



# HOUSE BILL 46: SHRA/Stronger Whistleblower Protection.

2021-2022 General Assembly

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<b>Committee:</b>	House Judiciary 2. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	March 30, 2021
<b>Introduced by:</b>	Reps. Cleveland, Stevens, Warren, Riddell	<b>Prepared by:</b>	Robert Ryan
<b>Analysis of:</b>	First Edition		Susan Sitze Staff Attorneys

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**OVERVIEW:** *House Bill 46 strengthens the whistleblower protections in the North Carolina Human Resources Act.*

**CURRENT LAW:** Article 14 of Chapter 126 of the General Statutes provides a statement of policy and creates protections for State employees reporting improper government activities.

## **BILL ANALYSIS:**

**Section 1** of House Bill 46 modifies the statement of policy and duty to report improper government activities for State employees as follows:

- Requires State employees to report violations of state or federal law, fraud, misappropriation, dangers to public health and safety, gross mismanagement, gross waste of monies, or gross abuse of authority verbally or in writing.
- Clarifies the reports are to be made to the department head or the State Auditor when there is evidence of an improper activity by a State department, agency, or institution.
- Provides immunity from civil liability to any State employee who makes a report in good faith.
- Provides the identity of a State employee making a report will remain confidential and is not a public record until the matter is resolved or the employee consents to making the report public.
- Requires the State Auditor to assist State employees in making reports to the State Auditor as an alternative to making them to their employing department, agency, or institution.
- Defines good faith as "honesty in fact with the goal of complying with the duties imposed by this section."

**Section 2** of the bill makes conforming changes to clarify that reports made in good faith are protected from retaliation.

**Section 3** of the bill provides each State department, agency, and institution must post notice and use other appropriate means to inform State employees of their duties and protections, and the availability of assistance from the State Auditor.

**Section 4** of the bill adds a new section to Article 14 to allow a monetary reward to a State employee for a substantiated allegation of an improper governmental activity that involves fraud, mismanagement, or waste of State resources, if the report results in a savings to the State.

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- The Office of State Budget and Management (OSBM) would be required to make a determination within 90 days of the date of the referral of the substantiated allegation of the amount of any savings to the State generated by the substantiated allegation.
- The reward would be twenty percent (20%) of the amount of the savings generated, as determined by the OSBM.

**EFFECTIVE DATE:** This act is effective when it becomes law and applies to reports made or pending on or after that date.

*Tawanda Artis, Staff Attorney, substantially contributed to this summary.*