

STATE OF NEW YORK

5403

2023-2024 Regular Sessions

IN SENATE

March 3, 2023

Introduced by Sens. HOYLMAN-SIGAL, GOUNARDES, KRUEGER, MAYER, SALAZAR --
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 and former employees against retaliatory
action by employers

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Section 740 of the labor law, as amended by chapter 522 of
2 the laws of 2021, is amended to read as follows:
3 § 740. Retaliatory action by employers; prohibition. 1. Definitions.
4 For purposes of this section, unless the context specifically indicates
5 otherwise:
6 (a) "Employee" means an individual who performs services for and under
7 the control and direction of an employer for wages or other remunera-
8 tion, including former employees, or natural persons employed as inde-
9 pendent contractors to carry out work in furtherance of an employer's
10 business enterprise who are not themselves employers.
11 (b) "Employer" means any person, firm, partnership, institution,
12 corporation, or association that employs one or more employees.
13 (c) "Law, rule or regulation" includes: (i) any duly enacted federal,
14 state or local statute or ordinance or executive order; (ii) any rule or
15 regulation promulgated pursuant to such statute or ordinance or execu-
16 tive order; or (iii) any judicial or administrative decision, ruling or
17 order.
18 (d) "Public body" includes the following:
19 (i) the United States Congress, any state legislature, or any elected
20 local governmental body, or any member or employee thereof;
21 (ii) any federal, state, or local court, or any member or employee
22 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;

3 (iv) any federal, state, or local law enforcement agency, prosecutori-
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 action" means an adverse action taken by an employer
11 or his or her agent to discharge, threaten, penalize, or in any other
12 manner discriminate against any employee or former employee exercising
13 his or her rights under this section, including (i) adverse employment
14 actions or threats to take such adverse employment actions against an
15 employee in the terms of conditions of employment including but not
16 limited to discharge, suspension, or demotion; (ii) actions or threats
17 to take such actions that would adversely impact a former employee's
18 current or future employment; or (iii) threatening to contact or
19 contacting United States immigration authorities or otherwise reporting
20 or threatening to report an employee's suspected citizenship or immi-
21 gration status or the suspected citizenship or immigration status of an
22 employee's family or household member, as defined in subdivision two of
23 section four hundred fifty-nine-a of the social services law, to a
24 federal, state, or local agency.

25 (f) "Supervisor" means any individual within an employer's organiza-
26 tion who has the authority to direct and control the work performance of
27 [~~the affected~~] an employee; or who has [~~managerial~~] authority to take
28 corrective action regarding the [~~violation of the law, rule or regu-~~
29 ~~lation~~] illegal or dangerous business activity of which the employee
30 complains.

31 (g) "Agent" means any individual, partnership, association, corpo-
32 ration or group of persons acting on behalf of an employer.

33 (h) "Illegal or dangerous business activity" means any practice, agent
34 of such employer, taken in the course of the employer's business, wheth-
35 er or not within the scope of employment or agency, that: (i) is in
36 violation of any law, rule or regulation; or (ii) creates and presents a
37 substantial and specific danger to the public health or safety.

38 2. Prohibitions. An employer shall not take any retaliatory action
39 against an employee or former employee, whether or not within the scope
40 of the employee's or former employee's job duties, because such employee
41 or former employee does any of the following:

42 (a) discloses to a supervisor or a public body, or threatens to
43 [~~disclose~~] make a disclosure to [~~a supervisor or to~~] a public body
44 unless the employer remedies the illegal or dangerous business activity,
45 information about an illegal or dangerous business activity[~~, policy or~~
46 ~~practice of the employer that the employee reasonably believes is in~~
47 ~~violation of law, rule or regulation or that the employee reasonably~~
48 ~~believes poses a substantial and specific danger to the public health or~~
49 ~~safety~~];

50 (b) provides information to, or testifies before, any public body
51 conducting an investigation, hearing or inquiry into any such illegal or
52 dangerous business activity[~~, policy or practice by such employer~~]; or

53 (c) objects to, or refuses to participate in any [~~such~~] illegal or
54 dangerous activity[~~, policy or practice~~].

55 3. Application. The protection against retaliatory action provided by
56 paragraphs (a), (b) and (c) of subdivision two of this section shall

1 apply to any employee who in good faith reasonably believes that an
2 illegal or dangerous business activity has occurred or will occur, based
3 on information that the employee in good faith reasonably believes to be
4 true; provided however that the protection against retaliatory action
5 provided by paragraph (a) of subdivision two of this section pertaining
6 to disclosure to a public body shall not apply to an employee who makes
7 such disclosure to a public body unless the employee has made a good
8 faith effort to notify his or her employer by bringing the illegal or
9 dangerous business activity[, ~~policy or practice~~] to the attention of a
10 supervisor [~~of the employer~~] and has afforded such employer a reasonable
11 opportunity to correct such activity[, ~~policy or practice~~]. Such employ-
12 er notification shall not be required where: (a) illegal or dangerous
13 business; (b) there is an imminent and serious danger to the public
14 health or safety; [(b)] (c) the employee reasonably believes that
15 reporting to the supervisor would result in a destruction of evidence or
16 other concealment of the illegal or dangerous activity[, ~~policy or prac-~~
17 tice]; [(e)] (d) such activity, policy or practice could reasonably be
18 expected to lead to endangering the welfare of a minor; [(d)] (e) the
19 employee reasonably believes that reporting to the supervisor would
20 result in physical harm to the employee or any other person; or [(e)]
21 (f) the employee reasonably believes that the supervisor is already
22 aware of the activity, policy or practice and will not correct [such]
23 the illegal or dangerous activity[, ~~policy or practice~~] and will not
24 correct such activity.

25 4. Violation; remedy. (a) An employee who has been the subject of a
26 retaliatory action in violation of this section may institute a civil
27 action in a court of competent jurisdiction for relief as set forth in
28 subdivision five of this section within two years after the alleged
29 retaliatory action was taken.

30 (b) Any action authorized by this section may be brought in the county
31 in which the alleged retaliatory action occurred, in the county in which
32 the complainant resides, or in the county in which the employer has its
33 principal place of business. In any such action, the parties shall be
34 entitled to a jury trial.

35 [~~It shall be a defense to any action brought pursuant to this~~
36 ~~section that the retaliatory action was predicated upon grounds other~~
37 ~~than the employee's exercise of any rights protected by this section.]
38 Except as otherwise provided in this section, a violation of this
39 section is established when the complainant demonstrates that a motivat-
40 ing factor for the retaliatory action violates subdivision two of this
41 section. Remedies for violation of subdivision two of this section shall
42 be limited solely to those provided in paragraphs (e), (f) and (g) of
43 subdivision five of this section if the employer demonstrates that it
44 would have taken the same action in the absence of the impermissible
45 motivating factor.~~

46 5. Relief. In any action brought pursuant to subdivision four of this
47 section, the court may order relief as follows, with monetary amounts as
48 determined by the jury other than under paragraph (e) and/or paragraph
49 (g) of this subdivision:

50 (a) [~~an injunction to restrain continued violation of this section;~~
51 ~~(b)] the reinstatement of the employee to the same position held~~
52 before the retaliatory action, or to an equivalent position, or front
53 pay in lieu thereof;

54 [(e)] (b) the reinstatement of full fringe benefits and seniority
55 rights;

1 [~~(d)~~] (c) the compensation for lost wages, benefits and other remuner-
2 ation;

3 (d) compensatory damages for economic loss and for emotional distress;

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

6 (f) a civil penalty of an amount not to exceed ten thousand dollars
7 and/or a liquidated damages award equal to amounts of damages pursuant
8 to paragraphs (c) and (d) of this subdivision, unless the court finds
9 that the employer acted in good faith in the retaliatory action;

10 [~~and/or~~]

11 (g) the payment by the employer of punitive damages, if the violation
12 was willful, malicious or wanton[~~+~~]; and/or

13 (h) an injunction to restrain the employer's continued violation of
14 this section.

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

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

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

28 § 2. Subdivisions 2 and 3 of section 75-b of the civil service law, as
29 added by chapter 660 of the laws of 1984, paragraph (a) of subdivision 2
30 as amended by chapter 899 of the laws of 1986, are amended and a new
31 subdivision 5 is added to read as follows:

32 2. (a) A public employer shall not dismiss, suspend, demote, penalize,
33 threaten or discriminate against, or take other disciplinary or other
34 [~~adverse personnel action~~] act of reprisal against a public employee
35 regarding the employee's employment because the employee: (i) discloses
36 to a public body or threatens to make a disclosure to a public body or
37 supervisor if the employer does not remedy the improper conduct, to a
38 governmental body information[~~+~~ ~~(i)~~] regarding a violation of a law,
39 rule or regulation which violation creates [~~and~~] or presents a substan-
40 tial and specific danger to the public health or safety[~~+~~ ~~or (ii) which~~
41 ~~the employee reasonably believes to be true and reasonably believes~~], or
42 which constitutes an improper governmental action[~~+~~ ~~"Improper govern-~~
43 ~~mental action" shall mean any action by a public employer or employee,~~
44 ~~or an agent of such employer or employee, which is undertaken in the~~
45 ~~performance of such agent's official duties, whether or not such action~~
46 ~~is within the scope of his employment, and which is in violation of any~~
47 ~~federal, state or local law, rule or regulation~~], or which could reason-
48 ably be expected to lead to endangering the welfare of a minor; (ii)
49 provides information to, or testifies before, any public body conducting
50 an investigation, hearing or inquiry into any violation or improper
51 governmental action; or (iii) objects to, or refuses to participate in,
52 any such violation or improper governmental action.

53 (b) The protection against retaliatory action provided in subpara-
54 graphs (i) and (ii) of paragraph (a) of this subdivision shall apply to
55 any employee who in good faith reasonably believes that a violation or

1 improper governmental action has occurred or will occur, based on infor-
2 mation that the employee in good faith reasonably believes to be true.

3 (c) Prior to disclosing information pursuant to subparagraph (i) of
4 paragraph (a) of this subdivision, an employee shall have made a good
5 faith effort to provide the appointing authority or his or her designee
6 the information to be disclosed and shall provide the appointing author-
7 ity or designee a reasonable time to take appropriate action unless
8 there is imminent and serious danger to public health or safety. For
9 the purposes of this subdivision, an employee who acts pursuant to
10 this paragraph shall be deemed to have disclosed information to a
11 governmental body under paragraph (a) of this subdivision. Notifica-
12 tion to the appointing authority or designee shall not be required
13 where: (i) the employer has not posted any notice required by subdivi-
14 sion five of this section; (ii) there is an imminent and serious danger
15 to the public health or safety; (iii) the employee reasonably believes
16 that reporting to the appointing authority or designee would result in a
17 destruction of evidence or other concealment of the improper govern-
18 mental action; or (iv) such activity could reasonably be expected to
19 lead to endangering the welfare of a minor.

20 (d) "Improper governmental action" shall mean any practice, procedure,
21 action or failure to act by a public employer or employee, or an agent
22 of such employer or employee, which is undertaken in the performance of
23 such agent's official duties, whether or not such action is within the
24 scope of such person's employment, and which is: (i) in violation of any
25 law, rule or regulation regarding governmental action; or (ii) creates
26 and presents a substantial and specific danger to the public health or
27 safety. "Law, rule or regulation" includes: (i) any duly enacted feder-
28 al, state or local statute or ordinance; (ii) any rule or regulation
29 promulgated pursuant to any such statute or ordinance; or (iii) any
30 judicial or administrative decision, ruling or order.

31 3. (a) Where an employee is subject to dismissal or other disciplinary
32 action under a final and binding arbitration provision, or other disci-
33 plinary procedure contained in a collectively negotiated agreement, or
34 under section seventy-five of this title or any other provision of state
35 or local law, or to the elimination of job title or classification that
36 uniquely fits and singles out such employee and the employee reasonably
37 believes that such dismissal [~~or~~], other disciplinary action or other
38 adverse action would not have been taken but for the conduct protected
39 under subdivision two of this section, he or she may assert such as a
40 defense before the designated arbitrator or hearing officer. The merits
41 of such defense shall be considered and determined as part of the arbi-
42 tration award or hearing officer decision of the matter. If there is a
43 finding that the dismissal or other disciplinary action is based solely
44 on a violation by the employer of such subdivision, the arbitrator or
45 hearing officer shall dismiss or recommend dismissal of the disciplinary
46 proceeding, as appropriate, and, if appropriate, reinstate the employee
47 with back pay, and, in the case of an arbitration procedure, may take
48 other appropriate action as is permitted in the collectively negotiated
49 agreement.

50 (b) Where an employee is subject to a collectively negotiated agree-
51 ment which contains provisions preventing an employer from taking
52 adverse [~~personnel~~] actions and which contains a final and binding arbi-
53 tration provision to resolve alleged violations of such provisions of
54 the agreement and the employee reasonably believes that such [~~personnel~~]
55 action would not have been taken but for the conduct protected under
56 subdivision two of this section, he or she may assert such as a claim

1 before the arbitrator. The arbitrator shall consider such claim and
2 determine its merits and shall, if a determination is made that such
3 adverse [~~personnel~~] action is based on a violation by the employer of
4 such subdivision, take such action to remedy the violation as is permit-
5 ted by the collectively negotiated agreement.

6 (c) [~~where~~] In addition to or in lieu of the procedures set forth in
7 paragraphs (a) and (b) of this subdivision, or where an employee is not
8 subject to any of the provisions of [~~paragraph (a) or (b) of this subdivi-~~
9 ~~vision~~] such paragraphs, the employee may commence an action in a court
10 of competent jurisdiction under the same terms and conditions and for
11 the same relief as set forth in article twenty-C of the labor law.

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

17 § 3. This act shall take effect on the ninetieth day after it shall
18 have become a law.