



VERMONT LEGISLATIVE Joint Fiscal Office

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Fiscal Note

June 9, 2025

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S.27 (Act 21) – An act relating to medical debt relief and excluding medical debt from credit reports

As Enacted^{1,2,3}

Bill Summary

The bill would direct the State Treasurer to contract with an entity to acquire and abolish certain medical debts for Vermonters with incomes at or below 400% of the federal poverty level (FPL) or who owe medical debt equal to 5% or more of their household income. It would also prohibit credit reporting agencies from reporting or maintaining information on Vermonters' medical debt and would prohibit health care providers from reporting medical debt to credit reporting agencies.

Fiscal Impact

As passed by the General Assembly, the bill appropriates \$1 million to the State Treasurer for the purpose of contracting with a nonprofit entity (Undue Medical Debt) to acquire and repay certain medical debts incurred by Vermont residents.⁴ According to the Treasurer's Office, this could eliminate \$100 million in medical debt for Vermonters.⁵

¹ The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.

² The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.

³ A marked-up version of the bill showing the changes between the Senate and House passed versions can be found [here](#).

⁵ [Presentation](#) from State Treasurer Mike Pieciak to the Senate Committee on Health and Welfare, February 12, 2025.