GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2025

H HOUSE BILL 826

Short Title:	No Retal	liation Against Mandatory Reporters.	(Public)	
Sponsors:	-	ntatives Greenfield, Setzer, Lambeth, and White (Prima complete list of sponsors, refer to the North Carolina General As	• •	
Referred to:	Rules, C	alendar, and Operations of the House		
		April 9, 2025		
		A BILL TO BE ENTITLED		
AN ACT AMENDING THE LABOR LAWS TO PROVIDE PROTECTION FOR MANDATORY REPORTERS.				
The General Assembly of North Carolina enacts:				
S	ECTION 1	1. Chapter 95 of the General Statutes is amended by add	ling a new Article	
to read:				
		"Article 21A.		
"Protection for Mandatory Reporters.				
"§ 95-246. Definitions; public policy. The following definitions apply in this Article.				
		ng definitions apply in this Article:		
	 (1) Commissioner. – The North Carolina Commissioner of Labor. (2) Employee. – Any individual employed by an employer who is required by the 			
<u>\2</u>		General Statutes to serve as a mandatory reporter.		
<u>(3</u>		loyer. – Any person that employs one or more em	nlovees who are	
<u>\2</u>		ired by the General Statutes to serve as a mandatory rep		
<u>(4</u>	_	datory reporter. – An individual who is required by		
<u></u>	suspected abuse, neglect, or dependency of children, disabled adults, or older			
	adults or who is covered under one or more of the following		owing mandatory	
reporting statutes:				
	<u>a.</u>	<u>G.S. 90-5.4. – Duty to report.</u>		
	<u>b.</u>	G.S. 90-121.7. – Duty to report certain other acts or		
	<u>C.</u>	G.S. 77-129. – No discharge of treated or untreated	_	
	1	waters; duty of marina owner or operator to report un		
	<u>d.</u>	G.S. 143B-1017. — Duty of individuals to no		
	0	law-enforcement agency when missing person has b		
	<u>e.</u>	G.S. 7B-301. – Duty to report abuse, neglect, depedue to maltreatment.	indency, or death	
	<u>f.</u>	G.S. 7B-1700.1. – Duty to report abuse, neglect, dep	nendency	
	<u>1.</u> g.	G.S. 14-208.11A. – Duty to report noncompliance of		
	5:	penalty for failure to report in certain circumstances.		
	<u>h.</u>	G.S. 90-21.20. – Reporting by physicians and hosp		
	_	injuries and illnesses.		
	<u>i.</u>	G.S. 108A-102. – Duty to report; content of report; i	immunity.	
	<u>i.</u> j.	G.S. 108A-115. – Duty to report suspected fraud;	content of report;	
		immunity for reporting.		



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- 1 G.S. 110-105.4. – Duty to report child maltreatment. k. 2 <u>G.S. 122C-66. – Protection from abuse and exploitation; reporting.</u> 3 **(5)** 4
 - Protected activity. Making a good-faith report of suspected abuse, neglect, exploitation, dependency, fraud, or other conditions that threaten health, safety, or welfare to the appropriate authorities as required by State law.
 - Retaliatory action. The discharge, suspension, demotion, disciplinary action, <u>(6)</u> reduction in salary, transfer, or other adverse employment action taken against an employee in the terms, conditions, privileges, or benefits of employment.
 - The General Assembly finds that when private employees are required by law to serve as mandatory reporters, they may face conflicting pressures between their legal duty to report and concerns about potential adverse employment consequences. These employees must be free to fulfill their statutory obligations to protect vulnerable persons without intimidation, harassment, or retaliatory employment action. Therefore, it is the public policy of this State that:
 - Employees required by statute to report suspected abuse, neglect, dependency, (1) fraud, exploitation, or other conditions that threaten the health, safety, or welfare of vulnerable persons shall fulfill their statutory reporting duties without fear of retaliation from their employers.
 - <u>(2)</u> Employees serving as mandatory reporters under North Carolina law who make good-faith reports as required by statute should be protected from retaliatory actions in their employment, as their protection is essential to ensure the effectiveness of the State's mandatory reporting systems and the protection of the public or vulnerable populations.

"§ 95-247. Protection from retaliation.

- No employer shall take retaliatory action against an employee because the employee engages in a protected activity. An employer takes retaliatory action against an employee when the employee's protected activity is a substantial motivating factor in the employer's decision to take adverse employment action against the employee.
- (b) If an employee is a mandatory reporter, the employer shall provide notice to the employee of their rights under this Article and provide training on mandatory reporting obligations with 60 days of hiring and annually thereafter.
- To qualify for protection under this Article, an employee must document that they (c) made a mandatory report. When legally permitted, the employee should notify their employer about the report within five business days of making it. This notification may be made in writing, by email, or by other documented means of communication. If an employee does not provide direct notification to their employer, the employee must establish in any subsequent retaliation claim that the employer had knowledge of the report prior to taking the alleged retaliatory action.
 - (d) This Article shall not be construed to do any of the following:
 - Prevent an employer from taking appropriate disciplinary action against an (1) employee for legitimate work performance issues unrelated to the employee's protected activity.
 - Override an employer's obligations to maintain confidentiality of information (2) as may be required by federal or State law.
 - (3) Diminish or replace any other whistleblower protections provided under State or federal law.

"§ 95-248. Enforcement.

- Any employee who believes that an employer has violated the provisions of this Article may file a written complaint with the Commissioner. The Commissioner shall investigate and issue a determination within 90 days of receipt of the complaint. If the Commissioner determines that a violation of this Article has occurred, the Commissioner may take one or more of the following actions:
 - (1) Order the employer to cease and desist from the violation.

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- (2) Order reinstatement of the employee to the same position held before the retaliatory action or an equivalent position.
- 3 Order compensation for lost wages, benefits, and other remuneration.
 - (4) Assess a civil penalty against the employer not to exceed five thousand dollars (\$5,000) per violation.
 - (b) An employee may bring a civil action against the employer in the General Court of Justice for violations of this Article within one year after the alleged violation occurred or within 90 days of the Commissioner's determination, whichever is later. A court may award reasonable costs and attorneys' fees to the prevailing party.
 - (c) The employee shall have the initial burden of establishing a prima facie case by preponderance of the evidence that protected activity was a substantial motivating factor in the retaliatory action. A prima facie case consists of evidence showing (i) the employee engaged in protected activity, (ii) the employer took adverse action against the employee, and (iii) there is a causal connection between the protected activity and the adverse action. If the employee establishes a prima facie case, the burden shifts to the employer to articulate a legitimate, non-retaliatory reason for the adverse employment action. If the employer meets this burden, the employee must then demonstrate that the employer's stated reason is a pretext for retaliation.
 - (d) Any adverse employment action taken against an employee within 60 days of the employee engaging in protected activity may give rise to a rebuttable presumption that the action was retaliatory. An employer may rebut this presumption with clear and convincing evidence that the adverse employment action was taken for legitimate, non-retaliatory reasons. The existence of regular employee performance documentation created before the employer had knowledge of a mandatory report may be sufficient evidence to rebut the presumption under this subsection.
 - (e) The Commissioner shall establish reasonable confidentiality measures during investigations, balancing the need to protect sensitive information with the parties' rights to due process.

"§ 95-249. Miscellaneous provisions.

- (a) For employment contracts executed prior to the effective date of this Article, the protections provided herein shall be construed as supplemental to existing contractual rights and shall not be interpreted to nullify valid contractual provisions. Employers may include in new or renewed employment contracts provisions relating to mandatory reporting procedures that do not diminish the protections provided by this Article.
- (b) This Article creates a narrow exception to the at-will employment doctrine solely for the purpose of protecting mandatory reporters from retaliation. An employee has no right to continued employment under this Article beyond the protection from retaliatory action for engaging in protected activity.
- (c) The remedies, procedures, and rights set forth in this Article are in addition to and not in lieu of any other remedies, procedures, or rights available under any other State or federal law.
- (d) <u>If any provision of this Article or its application to any person or circumstance is held invalid or unenforceable, the remainder of this Article or the application of the provision to other persons or circumstances is not affected.</u>
- (e) The Commissioner shall adopt policies and rules for the implementation and enforcement of this Article. Beginning January 1, 2026, the Commissioner shall collect and maintain data on complaints, determinations, and resolutions under this Article and shall report periodically to the General Assembly."

SECTION 2. G.S. 95-241(a) is amended by adding a new subdivision to read:

- '(6) Exercise rights under Article 21A of this Chapter. Actions brought under this subdivision shall be in accordance with the provisions of G.S. 95-248."
- **SECTION 3.** This act becomes effective July 1, 2025, and applies to acts or omissions occurring on or after that date.