

House Bill 4067

Sponsored by Representative BUEHLER, Senator GELSER, Representative HOYLE (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides affirmative defense to public or nonprofit organization employee whistleblowers who provide information to certain entities. Requires public and nonprofit employers to establish policies for employee whistleblowers. Requires attorneys who work for public or nonprofit employers to report violations of law, subject to rules of professional conduct. Directs Oregon State Bar to adopt rules for training attorneys who work for public or nonprofit employers regarding duty to report violations and rights and duties of attorneys and employee whistleblowers.

Makes certain violations subject to maximum penalty of one year's imprisonment, \$6,250 fine, or both. Authorizes court to award civil penalty up to \$10,000 and punitive damages in addition to existing remedies.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to employee whistleblowers; creating new provisions; amending ORS 659A.200, 659A.203
3 and 659A.885; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. (1) An employee's good faith, reasonable belief of a violation of federal, state**
6 **or local law, rule or regulation shall be an affirmative defense to a civil or criminal charge**
7 **related to the disclosure of information related to the violation, including information that**
8 **is exempt from disclosure as provided in ORS 192.501 to 192.505 or by employer policy, if the**
9 **information is provided to:**

- 10 (a) A state regulatory agency;
11 (b) A law enforcement agency; or
12 (c) Any member of the Legislative Assembly.

13 (2) Public and nonprofit employers shall establish and implement a policy regarding em-
14 ployees who invoke their rights under this section or ORS 659A.203. The policy shall delineate
15 all rights and remedies provided to employees under this section and ORS 659A.203. The
16 employer shall deliver a written or electronic copy of the policy to each employee.

17 (3) Subject to the rules of professional conduct established pursuant to ORS 9.490, an
18 employee who is an attorney shall report to the Oregon Government Ethics Commission the
19 employee's knowledge of a violation of federal, state or local law, rule or regulation by the
20 public or nonprofit employer.

21 (4) The Oregon State Bar shall adopt rules to establish minimum training requirements
22 for an employee who is an attorney employed by a public or nonprofit employer relating to
23 the rights and duties of employees and attorneys under this section and ORS 659A.203. Rules
24 adopted under this section are subject to review and approval by the Supreme Court.

25 **SECTION 2. Section 1 of this 2016 Act is added to and made a part of ORS 659A.200 to**
26 **659A.224.**

27 **SECTION 3. ORS 659A.200 is amended to read:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

659A.200. As used in ORS 659A.200 to 659A.224:

(1) “Disciplinary action” includes but is not limited to any discrimination, dismissal, demotion, transfer, reassignment, supervisory reprimand, warning of possible dismissal or withholding of work, whether or not the action affects or will affect employee compensation.

(2) “Employee” means a person:

(a) Employed by or under contract with the state or any agency of or political subdivision in the state;

(b) Employed by or under contract with any person authorized to act on behalf of the state, or agency of the state or subdivision in the state, with respect to control, management or supervision of any employee;

(c) Employed by the public corporation created under ORS 656.751;

(d) Employed by a contractor who performs services for the state, agency or subdivision, other than employees of a contractor under contract to construct a public improvement; *[and]*

(e) Employed by or under contract with any person authorized by contract to act on behalf of the state, agency or subdivision*[.]*;

(f) Employed by a nonprofit organization; or

(g) Serving as a member of a board of directors of a nonprofit organization.

(3) “Information” includes public and private records, documents and electronically stored data.

(4) “Knowledge” means actual knowledge.

(5) “Nonprofit organization” or “nonprofit” means an organization or group of organizations described in section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a) of the Internal Revenue Code.

[(3)] **(6) “Public employer” means:**

(a) The state or any agency of or political subdivision in the state; *[and]*

(b) Any person authorized to act on behalf of the state, or any agency of or political subdivision in the state, with respect to control, management or supervision of any employee; **or***[.]*

(c) An employer who employs an employee described in subsections (2)(a) to (e) of this section.

SECTION 4. ORS 659A.203 is amended to read:

659A.203. (1) Subject to ORS 659A.206, except as provided in ORS 659A.200 to 659A.224, it is an unlawful employment practice for any public **or nonprofit** employer to:

(a) Prohibit any employee from discussing, *[in response to an official request,]* either specifically or generally with any member of the Legislative Assembly, legislative committee staff acting under the direction of a member of the Legislative Assembly, any member of the elected governing body of a political subdivision in the state or any elected auditor of a city, county or metropolitan service district, the activities of:

(A) The state or any agency of or political subdivision in the state; or

(B) Any person authorized to act on behalf of the state or any agency of or political subdivision in the state.

(b) Prohibit any employee from disclosing, or take or threaten to take disciplinary action against an employee for the disclosure of any information that the employee reasonably believes is evidence of:

(A) A violation of any federal, *[or]* state **or local** law, rule or regulation by the *[state, agency or political subdivision]* **public or nonprofit employer;**

1 (B) Mismanagement, gross waste of funds or abuse of authority or substantial and specific dan-
 2 ger to public health and safety resulting from action of the *[state, agency or political subdivision]*
 3 **public or nonprofit employer**; or

4 (C) Subject to ORS 659A.212 (2), the fact that a person receiving services, benefits or assistance
 5 from the state or agency or subdivision, is subject to a felony or misdemeanor warrant for arrest
 6 issued by this state, any other state, the federal government, or any territory, commonwealth or
 7 governmental instrumentality of the United States.

8 (c) Require any employee to give notice prior to making any disclosure or engaging in discussion
 9 described in this section, except as allowed in ORS 659A.206 (1).

10 (d) Discourage, restrain, dissuade, coerce, prevent or otherwise interfere with disclosure or dis-
 11 cussions described in this section.

12 **(e) Invoke or encourage the assistance of law enforcement to discourage, restrain,**
 13 **dissuade, coerce, prevent or otherwise interfere with disclosure or discussions described in**
 14 **this section.**

15 (2) *[No]* **A public or nonprofit employer** *[shall]* **may not** invoke or impose any disciplinary
 16 action against an employee for employee activity described in subsection (1) of this section or ORS
 17 659A.212.

18 **(3) In any action alleging a violation of this section, a court or officer authorized by law**
 19 **to issue orders may award, in addition to any other relief available, a civil penalty in an**
 20 **amount not exceeding \$10,000.**

21 **(4) A violation of this section is a Class A misdemeanor.**

22 **SECTION 5.** ORS 659A.885 is amended to read:

23 659A.885. (1) Any person claiming to be aggrieved by an unlawful practice specified in sub-
 24 section (2) of this section may file a civil action in circuit court. In any action under this subsection,
 25 the court may order injunctive relief and any other equitable relief that may be appropriate, in-
 26 cluding but not limited to reinstatement or the hiring of employees with or without back pay. A
 27 court may order back pay in an action under this subsection only for the two-year period imme-
 28 diately preceding the filing of a complaint under ORS 659A.820 with the Commissioner of the Bureau
 29 of Labor and Industries, or if a complaint was not filed before the action was commenced, the two-
 30 year period immediately preceding the filing of the action. In any action under this subsection, the
 31 court may allow the prevailing party costs and reasonable attorney fees at trial and on appeal. Ex-
 32 cept as provided in subsection (3) of this section:

33 (a) The judge shall determine the facts in an action under this subsection; and

34 (b) Upon any appeal of a judgment in an action under this subsection, the appellate court shall
 35 review the judgment pursuant to the standard established by ORS 19.415 (3).

36 (2) An action may be brought under subsection (1) of this section alleging a violation of ORS
 37 10.090, 10.092, 25.337, 25.424, 171.120, 408.230, 408.237 (2), 475B.233, 476.574, 652.355, 653.060, 653.601
 38 to 653.661, 659.852, 659A.030, 659A.040, 659A.043, 659A.046, 659A.063, 659A.069, 659A.082, 659A.088,
 39 659A.103 to 659A.145, 659A.150 to 659A.186, 659A.194, 659A.199, 659A.203, 659A.218, 659A.228,
 40 659A.230, 659A.233, 659A.236, 659A.250 to 659A.262, 659A.277, 659A.290, 659A.300, 659A.306,
 41 659A.309, 659A.315, 659A.318, 659A.320, 659A.355, *[or]* 659A.421, *[or]* ORS 653.547 *[and]* **or** 653.549.

42 (3) In any action under subsection (1) of this section alleging a violation of ORS 25.337, 25.424,
 43 659.852, 659A.030, 659A.040, 659A.043, 659A.046, 659A.069, 659A.082, 659A.103 to 659A.145, 659A.199,
 44 **659A.203**, 659A.228, 659A.230, 659A.250 to 659A.262, 659A.290, 659A.318, *[or]* 659A.421, *[or]* ORS
 45 653.547 *[and]* **or** 653.549:

1 (a) The court may award, in addition to the relief authorized under subsection (1) of this section,
 2 compensatory damages or \$200, whichever is greater, and punitive damages;

3 (b) At the request of any party, the action shall be tried to a jury;

4 (c) Upon appeal of any judgment finding a violation, the appellate court shall review the judg-
 5 ment pursuant to the standard established by ORS 19.415 (1); and

6 (d) Any attorney fee agreement shall be subject to approval by the court.

7 (4) In any action under subsection (1) of this section alleging a violation of ORS 652.355 or
 8 653.060, the court may award, in addition to the relief authorized under subsection (1) of this section,
 9 compensatory damages or \$200, whichever is greater.

10 (5) In any action under subsection (1) of this section alleging a violation of ORS 171.120, 476.574,
 11 [659A.203] or 659A.218, the court may award, in addition to the relief authorized under subsection
 12 (1) of this section, compensatory damages or \$250, whichever is greater.

13 (6) In any action under subsection (1) of this section alleging a violation of ORS 10.090 or 10.092,
 14 the court may award, in addition to the relief authorized under subsection (1) of this section, a civil
 15 penalty in the amount of \$720.

16 (7) Any individual against whom any distinction, discrimination or restriction on account of
 17 race, color, religion, sex, sexual orientation, national origin, marital status or age, if the individual
 18 is 18 years of age or older, has been made by any place of public accommodation, as defined in ORS
 19 659A.400, by any employee or person acting on behalf of the place or by any person aiding or
 20 abetting the place or person in violation of ORS 659A.406 may bring an action against the operator
 21 or manager of the place, the employee or person acting on behalf of the place or the aider or abettor
 22 of the place or person. Notwithstanding subsection (1) of this section, in an action under this sub-
 23 section:

24 (a) The court may award, in addition to the relief authorized under subsection (1) of this section,
 25 compensatory and punitive damages;

26 (b) The operator or manager of the place of public accommodation, the employee or person
 27 acting on behalf of the place, and any aider or abettor shall be jointly and severally liable for all
 28 damages awarded in the action;

29 (c) At the request of any party, the action shall be tried to a jury;

30 (d) The court shall award reasonable attorney fees to a prevailing plaintiff;

31 (e) The court may award reasonable attorney fees and expert witness fees incurred by a de-
 32 fendant who prevails only if the court determines that the plaintiff had no objectively reasonable
 33 basis for asserting a claim or no reasonable basis for appealing an adverse decision of a trial court;
 34 and

35 (f) Upon any appeal of a judgment under this subsection, the appellate court shall review the
 36 judgment pursuant to the standard established by ORS 19.415 (1).

37 (8) When the commissioner or the Attorney General has reasonable cause to believe that a
 38 person or group of persons is engaged in a pattern or practice of resistance to the rights protected
 39 by ORS 659A.145 or 659A.421 or federal housing law, or that a group of persons has been denied
 40 any of the rights protected by ORS 659A.145 or 659A.421 or federal housing law, the commissioner
 41 or the Attorney General may file a civil action on behalf of the aggrieved persons in the same
 42 manner as a person or group of persons may file a civil action under this section. In a civil action
 43 filed under this subsection, the court may assess against the respondent, in addition to the relief
 44 authorized under subsections (1) and (3) of this section, a civil penalty:

45 (a) In an amount not exceeding \$50,000 for a first violation; and

1 (b) In an amount not exceeding \$100,000 for any subsequent violation.

2 (9) In any action under subsection (1) of this section alleging a violation of ORS 659A.145 or
3 659A.421 or alleging discrimination under federal housing law, when the commissioner is pursuing
4 the action on behalf of an aggrieved complainant, the court shall award reasonable attorney fees to
5 the commissioner if the commissioner prevails in the action. The court may award reasonable at-
6 torney fees and expert witness fees incurred by a defendant that prevails in the action if the court
7 determines that the commissioner had no objectively reasonable basis for asserting the claim or for
8 appealing an adverse decision of the trial court.

9 (10) In an action under subsection (1) or (8) of this section alleging a violation of ORS 659A.145
10 or 659A.421 or discrimination under federal housing law:

11 (a) "Aggrieved person" includes a person who believes that the person:

12 (A) Has been injured by an unlawful practice or discriminatory housing practice; or

13 (B) Will be injured by an unlawful practice or discriminatory housing practice that is about to
14 occur.

15 (b) An aggrieved person in regard to issues to be determined in an action may intervene as of
16 right in the action. The Attorney General may intervene in the action if the Attorney General cer-
17 tifies that the case is of general public importance. The court may allow an intervenor prevailing
18 party costs and reasonable attorney fees at trial and on appeal.

19 **SECTION 6. The remedies provided by ORS 659A.203 are in addition to any remedy pro-**
20 **vided to an employee under ORS 659A.199 or other remedy that may be available to an em-**
21 **ployee for the conduct alleged as a violation of 659A.203.**

22 **SECTION 7. This 2016 Act being necessary for the immediate preservation of the public**
23 **peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect**
24 **on its passage.**

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