

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 715
Committee Substitute Favorable 4/26/19

Short Title: SHRA/Stronger Whistleblower Protection.

(Public)

Sponsors:

Referred to:

April 15, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO STRENGTHEN STATE HUMAN RESOURCES ACT WHISTLEBLOWER
3 PROTECTIONS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 126-84 reads as rewritten:

6 "**§ 126-84. Statement of ~~policy~~-policy; duty to report.**

7 (a) It is the policy of this State that State employees shall have a duty to report verbally
8 or in writing to their ~~supervisor, department head, or other appropriate authority, department head~~
9 or the State Auditor evidence of activity by a State ~~agency~~-department, agency, or institution or
10 State employee ~~constituting that the employee reasonably believes to be~~ any of the following:

11 (1) A violation of State or federal law, rule or regulation.

12 (2) Fraud.

13 (3) Misappropriation of State resources.

14 (4) Substantial and specific danger to the public health and safety.

15 (5) Gross mismanagement, a gross waste of monies, or gross abuse of authority.

16 (b) Further, it is the policy of this State that State employees be free of intimidation or
17 harassment when reporting to public bodies about matters of public concern, including offering
18 testimony to or testifying before appropriate legislative panels.

19 (c) Any State employee who makes a report under this section in good faith is immune
20 from civil liability that might otherwise be incurred or imposed as a result of making the report.

21 (d) The identity of a State employee who makes a report in good faith under this Article
22 is not a public record under Chapter 132 of the General Statutes, and the employee's identity shall
23 remain confidential until the matter is resolved or the employee consents to the report being made
24 public.

25 (e) In addition to its investigative authority under G.S. 147-64.6B, the State Auditor shall
26 assist State employees in making reports under this section directly to the State Auditor as an
27 alternative to making reports to the employing State department, agency, or institution.

28 (f) For the purposes of this Article, "good faith" means honesty in fact with the goal of
29 complying with the duties imposed by this section."

30 **SECTION 2.** G.S. 126-85 reads as rewritten:

31 "**§ 126-85. Protection from ~~retaliation~~-retaliation for good-faith reports.**

32 (a) No head of any State department, agency or institution or other State employee
33 exercising supervisory authority shall discharge, threaten or otherwise discriminate against a
34 State employee regarding the State employee's compensation, terms, conditions, location, or
35 privileges of employment because the State employee, or a person acting on behalf of the
36 employee, reports or is about to report, in good faith, verbally or in writing, any activity described



1 in G.S. 126-84, unless the State employee knows or has reason to believe that the report is
2 inaccurate.G.S. 126-84.

3 (a1) No State employee shall retaliate against another State employee because the
4 employee, or a person acting on behalf of the employee, reports or is about to ~~report,~~report in
5 good faith, verbally or in writing, any activity described in G.S. 126-84.

6 (b) No head of any State department, agency or institution or other State employee
7 exercising supervisory authority shall discharge, threaten or otherwise discriminate against a
8 State employee regarding the employee's compensation, terms, conditions, location or privileges
9 of employment because the State employee has refused in good faith to carry out a directive
10 which in fact constitutes a violation of State or federal law, rule or regulation or poses a
11 substantial and specific danger to the public health and safety.

12 (b1) No State employee shall retaliate against another State employee because the
13 employee has refused in good faith to carry out a directive which may constitute a violation of
14 State or federal law, rule or regulation, or poses a substantial and specific danger to the public
15 health and safety.

16 (c) The protections of this Article shall include State employees who report in good faith
17 any activity described in G.S. 126-84 to the State Auditor as authorized by G.S. 147-64.6B or to
18 the Program Evaluation Division as authorized by G.S. 120-36.12(10)."

19 **SECTION 3.** G.S. 126-88 reads as rewritten:

20 "**§ 126-88. Notice of employee ~~protections and obligations.~~ duties and protections.**

21 ~~It shall be the duty of an employer of a State employee to post notice in accordance with G.S.~~
22 ~~95-9 or use other appropriate means to keep his employees informed of their protections and~~
23 ~~obligations under this Article.~~Each State department, agency, and institution shall post notice in
24 accordance with G.S. 95-9 and use other appropriate means to keep State employees informed of
25 their duties and protections under this section and the availability of assistance from the State
26 Auditor."

27 **SECTION 4.** Article 14 of Chapter 126 of the General Statutes is amended by adding
28 a new section to read:

29 "**§ 126-89. Substantiated allegations; savings; employee rewards.**

30 (a) Each substantiated allegation of improper governmental activities made under this
31 Article that involves fraud, mismanagement, or waste of State resources shall be immediately
32 referred to and reviewed by the Office of State Budget and Management (OSBM). Within 90
33 days of the date of referral, the OSBM shall determine the amount of any savings to the State
34 generated by substantiated allegations.

35 (b) A State employee who makes a substantiated allegation under this section that results
36 in a savings to the State is entitled to receive a monetary reward equal to twenty percent (20%)
37 of the amount of the savings generated as determined by the Office of State Budget and
38 Management."

39 **SECTION 5.** This act is effective when it becomes law and applies to reports made
40 or pending on or after that date.