

S.18

House Committee on Judiciary

Charles Martin, Government Affairs Director

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The Vermont Chamber of Commerce represents 1,500 members, the vast majority being small businesses, from all industries and sectors of Vermont's business community. Informed by routine engagement with our diverse membership, we maintain an informed perspective on issues impacting Vermont's economy. After carefully considering the concerns of our members, the Vermont Chamber of Commerce cannot help but oppose S. 18.

Inclusive standard form contracts are a proven mechanism to make common agreements between business entities, contractors, consumers, and employees more efficient and less costly. Passage of this bill would drastically increase liability exposure for businesses entering into these agreements, potentially subjecting well intentioned Vermonters to significant financial loss and increased attorney fees. This would serve as a disincentive for economic growth and startup in sectors that depend on the ability of providers of goods and services to responsibly operate without fear of frivolous lawsuit.

To be clear, we are not advocating for businesses to operate free of liability and we are also supportive of the court's common-sense test in determining the enforceability of waiver clauses. If a business is proven negligent or at fault for damages, that business should be held accountable. Our concern instead lies in the real possibility that S.18 would move us away from fully considering circumstance and context on a case by case basis when determining the legitimacy of grievances, toward a situation in which the occurrence of frivolous lawsuits increases significantly.

This bill will have a chilling effect on the ability of businesses, particularly small businesses, to advocate for their legal interests, which ultimately impacts the overall stability of entire business sectors. Businesses finding themselves in the precarious situation of operating without previously enjoyed legal protections will also have to confront the added challenge of increased insurance premiums, which would naturally rise along with increased rates of risk brought on by diminished protections. All of these factors lead to increased consumer costs.

The Vermont Chamber of Commerce understands that this bill was created with the best of intentions, but we cannot support legislation that has the potential to have such a detrimental impact on Vermont's businesses.