

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

H

D

HOUSE BILL 7  
PROPOSED COMMITTEE SUBSTITUTE H7-PCS40111-BD-1

Short Title: Protect City Employees From Retaliation.

(Public)

Sponsors:

Referred to:

January 28, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE CITIES TO ADOPT AN ORDINANCE TO ESTABLISH A  
3 PROCEDURE FOR AND TO ENCOURAGE CITY EMPLOYEES TO REPORT  
4 IMPROPER OR UNLAWFUL ACTIVITY AND TO REQUIRE CITIES TO PROTECT  
5 EMPLOYEES WHO REPORT SUCH ACTIVITY FROM RETALIATION OR OTHER  
6 DISCRIMINATORY ACTION.

7 The General Assembly of North Carolina enacts:

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

9 **"§ 160A-164. Personnel ~~rules-ordinances; reporting improper or unlawful activity; protect~~**  
10 **employees from retaliation.**

11 (a) The council shall adopt an ordinance required by subsection (b) of this section and  
12 may adopt or provide for ~~rules and regulations-policies~~ or ordinances concerning but not limited  
13 to annual leave, sick leave, special leave with full pay or with partial pay supplementing workers'  
14 compensation payments for employees injured in accidents arising out of and in the course of  
15 employment, hours of employment, holidays, working conditions, service award and incentive  
16 award programs, other personnel policies, and any other measures that promote the hiring and  
17 retention of capable, diligent, and honest career employees.

18 (b) The council shall adopt an ordinance to establish a procedure for and to encourage  
19 city employees to report to their immediate supervisor, department head, or other appropriate  
20 authority, evidence of any of the following:

21 (1) Violations of State or federal law, rule, or regulation, or city ordinance.

22 (2) Fraud.

23 (3) Misappropriation of federal, State, or city resources.

24 (4) Any activity that poses a substantial and specific danger to public health and  
25 safety.

26 (5) Gross mismanagement, including the gross waste of public monies or the  
27 gross abuse of authority.

28 (c) Ordinances adopted under subsection (b) of this section shall prohibit retaliation by  
29 the city council or any city employee against the employee who reports, or intends to report, any  
30 activity under subsection (b) of this section and shall prohibit discharging the employee, or  
31 threatening or otherwise discriminating against the employee regarding the employee's  
32 compensation, terms, conditions, location, or privileges of employment.

33 (d) Nothing in this section prohibits disciplinary action against an employee who makes  
34 a report the employee knows or has reason to know is inaccurate.

35 (e) The council shall post and keep posted a notice explaining the provisions of  
36 subsections (b), (c), and (d) of this section. The notice shall be posted in a conspicuous place



\* H 7 - P C S 4 0 1 1 1 - B D - 1 \*

1 where city employees are employed and placed in a manner to permit city employees to readily  
2 observe the notice."

3 **SECTION 2.** This act becomes effective October 1, 2021.