

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to  
3 which was referred House Bill No. 55 entitled “An act relating to  
4 miscellaneous unemployment insurance amendments” respectfully reports that  
5 it has considered the same and recommends that the Senate propose to the  
6 House that the bill be amended by striking out all after the enacting clause and  
7 inserting in lieu thereof the following:

8 \* \* \* Unemployment Insurance \* \* \*

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

10 § 1325. EMPLOYERS’ EXPERIENCE-RATING RECORDS;

11 DISCLOSURE TO SUCCESSOR ENTITY

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

21 \* \* \*

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 (e) In addition to the foregoing, when ~~it is found by~~ the Commissioner  
14 finds that a person intentionally misrepresented or failed to disclose a material  
15 fact with respect to ~~his or her~~ the person’s claim for benefits ~~and in the event~~  
16 ~~the person is not prosecuted,~~ the Commissioner may prosecute the person  
17 under section 1368 of this title ~~and penalty provided in section 1373 of this~~  
18 ~~title is not imposed,~~ the person shall be disqualified and shall not be entitled to  
19 ~~receive benefits to which he or she would otherwise be entitled after the~~  
20 ~~determination for such number of weeks not exceeding 26 as the~~

1 ~~Commissioner shall deem just. The notice of determination shall also specify~~  
2 ~~the period of disqualification imposed hereunder.~~

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

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

8 (B) recovery of the overpayment would be against equity and good  
9 conscience.

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

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

18 (4) The Commissioner shall provide notice of the right to request a  
19 waiver of an overpayment with each determination that an overpayment has  
20 occurred. The notice shall include clear instructions regarding the

1 circumstances under which a waiver may be granted and how a person may  
2 apply for a waiver.

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

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

7 (B) the person’s right to appeal the determination pursuant to  
8 subsection (h) of this section.

9 (6)(A) A person whose request to waive an overpayment pursuant to this  
10 subsection has been denied pursuant to subdivision (5) of this subsection (f)  
11 and whose rights to appeal the denial pursuant to subsection (h) have been  
12 exhausted shall be permitted to submit an additional request to waive the  
13 overpayment if the person can demonstrate a material change in the person’s  
14 circumstances such that recovery of the overpayment would be against equity  
15 and good conscience.

16 (B) The Commissioner may dismiss a request to waive an  
17 overpayment that is submitted pursuant to this subdivision (6) if the  
18 Commissioner finds that there is no material change in the person’s  
19 circumstances such that recovery of the overpayment would be against equity  
20 and good conscience. The Commissioner’s determination pursuant to this  
21 subdivision (6) shall be final and shall not be subject to appeal.

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

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

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

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

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

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

18           (j)(1) The Commissioner shall provide any person who received an  
19           overpayment of benefits and is not currently receiving benefits pursuant to this  
20           chapter with the option of entering into a plan to repay the amount of the  
21           overpayment. The plan shall provide for reasonable weekly, biweekly, or

1 monthly payments in an amount that permits the person to continue to afford  
2 the person’s ordinary living expenses.

3 (2) The Commissioner shall permit a person to request a modification to a  
4 repayment plan created pursuant to this subsection if the person’s ability to  
5 afford ordinary living expenses changes.

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

7 § 1347. NONDISCLOSURE OR MISREPRESENTATION;

8 OVERPAYMENTS; WAIVER

9 \* \* \*

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

17 \* \* \*

18 Sec. 4. WAIVER OF UI OVERPAYMENT; RULEMAKING

19 On or before November 1, 2024, the Employment Security Board shall  
20 commence rulemaking and file proposed rule amendments pursuant to

1 3 V.S.A. § 838 as necessary to implement the provisions of Sec. 2 of this act,  
2 amending 21 V.S.A. § 1347.

3 Sec. 5. 21 V.S.A. § 1368 is amended to read:

4 § 1368. FALSE STATEMENTS TO INCREASE PAYMENTS

5 (a) A person ~~shall not willfully and~~ who intentionally ~~make~~ makes a false  
6 statement or representation to obtain ~~or~~, increase, ~~or initiate~~ any benefit or  
7 other payment under this chapter, ~~either for himself, herself, whether for~~  
8 themselves or any other person, shall, after notice and an opportunity for a  
9 hearing, be:

10 (1) liable to repay the amount of overpaid benefits and any applicable  
11 penalty imposed pursuant to section 1347 of this chapter;

12 (2) assessed a further administrative penalty of up to \$5,000.00; and

13 (3) ineligible to receive benefits pursuant to this chapter for a period of  
14 up to five years from the date on which the false statement or representation  
15 was discovered.

16 (b) Interested parties shall have the right to appeal from any determination  
17 under this section and the same procedure shall be followed as provided for in  
18 subsection 1348(a) and section 1349 of this chapter.

19 (c) The Commissioner may collect an unpaid administrative penalty by  
20 filing a civil action in the Superior Court.





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

10 Sec. 8. 21 V.S.A. § 1361 is amended to read:

11 § 1361. MANAGEMENT OF FUNDS UPON DISCONTINUANCE OF  
12 UNEMPLOYMENT TRUST FUND

13 The provisions of sections 1358–1360 of this ~~title~~ subchapter to the extent  
14 that they relate to the federal Unemployment Trust Fund, shall be operative  
15 only ~~so long as such~~ if the federal Unemployment Trust Fund continues to  
16 exist and ~~so long as~~ the U.S. Secretary of the Treasury continues to maintain  
17 for this State a separate book account of all Funds deposited ~~therein~~ in the  
18 federal Unemployment Trust Fund by this State for benefit purposes, together  
19 with this State’s proportionate share of the earnings of ~~such~~ the Unemployment  
20 Trust Fund, from which only the Commissioner of Labor is permitted to make  
21 withdrawals. If and when ~~such Unemployment Trust Fund shall~~ federal law no

1 longer ~~be required by the laws of the United States~~ requires the federal  
2 Unemployment Trust Fund to be maintained ~~as aforesaid~~ as a condition of  
3 approval of this chapter as provided in Title III of the Social Security Act, then  
4 all monies, properties, or securities ~~therein~~ in the federal Unemployment Trust  
5 Fund, belonging to the Unemployment Compensation Trust Fund of this State,  
6 shall be transferred to the treasurer of the Unemployment Compensation Trust  
7 Fund, who shall hold, invest, transfer, sell, deposit, and release ~~such the~~  
8 monies, properties, or securities in a manner approved by the Commissioner  
9 and appropriate for trust funds, subject to all claims for benefits under this  
10 chapter.

11 Sec. 9. 21 V.S.A. § 1362 is amended to read:

12 § 1362. UNEMPLOYMENT COMPENSATION ADMINISTRATION  
13 FUND

14 ~~There is hereby created the~~ The Unemployment Compensation  
15 Administration Fund is created to consist of all monies received by the State or  
16 by the Commissioner for the administration of this chapter. ~~This special fund~~  
17 The Unemployment Compensation Administration Fund shall be a special  
18 fund managed pursuant to 32 V.S.A. chapter 7, subchapter 5. The  
19 Unemployment Compensation Administration Fund shall be handled through  
20 the State Treasurer as other State monies are handled, but it shall be expended  
21 solely for the purposes and in the amounts found necessary by the Secretary of

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

9 Sec. 10. 21 V.S.A. § 1365 is amended to read:

10 § 1365. CONTINGENT FUND

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

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

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

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

16       (e) The monies in ~~this the~~ Contingent Fund are ~~hereby specifically made~~  
17       available to replace, within a reasonable time, any monies received by this  
18       State pursuant to ~~section 302 of the federal Social Security Act, as amended,~~  
19       ~~which~~ 42 U.S.C. § 502 that because of any action or contingency, have been  
20       lost or have been expended for purposes other than, or in amounts in excess of,

1 those necessary for the proper administration of the unemployment  
2 compensation law.

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

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

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

15 \* \* \* Workers' Compensation \* \* \*

16 Sec. 11. 2023 Acts and Resolves No. 76, Sec. 38 is amended to read:

17 Sec. 38. ADOPTION OF RULES

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

1 Sec. 12. 21 V.S.A. § 601 is amended to read:

2 § 601. DEFINITIONS

3 As used in this chapter:

4 \* \* \*

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

8 \* \* \*

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

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

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

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

4 (II) “Firefighter” means a firefighter as defined in 20 V.S.A.  
5 § 3151(3) and (4).

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

13 ~~(H)~~(IV) “Police officer” means a law enforcement officer who  
14 has been certified by the Vermont Criminal Justice Council pursuant to  
15 20 V.S.A. chapter 151.

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

19 (VI) “State employees” means:

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

1                    (bb) employees of the Department of Corrections who  
2                    provide direct security or treatment services to offenders under supervision in  
3                    the community;

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

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

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

9                    (ff) classified employees of the Vermont Veterans' Home;

10                   (gg) classified employees of the Department of State's  
11                   Attorneys and Sheriffs, State's Attorneys, and employees of the Department of  
12                   State's Attorneys and Sheriffs who are assigned to a State's Attorney's field  
13                   office; and

14                   (hh) classified employees in the Criminal Division of the  
15                   Attorney General's Office.

16                   \* \* \*

17                   Sec. 13. SURVEY OF FIRE DEPARTMENTS; REPORT

18                   (a) The Executive Director of the Division of Fire Safety shall conduct an  
19                   annual survey of Vermont municipal fire departments and private volunteer  
20                   fire departments during calendar years 2025, 2027, and 2029 regarding the



1 following information, to the extent such information is available to the  
2 departments:

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

4 (2) the number of firefighters in the department who use tobacco  
5 products; and

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

7 (A) age;

8 (B) gender;

9 (C) position or rank in the department;

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

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

13 (F) if the firefighter's employment or service with the department  
14 terminated during the previous 24 months, the date on which the employment  
15 or service terminated;

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

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

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



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

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

3           (4) national trends with respect to workers’ compensation claims for  
4 cancer submitted by firefighters during the previous 24 months, including, to  
5 the extent that information is available, the number of claims filed, the rate of  
6 claim approval, and, to the extent information is available, the types of cancer  
7 for which claims were submitted.

8           (b) All workers’ compensation insurers doing business in Vermont shall  
9 report to the Commissioner of Financial Regulation, in a time and manner  
10 specified by the Commissioner:

11           (1) the number of workers’ compensation claims for cancer that were  
12 received by the insurer from Vermont firefighters;

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

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

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

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

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



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\* \* \*

~~(5)~~(6) “Serious ~~illness~~ health condition” means:

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

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

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

~~(C)~~(iii) requires continuing ~~in-home care under the direction of treatment by a physician~~ health care provider; or

(B) rehabilitation from an accident, illness, injury, disease, or physical or mental condition described in subdivision (A) of this subdivision (6), including treatment for substance use disorder.

**Sec. 16.** 21 V.S.A. § 472 is amended to read:

§ 472. LEAVE

(a) During any 12-month period, an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks:

\* \* \*

(2) for family leave, for the serious ~~illness~~ health condition of the employee or the employee’s child, stepchild or ward of the employee who lives with the employee, foster child, parent, spouse, or parent of the employee’s spouse.

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(e)(1) An employee shall give reasonable written notice of intent to take leave under this subchapter. Notice shall include the date the leave is expected to commence and the estimated duration of the leave.

(2) In the case of the adoption or birth of a child, an employer shall not require that notice be given more than six weeks prior to the anticipated commencement of the leave.

(3) In the case of a serious ~~illness~~ health condition of the employee or a member of the employee’s family, an employer may require certification from a ~~physician~~ health care provider to verify the condition and the amount and necessity for the leave requested.

(4) An employee may return from leave earlier than estimated upon approval of the employer.

(5) An employee shall provide reasonable notice to the employer of ~~his or her~~ the need to extend leave to the extent provided by this ~~chapter~~ subchapter.

\* \* \*

(h) Except for serious ~~illness~~ health condition of the employee, an employee who does not return to employment with the employer who provided the leave shall return to the employer the value of any compensation paid to or

1 on behalf of the employee during the leave, except payments for accrued sick  
2 leave or vacation leave.

3 \* \* \* Baby Bonds Trust Program \* \* \*

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

5 CHAPTER 20. VERMONT BABY BOND TRUST

6 § 601. DEFINITIONS

7 As used in this chapter:

8 (1) “Designated beneficiary” means an individual born on or after July  
9 1, 2024 who was eligible at birth for coverage in the Dr. Dynasaur program  
10 established in accordance with Title XIX (Medicaid) and Title XXI (SCHIP) of  
11 the Social Security Act or for coverage available pursuant to 33 V.S.A. chapter  
12 19, subchapter 9.

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

15 (A) education of a designated beneficiary;

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

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

19 or

1           (D) investment or rollover in a qualified retirement account,  
2           Section 529 account, or Section 529A account established for the benefit of a  
3           designated beneficiary.

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

6           § 602. VERMONT BABY BOND TRUST; ESTABLISHMENT

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

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

20           (2) Any contract entered into by, or any obligation of, the Trust shall not  
21           constitute a debt or obligation of the State, and the State shall have no



1 obligation to any designated beneficiary or any other person on account of the  
2 Trust.

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

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

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

17 § 603. TREASURER’S TRUST AUTHORITY

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

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

1           (2) enter into one or more contractual agreements, including contracts  
2           for legal, actuarial, accounting, custodial, advisory, management,  
3           administrative, advertising, marketing, or consulting services, for the Trust and  
4           pay for such services from the assets of the Trust;

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

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

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

10          (6) sue and be sued;

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

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

15          § 604. INVESTMENT OF FUNDS IN THE TRUST

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

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

8 § 605. EXEMPTION FROM TAXATION

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

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

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

18 (b) Notwithstanding any provision of law to the contrary, no sum of money  
19 invested in the Trust shall be considered to be an asset for purposes of  
20 determining an individual's eligibility for need-based institutional aid grants  
21 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  
21 the Trust pursuant to the provisions of this chapter. The pilot program shall be

1 used to evaluate the impact, effectiveness, and operational necessities of a  
2 permanent program consistent with this chapter.

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

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

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

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

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

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

16 (2) potential funding sources for the program;

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

19 (4) additional mechanisms to encourage beneficiaries to stay in  
20 Vermont, including:

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

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

6           (5) modifications to the financial coaching element of the program,  
7           including:

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

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

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

15           (D) measures to expand financial coaching to all children living in  
16           Vermont;

17           (6) measures for achieving inflationary adjustment of the statutorily  
18           mandated accounting;

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

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

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

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

10   \* \* \* Effective Dates \* \* \*

11           **Sec. 19.** EFFECTIVE DATES

12           (a) This section and Sec. 11 (workers’ compensation rulemaking technical  
13           corrections) shall take effect on passage.

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

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

18           and that after passage the title of the bill be amended to read: “An act  
19           relating to miscellaneous unemployment insurance, workers’ compensation,  
20           and employment practices amendments **and to establishing the Vermont Baby**  
21           **Bond Trust”**



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4 (Committee vote: \_\_\_\_\_)

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\_\_\_\_\_

6

Senator \_\_\_\_\_

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FOR THE COMMITTEE