

1 Sec. 7. 21 V.S.A. § 625 is amended to read:

2 § 625. CONTRACTING OUT FORBIDDEN

3 (a) ~~An~~ Except as provided in subdivisions 601(3) and (14) of this chapter,
4 an employer shall not be relieved in whole or in part from liability created by
5 the provisions of this chapter by any contract, rule, regulation, or device
6 whatsoever.

7 (b) Any person who, for the purpose of avoiding its obligations under this
8 title, coerces an employee or prospective employee into becoming an
9 independent contractor, after notice and an opportunity for a hearing, may be
10 assessed an administrative penalty of not more than \$5,000.00.

11 (c) The complainant shall provide evidence that the decision to become an
12 independent contractor was not voluntary but required by the employer, and
13 that the reason for the requirement was to avoid the employer's responsibility
14 to provide workers' compensation coverage. If the evidence provided
15 establishes that it is more likely than not that coercion to avoid workers'
16 compensation obligations has occurred, the employer must provide evidence
17 establishing that legitimate business reasons

18 (d) Any administrative penalty imposed pursuant to this section may be in
19 addition to other penalties authorized pursuant to chapters 9 and 17 of this title.