

Legislative Analysis



INCREASE PENALTIES FOR VIOLATIONS OF THE WHISTLEBLOWERS' PROTECTION ACT

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House Bill 4781 as introduced
Sponsor: Rep. Jay DeBoyer
Committee: Judiciary
Complete to 9-3-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4781 would amend the Whistleblowers' Protection Act to increase certain penalties for violations of the act.

The Whistleblowers' Protection Act prohibits an employer from firing, threatening, or taking discriminatory action against an employee because the employee, or someone acting on their behalf, reports or is about to report a violation or suspected violation of state, local, or federal law,¹ or because the employee is requested by a public body to participate in an investigation, hearing, or court action. Employees may initiate a civil action against an employer that violates the act within 90 days of the alleged violation, and a court may award reinstatement of the employee, payment of back wages, full reinstatement of the employee's fringe benefits or seniority rights, payment of actual damages, or any combination of these remedies.² A person that violates the act may also be subject to a civil fine of up to \$500.

The bill would do both of the following:

- In a civil action brought under the act, authorize the court to order the payment of three times the amount of back wages owed to an employee.
- Subject a person who violates the act to a civil fine of up to \$2,000.

MCL 15.364 and MCL 15.365

FISCAL IMPACT:

House Bill 4781 would have an indeterminate fiscal impact on the state and on local units of government. The fiscal impact would depend on the number of people that violate provisions of the act and are subsequently ordered to pay a civil fine of not more than \$2,000. Revenue collected from payment of civil fines is used to support public and county law libraries. Also, under section 8827(4) of the Revised Judicature Act, \$10 of the civil fine would be required to be deposited into the state's Justice System Fund, which supports various justice-related endeavors in the judicial branch and legislative branches of government and the Departments of State Police, Corrections, Health and Human Services, and Treasury. The fiscal impact on local court systems would depend on how provisions of the bill affected court caseloads and related administrative costs. Because there is no practical way to determine the number of

¹ The act's protections do not apply if the employee knows that the report of a violation is false.

² The act also authorizes courts to award complainants all or a portion of the costs of litigation, including reasonable attorney fees and witness fees.

violations that would occur under provisions of the bill, an estimate of the amount of additional revenue the state would collect, revenue for libraries, or costs to local courts cannot be made.

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