee under any other law or regulation or under any collective bargaining agreement or employment contract; except that the institution of an action in accordance with this section shall be deemed a waiver of the rights and remedies available under any other contract, collective bargaining agreement, law, rule or regulation or under the common law.

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

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

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

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

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

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

(c) "Agent" means any individual, partnership, association, corporation, or group of persons acting on behalf of an employer.

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

(e) "Public body" means:

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

(2) any federal, state or local court, or any member or employee thereof, any grand or petit jury;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. [Application. The protection against retaliatory personnel action provided by subdivision two of this section shall not apply unless the employee has brought the improper quality of patient care to the attention of a supervisor and has afforded the employer a reasonable opportunity to correct such activity, policy or practice. This subdivision shall not apply to an action or failure to act described in paragraph (a) of subdivision two of this section where the improper quality of patient care described therein presents an imminent threat to public health or safety or to the health of a specific patient and the employee reasonably believes in good faith that reporting to a supervisor would not result in corrective action.

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

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

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

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

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

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

(III) OBJECTS TO, OR REFUSES TO PARTICIPATE IN, ANY IMPROPER GOVERNMENTAL ACTION.

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

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

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

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

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

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

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

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