

Senate Calendar

WEDNESDAY, FEBRUARY 26, 2025

SENATE CONVENES AT: 1:00 P.M.

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ORDERS OF THE DAY

ACTION CALENDAR

UNFINISHED BUSINESS OF TUESDAY, FEBRUARY 25, 2025

Second Reading

Favorable with Recommendation of Amendment

S. 3.

An act relating to the transfer of property to a trust.

Reported favorably with recommendation of amendment by Senator Hashim for the Committee on Judiciary.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 14A V.S.A. § 505 is amended to read:

§ 505. CREDITOR’S CLAIM AGAINST SETTLOR

(a) Whether or not the terms of a trust contain a spendthrift provision, the following rules apply:

(1) During the lifetime of the settlor, the property of a revocable trust is subject to claims of the settlor’s creditors.

(2) With respect to an irrevocable trust, a creditor or assignee of the settlor may reach the maximum amount that can be distributed to or for the settlor’s benefit. If a trust has more than one settlor, the amount the creditor or assignee of a particular settlor may reach shall not exceed the settlor’s interest in the portion of the trust attributable to that settlor’s contribution. This subdivision shall not apply to an irrevocable “special needs trust” established for a disabled person as described in 42 U.S.C. § 1396p(d)(4) or similar federal law governing the transfer to such a trust.

(3) After the death of a settlor, and subject to the settlor’s right to direct the source from which liabilities will be paid, the property of a trust that was revocable at the settlor’s death is subject to claims of the settlor’s creditors, costs of administration of the settlor’s estate, the expenses of the settlor’s funeral and disposal of remains, and statutory allowances to a surviving spouse and children to the extent the settlor’s probate estate is inadequate to satisfy those claims, costs, expenses, and allowances.

* * *

(c)(1) Property held by spouses as tenants by the entirety that is conveyed to the spouses' jointly or separately held revocable or irrevocable trusts, and any proceeds of the sale or disposition of the property, shall be immune from the claims of the spouses' separate creditors to the same extent as the property would have been if it had remained held by the spouses as tenants by the entirety if the following apply:

(A) the spouses are married to each other;

(B) the property is held in the trust or trusts or has been deeded out of the trust to the spouses as tenants by the entirety;

(C) if the trust is a joint trust, the trust may be revoked by either spouse acting alone but may be amended only by action of both spouses; and

(D) the property is the spouses' property; and

(E)(i) both spouses are current beneficiaries of one joint trust that holds the entire property; or

(ii) each spouse is a current beneficiary of a separate trust and the two separate trusts, together, hold the entire property, whether or not other persons are also current or future beneficiaries of the trust or trusts.

(2)(A) Property at any time held in a tenants by the entirety trust shall have the same immunity from the claims of a separate creditor of either settlor as the property would have if it were held outside the trust by the settlors as tenants by the entirety unless otherwise provided in writing by the settlor or settlors who transferred the property to the trust. The property shall be treated in all respects as tenants by the entirety property, including for purposes of federal and state bankruptcy laws.

(B) Property held in a tenants by the entirety trust shall cease to receive immunity from the claims of creditors upon the dissolution of the settlors' marriage by a court.

(3) Except as otherwise provided in this title, on the effective date of this subsection:

(A) notwithstanding 1 V.S.A. § 214, this subsection (c) applies to all trusts created before, on, or after the effective date of this subsection and to property held by spouses as tenants by the entirety that is conveyed before, on, or after the effective date of this subsection;

(B) this subsection (c) applies to all judicial proceedings concerning trusts commenced on or after the effective date of this subsection.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 4-0-1)

NEW BUSINESS

Third Reading

H. 141

An act relating to fiscal year 2025 budget adjustments.

CONFIRMATIONS

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore*, for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Utility Commission, underlined below, shall be fully and separately acted upon.

Andrew Collier of Westford - Commissioner of the Department of Motor Vehicles - By Senator Brennan for the Committee on Transportation (February 19, 2025)

Allison M. Crowley of South Burlington - Member of the State Police Advisory Commission - By Senator Collamore for the Committee on Government Operations (February 19, 2025)

Seth Shamp of Burlington - Member of the State Police Advisory Commission - By Senator Collamore for the Committee on Government Operations (February 19, 2025)

JFO NOTICE

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3):

JFO #3244: \$2,335,401.00 to the Agency of Human Services, Department of Health from the Substance Abuse and Mental Health Services Administration. Funds support continued crisis counseling assistance and training in response to the July 2024 flood event.

[Received February 7, 2025]

JFO #3245: \$250,000.00 to the Agency of Human Services, Department of Health from the National Association of State Mental Health Program Directors. Funds used to provide trainings for crisis staff and to make improvements to the State’s crisis system dispatch platform.

[Received February 7, 2025]

FOR INFORMATION ONLY

CROSSOVER DATES

The Joint Rules Committee established the following crossover deadlines:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 14, 2025**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day – Committee bills must be voted out of Committee by **Friday, March 14, 2025**.

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday, March 21, 2025**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Note: The Senate will not act on bills that do not meet these crossover deadlines, without the consent of the Senate Rules Committee.

Exceptions to the foregoing deadlines include the major money bills (the General Appropriations bill (“The Big Bill”), the Transportation Capital bill, the Capital Construction bill and the Fee/Revenue bills)