

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill No.
3 158 entitled “An act relating to the beverage container redemption system”
4 respectfully reports that it has considered the same and recommends that the
5 bill be amended as follows:

6 First: In Sec. 1, 10 V.S.A. chapter 53, in section 1522, in subsection (a),
7 after “a deposit of” and before “five cents shall be paid”, by striking out the
8 “not less than” and inserting in lieu thereof “~~not less than~~”

9 Second: In Sec. 1, 10 V.S.A. chapter 53, in section 1522, by inserting a
10 new subsection (c) to read:

11 (c) Alcoholic beverages permitted to be shipped directly to a consumer
12 under 7 V.S.A. § 277 shall be exempt from:

13 (1) the beverage container deposit requirement of subsection (a) of this
14 section;

15 (2) the labeling requirements of section 1524 of this title; and

16 (3) the abandoned beverage container deposit requirements of section
17 1530 of this title.

18 Third: In Sec. 1, 10 V.S.A. chapter 53, in section 1523, in subdivision
19 (a)(2), after “A manufacturer or distributor” and before “not refuse” by striking
20 out “may” and inserting in lieu thereof “~~may~~ shall”

1 Fourth: In Sec. 1, 10 V.S.A. chapter 53, in section 1524, in subdivision
2 (a)(1), by striking out “by embossing ~~or~~, imprinting on the normal product
3 label, or” and inserting in lieu thereof “by embossing ~~or~~ on the normal product
4 label, imprinting on the normal product label, or”

5 Fifth: In Sec. 1, 10 V.S.A. chapter 53, in section 1529, in the first sentence
6 of the section, after “a redemption center” and before “obtain a certification”
7 by striking out the word “may” and inserting in lieu thereof “~~may~~ shall”
8 and in the newly designated subdivision (2), in the second sentence, after
9 “This” and before “include requirements” by striking out “may” and inserting
10 in lieu thereof “~~may~~ shall”

11 Sixth: In Sec. 1, 10 V.S.A. chapter 53, in section 1531, by striking out
12 subsection (g) in its entirety and inserting in lieu thereof a new subsection (g)
13 to read:

14 (g) The producer responsibility organization shall reimburse the Secretary
15 for the costs of overseeing the administration of the program under this chapter
16 as follows:

17 (1) The Secretary shall annually provide an estimate of the costs of
18 overseeing the administration of the program to the producer responsibility
19 program, including staff costs, compliance, and oversight of the system.

20 (2) The producer responsibility organization shall provide any
21 comments to the Secretary’s budget within 30 days of receipt. The Agency of

1 Natural Resource shall respond to all comments provided by the producer
2 responsibility organization and may make changes to its budget in response to
3 those comments. These comments and the responses shall be provided to the
4 General Assembly as a part of the Secretary’s budget.

5 (3) Reimbursement of Agency of Natural Resources costs under this
6 subsection shall be subject to the State budgeting process, and the producer
7 responsibility organization shall not be required to reimburse any Agency cost
8 unless that cost is approved as a part of the Agency’s budget.

9 Seventh: In Sec. 1, 10 V.S.A. chapter 53, in section 1532, in subdivision
10 (b)(9), after “and educational strategies the” and before “uses for the purposes
11 of” by striking out “producer” and inserting in lieu thereof “producer
12 responsibility organization”

13 Eighth: In Sec. 1, 10 V.S.A. chapter 53, in section 1533, in subsection (b),
14 in the last sentence, after “redeemed in the State” and before the period by
15 striking out “after approval by the Secretary”

16 and in section 1533, subsection (b), by adding a new last sentence to read:

17 The Secretary shall approve the audit results and the redemption rate of
18 beverage containers included in the audit.

19 Ninth: In Sec. 1, 10 V.S.A. chapter 53, in section 1534, by striking out
20 subsection (c) in its entirety and inserting in lieu thereof new subsection (c) to
21 read as follows:

1 (c) Beginning on July 1, 2025 and every five years thereafter, the Secretary
2 of Natural Resources shall submit to the Senate Committees on Natural
3 Resources and Energy and on Finance and the House Committees on
4 Environment and Energy and on Ways and Means a written report containing:

5 (1) the current beverage container redemption rate in the State; and

6 (2) a recommendation of whether the General Assembly should enact
7 legislation to increase the beverage container deposit in order to improve
8 redemption of beverage containers.

9 Tenth: In Sec. 1, 10 V.S.A. chapter 53, by adding a section 1536 to read:

10 § 1536. ANTITRUST; CONDUCT AUTHORIZED

11 (a) Activity authorized. A manufacturer, group of manufacturers, or
12 producer responsibility organization implementing or participating in an
13 approved collection plan under this chapter for the collection, transport,
14 processing, and management of beverage container is individually or jointly
15 immune from liability for conduct under State laws relating to antitrust,
16 restraint of trade, unfair trade practices, and other regulation of trade or
17 commerce under 9 V.S.A. chapter 63, subchapter 1 to the extent that the
18 conduct is reasonably necessary to plan, implement, and comply with the
19 producer responsibility organization's chosen system for beverage containers.

20 (b) Limitations on antitrust activity. Subsection (a) of this section shall not
21 apply to an agreement among producers, groups of manufacturers, retailers,

1 wholesalers, or the producer responsibility organization affecting the price of
2 beverage containers or any agreement restricting the geographic area in which
3 or customers to whom beverage containers shall be sold.

4 Eleventh: By striking out Secs. 2 and 3, 10 V.S.A. § 1530(c)(1), in their
5 entirety and inserting in lieu thereof the following new Secs. 2–3a to read as
6 follows:

7 Sec. 2. 10 V.S.A. § 1530(c)(1) is amended to read:

8 (c)(1) ~~On or before January 1, 2020, and quarterly thereafter,~~ Every quarter,
9 at the time a report is filed pursuant to subsection (d) of this section, each
10 deposit initiator shall remit to the Commissioner of Taxes any abandoned
11 beverage container deposits from the preceding quarter. The Commissioner of
12 Taxes shall deposit the first \$3,000,000.00 of the abandoned beverage
13 container deposits into the Clean Water Fund under 10 V.S.A. § 1388. The
14 Commissioner shall return to the producer responsibility organization
15 implementing the requirements of this chapter any abandoned beverage
16 container deposits in excess of the amount deposited into the Clean Water
17 Fund. The amount of abandoned beverage container deposits for a quarter is
18 the amount equal to the amount of deposits that the deposit initiator collected
19 in the quarter less the amount of the total refund value paid out by the deposit
20 initiator for beverage containers during the quarter.

21 Sec. 3. 10 V.S.A. § 1530(c)(1) is amended to read:

1 (c)(1) Every quarter, at the time a report is filed pursuant to subsection (d)
2 of this section, each deposit initiator shall remit to the Commissioner of Taxes
3 any abandoned beverage container deposits from the preceding quarter. The
4 Commissioner of Taxes shall deposit the first ~~\$3,000,000.00~~ \$4,000,000.00 of
5 the abandoned beverage container deposits into the Clean Water Fund under 10
6 V.S.A. § 1388. The Commissioner shall return to the producer responsibility
7 organization implementing the requirements of this chapter any abandoned
8 beverage container deposits in excess of the amount deposited into the Clean
9 Water Fund. The amount of abandoned beverage container deposits for a
10 quarter is the amount equal to the amount of deposits that the deposit initiator
11 collected in the quarter less the amount of the total refund value paid out by the
12 deposit initiator for beverage containers during the quarter.

13 Sec. 3a. 10 V.S.A. § 1530(c)(1) is amended to read:

14 (c)(1) Every quarter, at the time a report is filed pursuant to subsection (d)
15 of this section, each deposit initiator shall remit to the Commissioner of Taxes
16 any abandoned beverage container deposits from the preceding quarter. The
17 Commissioner of Taxes shall deposit the first \$4,000,000.00 of the abandoned
18 beverage container deposits into the Clean Water Fund under 10 V.S.A.
19 § 1388. The Commissioner shall ~~return to the producer responsibility~~
20 ~~organization implementing the requirements of this chapter~~ deposit into the
21 Solid Waste Management Assistance Account of the Waste Management

1 Assistance Fund any abandoned beverage container deposits in excess of the
2 amount deposited into the Clean Water Fund. The amount of abandoned
3 beverage container deposits for a quarter is the amount equal to the amount of
4 deposits that the deposit initiator collected in the quarter less the amount of the
5 total refund value paid out by the deposit initiator for beverage containers
6 during the quarter.

7 Twelfth: By striking out Sec. 5, 10 V.S.A. § 1388, in its entirety and
8 inserting in lieu thereof a new Sec. 5 to read:

9 Sec. 5. 10 V.S.A. § 1388 is amended to read:

10 § 1388. CLEAN WATER FUND

11 (a) There is created a special fund to be known as the Clean Water Fund to
12 be administered by the Secretary of Administration. The Fund shall consist of:

13 (1) revenues from the Property Transfer Tax surcharge established under
14 32 V.S.A. § 9602a;

15 (2) other gifts, donations, and impact fees received from any source,
16 public or private, dedicated for deposit into the Fund and approved by the
17 Secretary of Administration;

18 (3) the unclaimed beverage container deposits (escheats) ~~remitted to the~~
19 ~~State~~ required to be deposited to the Fund under chapter 53 of this title;

20 (4) six percent of the revenues from the meals and rooms taxes imposed
21 under 32 V.S.A. chapter 225; and

1 (5) other revenues dedicated for deposit into the Fund by the General
2 Assembly.

3 (b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7,
4 subchapter 5, unexpended balances and any earnings shall remain in the Fund
5 from year to year.

6 Thirteenth: In Sec. 6, 10 V.S.A. § 6618(a), by striking out “50 percent of
7 the unclaimed beverage container deposits remitted to the State under chapter
8 53 of this title;” where it appears and inserting in lieu thereof “the unclaimed
9 beverage container deposits allocated to the Account under chapter 53 of this
10 title;”

11 Fourteenth: In Sec. 7, systems analysis, in subdivision (2), after “will be
12 collected by the expansion of the” and before the semicolon, by striking out
13 “bottle bill” and inserting in lieu thereof “beverage container redemption
14 system”

15 and in subdivision (2) after “the loss to material recovery facilities from the
16 removal of” and before “from the recycling system;” by striking out “bottle bill
17 material” and inserting in lieu thereof “material collected under the beverage
18 container redemption system”

19 Fifteenth: By striking out Sec. 11 (effective dates) in its entirety and
20 inserting in lieu thereof a new Sec. 11 to read as follows:

21 Sec. 11. EFFECTIVE DATES

1 This act shall take effect on July 1, 2023, except that:

2 (1) in Sec. 1, 10 V.S.A. § 1521(1) (expansion of the definition of
3 beverage types) and 10 V.S.A. § 1522(a)(deposit for vinous beverages) shall
4 take effect on January 1, 2027;

5 (2) in Sec. 1, 10 V.S.A. § 1524(b) (requiring a UPC label on containers)
6 shall take effect on March 1, 2025;

7 (3) in Sec. 1, 10 V.S.A. § 1531(a) (prohibiting the sale or distribution
8 without participating in the producer responsibility organization) shall take
9 effect on March 1, 2025;

10 (4) Sec. 2 (abandoned beverage container deposits; initial Clean Water
11 Fund amount) shall take effect on January 1, 2026;

12 (5) Sec. 3. (abandoned beverage container deposit; Clean Water Fund
13 amount on expansion) shall take effect on January 1, 2027;

14 (6) Sec. 3a. (abandoned beverage container deposit; Solid Waste
15 Management Assistance Account) shall take effect on July 1, 2031

16 (7) Sec. 5 (deposits to Clean Water Fund) shall take effect January 1,
17 2026.

18 (8) Sec. 6 (Waste Management Assistance Fund) shall take effect on
19 July 1, 2031.

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2 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE