



# HOUSE BILL 7: Protect City Employees From Retaliation.

2021-2022 General Assembly

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<b>Committee:</b>	House Judiciary 1. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	March 9, 2021
<b>Introduced by:</b>	Reps. Hanig, Bradford, Hardister	<b>Prepared by:</b>	Brad Krehely and Billy R. Godwin, Staff Attorneys
<b>Analysis of:</b>	PCS to Second Edition H7-CSBV-2 [v.5]		

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**OVERVIEW:** *House Bill 7 would require city councils to adopt an ordinance to encourage city employees to report illegal or improper conduct to the employee's supervisor or other appropriate authority and to protect that employee from workplace retaliation based upon that reporting.*

*The Proposed Committee Substitute (PCS) would authorize cities to adopt the requirements as a binding policy and would require the binding policy or ordinance to review reports of illegal or improper activity in a timely manner.*

**CURRENT LAW:** The North Carolina Human Resources Act (NCHRA), Chapter 126 of the General Statutes, protects State employees and certain county employees from workplace retaliation or threats of workplace retaliation based upon reporting unlawful or improper conduct, but the NCHRA does not apply to city employees. City councils have authority to adopt ordinances pertaining to city employees including leave, holidays, working conditions, service award and incentive award programs, and other policies and measures that promote the hiring and retention of capable, diligent, and honest career employees (G.S. 160A-164). City councils are not required to adopt ordinances specifically to protect city employees from workplace retaliation for reporting improper or illegal conduct occurring in the workplace.

**BILL ANALYSIS:** The PCS to House Bill 7 would require city councils to adopt a binding policy or ordinance to establish a procedure for city employees to report (i) violations of State or federal law, rule, or regulation or city ordinance, (ii) fraud, (iii) misappropriation of federal, State or city resources, (iv) any activity that poses a substantial and 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 binding policy or ordinance would: require the review of reports in a timely manner; prohibit retaliation by the city council or any city employee against the reporting employee; and protect that employee from discharge or other discrimination regarding that employee's compensation, terms, conditions, location, or privileges of employment when the employee reports or intends to report any activity under these provisions. Employees who know or have reason to know their report is inaccurate would not be protected. The city council would be required to post a notice of these rights in a conspicuous location.

**EFFECTIVE DATE:** This act would become effective on October 1, 2021.

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