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H.55

An act relating to miscellaneous unemployment insurance amendments

The House concurs in the Senate proposal of amendment with further proposal of amendment thereto by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Unemployment Insurance * * *

Sec. 1. 21 V.S.A. § 1325 is amended to read:

§ 1325. EMPLOYERS' EXPERIENCE-RATING RECORDS;

DISCLOSURE TO SUCCESSOR ENTITY

(a)(1) The Commissioner shall maintain an experience-rating record for each employer. Benefits paid shall be charged against the experience-rating record of each subject employer who provided base-period wages to the eligible individual. Each subject employer's experience-rating charge shall bear the same ratio to total benefits paid as the total base-period wages paid by that employer bear to the total base-period wages paid to the individual by all base-period employers. The experience-rating record of an individual subject base-period employer shall not be charged for benefits paid to an individual under any of the following conditions:

* * *

1 (2) If an individual’s unemployment is directly caused by a major
2 disaster declared by the President of the United States pursuant to 42 U.S.C.
3 § 5122 and the individual would have been eligible for federal disaster
4 unemployment assistance benefits but for the receipt of regular benefits, an
5 employer shall be relieved of charges for benefits paid to the individual with
6 respect to any week of unemployment occurring due to the natural disaster up
7 to a maximum amount of ~~four~~ 10 weeks.

8 * * *

9 Sec. 2. 21 V.S.A. § 1347 is amended to read:

10 § 1347. NONDISCLOSURE OR MISREPRESENTATION;

11 OVERPAYMENTS; WAIVER

12 * * *

13 (f)(1) Notwithstanding any provision of subsection (a), (b), or (d) of this
14 section to the contrary, the Commissioner may waive up to the full amount of
15 any overpayment that is not a result of the person’s intentional
16 misrepresentation of or failure to disclose a material fact if:

17 (A) the overpayment occurs through no fault of the person; and

18 (B) recovery of the overpayment would be against equity and good
19 conscience.

1 (2) A person may request a waiver of an overpayment at any time after
2 receiving notice of a determination pursuant to subsection (a) or (b) of this
3 section.

4 (3) Upon making a determination that an overpayment occurred
5 pursuant to subsection (a) or (b) of this section, the Commissioner shall, to the
6 extent possible and in consideration of the information available to the
7 Department, determine whether waiver of the amount of overpaid benefits is
8 appropriate.

9 (4) The Commissioner shall provide notice of the right to request a
10 waiver of an overpayment with each determination that an overpayment has
11 occurred. The notice shall include clear instructions regarding the
12 circumstances under which a waiver may be granted and how a person may
13 apply for a waiver.

14 (5) If the Commissioner denies an application for a waiver, the
15 Commissioner shall provide written notice of:

16 (A) the denial with enough information to ensure that the person can
17 understand the reason for the denial; and

18 (B) the person's right to appeal the determination pursuant to
19 subsection (h) of this section.

1 (6)(A) A person whose request to waive an overpayment pursuant to this
2 subsection has been denied pursuant to subdivision (5) of this subsection (f)
3 and whose rights to appeal the denial pursuant to subsection (h) have been
4 exhausted shall be permitted to submit an additional request to waive the
5 overpayment if the person can demonstrate a material change in the person's
6 circumstances such that recovery of the overpayment would be against equity
7 and good conscience.

8 (B) The Commissioner may dismiss a request to waive an
9 overpayment that is submitted pursuant to this subdivision (6) if the
10 Commissioner finds that there is no material change in the person's
11 circumstances such that recovery of the overpayment would be against equity
12 and good conscience. The Commissioner's determination pursuant to this
13 subdivision (6) shall be final and shall not be subject to appeal.

14 (7) In the event that an overpayment is waived on appeal, the
15 Commissioner shall, as soon as practicable, refund any amounts collected or
16 withheld in relation to the overpayment pursuant to the provisions of this
17 section.

18 (g) The provisions of subsection (f) of this section shall, to the extent
19 permitted by federal law, apply to overpayments made in relation to any
20 federal unemployment insurance benefits or similar federal benefits.

1 (h) Interested parties shall have the right to appeal from any determination
2 under this section and the same procedure shall be followed as provided for in
3 subsection 1348(a) and section 1349 of this title.

4 (i) The Commissioner shall not attempt to recover an overpayment or
5 withhold any amounts of unemployment insurance benefits from a person:

6 (1) until after the Commissioner has made a final determination
7 regarding whether an overpayment of benefits to the person occurred and the
8 person's right to appeal the determination has been exhausted; or

9 (2) if the person filed an application for a waiver, until after the
10 Commissioner has made an initial determination regarding the application.

11 (j)(1) The Commissioner shall provide any person who received an
12 overpayment of benefits and is not currently receiving benefits pursuant to this
13 chapter with the option of entering into a plan to repay the amount of the
14 overpayment. The plan shall provide for reasonable weekly, biweekly, or
15 monthly payments in an amount that permits the person to continue to afford
16 the person's ordinary living expenses.

17 (2) The Commissioner shall permit a person to request a modification to
18 a repayment plan created pursuant to this subsection if the person's ability to
19 afford ordinary living expenses changes.

1 Sec. 3. 21 V.S.A. § 1347 is amended to read:

2 § 1347. NONDISCLOSURE OR MISREPRESENTATION;
3 OVERPAYMENTS; WAIVER

4 * * *

5 (d) In any case in which under this section a person is liable to repay any
6 amount to the Commissioner for the Fund, the Commissioner may withhold, ~~in~~
7 ~~whole or in part, any~~ future benefits payable to ~~such~~ the person, in amounts
8 equal to not more than 50 percent of the person's weekly benefit amount, and
9 credit ~~such~~ the withheld benefits against the amount due from ~~such~~ the person
10 until it is repaid in full, less any penalties assessed under subsection (c) of this
11 section.

12 * * *

13 Sec. 4. WAIVER OF UI OVERPAYMENT; RULEMAKING

14 On or before November 1, 2024, the Employment Security Board shall
15 commence rulemaking and file proposed rule amendments pursuant to
16 3 V.S.A. § 838 as necessary to implement the provisions of Sec. 2 of this act,
17 amending 21 V.S.A. § 1347.

1 * * * Unemployment Insurance Technical Corrections * * *

2 Sec. 5. 21 V.S.A. § 1301 is amended to read:

3 § 1301. DEFINITIONS

4 As used in this chapter:

5 * * *

6 (3) “Contributions” means the money payments to the State
7 Unemployment Compensation Trust Fund required by this chapter.

8 * * *

9 (25) ~~“Son,” “daughter,” and “child” include~~ “Child” includes an
10 individual’s biological child, foster child, adoptive child, stepchild, a child for
11 whom the individual is listed as a parent on the child’s birth certificate, a legal
12 ward of the individual, a child of the individual’s spouse, or a child that the
13 individual has day-to-day responsibilities to care for and financially support.

14 * * *

15 Sec. 6. 21 V.S.A. § 1321(d) is amended to read:

16 (d) Financing benefits paid to employees of State. In lieu of contributions
17 required of employers subject to this chapter, the State of Vermont, including
18 State hospitals but excluding any State institution of higher education, shall
19 pay to the Commissioner, for the Unemployment Compensation Trust Fund, an
20 amount equal to the amount of benefits paid, including the full amount of

1 extended benefits paid, attributable to service by individuals in the employ of
2 the State. At the end of each calendar quarter, or at the end of any other period
3 as determined by the Commissioner, the Commissioner shall bill the State for
4 the amount of benefits paid during ~~such~~ the quarter or other prescribed period
5 that is attributable to service in the employ of the State. Subdivisions (c)(3)(C)
6 through (3)(F), inclusive, and subdivisions (c)(5) and (6) of this section as they
7 apply to nonprofit organizations shall also apply to the State of Vermont,
8 except that the State shall be liable for all benefits paid, including the full
9 amount of extended benefits paid, attributable to service in the employ of the
10 State.

11 Sec. 7. 21 V.S.A. § 1361 is amended to read:

12 § 1361. MANAGEMENT OF FUNDS UPON DISCONTINUANCE OF
13 UNEMPLOYMENT TRUST FUND

14 The provisions of sections 1358–1360 of this ~~title~~ subchapter to the extent
15 that they relate to the federal Unemployment Trust Fund, shall be operative
16 only ~~so long as such~~ if the federal Unemployment Trust Fund continues to
17 exist and ~~so long as~~ the U.S. Secretary of the Treasury continues to maintain
18 for this State a separate book account of all Funds deposited ~~therein~~ in the
19 federal Unemployment Trust Fund by this State for benefit purposes, together
20 with this State’s proportionate share of the earnings of ~~such~~ the Unemployment

1 Trust Fund, from which only the Commissioner of Labor is permitted to make
2 withdrawals. If and when ~~such Unemployment Trust Fund shall~~ federal law no
3 longer ~~be required by the laws of the United States~~ requires the federal
4 Unemployment Trust Fund to be maintained ~~as aforesaid~~ as a condition of
5 approval of this chapter as provided in Title III of the Social Security Act, then
6 all monies, properties, or securities ~~therein~~ in the federal Unemployment Trust
7 Fund, belonging to the Unemployment Compensation Trust Fund of this State,
8 shall be transferred to the treasurer of the Unemployment Compensation Trust
9 Fund, who shall hold, invest, transfer, sell, deposit, and release ~~such~~ the
10 monies, properties, or securities in a manner approved by the Commissioner
11 and appropriate for trust funds, subject to all claims for benefits under this
12 chapter.

13 Sec. 8. 21 V.S.A. § 1362 is amended to read:

14 § 1362. UNEMPLOYMENT COMPENSATION ADMINISTRATION

15 FUND

16 ~~There is hereby created the~~ The Unemployment Compensation
17 Administration Fund is created to consist of all monies received by the State or
18 by the Commissioner for the administration of this chapter. ~~This special fund~~
19 The Unemployment Compensation Administration Fund shall be a special
20 fund managed pursuant to 32 V.S.A. chapter 7, subchapter 5. The

1 Unemployment Compensation Administration Fund shall be handled through
2 the State Treasurer as other State monies are handled, but it shall be expended
3 solely for the purposes and in the amounts found necessary by the Secretary of
4 Labor for the proper and efficient administration of ~~such~~ this chapter and its
5 balance shall not lapse at any time but shall remain continuously available to
6 the Commissioner for expenditures consistent ~~herewith~~ with the provisions of
7 this section. All federal monies allotted or apportioned to the State by the
8 Secretary of Labor, or other agency, for the administration of this chapter shall
9 be paid into the Unemployment Compensation Administration Fund and are
10 hereby appropriated to ~~such~~ the Unemployment Compensation Administration
11 Fund.

12 Sec. 9. 21 V.S.A. § 1365 is amended to read:

13 § 1365. CONTINGENT FUND

14 (a) There is ~~hereby~~ created a special fund to be known as the Contingent
15 Fund. All interest, fines, and penalties collected under the provisions of ~~the~~
16 ~~unemployment compensation law after April 1, 1947~~ this chapter, together
17 with any voluntary contributions tendered as a contribution to ~~this~~ the
18 Contingent Fund, shall be paid into ~~this~~ the Contingent Fund. ~~Such~~ The
19 monies shall not be expended or available for expenditures in any manner
20 ~~which~~ that would permit their substitution for, or a corresponding reduction in,

1 federal funds ~~which~~ that would in the absence of ~~such~~ the monies be available
2 to finance expenditures for the administration of the unemployment
3 compensation law.

4 (b) ~~But nothing~~ Nothing in this chapter shall prevent ~~such~~ the monies from
5 being used as a revolving fund to cover expenditures, necessary and proper
6 under the law for which federal funds have been duly requested but not yet
7 received, subject to the charging of ~~such~~ the expenditures against ~~such~~ the
8 funds when received.

9 (c) The monies in ~~this~~ the Contingent Fund shall be used by the
10 Commissioner for the payment of costs of administration ~~which~~ that are found
11 not to have been properly and validly chargeable against federal grants, or
12 other funds, received for or in the Unemployment Compensation
13 Administration Fund ~~on or after January 1, 1947~~. No expenditure of the
14 Contingent Fund shall be made unless and until the Commissioner finds that
15 no other funds are available or can properly be used to finance ~~such~~ the
16 expenditures.

17 (d) The State Treasurer shall co-sign all expenditures from ~~this~~ the
18 Contingent Fund authorized by the Commissioner.

19 (e) The monies in ~~this~~ the Contingent Fund are ~~hereby specifically made~~
20 available to replace, within a reasonable time, any monies received by this

1 State pursuant to ~~section 302 of the federal Social Security Act, as amended,~~
2 ~~which~~ 42 U.S.C. § 502 that because of any action or contingency, have been
3 lost or have been expended for purposes other than, or in amounts in excess of,
4 those necessary for the proper administration of the unemployment
5 compensation law.

6 (f) The monies in ~~this~~ the Contingent Fund shall be continuously available
7 to the Commissioner for expenditure in accordance with the provisions of this
8 section and shall not lapse at any time or be transferred to any other fund
9 except as ~~herein~~ provided pursuant to this section.

10 (g) ~~Provided, however, that on~~ On December 31 of each year, all monies in
11 excess of \$10,000.00 in ~~this~~ the Contingent Fund shall be transferred to the
12 Unemployment Compensation Trust Fund. On or before March 31 of each
13 year, an audit of ~~this~~ the Contingent Fund ~~will~~ shall be completed and a report
14 of that audit ~~will~~ shall be made public.

15 (h) In the event that a refund of interest, a fine, or a penalty is found
16 necessary, and ~~such~~ the interest, fine, or penalty has been deposited in the
17 Contingent Fund, ~~such~~ the refund shall be made from the Contingent Fund.

18 * * * Workers' Compensation * * *

19 Sec. 10. 2023 Acts and Resolves No. 76, Sec. 38 is amended to read:

20 Sec. 38. ADOPTION OF RULES

1 The Commissioner of Labor shall, on or before July 1, 2024, adopt rules as
2 necessary to implement the provisions of Secs. 29, 30, 31, 32, 33, 34, ~~35~~, 36,
3 and 37, ~~and 38~~ of this act.

4 Sec. 11. 21 V.S.A. § 601 is amended to read:

5 § 601. DEFINITIONS

6 As used in this chapter:

7 * * *

8 (11) “Personal injury by accident arising out of and in the course of
9 employment” includes an injury caused by the willful act of a third person
10 directed against an employee because of that employment.

11 * * *

12 (I)(i) In the case of police officers, rescue or ambulance workers, ~~or~~
13 firefighters, or State employees, as that term is defined pursuant to subdivision
14 (iii)(VI) of this subdivision (11)(I), post-traumatic stress disorder that is
15 diagnosed by a mental health professional shall be presumed to have been
16 incurred during service in the line of duty and shall be compensable, unless it
17 is shown by a preponderance of the evidence that the post-traumatic stress
18 disorder was caused by nonservice-connected risk factors or nonservice-
19 connected exposure.

1 (ii) A police officer, rescue or ambulance worker, ~~or firefighter, or~~
2 State employee who is diagnosed with post-traumatic stress disorder within
3 three years ~~of following~~ the last active date of employment as a police officer,
4 rescue or ambulance worker, ~~or firefighter, or~~ State employee shall be eligible
5 for benefits under this subdivision (11).

6 (iii) As used in this subdivision (11)(I):

7 (I) “Classified employee” means an employee in the classified
8 service, as defined pursuant to 3 V.S.A. § 311.

9 (II) “Firefighter” means a firefighter as defined in 20 V.S.A.
10 § 3151(3) and (4).

11 ~~(H)~~(III) “Mental health professional” means a person with
12 professional training, experience, and demonstrated competence in the
13 treatment and diagnosis of mental conditions, who is certified or licensed to
14 provide mental health care services and for whom diagnoses of mental
15 conditions are within ~~his or her~~ the person’s scope of practice, including a
16 physician, nurse with recognized psychiatric specialties, psychologist, clinical
17 social worker, mental health counselor, or alcohol or drug abuse counselor.

18 ~~(H)~~(IV) “Police officer” means a law enforcement officer who
19 has been certified by the Vermont Criminal Justice Council pursuant to
20 20 V.S.A. chapter 151.

1 ~~(IV)~~(V) “Rescue or ambulance worker” means ambulance
2 service, emergency medical personnel, first responder service, and volunteer
3 personnel as defined in 24 V.S.A. § 2651.

4 (VI) “State employees” means:

5 (aa) facility employees of the Department of Corrections;

6 (bb) employees of the Department of Corrections who
7 provide direct security or treatment services to offenders under supervision in
8 the community;

9 (cc) classified employees of State-operated therapeutic
10 community residences or inpatient psychiatric hospital units;

11 (dd) classified employees of public safety answering points;

12 (ee) classified employees of the Family Services Division of
13 the Department for Children and Families;

14 (ff) classified employees of the Vermont Veterans’ Home;

15 (gg) classified employees of the Department of State’s
16 Attorneys and Sheriffs, State’s Attorneys, and employees of the Department of
17 State’s Attorneys and Sheriffs who are assigned to a State’s Attorney’s field
18 office; and

19 (hh) classified employees in the Criminal Division of the
20 Attorney General’s Office.

1

* * *

2 Sec. 12. SURVEY OF FIRE DEPARTMENTS; REPORT

3 (a) The Executive Director of the Division of Fire Safety shall conduct an
4 annual survey of Vermont municipal fire departments and private volunteer
5 fire departments during calendar years 2025, 2027, and 2029 regarding the
6 following information, to the extent such information is available to the
7 departments:

8 (1) the number of firefighters in the department;

9 (2) the number of firefighters in the department who use tobacco
10 products; and

11 (3) for each firefighter in the department, the firefighter's:

12 (A) age;

13 (B) gender;

14 (C) position or rank in the department;

15 (D) if a professional firefighter, the date of hire, and if a volunteer
16 firefighter, the date on which service in the department began;

17 (E) the period of employment or service with the department;

18 (F) if the firefighter's employment or service with the department
19 terminated during the previous 24 months, the date on which the employment
20 or service terminated;

1 (G) if a professional firefighter, the annual salary or hourly wage paid
2 by the department;

3 (H) if a volunteer firefighter, the annual salary or hourly wage paid
4 by the volunteer firefighter's regular employment; and

5 (I) the number of fires responded to during the previous 24 months.

6 (b)(1) Except as provided pursuant to subsection (c) of this section, all
7 information obtained as part of the surveys conducted pursuant to subsection
8 (a) of this section shall be kept confidential and shall be exempt from public
9 inspection and copying under the Public Records Act.

10 (2) The reports prepared pursuant to subsection (c) of this section shall
11 present the results of the surveys conducted pursuant to subsection (a) of this
12 section in an aggregated and anonymized manner and shall not include
13 personally identifying information for any firefighter.

14 (c) On or before December 15 of 2025, 2027, and 2029, the Executive
15 Director shall report to the Commissioner of Financial Regulation, the Senate
16 Committee on Economic Development, Housing and General Affairs and the
17 House Committee on Commerce and Economic Development regarding the
18 results of the survey.

19 Sec. 13. FIREFIGHTERS' WORKERS' COMPENSATION CLAIMS FOR
20 CANCER; ANNUAL REPORT

1 (a) The Commissioner of Financial Regulation shall, on or before
2 February 1 of 2026, 2028, and 2030, report to the Senate Committee on
3 Economic Development, Housing and General Affairs and the House
4 Committee on Commerce and Economic Development regarding:

5 (1) the number of workers' compensation claims for cancer that were
6 submitted by Vermont firefighters in the previous 24 months;

7 (2) the number and percentage of those claims that were approved;

8 (3) the types of cancer for which the claims were submitted; and

9 (4) national trends with respect to workers' compensation claims for
10 cancer submitted by firefighters during the previous 24 months, including, to
11 the extent that information is available, the number of claims filed, the rate of
12 claim approval, and, to the extent information is available, the types of cancer
13 for which claims were submitted.

14 (b) All workers' compensation insurers doing business in Vermont shall
15 report to the Commissioner of Financial Regulation, in a time and manner
16 specified by the Commissioner:

17 (1) the number of workers' compensation claims for cancer that were
18 received by the insurer from Vermont firefighters;

19 (2) the number of those claims that were approved; and

20 (3) the types of cancer for which the claims were submitted.

1 (c) The February 1, 2030 report required pursuant to subsection (a) of this
2 section shall, in addition to setting forth the information required pursuant to
3 subsection (a):

4 (1) aggregate and summarize the data required pursuant to subsection
5 (a) for the preceding six years;

6 (2) compare the incidence of cancer among firefighters in Vermont to
7 the incidence of cancer among firefighters nationally; and

8 (3) include a recommendation regarding any legislative action needed to
9 better address the occurrence of cancer among firefighters in Vermont.

10 Sec. 14. DIVISION OF FIRE SAFETY; FIRE DEPARTMENTS;

11 SUBSIDY FOR ANNUAL CANCER SCREENING

12 (a) The Division of Fire Safety shall subsidize the cost of providing cancer
13 screening to Vermont professional and volunteer firefighters, as well as all
14 enrollees in the Vermont Fire Academy Firefighter I program, during fiscal
15 year 2025 to the extent that funds are appropriated for that purpose.

16 (b)(1) Cancer screening subsidized pursuant to this section shall consist of:

17 (A) a multi-cancer early detection blood test;

18 (B) an ultrasound of vital organs, including abdominal aorta, thyroid,
19 liver, gallbladder, spleen, bladder, kidney, testicles for males, and exterior
20 pelvis for females; and

1 (C) any additional screening that the Executive Director determines
2 to be appropriate.

3 (2) The Executive Director shall determine the specific types of
4 screening tests to subsidize pursuant to the provision of this section in
5 consultation with appropriate licensed medical professionals.

6 (c) The Executive Director may utilize the funds appropriated pursuant to
7 subsection (a) of this section to:

8 (1) provide grants to fire departments to subsidize the cost of cancer
9 screening; or

10 (2) contract directly with one or more entities to provide cancer
11 screening to fire departments at a discounted rate; or

12 (3) both.

13 * * * Unpaid Medical Leave * * *

14 Sec. 15. 21 V.S.A. § 471 is amended to read:

15 § 471. DEFINITIONS

16 As used in this subchapter:

17 * * *

18 (3) “Family leave” means a leave of absence from employment by an
19 employee who works for an employer ~~which~~ that employs 15 or more

1 individuals who are employed for an average of at least 30 hours per week
2 during the year for one of the following reasons:

3 (A) the serious ~~illness~~ health condition of the employee; or

4 (B) the serious ~~illness~~ health condition of the employee's child,
5 stepchild or ward who lives with the employee, foster child, parent, spouse, or
6 parent of the employee's spouse.

7 (4) "Health care provider" means a licensed health care provider or a
8 health care provider as defined pursuant to 29 C.F.R. § 825.125.

9 (5) "Parental leave" means a leave of absence from employment by an
10 employee who works for an employer ~~which~~ that employs 10 or more
11 individuals who are employed for an average of at least 30 hours per week
12 during the year for one of the following reasons:

13 * * *

14 (5)(6) "Serious ~~illness~~ health condition" means:

15 (A) an accident, illness, injury, disease, or physical or mental
16 condition that:

17 (A)(i) poses imminent danger of death;

18 (B)(ii) requires inpatient care in a hospital, hospice, or residential
19 medical care facility; or

1 * * * Baby Bonds Trust Program * * *

2 Sec. 17. 3 V.S.A. chapter 20 is added to read:

3 CHAPTER 20. VERMONT BABY BOND TRUST

4 § 601. DEFINITIONS

5 As used in this chapter:

6 (1) “Designated beneficiary” means an individual born on or after July
7 1, 2024 who was eligible at birth for coverage in the Dr. Dynasaur program
8 established in accordance with Title XIX (Medicaid) and Title XXI (SCHIP) of
9 the Social Security Act or for coverage available pursuant to 33 V.S.A. chapter
10 19, subchapter 9.

11 (2) “Eligible expenditure” means an expenditure associated with any of
12 the following, each as prescribed by the Treasurer:

13 (A) education of a designated beneficiary;

14 (B) purchase of a dwelling unit or real property in Vermont by a
15 designated beneficiary;

16 (C) investment in a business in Vermont by a designated beneficiary;

17 or

18 (D) investment or rollover in a qualified retirement account,

19 Section 529 account, or Section 529A account established for the benefit of a
20 designated beneficiary.

1 (3) “Trust” means the Vermont Baby Bond Trust established by this
2 chapter.

3 § 602. VERMONT BABY BOND TRUST; ESTABLISHMENT

4 (a) There is established the Vermont Baby Bond Trust, to be administered
5 by the Office of the State Treasurer. The Trust shall constitute an
6 instrumentality of the State and shall perform essential governmental functions
7 as provided in this chapter. The Trust shall receive and hold until disbursed in
8 accordance with section 607 of this title all payments, deposits, and
9 contributions intended for the Trust; as well as gifts, bequests, and
10 endowments; federal, State, and local grants; any other funds from any public
11 or private source; and all earnings on these funds.

12 (b)(1) The amounts on deposit in the Trust shall not constitute property of
13 the State, and the Trust shall not be construed to be a department, institution, or
14 agency of the State. Amounts on deposit in the Trust shall not be commingled
15 with State funds, and the State shall have no claim to or against, or interest in,
16 the amounts on deposit in the Trust.

17 (2) Any contract entered into by, or any obligation of, the Trust shall not
18 constitute a debt or obligation of the State, and the State shall have no
19 obligation to any designated beneficiary or any other person on account of the
20 Trust.

1 (3) All amounts obligated to be paid from the Trust shall be limited to
2 the amounts available for that obligation on deposit in the Trust, and the
3 availability of amounts for a class of designated beneficiaries does not
4 constitute an assurance that amounts will be available to the same degree, or at
5 all, to another class of designated beneficiaries. The amounts on deposit in the
6 Trust shall only be disbursed in accordance with the provisions of section 607
7 of this title.

8 (4) The Trust shall continue in existence until it no longer holds any
9 deposits or has any obligations and its existence is terminated by law. Upon
10 termination, any unclaimed assets shall return to the State and shall be
11 governed by the provisions of 27 V.S.A chapter 18.

12 (c) The Treasurer shall be responsible for receiving, maintaining,
13 administering, investing, and disbursing amounts from the Trust. The Trust
14 shall not receive deposits in any form other than cash.

15 § 603. TREASURER'S TRUST AUTHORITY

16 The Treasurer, on behalf of the Trust and for purposes of the Trust, may:

17 (1) receive and invest monies in the Trust in any instruments,
18 obligations, securities, or property in accordance with section 604 of this title;

19 (2) enter into one or more contractual agreements, including contracts
20 for legal, actuarial, accounting, custodial, advisory, management,

1 administrative, advertising, marketing, or consulting services, for the Trust and
2 pay for such services from the assets of the Trust;

3 (3) procure insurance in connection with the Trust's property, assets,
4 activities, or deposits and pay for such insurance from the assets of the Trust;

5 (4) apply for, accept, and expend gifts, grants, and donations from
6 public or private sources to enable the Trust to carry out its objectives;

7 (5) adopt rules pursuant to 3 V.S.A. chapter 25;

8 (6) sue and be sued;

9 (7) establish one or more funds within the Trust and expend reasonable
10 amounts from the funds for internal costs of administration; and

11 (8) take any other action necessary to carry out the purposes of this
12 chapter.

13 § 604. INVESTMENT OF FUNDS IN THE TRUST

14 The Treasurer shall invest the amounts on deposit in the Trust in a manner
15 reasonable and appropriate to achieve the objectives of the Trust, exercising
16 the discretion and care of a prudent person in similar circumstances with
17 similar objectives. The Treasurer shall give due consideration to the rate of
18 return, risk, term or maturity, and liquidity of any investment; diversification
19 of the total portfolio of investments within the Trust; projected disbursements
20 and expenditures; and the expected payments, deposits, contributions, and gifts

1 to be received. The Treasurer shall not invest directly in obligations of the
2 State or any political subdivision of the State or in any investment or other
3 fund administered by the Treasurer. The assets of the Trust shall be
4 continuously invested and reinvested in a manner consistent with the
5 objectives of the Trust until disbursed for eligible expenditures or expended on
6 expenses incurred by the operations of the Trust.

7 § 605. EXEMPTION FROM TAXATION

8 The property of the Trust and the earnings on the Trust shall be exempt
9 from all taxation by the State or any political subdivision of the State.

10 § 606. MONIES INVESTED IN TRUST NOT CONSIDERED ASSETS OR
11 INCOME

12 (a) Notwithstanding any provision of law to the contrary, and to the extent
13 permitted by federal law, no sum of money invested in the Trust shall be
14 considered to be an asset or income for purposes of determining an
15 individual's eligibility for assistance under any program administered by the
16 Agency of Human Services.

17 (b) Notwithstanding any provision of law to the contrary, no sum of money
18 invested in the Trust shall be considered to be an asset for purposes of
19 determining an individual's eligibility for need-based institutional aid grants
20 offered to an individual by a public postsecondary school located in Vermont.

1 § 607. ACCOUNTING FOR DESIGNATED BENEFICIARY; CLAIMS

2 REQUIREMENTS

3 (a) The Treasurer shall establish in the Trust an accounting for each
4 designated beneficiary in the amount of \$3,200.00. Each accounting shall
5 include the initial amount of \$3,200.00, plus the designated beneficiary's pro
6 rata share of total net earnings from investments of sums held in the Trust.

7 (b) A designated beneficiary shall become eligible to receive the total sum
8 of the accounting under subsection (a) of this section upon the designated
9 beneficiary's 18th birthday and completion of a financial coaching requirement
10 as prescribed by the Treasurer. The sum shall only be used for eligible
11 expenditures.

12 (c) The Treasurer shall create a financial coaching program and materials
13 designed to educate designated beneficiaries and others about the permissible
14 use of funds available under this chapter.

15 (d) A designated beneficiary, or the designated beneficiary's authorized
16 representative in the case of a designated beneficiary unable to make a claim
17 due to disability, may submit a claim for accounting until the designated
18 beneficiary's 30th birthday, provided the designated beneficiary is a resident of
19 the State at the time of the claim. If a designated beneficiary dies before
20 submitting a valid claim or fails to submit a valid claim before the designated

1 beneficiary's 30th birthday, the designated beneficiary's accounting shall be
2 credited back to the assets of the Trust.

3 (e) The Treasurer shall adopt rules pursuant to 3 V.S.A. chapter 25 to carry
4 out the purposes of this section, including prescribing the process for
5 submitting a valid claim for accounting.

6 § 608. DATA SHARING

7 In carrying out the purposes of this chapter, the Treasurer may enter into an
8 intergovernmental agreement or memorandum of understanding with any
9 agency or instrumentality of the State requiring disclosure to execute the
10 purposes of this chapter to receive outreach, technical assistance, enforcement,
11 and compliance services; collection or dissemination of information pertinent
12 to the Trust, including protected health information and personal identification
13 information, subject to such obligations of confidentiality as may be agreed to
14 or required by law; or other services or assistance.

15 § 609. IMPLEMENTATION; PILOT PROGRAM

16 The Treasurer's duty to implement this chapter is contingent upon
17 publication by the Treasurer of an official statement that the Treasurer has
18 received donations designated for purposes of implementation or
19 administration of the Trust in an amount sufficient to operate a pilot program.
20 Upon publication, the Treasurer shall commence a pilot program implementing

1 the Trust pursuant to the provisions of this chapter. The pilot program shall be
2 used to evaluate the impact, effectiveness, and operational necessities of a
3 permanent program consistent with this chapter.

4 Sec. 18. VERMONT BABY BOND TRUST; HOUSING OPPORTUNITIES;
5 REPORT

6 (a) The Office of the State Treasurer, in consultation with interested
7 stakeholders, shall evaluate the following issues and options under the
8 Vermont Baby Bond Trust program established in 3 V.S.A. chapter 20:

9 (1) increasing housing opportunities in Vermont through investment of
10 Trust funds, including:

11 (A) how the Treasurer may, consistent with the Treasurer's fiduciary
12 obligations and subject to the provisions of 32 V.S.A. chapter 7, subchapter 2,
13 invest the funds to advance housing opportunities in Vermont;

14 (B) the amount of funds that could be invested in this manner; and

15 (C) the anticipated impact of these investments on housing in
16 Vermont;

17 (2) potential funding sources for the program;

18 (3) creating eligibility conditions for, and safeguards to protect, a
19 beneficiary's investment in a business in Vermont;

1 (4) additional mechanisms to encourage beneficiaries to stay in
2 Vermont, including:

3 (A) incentives to encourage beneficiaries to expend funds on
4 education at in-State institutions; and

5 (B) the feasibility of limiting expenditures on education to in-State
6 institutions while permitting waivers to access out-of-State institutions based
7 on program availability and capacity;

8 (5) modifications to the financial coaching element of the program,
9 including:

10 (A) ensuring a parent or caretaker of a beneficiary is made aware of
11 the program at or around the time of the beneficiary's birth and offered a
12 financial coaching program substantially similar to that offered beneficiaries;

13 (B) providing additional financial coaching opportunities for
14 beneficiaries who delay withdrawing funds after meeting eligibility conditions;

15 (C) utilizing an advisory board to assist in developing the financial
16 coaching element; and

17 (D) measures to expand financial coaching to all children living in
18 Vermont;

19 (6) measures for achieving inflationary adjustment of the statutorily
20 mandated accounting;

1 (7) whether additional needs-based programs administered by the State
2 may be impacted by a beneficiary’s entitlement to funds in the Trust;

3 (8) the feasibility of altering the program to permit unclaimed funds to
4 roll over into a beneficiary’s retirement account, including mechanisms for
5 creating an account on behalf of a beneficiary and ensuring funds in the
6 account are not accessible until the beneficiary reaches retirement age; and

7 (9) any other issues relating to the Vermont Baby Bond Trust
8 investments that the Treasurer identifies as warranting study.

9 (b) On or before January 15, 2025, the Office of the State Treasurer shall
10 submit a written report to the General Assembly with its findings and any
11 recommendations for legislative action.

12 * * * Effective Dates * * *

13 Sec. 19. EFFECTIVE DATES

14 (a) This section and Sec. 10 (workers’ compensation rulemaking technical
15 corrections) shall take effect on passage.

16 (b) Sec. 3 (amending 21 V.S.A. § 1347(d)) shall take effect upon the earlier
17 of July 1, 2026 or the implementation of the Department of Labor’s updated
18 unemployment insurance information technology system.

19 (c) The remaining sections shall take effect on July 1, 2024.

1 and that after passage the title of the bill be amended to read: “An act
2 relating to miscellaneous unemployment insurance, workers’ compensation,
3 and employment practices amendments; and to establishing the Vermont Baby
4 Bond Trust”