MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1529

H.P. 1112

House of Representatives, April 9, 2019

An Act Concerning Nondisclosure Agreements in Employment

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

ROBERT B. HUNT
Clerk

Presented by Representative HARNETT of Gardiner. Cosponsored by Senator BELLOWS of Kennebec and

Representatives: CARDONE of Bangor, MADIGAN of Waterville, PEBWORTH of Blue Hill, RECKITT of South Portland, WARREN of Hallowell, Senator: CARPENTER of Aroostook.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 26 MRSA c. 7, sub-c. 3-B is enacted to read:
3	SUBCHAPTER 3-B
4	NONDISCLOSURE AGREEMENTS IN EMPLOYMENT
5	§691. Nondisclosure agreements
6 7 8	1. Certain preemployment and employment agreements prohibited. It is an unlawful employment practice for an employer to enter into a contract or agreement with an employee or prospective employee:
9 10	A. As a condition of employment, continued employment, promotion, compensation or benefits; and
11 12 13 14	B. That contains a nondisclosure agreement, nondisparagement agreement, waiver or other provision that has the purpose or effect of preventing the employee from disclosing or discussing discrimination, including harassment, occurring between employees or between an employer and an employee:
15	(1) In the workplace;
16	(2) At work-related events coordinated by or through the employer; or
17	(3) Off the employment premises.
18 19 20 21 22	2. Certain settlement, separation and severance agreements prohibited. Unless entered into at the employee's, prospective employee's or former employee's request, an employer may not enter into a settlement, separation or severance agreement that includes a provision that prevents the disclosure of factual information relating to a claim of discrimination, including harassment.
23 24	A. A nondisclosure provision in a settlement agreement may not explicitly or implicitly:
25 26 27 28	(1) Limit an individual's ability to provide testimony or evidence, file claims or make reports to any federal or state agency that enforces employment or discrimination laws, including, but not limited to, the Maine Human Rights Commission and the Department of Labor; or
29 30 31	(2) Prevent an employee from providing testimony or evidence in state or federal litigation or proceedings, including class or collective actions, against the employer.
32 33 34 35 36 37	B. An employer shall include in a settlement agreement that includes any nondisclosure provision additional language that clearly states that an employee retains the right to provide testimony or evidence, file claims or make reports to any federal or state agency that enforces employment or discrimination laws, including but not limited to, the Maine Human Rights Commission and the Department of Labor.

C. The employee, prospective employee or former employee that is a potential party to a settlement agreement must be given 21 days to consider the nondisclosure terms and conditions and given at least 7 days following the execution of the settlement agreement to revoke the agreement. The agreement is not effective or enforceable until the revocation period has expired.

3. No damages. An employee, prospective employee or former employee is not subject to monetary damages for breaching a contract or agreement prohibited in subsection 1 or described in subsection 2.

9 SUMMARY

1 2

This bill prohibits employers from requiring agreements that prevent an employee or prospective employee from disclosing or discussing discrimination, including harassment, occurring between employees or between an employer and an employee.

The bill prohibits settlement agreements, unless requested by the employee, prospective employee or former employee, from including a provision that prevents the disclosure of factual information relating to a claim of discrimination, including harassment. Agreements may not explicitly or implicitly limit an individual's ability to provide testimony or evidence, file claims or make reports to any federal or state agency that enforces employment or discrimination laws, including, but not limited to, the Maine Human Rights Commission and the Department of Labor.

An employee, prospective employee or former employee is not liable for damages for breaching a prohibited nondisclosure agreement or a settlement agreement.