

STATE OF NEW YORK

4394--A

Cal. No. 1112

2021-2022 Regular Sessions

IN SENATE

February 4, 2021

Introduced by Sens. RAMOS, BIAGGI, GOUNARDES, JACKSON, KAMINSKY, LIU -- read twice and ordered printed, and when printed to be committed to the Committee on Labor -- reported favorably from said committee, ordered to first and second report, amended on second report, ordered to a third reading, and to be reprinted as amended, retaining its place in the order of third reading

AN ACT to amend the labor law, in relation to retaliatory actions 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,
4 paragraph (d) of subdivision 4 as added by chapter 24 of the laws of
5 2002, and subdivision 7 as amended by chapter 684 of the laws of 2019,
6 is amended to read as follows:

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

10 (a) "Employee" means an individual who performs services for and under
11 the control and direction of an employer for wages or other
12 remuneration, including former employees, or natural persons employed as
13 independent contractors to carry out work in furtherance of an employ-
14 er's business enterprise who are not themselves employers.

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

17 (c) "Law, rule or regulation" includes: (i) any duly enacted federal,
18 state or local statute or ordinance or executive order; (ii) any rule or
19 regulation promulgated pursuant to [~~any federal, state or local~~] such
20 statute or ordinance or executive order; or (iii) any judicial or admin-
21 istrative decision, ruling or order.

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

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

2 (i) the United States Congress, any state legislature, or any [~~popu-~~
3 ~~larly-elected~~] elected local governmental body, or any member or employ-
4 ee thereof;

5 (ii) any federal, state, or local [~~judiciary~~] court, or any member or
6 employee thereof, or any grand or petit jury;

7 (iii) any federal, state, or local regulatory, administrative, or
8 public agency or authority, or instrumentality thereof; [~~or~~]

9 (iv) any federal, state, or local law enforcement agency, prosecutori-
10 al office, or police or peace officer[~~r~~];

11 (v) any federal, state or local department of an executive branch of
12 government; or

13 (vi) any division, board, bureau, office, committee, or commission of
14 any of the public bodies described in subparagraphs (i) through (v) of
15 this paragraph.

16 (e) "Retaliatory [~~personnel~~] action" means [~~the discharge, suspension~~
17 ~~or demotion of an employee, or other adverse employment action taken~~
18 ~~against an employee in the terms and conditions of employment~~] an
19 adverse action taken by an employer or his or her agent to discharge,
20 threaten, penalize, or in any other manner discriminate against any
21 employee or former employee exercising his or her rights under this
22 section, including (i) adverse employment actions or threats to take
23 such adverse employment actions against an employee in the terms of
24 conditions of employment including but not limited to discharge, suspen-
25 sion, or demotion; (ii) actions or threats to take such actions that
26 would adversely impact a former employee's current or future employment;
27 or (iii) threatening to contact or contacting United States immigration
28 authorities or otherwise reporting or threatening to report an employ-
29 ee's suspected citizenship or immigration status or the suspected citi-
30 zenship or immigration status of an employee's family or household
31 member, as defined in subdivision two of section four hundred fifty-
32 nine-a of the social services law, to a federal, state, or local agency.

33 (f) "Supervisor" means any individual within an employer's organiza-
34 tion who has the authority to direct and control the work performance of
35 the affected employee; or who has managerial authority to take correc-
36 tive action regarding the violation of the law, rule or regulation of
37 which the employee complains.

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

40 2. Prohibitions. An employer shall not take any retaliatory [~~person-~~
41 ~~nel~~] action against an employee, whether or not within the scope of the
42 employee's job duties, because such employee does any of the following:

43 (a) discloses, or threatens to disclose to a supervisor or to a public
44 body an activity, policy or practice of the employer that the employee
45 reasonably believes is in violation of law, rule or regulation [~~which~~
46 ~~violation creates and presents~~] or that the employee reasonably believes
47 poses a substantial and specific danger to the public health or safety[~~r~~
48 ~~or which constitutes health care fraud~~];

49 (b) provides information to, or testifies before, any public body
50 conducting an investigation, hearing or inquiry into any such [~~violation~~
51 ~~of a law, rule or regulation~~] activity, policy or practice by such
52 employer; or

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

55 3. Application. The protection against retaliatory [~~personnel~~] action
56 provided by paragraph (a) of subdivision two of this section pertaining

1 to disclosure to a public body shall not apply to an employee who makes
2 such disclosure to a public body unless the employee has ~~[brought]~~ made
3 a good faith effort to notify his or her employer by bringing the activ-
4 ity, policy or practice ~~[in violation of law, rule or regulation]~~ to the
5 attention of a supervisor of the employer and has afforded such employer
6 a reasonable opportunity to correct such activity, policy or practice.
7 Such employer notification shall not be required where: (a) there is an
8 imminent and serious danger to the public health or safety; (b) the
9 employee reasonably believes that reporting to the supervisor would
10 result in a destruction of evidence or other concealment of the activ-
11 ity, policy or practice; (c) such activity, policy or practice could
12 reasonably be expected to lead to endangering the welfare of a minor;
13 (d) the employee reasonably believes that reporting to the supervisor
14 would result in physical harm to the employee or any other person; or
15 (e) the employee reasonably believes that the supervisor is already
16 aware of the activity, policy or practice and will not correct such
17 activity, policy or practice.

18 4. Violation; remedy. (a) An employee who has been the subject of a
19 retaliatory ~~[personnel]~~ action in violation of this section may insti-
20 tute a civil action in a court of competent jurisdiction for relief as
21 set forth in subdivision five of this section within ~~[one year]~~ two
22 years after the alleged retaliatory ~~[personnel]~~ action was taken.

23 (b) Any action authorized by this section may be brought in the county
24 in which the alleged retaliatory ~~[personnel]~~ action occurred, in the
25 county in which the complainant resides, or in the county in which the
26 employer has its principal place of business. In any such action, the
27 parties shall be entitled to a jury trial.

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

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

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

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

49 (b) the reinstatement of the employee to the same position held before
50 the retaliatory ~~[personnel]~~ action, or to an equivalent position, or
51 front pay in lieu thereof;

52 (c) the reinstatement of full fringe benefits and seniority rights;

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

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

1 (f) a civil penalty of an amount not to exceed ten thousand dollars;
2 and/or

3 (g) the payment by the employer of punitive damages, if the violation
4 was willful, malicious or wanton.

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

9 7. Existing rights. Nothing in this section shall be deemed to dimin-
10 ish the rights, privileges, or remedies of any employee under any other
11 law or regulation or under any collective bargaining agreement or
12 employment contract.

13 8. Publication. Every employer shall inform employees of their
14 protections, rights and obligations under this section, by posting a
15 notice thereof. Such notices shall be posted conspicuously in easily
16 accessible and well-lighted places customarily frequented by employees
17 and applicants for employment.

18 § 2. Subdivision 4 of section 741 of the labor law, as added by chap-
19 ter 24 of the laws of 2002, is amended and a new subdivision 6 is added
20 to read as follows:

21 4. Enforcement. A health care employee may seek enforcement of this
22 section pursuant to [~~paragraph (d) of subdivision~~] subdivisions four and
23 five of section seven hundred forty of this article.

24 6. Publication. Every employer shall inform employees of their
25 protections, rights and obligations under this section by posting a
26 notice thereof. Such notices shall be posted conspicuously in easily
27 accessible and well-lighted places customarily frequented by employees
28 and applicants for employment.

29 § 3. This act shall take effect on the ninetieth day after it shall
30 have become a law; provided, however, that effective immediately, the
31 addition, amendment and/or repeal of any rule or regulation necessary
32 for the implementation of this act on its effective date are authorized
33 to be made by the commissioner of labor of the state of New York on or
34 before such effective date.