

1 AN ACT relating to employment and declaring an emergency.

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

3 ➔Section 1. KRS 336.700 is amended to read as follows:

4 (1) As used in this section, "employer" means any person, either individual,
5 corporation, partnership, agency, or firm, that employs an employee and includes
6 any person, either individual, corporation, partnership, agency, or firm, acting
7 directly or indirectly in the interest of an employer in relation to an employee; and
8 "employee" means any person employed by or suffered or permitted to work for an
9 employer.

10 (2) Notwithstanding any provision of the Kentucky Revised Statutes to the contrary
11 ***and except as provided in subsection (3) of this section,*** no employer shall require
12 as a condition or precondition of employment that any employee or person seeking
13 employment waive~~[-, arbitrate,]~~ or otherwise diminish any existing or future claim,
14 right, or benefit to which the employee or person seeking employment would
15 otherwise be entitled under any provision of the Kentucky Revised Statutes or any
16 federal law.

17 ***(3) Notwithstanding subsection (2) of this section:***

18 ***(a) Any employer may require an employee or person seeking employment to***
19 ***execute an agreement for arbitration, mediation, or other form of***
20 ***alternative dispute resolution as a condition or precondition of employment;***

21 ***(b) Any employer may require a former employee to execute an agreement to***
22 ***wave an existing claim as a condition or precondition for the rehiring of***
23 ***the former employee as part of a settlement of pending litigation or other***
24 ***legal or administrative proceeding;***

25 ***(c) Any employer may require an employee or person seeking employment to***
26 ***execute an agreement to reasonably reduce the period of limitations for***
27 ***filing a claim against the employer as a condition or precondition of***

1 employment, provided that the agreement does not apply to causes of action
 2 that arise under a state or federal law where an agreement to modify the
 3 limitations period is preempted or prohibited; and

4 (d) Any employer may require, as a condition or precondition of employment,
 5 an employee or person seeking employment to agree for the employer to
 6 obtain a background check or similar type of personal report on the
 7 employee or person seeking employment in conformance with a state or
 8 federal law that requires the consent of the individual prior to an employer's
 9 receipt or use of such a report.

10 (4) This section shall apply prospectively and retroactively.

11 ➔Section 2. KRS 417.050 is amended to read as follows:

12 A written agreement to submit any existing controversy to arbitration or a provision in
 13 written contract to submit to arbitration any controversy thereafter arising between the
 14 parties is valid, enforceable and irrevocable, save upon such grounds as exist at law for
 15 the revocation of any contract. This chapter does not apply to:

16 ~~(1) Arbitration agreements between employers and employees or between their~~
 17 ~~respective representatives; and~~

18 ~~(2) Insurance contracts. Nothing in this subsection shall be deemed to invalidate or~~
 19 ~~render unenforceable contractual arbitration provisions between two (2) or more~~
 20 ~~insurers, including reinsurers.~~

21 ➔Section 3. Whereas the preservation of the past and current practice of both
 22 public and private employers of conditioning or preconditioning employment upon an
 23 agreement by an employee or candidate for the employment to use forms of alternative
 24 dispute resolution as a means of solving employment matters is imperative to providing
 25 substantial savings from potential litigation costs, an emergency is declared to exist, and
 26 this Act takes effect upon its passage and approval by the Governor or upon its otherwise
 27 becoming law.