

## **130th MAINE LEGISLATURE**

## FIRST REGULAR SESSION-2021

**Legislative Document** 

No. 965

H.P. 711

House of Representatives, March 9, 2021

## An Act Concerning Nondisclosure Agreements in Employment

Reference to the Committee on Labor and Housing suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative HARNETT of Gardiner. Cosponsored by Senator MIRAMANT of Knox and Representatives: EVANGELOS of Friendship, MORALES of South Portland, PEBWORTH of Blue Hill, Senator: CARNEY of Cumberland.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 26 MRSA §599-C is enacted to read:
3	§599-C. Nondisclosure agreements
4 5 6 7	<b>1. Employer defined.</b> As used in this section, unless the context otherwise indicates, "employer" means a person in this State that employs individuals and includes the State and political subdivisions of the State. "Employer" includes a person acting in the interest of an employer directly or indirectly.
8 9 10 11	2. Certain preemployment and employment agreements prohibited. An employer may not require an employee, intern or applicant for employment to enter into a contract or agreement that waives or limits any right to report or discuss discrimination, retaliation or harassment occurring in the workplace or at work-related events.
12 13 14	3. Certain settlement, separation and severance agreements prohibited. An employer may not require an employee, intern or applicant for employment to enter into a settlement, separation or severance agreement that includes a provision that:
15 16	A. Limits an individual's right to report, testify or provide evidence to a federal or state agency that enforces employment or discrimination laws;
17 18	B. Prevents an individual from testifying or providing evidence in federal and state court proceedings in response to legal process; or
19	C. Prohibits an individual from reporting conduct to a law enforcement agency.
20 21 22	<b>4.</b> Mutuality of nondisclosure agreements. A settlement, separation or severance agreement may include a provision that prevents the subsequent disclosure of factual information relating to a claim of discrimination, retaliation or harassment, but only if:
23 24	A. The employee, intern or applicant for employment initiates a request for such a provision;
25 26	B. The provision applies to all parties to the agreement to the extent otherwise permitted by law;
27 28 29 30	C. The agreement clearly states that the individual retains the right to report, testify or provide evidence to federal and state agencies that enforce employment or discrimination laws and to testify and provide evidence in federal and state court proceedings; and
31 32 33 34	D. The employer retains a copy of the agreement for 6 years following the execution of the agreement or the end of employment, whichever is later. Records required to be kept by this paragraph must be accessible to any representative of the Department of Labor at any reasonable hour.
35	5. Enforcement. The Department of Labor shall enforce this section.
36	6. Penalties. An employer that violates this section:
37 38	A. May be assessed a fine of up to \$1,000 for each violation of this section, which must be paid to the Treasurer of State; and
39 40	B. Shall pay liquidated damages to the individual in an amount equal to 3 times the amount of the total assessed fines, except that for an employer's discharge of or refusal

1 2 3	to hire an individual who declines to enter into a contract or agreement that waives or limits any right to report or discuss discrimination, retaliation or harassment occurring in the workplace or at work-related events, the individual may elect:
4	(1) To receive liquidated damages pursuant to this paragraph; or
5	(2) Employment or reinstatement with back wages.
6	SUMMARY
7 8 9 10	This bill prohibits an employer from requiring an employee, intern or applicant for employment to enter into a contract or agreement that waives or limits any right to report or discuss discrimination, retaliation or harassment occurring in the workplace or at work- related events.
11 12 13 14 15 16 17 18 19	It also prohibits an employer from requiring an employee, intern or applicant for employment to enter into a settlement, separation or severance agreement that limits an individual's right to report, testify or provide evidence to a federal or state agency that enforces employment or discrimination laws, prevents an individual from testifying or providing evidence in federal and state court proceedings in response to legal process or prohibits an individual from reporting conduct to a law enforcement agency. This bill allows a settlement, separation or severance agreement, under certain circumstances, to include a provision that prevents the subsequent disclosure of factual information relating to a claim of discrimination, retaliation or harassment.
20 21 22 23 24 25	It provides the Department of Labor with the duty to enforce these provisions and allows an individual to receive liquidated damages or to be employed or reinstated with back wages when an employer discharges or refuses to hire an individual who declines to enter into a contract or agreement that waives or limits any right to report or discuss discrimination, retaliation or harassment occurring in the workplace or at work-related events.