

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 7
Committee Substitute Favorable 2/23/21
Committee Substitute #2 Favorable 5/10/21
PROPOSED COMMITTEE SUBSTITUTE H7-PCS30424-BB-9

Short Title: Protect City Employees From Retaliation.

(Public)

Sponsors:

Referred to:

January 28, 2021

A BILL TO BE ENTITLED

AN ACT PROVIDING THAT CITIES SHALL ADOPT RULES AND REGULATIONS ENCOURAGING THEIR EMPLOYEES TO REPORT IMPROPER OR UNLAWFUL ACTIVITY AND REQUIRING CITIES TO PROTECT EMPLOYEES WHO REPORT SUCH ACTIVITY FROM RETALIATION OR OTHER DISCRIMINATORY ACTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-164 reads as rewritten:

"§ 160A-164. Personnel ~~rules~~; adopt rules to encourage reporting of improper or unlawful activity; protect employees from retaliation.

(a) The council may adopt or provide for rules and regulations or ordinances concerning but not limited to annual leave, sick leave, special leave with full pay or with partial pay supplementing workers' compensation payments for employees injured in accidents arising out of and in the course of employment, hours of employment, holidays, working conditions, service award and incentive award programs, other personnel policies, and any other measures that promote the hiring and retention of capable, diligent, and honest career employees.

(b) The council that does not have a binding personnel policy, code of conduct, or other procedure protecting employees from retaliation shall adopt rules and regulations or ordinances that encourage city employees to report to their immediate supervisor, department head, or other appropriate authority evidence of any of the following: (i) violations of federal, State, or city laws, rules, or regulations, (ii) fraud, (iii) misappropriation of State or city government resources, (iv) any activity that poses a substantial or specific danger to public health and safety, and (v) gross mismanagement, including the gross waste of public monies or the gross abuse of authority. The council shall, by binding policy, prohibit any employee from taking action against another employee who reported any of the activities described in this subsection, including prohibiting retaliation against that employee, discharging the employee, threatening the employee in any way, or otherwise discriminating against the employee regarding the employee's compensation or the employee's terms, conditions, or privileges of employment. The council shall cause notice to be published in accordance with the provisions of G.S. 95-9, or use other appropriate means, to keep city employees informed of their rights and responsibilities under this subsection.

(c) Nothing in subsection (b) of this section shall prohibit councils, supervisors, department heads, or other appropriate authorities from imposing disciplinary action against an employee for any violation, fraud, misappropriation, gross mismanagement, or other activity specified in subsection (b) (i) through (v) of this section that occurred prior to an employee's report under subsection (b) of this section.



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1 (d) The filing of a false report by any municipal employee under the provisions of this
2 section shall be a Class 2 misdemeanor."

3 **SECTION 2.** This act becomes effective December 1, 2021, and applies to offenses
4 committed on or after that date.