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March 28, 2025

Representative Marc Mihaly, Chair House Committee on General and Housing Vermont State House, Room 31 Montpelier, VT 05633-5301

H.263 (Rep. Priestley)

Dear Chair Mihaly and Committee Members,

The National Federation of Independent Business (NFIB) represents nearly 1,000 small businesses in Vermont. Our members operate in every industry - from family farms to main street shops - and are typically very small, with 80% employing fewer than 20 people.

We write to share concerns with H.263, which restricts an employer's ability to communicate important information outside of standard work hours.

This is a time of great uncertainty for many small businesses. In the most recent edition of NFIB's *Small Business Economic Trends (SBET)*, the Small Business Uncertainty Index recorded its second highest reading ever. Small business owners are increasingly expecting worse business conditions and pulling back on plans for capital investment and hiring.

H.263 would impede the ability for small employers to communicate important changes and updates at night and on the weekend, or otherwise outside of an employee's standard work hours. We believe this will cause frustration for both employers and employees by making it difficult for employers and managers to relay changes to upcoming meetings, project deadlines, production, hours of operation, and more.

These are often changes that benefit both the employee and the business by preventing the performance of needless work, unnecessary operating hours or production, and readjusting work product to fit an upcoming schedule.

Further, small employers generally do not have in-house human resources managers or attorneys to help them decipher complex changes to employment regulations. Many will struggle with the bill's vague exceptions and incur administrative liability as a result.

¹ Small Business Economic Trends (SBET), NFIB Research Center, February 2025, https://www.nfib.com/news-article/monthly_report/sbet/

For example, it is unclear what constitutes an operational disruption. Would this be a physical plant disruption or could it include disruption to a customer or client relationship because time-sensitive information was not received?

Lastly, small employers in particular have a lot on their plate and are not always tuned into what's happening in Montpelier. An effective date of 7/1/2026 would give time for the state to make employers aware of this change and for employers to adapt to it.

Thank you for the opportunity to comment and for considering our members' perspective.

Sincerely,

John L. Reynolds

Vermont State Director

National Federation of Independent Business

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