

1 H.370

2 Introduced by Representative Greer of Bennington

3 Referred to Committee on

4 Date:

5 Subject: Securities; banking; cryptocurrency; consumer protection

6 Statement of purpose of bill as introduced: This bill proposes to establish
7 various initiatives to protect Vermonters from any potential harms associated
8 with cryptocurrency transactions and the location of cryptocurrency mining
9 facilities in Vermont.

10 An act relating to cryptocurrency and protecting the public welfare

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. SHORT TITLE

13 This act shall be known and may be cited as the “Cryptocurrency Public
14 Protection Act.”

15 Sec. 2. FINDINGS AND INTENT

16 (a) The General Assembly finds that:

17 (1) cryptocurrency is not legal tender, is not backed by the government,
18 and accounts and value balances are not subject to Federal Deposit Insurance
19 Corporation or Securities Investor Protection Corporation protections;

1 (2) legislative and regulatory changes or actions at the State, federal, or
2 international level may adversely affect the use, transfer, exchange, and value
3 of cryptocurrency;

4 (3) transactions in cryptocurrency may be irreversible and, accordingly,
5 losses due to fraudulent or accidental transactions may not be recoverable;

6 (4) the value of cryptocurrency may be derived from the continued
7 willingness of market participants to exchange fiat currency for
8 cryptocurrency, which may result in the potential for permanent and total loss
9 of value of a particular cryptocurrency should the market for the
10 cryptocurrency disappear; and

11 (5) the volatility and unpredictability of the price of cryptocurrency
12 relative to fiat currency may result in significant loss over a short period of
13 time.

14 (b) It is the intent of this act to establish regulatory policies that safeguard
15 public funds, protect consumers from fraudulent activities, promote the public
16 good, and protect the legitimacy of the U.S. dollar, the reserve currency of the
17 world.

18 Sec. 3. PUBLIC PENSION FUNDS; CRYPTOCURRENCY; VERMONT

19 PENSION INVESTMENT COMMISSION

20 (a) The Vermont Pension Investment Commission, in consultation with the
21 State Treasurer, shall ensure that the holdings of the Vermont State

1 Employees' Retirement System, the Vermont State Teachers' Retirement
2 System, and the Municipal Employees' Retirement System are not invested in
3 cryptocurrency.

4 (b) If any holdings of such funds are in cryptocurrency on July 1, 2025, the
5 Commissioner, in consultation with the State Treasurer, shall develop and
6 implement a divestment plan.

7 Sec. 4. 32 V.S.A. § 437 is added to read:

8 § 437. INVESTMENTS IN CRYPTOCURRENCY PROHIBITED

9 (a) Investments of State funds, including nonretirement-related trust funds,
10 shall not be made in cryptocurrency.

11 (b) If State funds are invested in cryptocurrency on July 1, 2025, the State
12 Treasurer shall develop and implement a divestment plan.

13 Sec. 5. FINANCIAL REGULATION AND FRAUD PREVENTION

14 (a) The Commissioner of Financial Regulation, in consultation with the
15 Vermont Attorney General, shall develop a regulatory framework designed to
16 prevent the use of cryptocurrency as a form of theft and fraud and to ensure the
17 robust enforcement of cryptocurrency-related criminal activities.

18 (b) On or before November 15, 2025, the Commissioner shall submit in
19 draft form the regulatory framework developed pursuant to subsection (a) of
20 this section to the House Committee on Commerce and Economic
21 Development and the Senate Committee on Finance.

1 Sec. 6. CRYPTOCURRENCY MINING FACILITIES; PUBLIC UTILITY
2 COMMISSION INVESTIGATION

3 (a) The Public Utility Commission shall commence an investigation into
4 the siting of cryptocurrency mining facilities in Vermont. The purpose of the
5 investigation is to:

6 (1) develop a procedure for siting such facilities in accordance with the
7 State's environmental and conservation policies and in a manner that mitigates
8 any adverse impacts on adjacent landowners, municipalities, and the public
9 good, generally; and

10 (2) establish electric and water utility rates specific to cryptocurrency
11 mining facilities so that other classes of ratepayers are not burdened with any
12 increased costs associated with the construction and operation of such
13 facilities.

14 (b) The Public Utility Commission shall submit its findings and
15 recommendations in draft form to the House Committee on Energy and Digital
16 Infrastructure and the Senate Committee on Finance on or before November
17 15, 2025.

18 Sec. 7. EFFECTIVE DATE

19 This act shall take effect on July 1, 2025.