

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred House Bill No. 731 entitled “An act relating to
4 miscellaneous workers’ compensation and occupational safety amendments”
5 respectfully reports that it has considered the same and recommends that the
6 Senate propose to the House that the bill be amended by striking out all after
7 the enacting clause and inserting in lieu thereof the following:

8 * * * Workers’ Compensation; Protection Against Retaliation * * *

9 Sec. 1. 21 V.S.A. § 710 is amended to read:

10 § 710. UNLAWFUL DISCRIMINATION

11 (a) No person, firm, or corporation shall refuse to employ any applicant for
12 employment because ~~such~~ the applicant asserted a claim for workers’
13 compensation benefits under this chapter or under the law of any state or of the
14 United States. Nothing in this section shall require a person to employ an
15 applicant who does not meet the qualifications of the position sought.

16 (b) No person shall discharge or discriminate against an employee from
17 employment because ~~such~~ the employee asserted or attempted to assert a claim
18 for benefits under this chapter or under the law of any state or of the United
19 States.

20 (c) The Department shall not include in any publication or public report the
21 name or contact information of any individual who has alleged that an

1 employer has made a false statement or misclassified any employees, unless it
2 is required by law or necessary to enable enforcement of this chapter.

3 (d) An employer shall not retaliate or take any other negative action against
4 an individual because the employer knows or suspects that the individual has
5 filed a complaint ~~with the Department or other authority~~, or reported a
6 violation of this chapter, or has testified, assisted, or cooperated in any manner
7 with the Department or other appropriate governmental agency or department
8 in an investigation of misclassification, discrimination, or other violation of
9 this chapter.

10 (e) The Attorney General or a State’s Attorney may enforce the provisions
11 of this section by restraining prohibited acts, seeking civil penalties, obtaining
12 assurances of discontinuance, and conducting civil investigations in
13 accordance with the procedures established in 9 V.S.A. §§ 2458-2461 as
14 though ~~discrimination under~~ a violation of this section were an unfair act in
15 commerce.

16 (f) The provisions against retaliation in subdivision 495(a)(8) of this title
17 and the penalty and enforcement provisions of section 495b of this title shall
18 apply to this ~~subchapter~~ section.

1 * * * Workers' Compensation Administration Fund * * *

2 Sec. 2. WORKERS' COMPENSATION RATE OF CONTRIBUTION

3 For fiscal year 2019, after consideration of the formula in 21 V.S.A.
4 § 711(b) and historical rate trends, the General Assembly has established that
5 the rate of contribution for the direct calendar year premium for workers'
6 compensation insurance shall remain at the rate of 1.4 percent. The
7 contribution rate for self-insured workers' compensation losses and workers'
8 compensation losses of corporations approved under 21 V.S.A. chapter 9 shall
9 remain at one percent.

10 **Sec. 3. POTENTIAL DELEGATION OF RATE SETTING AUTHORITY;**

11 **REPORT**

12 On or before January 15, 2019, the Commissioner of Labor shall submit a
13 written report to the House Committees on Commerce and Economic
14 Development and on Ways and Means and the Senate Committees on
15 Economic Development, Housing and General Affairs and on Finance
16 regarding the potential for delegating the authority to set the Workers'
17 Compensation Administration Fund rate of contribution for the direct calendar
18 year premium for workers' compensation insurance to the Commissioner of
19 Labor. In particular, the report shall:

20 (1) describe how the Department calculates the rate of contribution that
21 it annually proposes to the General Assembly pursuant to 21 V.S.A. § 711(b);

- 1 (2) identify any advantages and disadvantages of the General
- 2 Assembly’s delegating to the Commissioner of Labor authority to establish
- 3 annually the rate of contribution for the direct calendar year premium for
- 4 workers’ compensation insurance; and
- 5 (3) identify any legislative, regulatory, and administrative changes that
- 6 would need to be made in order to delegate to the Commissioner the authority
- 7 to establish annually the rate of contribution for the direct calendar year
- 8 premium for workers’ compensation insurance.

9 * * * Discontinuance of Workers’ Compensation Benefits * * *

10 Sec. 4. 2014 Acts and Resolves No. 199, Sec. 54a is amended to read:

11 Sec. 54a. REPEAL

12 21 V.S.A. § 643a shall be repealed on July 1, ~~2018~~ 2023.

13 Sec. 5. 2014 Acts and Resolves No. 199, Sec. 69 is amended to read:

14 Sec. 69. EFFECTIVE DATES

15 * * *

16 (b) Sec. 54b (reinstatement of current law governing discontinuance of
17 workers’ compensation insurance benefits) shall take effect on July 1, ~~2018~~
18 2023.

19 * * *

1 * * * Vermont Occupational Safety and Health Act * * *

2 Sec. 6. 21 V.S.A. § 225 is amended to read:

3 § 225. CITATIONS

4 (a)(1) If, upon inspection or investigation, the Commissioner or the
5 Director, or the agent of either of them, finds that an employer has violated a
6 requirement of the VOSHA Code, the Commissioner shall with reasonable
7 promptness issue a citation to the employer and serve it on the employer by
8 certified mail or in the same manner as a summons to the Superior Court.

9 Each citation shall be in writing and shall describe with particularity the nature
10 of the violation, including a reference to the provisions of the statute, standard,
11 rule, or order alleged to have been violated, as well as the penalty, if any,
12 proposed to be assessed pursuant to section 210 of this title. In addition, the
13 citation shall fix a reasonable time for the abatement of the violation.

14 (2) By rule, the Commissioner shall ~~prescribe~~ adopt procedures for
15 issuance of a notice in lieu of a citation with respect to de ~~minimus~~ minimis
16 violations ~~which~~ that have no direct or immediate relationship to safety or
17 health, and for hearing interested parties before a civil penalty is assessed.

18 (b) Each citation issued under this section, or a copy or copies ~~thereof~~ of
19 the citation, shall be prominently posted, as prescribed in rules ~~promulgated~~
20 adopted by the Commissioner, at or near each place a violation referred to in
21 the citation occurred or existed.

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Sec. 7. 21 V.S.A. § 226 is amended to read:

§ 226. ENFORCEMENT

(a)(1) ~~After issuing a citation under section 225 of this title, the Commissioner shall notify the employer by certified mail or by service by an agent, of the penalty, if any, proposed to be assessed under section 210 of this title. The~~ An employer shall ~~have, within~~ within 20 days after personal service or receipt of ~~the notice within which to~~ a citation issued under section 225 of this title, notify the Commissioner that he or she wishes to appeal the citation or proposed assessment of penalty, ~~and if no notice is filed by.~~

(2) If an employer does not notify the Commissioner as provided in this subsection and an employee does not file a notice under subsection (c) of this section, the citation and assessment penalty, as proposed, shall be deemed a final order of the Review Board and not subject to review by any court or agency.

(b)(1)(A) If the Commissioner on inspection or investigation finds that an employer has failed to correct a violation for which a citation has been issued within the period permitted for its correction ~~(which period shall not begin to run until the entry of a final order by the Review Board in the case of any review proceedings under this section initiated by the employer in good faith and not solely for delay or avoidance of penalties, or on the day the citation~~

1 ~~and assessment becomes final under subsection (a) of this section~~, the
2 Commissioner shall notify the employer by certified mail of ~~such~~ the failure
3 and of the penalty proposed to be assessed under section 210 of this title by
4 reason of ~~such~~ the failure.

5 (B) The period to correct a violation shall begin to run:

6 (i) when a final order is entered by the Review Board in relation to
7 review proceedings under this section that are initiated by an employer in good
8 faith and not solely for delay or avoidance of penalties; or

9 (ii) on the day the citation and penalty become final under
10 subsection (a) of this section.

11 (2) The employer shall have 20 days after the receipt of the notice
12 ~~within which~~ to notify the Commissioner that he or she wishes to appeal the
13 Commissioner's ~~notification~~ citation or the proposed ~~assessment~~ of penalty. If
14 within 20 days from the receipt of the notification issued by the Commissioner,
15 the employer fails to notify the Commissioner that he or she intends to appeal
16 ~~the notification or proposed assessment of penalty~~, the ~~notification~~ citation and
17 assessment, as proposed, shall be deemed a final order of the Review Board
18 and not subject to review by any court or agency.

19 (c) If an employer notifies the Commissioner that he or she intends to
20 contest a citation issued under section 225 of this title ~~or notification issued~~
21 ~~under subsection (a) or (b) of this section~~, or if, within 20 days of after the

1 issuance of a citation issued under section 225 of this title, any employee or
2 representative of employees files a notice with the Commissioner alleging that
3 the period of time fixed in the citation for the abatement of the violation is
4 unreasonable, the Commissioner shall immediately advise the Review Board
5 of ~~such~~ the notification and the Review Board shall afford an opportunity for a
6 hearing. Unless ~~the~~ a notice is timely filed, the proposed penalty and, in
7 appropriate cases, the ~~notification of the Commissioner~~ citation shall be
8 deemed a final order of the Review Board not subject to review by any court or
9 agency.

10 (d) After hearing an appeal, the Review Board shall ~~thereafter~~ issue an
11 order based on findings of fact ~~affirming, modifying, or vacating~~ that affirms,
12 modifies, or vacates the Commissioner's citation or proposed penalty, or both,
13 ~~or directing provides~~ other appropriate relief, ~~and the~~ The order shall become
14 final 30 days after its issuance unless judicial review is timely taken under
15 section 227 of this title. The rules of procedure ~~prescribed~~ adopted by the
16 Review Board shall provide affected employees or their representatives with
17 an opportunity to participate as parties in ~~hearings~~ a hearing under this
18 subsection.

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*** * * Report on Debarment * * ***

Sec. 8. DEBARMENT; OFFICE OF LEGISLATIVE COUNCIL; REPORT

(a) On or before January 15, 2019, the Office of Legislative Council shall submit to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development a written report on the use of debarment in relation to the laws against employee misclassification. In particular, the report shall:

(1) summarize Vermont’s laws, rules, and procedures related to debarment, including the violations that can trigger a debarment proceeding;

(2) describe the use of Vermont’s debarment procedures and why they have not been used more frequently to date;

(3) identify any obstacles that prevent or hinder the use of Vermont’s debarment procedures;

(4) summarize the actions taken by the Agencies of Administration and of Transportation and the Departments of Labor, of Financial Regulation, and of Buildings and General Services to utilize debarment to ensure that the State is not contracting with employers that misclassify employees in violation of Vermont law;

(5) identify other states that utilize debarment as a means of enforcing the laws against employee misclassification and summarize the manner and frequency of debarment proceedings in those states;

1 (6) summarize specific characteristics of other states' laws, rules, and
2 procedures related to debarment that have been identified as either enhancing
3 or limiting their effectiveness in enforcing those states' laws against employee
4 misclassification; and

5 (7) summarize any legislative, regulatory, or administrative changes that
6 are identified by the Agency of Administration, Agency of Transportation,
7 Department of Labor, Department of Financial Regulation, or Department of
8 Buildings and General Services as necessary to make debarment a more
9 effective tool for reducing the occurrence of and enforcing the laws against
10 employee misclassification.

11 (b) In preparing the report, the Office of Legislative Council shall consult
12 with the Agencies of Administration and of Transportation and the
13 Departments of Labor, of Financial Regulation, and of Buildings and General
14 Services.

15 (c) The Secretaries of Administration and of Transportation and the
16 Commissioners of Labor, of Financial Regulation, and of Buildings and
17 General Services shall, upon request, promptly provide the Office of
18 Legislative Council with any pertinent information related to debarment
19 procedures and the use of debarment as a means of enforcing Vermont's laws
20 against employee misclassification.

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* * * Effective Dates * * *

Sec. 9. EFFECTIVE DATES

(a) This section and Secs. 4, 5, 6, and 7 shall take effect on passage.

(b) The remaining sections shall take effect on July 1, 2018.

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE