

AMENDED IN SENATE MAY 7, 2013
AMENDED IN SENATE APRIL 11, 2013
AMENDED IN SENATE APRIL 1, 2013

SENATE BILL

No. 666

Introduced by Senator Steinberg
(Coauthors: Senators Beall, Evans, Hueso, Jackson, Monning, and Padilla)

February 22, 2013

An act to add Sections 494.6 and 6103.7 to the Business and Professions Code, and to amend Sections 98.6 and 1102.5 of, and to add Section 244 to, the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 666, as amended, Steinberg. Employment: retaliation.

Existing law establishes grounds for suspension or revocation of certain business and professional licenses.

This bill would subject those business licenses to suspension or revocation, *with a specified exception*, if a current, former, or prospective employee of the licensee attempts to exercise a right related to his or her employment or any terms, conditions, or benefits of that employment protected by state law and, in reaction, the licensee threatens to retaliate or retaliates based on the employee's citizenship or immigration status.

The State Bar Act establishes specific causes for the disbarment or suspension of a member of the State Bar.

This bill would make it a cause for suspension, disbarment, or other discipline for any member of the State Bar to report immigration status or threaten to report immigration status of a witness or party to a civil or administrative action or his or her family member, as defined, to a

federal, state, or local agency because the witness or party exercises or has exercised a right related to his or her employment.

Existing law establishes various rights and protections relating to employment and civil rights that may be enforced by civil action.

This bill would provide that it is not necessary to exhaust administrative remedies or procedures in order to bring a civil action enforcing designated rights. Under the bill, reporting or threatening to report an employee's, former employee's, or prospective employee's citizenship or immigration status, or the citizenship or immigration status of the employee's or former employee's family member, as defined, to a federal, state, or local agency because the ~~employee or~~ *employee*, former employee, or *prospective employee* exercises a designated right would constitute an adverse action for purposes of establishing a violation of the designated right. Because a violation of certain of those designated rights is a misdemeanor, this bill would impose a state-mandated local program by changing the definition of a crime.

Existing law prohibits an employer from discharging an employee or in any manner discriminating against any employee or applicant for employment because the employee or applicant has engaged in prescribed protected conduct relating to the enforcement of the employee's or applicant's rights. Existing law makes it a misdemeanor for an employer to take adverse employment action against employees who file bona fide complaints.

This bill would also prohibit an employer from retaliating or taking adverse action against any employee or applicant for employment because the employee or applicant has engaged in protected conduct. The bill would expand the protected conduct to include a written or oral complaint by an employee that he or she is owed unpaid wages. The bill would subject an employer that is a corporation or limited liability company to a civil penalty of up to \$10,000 per violation of these provisions.

Existing law prohibits an employer from making, adopting, or enforcing any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation or noncompliance with a state or federal rule or regulation. Existing law further prohibits an employer from retaliating against an employee for

such a disclosure. Under existing law, a violation of these provisions by an employer is a crime.

This bill would additionally prohibit any person acting on behalf of the employer from making, adopting, or enforcing any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency, as provided, and would extend those prohibitions to preventing an employee from, or retaliating against an employee for, providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry. Because a violation of these provisions by an employer would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 494.6 is added to the Business and
2 Professions Code, to read:

3 494.6. (a) A business license regulated by this code is subject
4 to suspension or revocation if a current, former, or prospective
5 employee of the licensee attempts to exercise a right related to his
6 or her employment or any terms, conditions, or benefits of that
7 employment protected by state law and, in reaction, the licensee
8 threatens to retaliate or retaliates based on the employee's
9 citizenship or immigration status.

10 (b) *An employer shall not be subject to suspension or revocation*
11 *under this section for requiring a prospective or current employee*
12 *to submit, within three business days of the first day of work for*
13 *pay, an I-9 Employment Eligibility Verification form.*

14 SEC. 2. Section 6103.7 is added to the Business and Professions
15 Code, to read:

16 6103.7. It is cause for suspension, disbarment, or other
17 discipline for any member of the State Bar to report immigration
18 status or threaten to report immigration status of a witness or party
19 to a civil or administrative action or his or her family member to

1 a federal, state, or local agency because the witness or party
2 exercises or has exercised a right related to his or her employment,
3 broadly interpreted. As used in this section, “family member”
4 means a spouse, parent, sibling, child, uncle, aunt, niece, nephew,
5 cousin, grandparent, or grandchild related by blood, adoption,
6 marriage, or domestic partnership.

7 SEC. 3. Section 98.6 of the Labor Code is amended to read:

8 98.6. (a) No person shall discharge an employee or in any
9 manner discriminate, retaliate, or take adverse action against any
10 employee or applicant for employment because the employee or
11 applicant engaged in any conduct delineated in this chapter,
12 including the conduct described in subdivision (k) of Section 96,
13 and Chapter 5 (commencing with Section 1101) of Part 3 of
14 Division 2, or because the employee or applicant for employment
15 has filed a bona fide complaint or claim or instituted or caused to
16 be instituted any proceeding under or relating to his or her rights
17 that are under the jurisdiction of the Labor Commissioner, made
18 a written or oral complaint that he or she is owed unpaid wages,
19 or because the employee has initiated any action or notice pursuant
20 to Section 2699, or has testified or is about to testify in any such
21 proceeding or because of the exercise by the employee or applicant
22 for employment on behalf of himself, herself, or others of any
23 rights afforded him or her.

24 (b) (1) Any employee who is discharged, threatened with
25 discharge, demoted, suspended, or in any other manner
26 discriminated against in the terms and conditions of his or her
27 employment because the employee engaged in any conduct
28 delineated in this chapter, including the conduct described in
29 subdivision (k) of Section 96, and Chapter 5 (commencing with
30 Section 1101) of Part 3 of Division 2, or because the employee
31 has made a bona fide complaint or claim to the division pursuant
32 to this part, or because the employee has initiated any action or
33 notice pursuant to Section 2699 shall be entitled to reinstatement
34 and reimbursement for lost wages and work benefits caused by
35 those acts of the employer.

36 (2) Any employer who willfully refuses to hire, promote, or
37 otherwise restore an employee or former employee who has been
38 determined to be eligible for rehiring or promotion by a grievance
39 procedure, arbitration, or hearing authorized by law, is guilty of a
40 misdemeanor.

1 (3) In addition to any other remedies available, an employer
2 that is a corporation or limited liability company is liable for a
3 civil penalty not exceeding ten thousand dollars (\$10,000) per
4 employee for each violation to this section.

5 (c) (1) Any applicant for employment who is refused
6 employment, who is not selected for a training program leading
7 to employment, or who in any other manner is discriminated
8 against in the terms and conditions of any offer of employment
9 because the applicant engaged in any conduct delineated in this
10 chapter, including the conduct described in subdivision (k) of
11 Section 96, and Chapter 5 (commencing with Section 1101) of
12 Part 3 of Division 2, or because the applicant has made a bona fide
13 complaint or claim to the division pursuant to this part, or because
14 the employee has initiated any action or notice pursuant to Section
15 2699 shall be entitled to employment and reimbursement for lost
16 wages and work benefits caused by the acts of the prospective
17 employer.

18 (2) This subdivision shall not be construed to invalidate any
19 collective bargaining agreement that requires an applicant for a
20 position that is subject to the collective bargaining agreement to
21 sign a contract that protects either or both of the following as
22 specified in subparagraphs (A) and (B), nor shall this subdivision
23 be construed to invalidate any employer requirement of an
24 applicant for a position that is not subject to a collective bargaining
25 agreement to sign an employment contract that protects either or
26 both of the following:

27 (A) An employer against any conduct that is actually in direct
28 conflict with the essential enterprise-related interests of the
29 employer and where breach of that contract would actually
30 constitute a material and substantial disruption of the employer's
31 operation.

32 (B) A firefighter against any disease that is presumed to arise
33 in the course and scope of employment, by limiting his or her
34 consumption of tobacco products on and off the job.

35 (d) The provisions of this section creating new actions or
36 remedies that are effective on January 1, 2002, to employees or
37 applicants for employment do not apply to any state or local law
38 enforcement agency, any religious association or corporation
39 specified in subdivision (d) of Section 12926 of the Government
40 Code, except as provided in Section 12926.2 of the Government

1 Code, or any person described in Section 1070 of the Evidence
2 Code.

3 SEC. 4. Section 244 is added to the Labor Code, to read:

4 244. (a) An individual is not required to exhaust administrative
5 remedies or procedures in order to bring a civil action under any
6 provision of this code, unless that section under which the action
7 is brought expressly requires exhaustion of an administrative
8 remedy.

9 (b) Reporting or threatening to report an employee's, former
10 employee's, or prospective employee's citizenship or immigration
11 status, or the citizenship or immigration status of a family member
12 of the employee, former employee, or prospective employee, to a
13 federal, state, or local agency because the employee, former
14 employee, or prospective employee exercises a right under the
15 provisions of this code, the Government Code, or the Civil Code
16 constitutes an adverse action for purposes of establishing a
17 violation of an employee's, former employee's, or prospective
18 employee's rights. As used in this subdivision, "family member"
19 means a spouse, parent, sibling, child, uncle, aunt, niece, nephew,
20 cousin, grandparent, or grandchild related by blood, adoption,
21 marriage, or domestic partnership.

22 SEC. 5. Section 1102.5 of the Labor Code is amended to read:

23 1102.5. (a) An employer, or any person acting on behalf of
24 the employer, shall not make, adopt, or enforce any rule, regulation,
25 or policy preventing an employee from disclosing information to
26 a government or law enforcement agency, or for providing
27 information to, or testifying before, any public body conducting
28 an investigation, hearing, or inquiry, where the employee has
29 reasonable cause to believe that the information discloses a
30 violation of state or federal statute, or a violation or noncompliance
31 with a state or federal rule or regulation.

32 (b) An employer, or any person acting on behalf of the employer,
33 shall not retaliate against an employee for disclosing information
34 to a government or law enforcement agency, or for providing
35 information to, or testifying before, any public body conducting
36 an investigation, hearing, or inquiry, where the employee has
37 reasonable cause to believe that the information discloses a
38 violation of state or federal statute, or a violation or noncompliance
39 with a state or federal rule or regulation.

1 (c) An employer, or any person acting on behalf of the employer,
2 shall not retaliate against an employee for refusing to participate
3 in an activity that would result in a violation of state or federal
4 statute, or a violation or noncompliance with a state or federal rule
5 or regulation.

6 (d) An employer, or any person acting on behalf of the employer,
7 shall not retaliate against an employee for having exercised his or
8 her rights under subdivision (a), (b), or (c) in any former
9 employment.

10 (e) A report made by an employee of a government agency to
11 his or her employer is a disclosure of information to a government
12 or law enforcement agency pursuant to subdivisions (a) and (b).

13 (f) In addition to other penalties, an employer that is a
14 corporation or limited liability company is liable for a civil penalty
15 not exceeding ten thousand dollars (\$10,000) for each violation
16 of this section.

17 (g) This section does not apply to rules, regulations, or policies
18 that implement, or to actions by employers against employees who
19 violate, the confidentiality of the lawyer-client privilege of Article
20 3 (commencing with Section 950) of, or the physician-patient
21 privilege of Article 6 (commencing with Section 990) of, Chapter
22 4 of Division 8 of the Evidence Code, or trade secret information.

23 SEC. 6. The provisions of this act are severable. If any
24 provision of this act or its application is held invalid, that invalidity
25 shall not affect other provisions or applications that can be given
26 effect without the invalid provision or application.

27 SEC. 7. No reimbursement is required by this act pursuant to
28 Section 6 of Article XIII B of the California Constitution because
29 the only costs that may be incurred by a local agency or school
30 district will be incurred because this act creates a new crime or
31 infraction, eliminates a crime or infraction, or changes the penalty
32 for a crime or infraction, within the meaning of Section 17556 of
33 the Government Code, or changes the definition of a crime within
34 the meaning of Section 6 of Article XIII B of the California
35 Constitution.

O