

**Outstanding Language Pieces and Requests**

*Treasurer, F&M, and JFO report on State fiscal reserve practices*

*Treasurer, F&M, and JFO report on fiscal stress-testing*

*ARPA “Waterfall” – House Commerce Addendum*

*Afterschool Grant Program Language*

*House Human Services Language Requests*

*ERP Language*

*The section in black, Sec. 35, is from the Governor's recommended BAA language. JFO determined that, if Sec. B.1000 of Act 78 is amended, Sec. B.1001 must be as well. The red section amends Sec. B.1001 of Act 78.*

**Sec. 35.** 2023 Acts and Resolves No. 78, Sec. B.1000 is amended to read:

Sec. B.1000 Debt service – Bond Issuance Costs

Operating expenses	75,705,398	<u>675,000</u>
Total	75,705,398	<u>675,000</u>
Source of funds		
General fund	75,377,993	<u>675,000</u>
Transportation fund	<del>327,405</del>	<u>0</u>
Total	75,705,398	<u>675,000</u>

**Sec. XX.** 2023 Acts and Resolves No. 78, Sec. B.1001 is amended to read:

**Sec. B.1001 Total Debt Service**

**Source of funds**

General fund	75,377,993	<u>675,000</u>
Transportation fund	<del>327,405</del>	<u>0</u>
Total	75,705,398	<u>675,000</u>

*Sec. 36 of the Governor's recommended BAA language amends Sec. B.1100 of Act 78 to include a one-time \$3,000,000 appropriation to the Agency of Administration for Enterprise Resource Planning (ERP) Modernization – Business Transformation. Per the Committee's request JFO has struck this amendment in Sec. 36. Further language changes in relation to this program may be made – those changes are currently being drafted.*

Sec. 36. 2023 Acts and Resolves No. 78, Sec. B.1100 is amended to read:

(a) Agency of Administration. In fiscal year 2024, funds are appropriated for the following:

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(4) \$30,000,000 General Fund to be used as Federal Emergency Management Agency (FEMA) matching funds for costs incurred due to the July 2023 flooding emergency.

~~(5) \$3,000,000 General Fund for Enterprise Resource Planning (ERP) Modernization – Business Transformation.~~

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*Sec. 48 of the Governor's recommended BAA language amends Sec. D.101 of Act 78 to transfer \$71,202,993 from the General Fund and \$327,405 from the Transportation Fund to the General Obligation Bonds Debt Service Fund (35100). This section amends Act 78 to further clarify that these transfers are one-time in nature.*

Sec. XX. 2023 Acts and Resolves No. 78, Sec. E.1000.1 is added to read:

Sec. E.1000.1 GENERAL OBLIGATION BONDS DEBT SERVICE FUND ONE-  
TIME TRANSFERS

(a) The transfers from the General Fund and Transportation Fund to the General Obligation Bonds Debt Service Fund made in Sec. D.101(a)(1)(N) and Sec. D.101(a)(4)(B) of this act are one-time transfers.

*The Treasurer made a number of language requests. The House Committee on Commerce reviewed some pieces of this language and recommends that the following sections be included in the BAA.*

*This section amends statute relating to the ABLE Savings Program, including a technical correction in subdivision (c), the addition of a subdivision (f) that exempts ABLE accounts from the definition of "estate" and from Medicaid recovery, and the addition of a subdivision (g) that subjects abandoned ABLE accounts to the unclaimed property provisions in 27 V.S.A. chapter 18.*

Sec. XX. 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.

*This section accompanies the prior section, amending statute to remove the ABLE exclusion from the definition of “property.”*

Sec. XX. 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.

\* \* \*

*This section amends statute so that the State is not required to hold cryptocurrency. Holders must liquidate the currency and convert it to USD prior to escheatment to the Unclaimed Property program. Also makes technical corrections – “nonfreely.”*

Sec. XX. 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.

*The House Committees on Ways and Means and on Government Operations reviewed the Treasurer's recommended changes to the Vermont State Teacher's Retirement System statute. The change would apply the statutory maximum to the size of the cost of living adjustment (COLA) rather than to the size of the net percentage change in the Consumer Price Index. This language is in line with legislative intent from Act 78, which articulated the intention to revert to the pre-2016 COLA formula.*

Sec. XX. 16 V.S.A. § 1949 is amended to read:

§ 1949. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

(a) Postretirement adjustments to retirement allowance. On January 1 of each year, the retirement allowance of each beneficiary of the System who is in receipt of a retirement allowance for at least a one-year period as of December 31 in the previous year, and who meets the eligibility criteria set forth in this section, shall be adjusted by the amount described in subsection (d) of this section. In no event shall a beneficiary receive a negative adjustment to the beneficiary's retirement allowance.

(b) Calculation of net percentage increase. Each year, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for the month ending on June 30 of that year to the average of the Consumer Price Index for the month ending on June 30 of the previous year.

~~(1) Consumer Price Index; maximum and minimum amounts. Any increase or decrease in the Consumer Price Index shall be subject to adjustment so as to remain within the following maximum and minimum amounts:~~

~~(A) For Group A members and Group C members who are eligible for normal retirement or unreduced early retirement, or who are vested deferred, on or before June 30, 2022, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent.~~

~~(B) For Group C members who are eligible for retirement and leave active service on or after July 1, 2022, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be four percent.~~

~~(2)(1) Consumer Price Index; decreases. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, there shall be no adjustment to the retirement allowance of a beneficiary for the subsequent year beginning on January 1; provided, however, that:~~

~~(A) such decrease shall be applied as an offset against the first subsequent year's increase of the Consumer Price Index up to the full amount of such increase; and~~

~~(B) to the extent that such decrease is greater than such subsequent year's increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.~~

~~(3)(2) Consumer Price Index; increases. Subject to the maximum and minimum amounts set forth in subdivision (1) of this subsection, in In the event of an increase in the Consumer Price Index, and provided there remains an increase following the application of any offset as in subdivision ~~(2)(1)~~ of this subsection, that amount shall be identified as the net percentage increase and used to determine the members' postretirement adjustment as set forth in subsection (d) of this section.~~

~~(c) Eligibility for postretirement adjustment. In order for a beneficiary to receive a postretirement adjustment allowance, the beneficiary must meet the following eligibility requirements:~~

~~(1) ~~for~~For any Group A or Group C member eligible for normal retirement, or who is vested deferred, on or before June 30, 2022, the member must be in receipt of a retirement~~

allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment; ~~and~~

(2) ~~for~~For any Group C member who is first eligible for normal retirement and leaves active service on or after July 1, 2022, the member must be in receipt of a retirement allowance for at least 24 months prior to the January 1 effective date of any postretirement adjustment.

(3) Special rule for Group C early retirement. A Group C member in receipt of an early retirement allowance shall not receive a postretirement adjustment to the member's retirement allowance until such time as the member has reached normal retirement age, provided the member meets all eligibility criteria set forth in this subsection.

(d) Amount of postretirement adjustment. The postretirement adjustment for each member who meets the eligibility criteria set forth in subsection (c) shall be as follows:

(1) the full amount of the net percentage increase calculated pursuant to subsection (b) of this section for all Group A members; ~~and~~ provided that:

(A) the net percentage increase following the application of any offset as provided in this section equals or exceeds one percent; and

(B) the maximum amount of any adjustment under this section shall be five percent;  
and

(2) one-half of the net percentage increase for all Group C members; ~~and~~ provided that:

(A) For Group C members eligible for normal retirement or who are vested deferred on or before June 30, 2022, the maximum amount of any adjustment under this section shall be five percent. An adjustment of less than one percent shall be assigned a value of one percent; and

(B) For Group C members first eligible for normal retirement and leave active service on or after July 1, 2022, the maximum amount of any adjustment under this section shall be four

percent, and the minimum amount shall be zero percent.

(e) As used in this section, “Consumer Price Index” shall mean the Northeast Region Consumer Price Index for all urban consumers, designated as “CPI-U,” in the northeast region, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

*The House Committee on Ways and Means also recommends that the following sections be added to grant retroactive approval for the “Vermont Strong ‘23” commemorative plate program and bundled promotion. The language would approve revenue allocations as outlined in Executive Order 04-23 up to the effective date of the BAA, at which point future revenues would be directed to the General Fund. The House Committee on Transportation review this language as well.*

Sec. XX. 2012 Acts and Resolves No. 71, Sec. 1, as amended by 2012 Acts and Resolves No. 143, Sec. 13, 2014 Acts and Resolves No. 189, Sec. 26, and 2017 Acts and Resolves No. 71, Sec. 24, is further amended to read:

Sec. 1. VERMONT STRONG MOTOR VEHICLE PLATES

(a) ~~Intent.—It is the intent of this act to recognize all of those who have suffered losses because of the destruction brought by Tropical Storm Irene and the flooding of 2011, and to commemorate the contributions of the many who are helping to rebuild Vermont and to make it stronger. [Repealed.]~~

(b) Authority; accounting and reporting; bundles.

(1) ~~The department of motor vehicles (“department”)~~ Department of Motor Vehicles is authorized to design, manufacture or procure, and distribute one or more commemorative plates that include the text “Vermont Strong” in accordance with this section. ~~The department and Vermont Life magazine are~~ Department is authorized to sell commemorative plates individually or in conjunction with a bundled promotional item. ~~The department~~ Department may also authorize other persons to sell commemorative plates, provided that such persons are required to pay the ~~department~~ Department ~~\$25.00~~ \$35.00 per plate within 30 days ~~of~~ after receiving the plates from the ~~department~~ Department.

(2) ~~A The Vermont Strong commemorative plate fund (the “fund”)~~ Commemorative Plate Fund is established. ~~The fund~~ Fund shall be under the control of the ~~commissioner of motor~~

~~vehicles~~ Commissioner of Motor Vehicles, or designee, and shall consist of all receipts from the sales of Vermont Strong commemorative plates and bundled promotional items. The ~~commissioner~~ Commissioner shall account for all proceeds of sales of commemorative plates and bundled promotional items and all receipts into and disbursements from the ~~fund~~ Fund; shall track the number of plates and bundled promotional items distributed and sold; and shall track and collect payments owed for plates distributed. The ~~commissioner~~ Commissioner shall transfer funds from the ~~fund~~ Fund in accordance with subsection (d) of this section ~~no~~ not less often than once per month. The ~~department~~ Department shall report its accounting of ~~fund~~ Fund receipts and disbursements, plate inventory, and uncollected payments for plates distributed to the ~~joint fiscal committee at its November 2012 meeting~~ House and Senate Committees on Transportation and the Joint Fiscal Committee not later than May 1, 2024.

(c) Use. An approved Vermont Strong commemorative plate may be displayed on a motor vehicle registered in Vermont as a pleasure car or on a motor truck registered in Vermont for less than 26,001 pounds, ~~(but excluding vehicles registered under the International Registration Plan),~~ by covering the front registration plate with the commemorative plate any time from the effective date of this act. The regular front registration plate shall not be removed. The regular rear registration plate shall be in place and clearly visible at all times.

(d) Price and allocation of revenue.

(1) The retail price of the plate shall be ~~\$25.00~~ \$35.00, except that on or after July 1, ~~2016~~ 2026, plates may be sold by the Commissioner for \$5.00.

(2) Funds received from the sale of plates for \$5.00 shall be allocated to the Department; funds received from the sale of the plates for ~~\$25.00~~ \$35.00 shall be allocated as follows:

~~(1)(A)~~ \$5.00 to the Department;

~~(2)(B)~~ ~~\$18.00 to the Vermont Disaster Relief Fund~~ \$15.00 to the Vermont Community Foundation; and

~~(3)(C)~~ ~~\$2.00 to the Vermont Foodbank~~ \$15.00 to the Agency of Commerce and Community Development's Business Emergency Gap Assistance Program.

(3) Funds received from the sale of bundled promotional items, less any costs to the Department for the purchase of the bundled promotional items, shall be allocated as follows:

(A) 50 percent to the Vermont Community Foundation; and

(B) 50 percent to the Agency of Commerce and Community Development's Business Emergency Gap Assistance Program.

(e) Funding. The ~~department of motor vehicles~~ Department of Motor Vehicles is authorized to obtain an advance from the Vermont Strong ~~commemorative plate fund~~ Commemorative Plate Fund in an amount to be determined by the ~~commissioner of motor vehicles~~ Commissioner of Motor Vehicles in anticipation of receipts from the administration of this section.

(f) Tax exemption. Sales of commemorative plates pursuant to this section shall be exempt from the sales and use tax established by 32 V.S.A. chapter 233.

Sec. XX. 2012 Acts and Resolves No. 71, Sec. 1, as amended by 2012 Acts and Resolves No. 143, Sec. 13, 2014 Acts and Resolves No. 189, Sec. 26, 2017 Acts and Resolves No. 71, Sec. 24, and Sec. **XX** of this act is further amended to read:

Sec. 1. VERMONT STRONG MOTOR VEHICLE PLATES



(a) [Repealed.]

(b) Authority; accounting and reporting; ~~bundles.~~

(1) The Department of Motor Vehicles is authorized to design, manufacture or procure, and distribute one or more commemorative plates that include the text “Vermont Strong” in accordance with this section. The Department is authorized to sell commemorative plates ~~individually or in conjunction with a bundled promotional item.~~ The Department may also authorize other persons to sell commemorative plates, provided that such persons are required to pay the Department \$35.00 per plate within 30 days after receiving the plates from the Department.

(2) The Vermont Strong Commemorative Plate Fund is established. The Fund shall be under the control of the Commissioner of Motor Vehicles, or designee, and shall consist of all receipts from the sales of Vermont Strong commemorative plates and bundled promotional items. The Commissioner shall account for all proceeds of sales of commemorative plates and bundled promotional items and all receipts into and disbursements from the Fund; shall track the number of plates and bundled promotional items distributed and sold; and shall track and collect payments owed for plates distributed. The Commissioner shall transfer funds from the Fund in accordance with subsection (d) of this section not less often than once per month. The Department shall report its accounting of Fund receipts and disbursements, plate inventory, and uncollected payments for plates distributed to the House and Senate Committees on Transportation and the Joint Fiscal Committee not later than May 1, 2024.

\* \* \*

(d) Price and allocation of revenue.

(1) The retail price of the plate shall be \$35.00, except that on or after July 1, 2026, plates may be sold by the Commissioner for \$5.00.

(2) Funds received from the sale of plates for \$5.00 shall be allocated to the Department; funds received from the sale of the plates for \$35.00 shall be allocated as follows:

(A) \$5.00 to the Department; and

(B) ~~\$15.00~~ \$30.00 to the ~~Vermont Community Foundation~~; and

~~(C) \$15.00 to the Agency of Commerce and Community Development's Business Emergency Gap Assistance Program~~ General Fund for natural disaster relief.

(3) Funds received from the sale of bundled promotional items prior to the effective date of this section, less any costs to the Department for the purchase of the bundled promotional items, shall be allocated as follows:

(A) 50 percent to the Vermont Community Foundation; and

(B) 50 percent to the Agency of Commerce and Community Development's Business Emergency Gap Assistance Program.

\* \* \*

(g) Bundled promotional items. The State shall not be involved with the sale of any bundled promotional items.

**[SUBSECTIONS TO USE FOR THE EFFECTIVE DATE:]**

(X) Notwithstanding 1 V.S.A. § 214, Sec. **A** (Vermont Strong license plates through passage) shall take effect retroactively on August 23, 2023.

(Y) Sec. B (Vermont Strong license plates upon passage) shall take effect on passage.

*The House Committee on Transportation recommends that the following changes be made to the Governor's recommended BAA Sec. 58 language, which further amends Act 185, Sec. G.600(b). Changes from the Governor's recommended language are in red.*

**Sec. 58.** 2023 Acts and Resolves No. 62, Sec. 26 is amended to read:

Sec. 26. 2022 Acts and Resolves No. 185, Sec. G.600(b), as amended by 2023 Acts and Resolves No. 3, Sec. 85 and 2023 Acts and Resolves No. 62, Sec. 26, is further amended to read:

(b) In fiscal year 2023, \$32,200,000 is appropriated from the General Fund and \$550,000 is appropriated from the Transportation Fund for electric vehicle charging infrastructure, electrification incentives and public transportation investments as follows:

\* \* \*

(4) ~~\$3,000,000~~ \$3,500,000 to the Agency of Transportation to grant to the Community Action Agencies to support the MileageSmart Program, established in 2019 Acts and Resolves No. 59, Sec. 34, as amended.

(5) ~~\$2,900,000.00~~ \$2,350,000 to the Agency of Transportation for the Replace Your Ride Program, established in 2021 Acts and Resolves No. 55, Sec. 27, as amended.

(6) ~~\$2,200,000~~ \$2,350,000 general funds and \$550,000 Transportation funds to the Agency of Transportation for the following:

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(C) \$50,000 Transportation funds and ~~\$100,000~~ \$150,000 general funds to the Agency of Transportation for electric bicycle incentives.

(7) \$500,000 General Fund to the Agency of Transportation for the Electrify Your Fleet program.