



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON COMMERCE
AND ECONOMIC DEVELOPMENT

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MEMORANDUM

To: Representative Diane Lanpher, Chair, House Committee on Appropriations

From: Representative Michael Marcotte, Chair, House Committee on Commerce and Economic Development

Date: January 11, 2024

Subject: House Commerce recommendations on the FY24 BAA

The House Committee on Commerce and Economic Development thanks the House Committee on Appropriations for the opportunity to comment on provisions of the FY24 Budget Adjustment Act. In response to your request, the Committee reviewed the proposals and have provided feedback below.

On a straw vote of ---, the Committee respectfully submits the following:

Office of State Treasurer FY2024 Budget Adjustment Language Requests:

1. Vermont ABLE Medicaid Recapture Language – The Committee supports the proposed language from the Treasurer’s office, with edits suggested by Legislative Counsel attached to this memo.
3. Unclaimed Property Clarification – The Committee supports the proposed language from the Treasurer’s office, with edits suggested by Legislative Counsel attached to this memo.

Vermont’s Adult Education and Literacy Network Budget Adjustment Request:

The Committee supports the work of Vermont’s Adult Education and Literacy Network and supports the requested one-time allocation of \$500,000 in the BAA. The Committee encourages the Network to seek administrative efficiencies and is looking forward to reviewing the forthcoming report from the Adult Education and Literacy High School Completion Program (HSCP) Student Access Study Committee.

United Way’s Budget Adjustment Request:

In the FY 23-24 budget, this Committee supported and the House appropriated \$255,000 in expanding United Way’s Working Bridges program. The Senate later removed that

appropriation. This Committee again supports the \$255,000 requested by United Way to fund their Working Bridges program.

House Commerce – BAA language requests from State Treasurer

Sec. A. 33 V.S.A. § 8003 is amended to read:

§ 8003. PROGRAM LIMITATIONS

(a) Cash contributions. The Treasurer or designee shall not accept a contribution:

(1) unless it is in cash; or

(2) except in the case of a contribution under 26 U.S.C. § 529A(c)(1)(C) (relating to a change in a designated beneficiary or program), if such contribution to an ABLE account would result in aggregate contributions from all contributors to the ABLE account for the taxable year exceeding the amount in effect under 26 U.S.C. § 2503(b) for the calendar year in which the taxable year begins.

(b) Separate accounting. The Treasurer or designee shall provide separate accounting for each designated beneficiary.

(c) Limited investment direction. A designated beneficiary may, directly or indirectly, direct the investment of any contributions to the Vermont ABLE Savings Program, or any earnings thereon, ~~no~~ not more than two times in any calendar year.

(d) No pledging of interest as security. A person shall not use an interest in the Vermont ABLE Savings Program, or any portion thereof, as security for a loan.

(e) Prohibition on excess contributions. The Treasurer or designee shall adopt adequate safeguards under the Vermont ABLE Savings Program to prevent aggregate contributions on behalf of a designated beneficiary in excess of the limit established by the State pursuant to 26 U.S.C. § 529(b)(6).

(f) Exemption from Medicaid estate recovery. Unless otherwise required by the Social Security Act:

(1) the term “estate” as used in 42 U.S.C. § 1396p(b) does not include an account established under a qualified ABLE program that complies with the requirements of 26 U.S.C. § 529A; and

(2) neither the State nor any agency or instrumentality of the State shall seek adjustment or recovery against an ABLE account for the costs of Medicaid benefits provided to a designated beneficiary.

(g) Abandoned accounts. Any abandoned ABLE accounts shall be subject to the unclaimed property provisions in 27 V.S.A. chapter 18.

Sec. B. 27 V.S.A. § 1452 is amended to read:

§ 1452. DEFINITIONS

As used in this chapter:

* * *

(24) “Property” means tangible property described in section 1465 of this title or a fixed and certain interest in intangible property held, issued, or owed in the course of a holder’s business or by a government, governmental subdivision, agency, or instrumentality. The term:

* * *

(C) does not include:

(i) ~~property held in a plan described in 26 U.S.C. § 529A, as may be amended;~~ [Repealed.]

(ii) game-related digital content;

(iii) a loyalty card; or

(iv) a gift card.

* * *

Sec. C. 27 V.S.A. § 1513 is amended to read:

§ 1513. PAYMENT OR DELIVERY OF PROPERTY TO ADMINISTRATOR

* * *

(f) If property reported to the Administrator under section 1491 of this title is virtual currency, the holder shall liquidate the virtual currency and remit the proceeds to the Administrator. The liquidation shall occur anytime within 30 days prior to the remittance. The owner of the property shall not have recourse against the holder or the Administrator to recover any gain in value that occurs after the liquidation of the virtual currency for property properly reported as set forth in this chapter.

(g) The Administrator shall establish procedures for the registration, issuance, method of delivery, transfer, and maintenance of securities delivered to the Administrator by a holder.

~~(g)~~(h) An issuer, holder, and transfer agent or other person acting under this section under instructions of and on behalf of the issuer or holder is not liable to the apparent owner for, and must be indemnified by the State against, a claim arising with respect to property after the property has been delivered to the Administrator.

~~(h)~~(i) A holder is not required to deliver to the Administrator a security identified by the holder as a ~~non-freely~~ nonfreely transferable security. If the Administrator or holder determines that a security is no longer a ~~non-freely~~ nonfreely transferable security, the holder shall deliver the security on the next regular date prescribed for delivery of securities under this chapter. The holder shall make a determination annually whether a security identified in a report filed under section 1491 of this title as a ~~non-freely~~ nonfreely transferable security is no longer a ~~non-freely~~ nonfreely transferable security.