



HOUSE BILL 7: Protect City Employees From Retaliation.

2021-2022 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	May 12, 2021
Introduced by:	Reps. Hanig, Bradford, Hardister	Prepared by:	Amy Darden
Analysis of:	Fourth Edition		Staff Attorney

OVERVIEW: *House Bill 7 provides that a city council that does not have a binding personnel policy, code of conduct, or other procedure protecting employees from retaliation must adopt rules and regulations or ordinances that encourage city employees to report certain improper activity and to protect employees who report such activity from retaliation.*

CURRENT LAW: Under current law, a city council may adopt 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. G.S. 160A-164.

BILL ANALYSIS: House Bill 7 provides that a city council that does not have a binding personnel policy, code of conduct, or other procedure protecting employees from retaliation must 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:

- Violations of federal, State, or city laws, rules, or regulations.
- Fraud.
- Misappropriation of State or city government resources.
- Any activity that poses a substantial or specific danger to public health and safety.
- Gross mismanagement, including the gross waste of public monies or the gross abuse of authority.

The council must, by ordinance, prohibit any employee from taking action against another employee who reported any of these activities. This includes prohibiting retaliation against that employee, discharging the employee, threatening the employee, or otherwise discriminating against the employee regarding compensation, terms, conditions, or privileges of employment. The city council must provide notice to keep city employees informed of their rights and responsibilities under these provisions.

The bill creates a Class 2 misdemeanor for the filing of a false report by any municipal employee under this section.

EFFECTIVE DATE: The act is effective December 1, 2021, and applies to offenses committed on or after that date.

**Brad Krehely, Staff Attorney, substantially contributed to this summary.*

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