

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-TWO

—
H.P. 711 - L.D. 965

An Act Concerning Nondisclosure Agreements in Employment

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 26 MRSA §599-C is enacted to read:

§599-C. Nondisclosure agreements

1. Employer defined. As used in this section, unless the context otherwise indicates, "employer" has the same meaning as in section 615, subsection 3.

2. Certain preemployment and employment agreements prohibited. An employer may not require an employee, intern or applicant for employment to enter into a contract or agreement that waives or limits any right to report or discuss unlawful employment discrimination, as defined and limited by Title 5, chapter 337, subchapter 3, occurring in the workplace or at work-related events.

3. Certain settlement, separation and severance agreements prohibited. An employer may not require an employee, intern or applicant for employment to enter into a settlement, separation or severance agreement that includes a provision that:

A. Limits an individual's right to report, testify or provide evidence to a federal or state agency that enforces employment or discrimination laws;

B. Prevents an individual from testifying or providing evidence in federal and state court proceedings in response to legal process; or

C. Prohibits an individual from reporting conduct to a law enforcement agency.

4. Settlement, separation or severance agreement requirements. A settlement, separation or severance agreement may include a provision that prevents the subsequent disclosure of factual information relating to a claim of unlawful employment discrimination, as defined and limited by Title 5, chapter 337, subchapter 3, only if:

A. The agreement expressly provides for separate monetary consideration for the provision in addition to anything of value to which the employee, intern or applicant for employment is already entitled;

B. The provision applies to all parties to the agreement to the extent otherwise permitted by law;

C. The agreement clearly states that the individual retains the right to report, testify or provide evidence to federal and state agencies that enforce employment or discrimination laws and to testify and provide evidence in federal and state court proceedings; and

D. The employer retains a copy of the agreement for 6 years following the execution of the agreement or the end of employment, whichever is later. Records required to be kept by this paragraph must be accessible to any representative of the Department of Labor at any reasonable hour.

Nothing in this section may be construed as limiting the use of nondisclosure agreements to protect the confidentiality of proprietary information, trade secrets or information that is otherwise confidential by law, rule or regulation.

5. Enforcement. The Department of Labor shall enforce this section. In addition, the Attorney General may bring an action under this section to impose a fine or to enjoin further violation. An employer that intentionally violates this section commits a civil violation for which a fine of up to \$1,000 may be adjudged.