

1 AN ACT relating to employment agreements.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 417 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) An employer shall have no defense against a claim that an arbitration agreement*
6 *is unconscionable, if:*

7 *(a) The written agreement containing the arbitration provision is between an*
8 *employee and an employer or between their respective representatives;*

9 *(b) The employee alleges claims of sexual harassment, retaliation based on*
10 *allegations of sexual harassment, or claims directly or indirectly related to*
11 *sexual harassment within, or related to, employment; and*

12 *(c) The employer cannot provide proof:*

13 *1. That the employee or the employee's representative knowingly and*
14 *being fully informed understood that he or she was waiving his or her*
15 *right to adjudicate a matter in state or federal court when he or she*
16 *agreed to sign an employment agreement containing an arbitration*
17 *agreement; or*

18 *2. That inclusion of the arbitration agreement in the employment*
19 *agreement was not a condition of employment.*

20 *(2) If a court finds an arbitration provision to be unconscionable pursuant to the*
21 *requirements of this section, the court shall refuse to enforce the arbitration*
22 *agreement or compel arbitration between the parties.*

23 *(3) This section applies only to judicial proceedings commenced on or after the*
24 *effective date of this Act.*