

1 AN ACT relating to nondisclosure agreements.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Information related to unlawful acts in the workplace" means information*
7 *pertaining to harassment, discrimination, and any other conduct the*
8 *employee has reasonable cause to believe is unlawful;*

9 *(b) "Nondisparagement agreement" means a provision that restricts statements*
10 *one (1) party may make against another party that may be construed as*
11 *negative or that may injure the reputation of another party; and*

12 *(c) "Release of a claim or right" means a statement that the employee does not*
13 *possess any claim or injury against the employer or other covered entity,*
14 *including a right to file and pursue a civil claim or administrative action.*

15 *(2) An employer shall not, as a condition of employment or continued employment,*
16 *or in exchange for a raise, bonus, or other employment benefit:*

17 *(a) Require an employee to sign a release of a claim or right;*

18 *(b) Require an employee to sign a nondisparagement agreement or other*
19 *document that has the effect of denying the employee the right to disclose*
20 *information related to unlawful acts in the workplace; or*

21 *(c) Include in any agreement related to the employee's separation from*
22 *employment provisions that prohibit the disclosure of information related to*
23 *unlawful acts in the workplace.*

24 *(3) This section shall not:*

25 *(a) Prohibit the entry or enforcement of a provision of a settlement agreement*
26 *that precludes the disclosure of the amount paid in settlement of a claim;*

27 *(b) Apply to a voluntary negotiated settlement agreement to resolve an*

1 underlying claim that has been filed by an employee in court, before an
2 administrative agency, in an alternative dispute resolution forum, or
3 through an employer's internal complaint process;

4 (c) Prohibit an employer from protecting the employer's trade secrets or
5 proprietary or confidential information that does not involve unlawful acts
6 in the workplace; or

7 (d) Be construed to affect any civil action for defamation, libel, slander, or any
8 similar cause of action.

9 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 372 IS CREATED TO
10 READ AS FOLLOWS:

11 (1) Notwithstanding any other provision of law, a settlement agreement entered into
12 after the effective date of this Act shall not contain a provision that prevents the
13 disclosure of factual information related to a civil or administrative action that
14 involves an act of:

15 (a) Sexual assault or harassment;

16 (b) Workplace harassment or discrimination based on sex, or the failure to
17 prevent an act of workplace harassment or discrimination based on sex; or

18 (c) Harassment or discrimination based on sex, or an act of retaliation against
19 a person for reporting harassment or discrimination based on sex, by the
20 owner of a housing accommodation.

21 (2) This section shall not:

22 (a) Prohibit the entry or enforcement of a provision of a settlement agreement
23 that precludes the disclosure of the amount paid in settlement of a claim; or

24 (b) Apply to a voluntary negotiated settlement agreement to resolve an
25 underlying claim that has been filed in court, before an administrative
26 agency, in an alternative dispute resolution forum, or through an
27 employer's internal complaint process.