

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 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 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 the  
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: \_\_\_\_\_)

3 \_\_\_\_\_

4 Representative \_\_\_\_\_

5 FOR THE COMMITTEE