

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General and Housing to which was referred Senate Bill
3 No. 230 entitled “An act relating to fair employment practices” respectfully
4 reports that it has considered the same and recommends that the House propose
5 to the Senate that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 21 V.S.A. § 471 is amended to read:

8 § 471. DEFINITIONS

9 As used in this subchapter:

10 * * *

11 (5) “Employee” means a person who, in consideration of direct or
12 indirect gain or profit, has been continuously employed by the same employer
13 for a period of one year for an average of at least 30 hours per week or meets
14 the service requirement set forth in 29 C.F.R. § 825.801 (airline flight crew
15 employees) or 29 C.F.R. § 825.110(c)(3) (full-time teachers, as defined in 29
16 C.F.R. § 825.102, of an elementary or secondary school system or institution
17 of higher education).

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19 Sec. 2. 21 V.S.A. § 495d is amended to read:

20 § 495d. DEFINITIONS

21 As used in this subchapter:

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(15) “Crime victim” means any of the following:

(A) a person who has obtained a relief from abuse order issued under 15 V.S.A. § 1103;

(B) a person who has obtained an order against stalking or sexual assault issued under 12 V.S.A. chapter 178;

(C) a person who has obtained an order against abuse of a vulnerable adult issued under 33 V.S.A. chapter 69; ~~or~~

(D)(i) a victim as defined in 13 V.S.A. § 5301, provided that the victim is identified as a crime victim in an affidavit filed by a law enforcement official with a prosecuting attorney of competent state or federal jurisdiction; and

(ii) shall include the victim’s child, foster child, parent, spouse, stepchild or ward of the victim who lives with the victim, or a parent of the victim’s spouse, provided that the individual is not identified in the affidavit as the defendant; or

(E) a person who is a survivor of domestic violence, sexual assault, or stalking and who has supporting documentation from any one of the following sources:

1 ~~contract is terminated may, in the discretion of the institution, be allowed to~~
2 ~~continue in the employ of the institution on a nontenured basis. [Repealed.]~~

3 Sec. 3a. 21 V.S.A. § 383 is amended to read:

4 § 383. DEFINITIONS

5 As used in this subchapter:

6 (1) “Commissioner” means the Commissioner of Labor or designee.

7 (2) “Employee” means any individual employed or permitted to work by
8 an employer except:

9 * * *

10 (H) outside salespersons; ~~and~~

11 (I) students working during all or any part of the school year or
12 regular vacation periods; and

13 (J) elected and appointed municipal officers.

14 * * *

15 Sec. 3b. 21 V.S.A. § 495q is added to read:

16 § 495q. AGREEMENTS NOT TO COMPETE; PROHIBITION

17 (a) Nonexempt employees. Agreements not to compete between an
18 employer and a nonexempt employee, per the Fair Labor Standards Act,
19 29 U.S.C. §§ 201–219, are prohibited as presumptively coercive and a restraint
20 on trade, unless bargained for as part of a collective bargaining agreement.

1 (b) Health care providers.

2 (1) Any provision in a contract or agreement that creates or establishes
3 the terms of a partnership, employment, or any other form of professional
4 relationship with a health care provider regarding the health care provider’s
5 provision of health care services in Vermont shall be void and unenforceable if
6 the provision:

7 (A) includes a restriction on the right of the health care provider to
8 provide health care services in any geographical area for any period of time
9 after the termination of such partnership, agreement, or professional
10 relationship;

11 (B) limits the ability of a separating health care provider to provide
12 notice of the provider’s change of employment to individuals to whom the
13 separating provider provided direct health care services;

14 (C) restricts a health care provider from making disparaging
15 statements about another party to the contract or agreement, or about another
16 person specified in the agreement as a third-party beneficiary of the agreement;

17 (D) is inconsistent with Vermont law; or

18 (E) requires litigation arising from the performance of the contract or
19 agreement in Vermont to be conducted in another state.

20 (2) The notice provided in subdivision (1)(B) of this subsection may
21 include the following information:

1 (A) that the health care provider is continuing to practice the
2 provider’s profession;

3 (B) the health care provider’s new professional contact information;
4 and

5 (C) the recipient’s right to choose a health care provider.

6 (3) The provisions in subdivision (1) of this subsection do not apply to
7 restrictions that limit a health care provider who contracts with a third-party
8 company for nonclinical business support services from opening a business
9 within a specific territory supported by a different third-party company
10 providing nonclinical services.

11 (c) Retaliation and remedies. An employer shall not discharge or in any
12 other manner retaliate against an employee who exercises or attempts to
13 exercise the employee’s rights under this section. The provisions against
14 retaliation in subdivision 495(a)(8) of this subchapter and the penalty
15 provisions of section 495b of this subchapter shall apply to this section.

16 (d) Effective date. This section shall apply to agreements not to compete
17 entered into on or after July 1, 2026.

18 Sec. 4. EFFECTIVE DATE

19 This act shall take effect on July 1, 2026.

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(Committee vote: _____)

Representative _____

FOR THE COMMITTEE