

1 S.230

2 An act relating to fair employment practices

3 The House proposes to the Senate to amend the bill by striking out all after
4 the enacting clause and inserting in lieu thereof the following:

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

6 § 471. DEFINITIONS

7 As used in this subchapter:

8 * * *

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

16 * * *

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

18 § 495d. DEFINITIONS

19 As used in this subchapter:

20 * * *

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

2 (A) a person who has obtained a relief from abuse order issued under
3 15 V.S.A. § 1103;

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

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

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

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

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

19 (i) a court or law enforcement or other government agency;

20 (ii) a domestic violence, sexual assault, or stalking assistance
21 program;

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

2 § 383. DEFINITIONS

3 As used in this subchapter:

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

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

7 * * *

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

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

11 (J) elected and appointed municipal officers.

12 * * *

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

14 § 495q. AGREEMENTS NOT TO COMPETE; PROHIBITION

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

19 (b) Health care providers.

20 (1) Any provision in a contract or agreement that creates or establishes
21 the terms of a partnership, employment, or any other form of professional

1 relationship with a health care provider regarding the health care provider's
2 provision of health care services in Vermont shall be void and unenforceable if
3 the provision:

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

8 (B) limits the ability of a separating health care provider to provide
9 notice of the provider's change of employment to individuals to whom the
10 separating provider provided direct health care services;

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

14 (D) is inconsistent with Vermont law; or

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

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

19 (A) that the health care provider is continuing to practice the
20 provider's profession;

1 (B) the health care provider’s new professional contact information;

2 and

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

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

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

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

16 Sec. 4. EFFECTIVE DATE

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