

State of California

Franchise Tax Board-Legislative Services Bureau
PO Box 1468
Sacramento, CA 95812-1468

Telephone: (916) 845-4326
ATSS: 468-4326
FAX: (916) 845-5472

Legislative Change No.

03-16

Bill Number: SB 777

Author: Escutia

Chapter Number: 03-484

Laws Affecting Franchise Tax Board: Labor Code Sections 1102.5, 1102.6, 1102.7, 1102.8, and 1106.

Date Filed with the Secretary of the State: September 22, 2003

SUBJECT: Whistleblowers Protection

Senate Bill 777 (Escutia), as enacted on September 22, 2003, expanded whistleblower protection laws. Specifically, this act made the following changes to California law:

Section 1102.5 of the Labor Code is amended.

This act extends the existing prohibition against employer retaliation to employees who refuse to participate in illegal activities or who exercised their whistleblower rights in any former employment. The act also imposes a \$10,000 civil penalty on corporations and limited liability companies that violate these prohibitions.

Section 1102.6 is added to the Labor Code.

This act specifies the burden of proof required for employers to overcome an employee's claim of retaliation for whistleblowing.

Section 1102.7 is added to the Labor Code.

This act requires the Attorney General to maintain a "whistleblower hotline" to receive calls about possible illegal activities and to refer the calls to the appropriate government authority for investigation.

Section 1102.8 is added to the Labor Code.

This act requires employers to display at the workplace a notice of an employee's rights and responsibilities under the whistleblower statutes, including the telephone number of the whistleblower hotline.

Section 1106 of the Labor Code is amended.

This act added section references to the definition of employee for the Labor Code sections that were added by this act.

This act is effective January 1, 2004.

This act will not require any reports by the department to the Legislature.

Bureau Director
Jana Howard for Brian Putler

Date
9/25/03