CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE HOUSE BILL 1795

67th Legislature 2022 Regular Session

Passed by the House February 9, 2022 Yeas 56 Nays 40

Speaker of the House of Representatives

Passed by the Senate March 3, 2022 Yeas 29 Nays 20

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is ENGROSSED SUBSTITUTE HOUSE BILL 1795 as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

President of the Senate

Approved

FILED

Secretary of State State of Washington

Governor of the State of Washington

ENGROSSED SUBSTITUTE HOUSE BILL 1795

Passed Legislature - 2022 Regular Session

State of Washington 67th Legislature 2022 Regular Session

By House Labor & Workplace Standards (originally sponsored by Representatives Berry, Walen, Sells, Fitzgibbon, Bateman, Davis, Macri, Tharinger, Valdez, Pollet, Ormsby, Hackney, and Frame)

READ FIRST TIME 01/28/22.

AN ACT Relating to prohibiting nondisclosure and nondisparagement provisions from employers regarding illegal acts of discrimination, harassment, retaliation, wage and hour violations, and sexual assault; adding a new section to chapter 49.44 RCW; creating new sections; repealing RCW 49.44.210; and prescribing penalties.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. Sec. 1. The legislature recognizes that there exists a strong public policy in favor of the disclosure of illegal 8 9 discrimination, illegal harassment, illegal retaliation, wage and 10 hour violations, and sexual assault, that is recognized as illegal 11 under Washington state, federal, or common law, or that is recognized 12 as against a clear mandate of public policy, that occurs at the 13 workplace, at work-related events coordinated by or through the 14 employer, between employees, or between an employer and an employee, 15 whether on or off the employment premises. Nondisclosure and 16 nondisparagement provisions in agreements between employers and 17 current, former, prospective employees, and independent contractors have become routine and perpetuate illegal conduct by silencing those 18 who are victims or who have knowledge of illegal discrimination, 19 illegal harassment, illegal retaliation, wage and hour violations, or 20 21 sexual assault. It is the intent of the legislature to prohibit

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nondisclosure and nondisparagement provisions in agreements, which
 defeat the strong public policy in favor of disclosure.

3 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 49.44
4 RCW to read as follows:

5 (1) A provision in an agreement by an employer and an employee not to disclose or discuss conduct, or the existence of a settlement 6 involving conduct, that the employee reasonably believed under 7 8 Washington state, federal, or common law to be illegal discrimination, illegal harassment, illegal retaliation, a wage and 9 hour violation, or sexual assault, or that is recognized as against a 10 11 clear mandate of public policy, is void and unenforceable. Prohibited nondisclosure and nondisparagement provisions in agreements concern 12 13 conduct that occurs at the workplace, at work-related events coordinated by or through the employer, between employees, or between 14 15 an employer and an employee, whether on or off the employment 16 premises. Prohibited nondisclosure and nondisparagement provisions 17 include those contained in employment agreements, independent contractor agreements, agreements to pay compensation in exchange for 18 the release of a legal claim, or any other agreement between an 19 20 employer and an employee.

(2) This section does not prohibit the enforcement of a provision
 in any agreement that prohibits the disclosure of the amount paid in
 settlement of a claim.

24 (3) It is a violation of this section for an employer to discharge or otherwise discriminate or retaliate against an employee 25 for disclosing or discussing conduct that the employee reasonably 26 27 believed to be illegal harassment, illegal discrimination, illegal retaliation, wage and hour violations, or sexual assault, that is 28 recognized as illegal under state, federal, or common law, or that is 29 30 recognized as against a clear mandate of public policy, occurring in the workplace, at work-related events coordinated by or through the 31 32 employer, between employees, or between an employer and an employee, whether on or off the employment premises. 33

34 (4) It is a violation of this section for an employer to request 35 or require that an employee enter into any agreement provision that 36 is prohibited by this section.

(5) It is a violation of this section for an employer to attempt to enforce a provision of an agreement prohibited by this section, whether through a lawsuit, a threat to enforce, or any other attempt

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1 to influence a party to comply with a provision in any agreement that 2 is prohibited by this section.

3 (6) This section does not prohibit an employer and an employee 4 from protecting trade secrets, proprietary information, or 5 confidential information that does not involve illegal acts.

6 (7) An employer who violates this section after the effective 7 date of this section is liable in a civil cause of action for actual 8 or statutory damages of \$10,000, whichever is more, as well as 9 reasonable attorneys' fees and costs.

10 (8) For the purposes of this section, "employee" means a current, 11 former, or prospective employee or independent contractor.

12 (9) A nondisclosure or nondisparagement provision in any 13 agreement signed by an employee who is a Washington resident is 14 governed by Washington law.

15 (10) The provisions of this section are to be liberally construed 16 to fulfill its remedial purpose.

17 (11) As an exercise of the state's police powers and for remedial purposes, this section is retroactive from the effective date of this 18 19 section only to invalidate nondisclosure or nondisparagement provisions in agreements created before the effective date of this 20 21 section and which were agreed to at the outset of employment or during the course of employment. This subsection allows the recovery 22 of damages only to prevent the enforcement of those provisions. This 23 24 subsection does not apply to a nondisclosure or nondisparagement 25 provision contained in an agreement to settle a legal claim.

NEW SECTION. Sec. 3. The repeal in section 4 of this act does not affect any existing right acquired or liability or obligation incurred under the statute repealed in this act or under any rule or order adopted under that statute, nor does it affect any proceeding instituted under that statute.

31 <u>NEW SECTION.</u> Sec. 4. RCW 49.44.210 (Nondisclosure agreements 32 that prevent disclosure of sexual assault or sexual harassment 33 prohibited—Settlement agreement exception) and 2018 c 117 s 1 are 34 each repealed.

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