

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No.: SB-1035

AN ACT CONCERNING LIMITATIONS ON THE USE OF NONDISCLOSURE

Title: AGREEMENTS.

Vote Date: 3/18/2025

Vote Action: Joint Favorable

PH Date: 3/4/2025

File No.:

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SPONSORS OF BILL:

Labor & Public Employees Committee

REASONS FOR BILL:

The reason for this bill is to limit the use of nondisclosure agreements in the workplace in order to prevent misuse and abuse of said agreements, by limiting what information can be limited by an NDA, and prohibiting the use of NDAs to prevent employees from disclosing illegal practices in the workplace. It also prohibits employers from discharging, discriminating, or retaliating against an employee for disclosing or discussing the covered conduct. The bill allows CHRO to enforce the prohibition on NDAs, and makes it a discriminatory practice for an employer to force an employee to sign an NDA that contains provisions barred under this bill.

RESPONSE FROM ADMINISTRATION/AGENCY:

Tanya Hughes, Executive Director, Commission on Human Rights and Opportunities: Supports the bill, citing that other surrounding states have taken similar steps against NDAs. She believes that NDAs are a harm to the victims, who are left isolated, without the ability to discuss the issue with friends and family for support. She states that NDAs are also harmful to third parties, as there are some people who do not step forward with similar stories because the details of the harassment are kept silent. This is also the case for potential victims, who cannot be warned of the harasser's behavior.

NATURE AND SOURCES OF SUPPORT:

Gretchen Carlson, Co-founder, Lift Our Voices: Supports the bill, citing personal experience with NDAs in the Fox News/Roger Ailes lawsuit. Lift Our Voices has heard from thousands of women who have been harassed at work, pushed out of their jobs and silenced because they had signed an NDA. She calls for Connecticut to pass this bill in order to catch up with states in the area (NJ, NY) which have more strict measures for workplace NDA usage, and even bans.

Stacey Zimmerman, Deputy Director, SEIU CT State Council: Supports the bill, as it “follows the lead of other states and does nothing more than prohibit the silencing of an employee when their rights have been violated.” She feels that the bill benefits the community, as it helps to rid of a civil rights violation.

Ed Hawthorne, President, Connecticut AFL-CIO: Supports the bill, claiming that NDAs have stifled creativity and competition by making information too broadly confidential and proprietary. He believes that NDAs are used to silence workers and keep them in their current jobs. Additionally, he claims that NDAs lead to hostile work environments, as employees are unable to speak out against ineffective management.

Michael Roberts, Legal Director, Stand with Asian Americans: Supports the bill, with changes. He states that the bill protects individuals who report discrimination, which is in accordance with Connecticut’s history on this issue. He notes that the culture of the Asian American community makes it difficult for members to disclose cases of discrimination, and NDAs can make it insurmountable. He suggests that the two sections regarding “remedial purpose” be removed or changed to language used in New York.

NATURE AND SOURCES OF OPPOSITION:

Paul Amarone, Public Policy Associate, CBIA: Opposes the bill, stating that the language is too broad. He believes that this bill would be redundant in some sense, as there are laws in place protecting employees from discrimination and from termination due to reporting any such discrimination. He states concerns that the broad language could open the door for cases of alleged discrimination where there is no evidence and just subjective opinion. He believes that it would harm businesses across the state, providing financial burdens and putting reputations at risk.

Robert Reed, Government Relations Manager, Yale New Haven Health: Opposes the bill for several reasons. First, he feels that the scope of the prohibitions is widened too far. Along these same lines, the ambiguity of the language could put employers at risk as they attempt to comply with these guidelines. Second, the bill would have an impact on settlements and negotiations, making it more difficult to settle disputes outside of the courts. This would increase costs and potentially harm morale. Third, the bill could create problems for businesses as they look to safeguard their proprietary information. He recommends that the bill includes narrower provisions, stricter definitions, and takes the interests of the employers into account if this bill were to move forward.

Brooke Foley, General Counsel, Insurance Association of CT, Kristina Baldwin, Vice President, APCIA, and Christopher Nicolopoulos, Senior Regional Vice President, NAMIC: All oppose the bill, with identical testimony, stating that the language is too broad, extending the prohibition of NDAs to virtually any negative employment situation. They also

oppose the expansion of the definition of employee. They believe the bill would keep employers from being able to protect their reputations, while also subjecting them to more legal fees. They believe that the bill is redundant, as there are already protections in place regarding retaliation against employees at both the federal and state levels. Finally, the bill does not mention retroactivity, which they see as a problem for existing contracts.

Reported by: Collin Lamontagne

Date: 4/1/2025