## **HOUSE . . . . . . . . . . . . . . . . No. 1709**

## The Commonwealth of Massachusetts

PRESENTED BY:

Tram T. Nguyen

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to further protect employees through a private right of action.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Tram T. Nguyen	18th Essex	1/19/2023

## **HOUSE . . . . . . . . . . . . . . . . No. 1709**

By Representative Nguyen of Andover, a petition (accompanied by bill, House, No. 1709) of Tram T. Nguyen for legislation to further protect employees through a private right of action. The Judiciary.

## The Commonwealth of Alassachusetts

In the One Hundred and Ninety-Third General Court (2023-2024)

An Act to further protect employees through a private right of action.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- SECTION 1. Chapter 149 of the General Laws, as appearing in the 2020 official edition,
- 2 is hereby amended by adding the following section:-
- 3 Section 150D: Private Attorney General Action
- 4 Definitions, for this section 150D:
- 5 "Interested Party" means any one or more of the following: 1. Any non-profit
- 6 organization that advocates for employee rights and protections; or 2. Any labor organization
- 7 which has as members, or is authorized to represent, employees and which exists in whole or part
- 8 for the purposes of negotiating with employers concerning wages, hours, or terms and conditions
- 9 of employment of such employer's employees; or 3. Any Affected Employee.
- "Wage Non-payment" means the failure to pay a wage owed to an Affected Employee in
- violation of any of the following statutes or contract provision: sections 27, 27F-H, 148, 148A,

148B, or 150 of the general laws at chapter 149; or section 1, 1A or 1B of the general laws at chapter 151; or any contract provision that required the payment of wages.

"Affected Employee" means any employee or former employee where such employee remains due from an employer any Wage Non-payment whatsoever, regardless as to where or the type of labor was performed.

In addition to all common law, contract, or other remedies available at law, an Interested Party alleging facts that show probable cause that an employer has engaged in or caused a Wage Non-payment shall have standing and be entitled to bring an action in the name of and on behalf of the Commonwealth and the public, for the use and benefit of same, against such employer to recover damages and penalties stated in this section.

A civil action filed under this section shall be deemed a private attorney general action.

The representative nature of such an action on behalf of the Commonwealth is not waivable and shall not be deemed a class action, so long as there is at least a common question of law or fact among at least two Affected Employees. Regardless as to whether any Affected Employee's claim must be arbitrated, the representative action on behalf of the Commonwealth cannot be waived or compelled to arbitration. Further, the Interested Party bringing such representative claim shall not have to wait for an arbitration decision or award before proceeding in court under this section.

The Interested Party filing an action under this section shall provide a copy of the complaint for the purposes of notice to the attorney general, within 10 business days of the filing. If the Interested Party prevails in the action, the court shall award treble the Wage Non-payment damages, as liquidated damages, to any Affected Employee who has, following a court approved

notice of same, responded to the court within 90 calendar days, affirming an interest in a recovery, which notice shall be interpreted liberally to encourage Affected Employees to respond and affirm such an interest.

In addition, the Interested Party may also bring on behalf of the Commonwealth a claim for injunctive and declaratory relief. An Interested Party that prevails in any action filed under this section shall be awarded the costs of the litigation and reasonable attorney fees.

A twenty percent surcharge tax on the total amount awarded by the court, including on attorney fees, in addition to other usual income taxes due, on this recovery shall be paid into a wage enforcement fund established by the attorney general. Such fund shall be used by the attorney general to advance payment pending an action under this chapter and upon the attorney general's sole and exclusive discretion, to Affected Employees showing urgent need to obtain unpaid wages to pay housing, heat, or food costs.

In addition, the Interested Party who prevails under this section shall be entitled to recover for the Commonwealth penalties, and Wage Non-payments as restitution incurred by each other Affected Employee who did not respond affirming an interest, as follows: For each violation of law, the court shall order the defendant employer to pay into the wage enforcement fund (i) a penalty in the amount of \$50 per violation per pay-period for each unresponsive Affected Employee; and (ii) an amount, payable into the wage enforcement fund, equal to single Wage Non-payment damages, as restitution, incurred for all Wage Non-payments that the defendant employer should have paid to each Affected Employee who did not respond timely to a court approved notice affirming an interest in a recovery; the attorney general shall hold in escrow such amounts until the original statute of limitation period applicable against the

defendant employer to expire on such restitution obtained in the event the Affective Employee reconsiders, or is located, and seeks the restitution. But, after such limitations period has expired with no such employee claim, the amount shall escheat to the wage enforcement fund. A defendant employer ordered to pay into the wage enforcement fund as single Wage-Nonpayment damages restitution incurred for labor performed by an Affected Employee who failed to affirm an interest in a recovery shall be entitled to a set-off of such amount paid against a future Wage Non-payment or other wage action filed by or on behalf of such Affected Employee, but no set-off shall apply to the \$50 per pay period penalty.

An action filed under this section shall be filed within limitation period of the Wage Non-payment at issue, except that where a Wage Non-payment also includes a violation of contract the Interested Party shall be a third-party beneficiary of the contract, including any public procurement contract, and recovery applicable to that portion of the action shall include amounts due within the limitations period set forth under section 2 of the general laws at chapter 260; for such contract action filed beyond the limitation period of the Wage Non-payment at issue liquidated damages shall not be awarded unless the contract recites otherwise and the court may award fees for such contract provision portion of the action in accord with the contract or its discretion.

On the trial no defense for failure to pay as required, other than the attachment of wages by trustee process or a valid assignment thereof or a valid set-off against the same, or the absence of the employee from his regular place of labor at the time of payment, or an actual tender to such employee at the time of payment of the wages so earned by him, shall be valid. The defendant shall not set up as a defense a payment of wages made or offered after the action under this section has been filed.

The superior court shall have jurisdiction to hear an action filed under this section regardless as to the amount in controversy. Any provision in this section found to be unenforceable or invalid shall not affect other provisions in this section which shall remain valid and enforceable.

As a matter of right the attorney general may intervene as a plaintiff at any time, by notice of same filed with the court or may file an appearance to be served all pleadings and discovery for monitoring. In the event that she intervenes, the attorney general shall thenceforth represent the Commonwealth as plaintiff, not the Interested Party. The Interested Party shall retain party status, if it so chooses, for purposes that may include and not be limited to providing opportunity to the Interested Party to raise its interests or concerns including regarding any settlement proposed or to recover, if appropriate, its reasonable costs and fees incurred. The attorney general shall not settle the matter with the defendant without the participation in all settlement communications with the Interested Party who retained party status and without first obtaining such Interested Party's informed consent which shall not be reasonably withheld.

Nothing in this section shall be deemed as an exclusive remedy and this section shall not affect the rights of the attorney general or any other person to pursue additional or other remedies available by way of other laws or available actions.