

1 Introduced by Committee on Environment

2 Date:

3 Subject: Conservation and development; beverage container redemption;
4 extended producer responsibility

5 Statement of purpose of bill as introduced: This bill proposes to require all
6 manufacturers and distributors of covered beverage containers to participate in
7 a producer responsibility organization that shall manage the collection and
8 disposition of beverage containers.

9 An act relating to establishing an extended producer responsibility program
10 for beverage containers

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

12 Sec. 1. 10 V.S.A. chapter 53 is amended to read:

13 CHAPTER 53. BEVERAGE CONTAINERS; DEPOSIT-REDEMPTION

14 SYSTEM

15 § 1521. DEFINITIONS

16 As used in this chapter:

17 (1) “Beverage” means beer or other malt beverages and mineral waters,
18 mixed wine drink, soda water and carbonated soft drinks in liquid form and
19 intended for human consumption. “Beverage” also means liquor and ready-to-
20 drink spirits beverage.

1 (2) ~~“Biodegradable material” means material that is capable of being~~
2 ~~broken down by bacteria into basic elements. [Repealed.]~~

3 (3) “Container” means the individual, and separate, bottle, can, or jar, ~~or~~
4 ~~carbon~~ composed of glass, aluminum or other metal, paper, plastic polyethylene
5 terephthalate, high density polyethylene, or any combination of those
6 materials, and containing a ~~consumer product~~ beverage. This definition ~~shall~~
7 does not include containers made of biodegradable material carbonated
8 beverage containers with a volume greater than three liters.

9 (4) “Distributor” means every person who engages in the sale of
10 consumer products in containers to a dealer in this State, including any
11 manufacturer who engages in such sales. Any dealer or retailer who sells, at
12 the retail level, beverages in containers without having purchased them from a
13 person otherwise classified as a distributor ~~shall be~~ is a distributor.

14 (5) “Manufacturer” means every person bottling, canning, packing, or
15 otherwise filling containers for sale to distributors or dealers.

16 (6) “Recycling” means the process of sorting, cleansing, treating, and
17 reconstituting waste and other discarded materials for the purpose of reusing
18 the materials in the same or altered form.

19 (7) “Redemption center” means a store or other location where any
20 person may, during normal business hours, redeem the amount of the deposit

1 for any empty beverage container labeled or certified pursuant to section 1524
2 of this title.

3 (8) “Secretary” means the Secretary of Natural Resources.

4 (9) “Mixed wine drink” means a beverage containing wine and more
5 than 15 percent added plain, carbonated, or sparkling water and that contains
6 added natural or artificial blended material, such as fruit juices, flavors,
7 flavoring, adjuncts, coloring, or preservatives; that contains not more than
8 16 percent alcohol by volume; or other similar product marketed as a wine
9 cooler.

10 (10) “Liquor” means spirits as defined in 7 V.S.A. § 2.

11 § 1522. BEVERAGE CONTAINERS; DEPOSIT

12 (a) Except with respect to beverage containers that contain liquor, a deposit
13 of ~~not less than~~ five cents shall be paid by the consumer on each beverage
14 container sold at the retail level and refunded to the consumer upon return of
15 the empty beverage container. With respect to beverage containers of volume
16 greater than 50 ml. that contain liquor, a deposit of 15 cents shall be paid by
17 the consumer on each beverage container sold at the retail level and refunded
18 to the consumer upon return of the empty beverage container. The difference
19 between liquor bottle deposits collected and refunds made is hereby retained
20 by the Liquor Control Enterprise Fund for administration of this subsection.

1 Beginning on January 15, 2024 and annually thereafter, the Commissioner of
2 Liquor and Lottery shall report to the Secretary of Natural Resources:

3 (1) the amount and tonnage of liquor bottles that the Department of
4 Liquor and Lottery collected in the previous calendar year; and

5 (2) the redemption rate for liquor bottles in the previous calendar year.

6 (b) A retailer or a person operating a redemption center who redeems
7 beverage containers shall be reimbursed by the manufacturer or distributor of
8 such beverage containers in an amount that is three and one-half cents per
9 container for containers of beverage brands that are part of a commingling
10 program and ~~four~~ five cents per container for containers of beverage brands
11 that are not part of a commingling program.

12 * * *

13 ~~(d) Containers shall be redeemed during no fewer than 40 hours per week~~
14 ~~during the regular operating hours of the establishment. [Repealed.]~~

15 § 1522a. RULES

16 ~~The Secretary may adopt rules, in accordance with 3 V.S.A. chapter 25,~~
17 ~~necessary for the administration of this chapter. These rules may include the~~
18 ~~following:~~

19 ~~(1) Provisions to ensure that beverage containers not labeled in~~
20 ~~accordance with section 1524 of this title are not redeemed.~~

21 ~~(2) Provisions to ensure that beverage containers are commingled.~~

1 ~~(3) Administrative penalties for the failure by a redemption center or~~
2 ~~retailer to remove beverage containers that are not labeled prior to pickup by a~~
3 ~~distributor or manufacturer. Penalties may include nonpayment of the deposit~~
4 ~~and handling fee established under section 1522 of this title for a reasonable~~
5 ~~period of time and for the number of beverage containers that were not labeled.~~

6 ~~(4) Any other provision that may be necessary for the implementation of~~
7 ~~this chapter. [Repealed.]~~

8 § 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

9 (a) Except as provided in section 1522 of this title:

10 (1) A retailer shall not refuse to accept from any person any empty
11 beverage containers, labeled in accordance with section 1524 of this title, of
12 the kind, size, and brand sold by the retailer, or refuse to pay to that person the
13 refund value of a beverage container as established by section 1522 of this
14 title, except as provided in subsection (b) of this section.

15 (2) A manufacturer or distributor ~~may~~ shall not refuse to pick up from a
16 retailer that sells its product or a person operating a certified redemption center
17 any empty beverage containers, labeled in accordance with section 1524 of this
18 title, of the kind, size, and brand sold by the manufacturer or distributor, or
19 refuse to pay the retailer or a person operating a redemption center the refund
20 value of a beverage container as established by section 1522 of this title.

1 (b)(1) A retailer, ~~with the prior approval of the Secretary,~~ may refuse to
2 redeem beverage containers if a ~~redemption center or centers are established~~
3 ~~that serve the public need~~ stewardship plan that meets the requirements of
4 section 1532 of this title has been implemented by the producer responsibility
5 organization in the State and the retailer’s building is less than 5,000 square
6 feet.

7 (2) A manufacturer or distributor that sells directly to a consumer from a
8 retail location may refuse to redeem beverage containers if the retail location
9 where the manufacturer or distributor sells beverage containers is less than
10 5,000 square feet.

11 (c) A retailer ~~or that is not exempt,~~ a person operating a redemption center,
12 ~~or any other point of redemption~~ may only refuse to redeem beverage
13 containers that are not clean, or are broken, and shall not redeem beverage
14 containers that are not labeled in accordance with section 1524 of this title.

15 § 1524. LABELING

16 (a)(1) Every beverage container sold or offered for sale at retail in this State
17 shall clearly indicate by embossing ~~or on the normal product label,~~ imprinting
18 on the normal product label, or ~~in the case of a metal beverage container on the~~
19 ~~top of the container,~~ other approved method secured to the container the word
20 “Vermont” or the letters “VT” and ~~the refund value of the container~~ one of the

1 following in not less than one-eighth inch type size or such other alternate
2 indications as may be approved by the Secretary;

3 (A) the refund value of the container;

4 (B) the words “refund value”; or

5 (C) the letters “RV.”

6 (2) The label shall be on the top lid of the beverage container, the side of
7 the beverage container, or in a clearly visible location on the beverage
8 container. This subsection does not prohibit including names or abbreviations
9 of other states with deposit legislation comparable to this chapter.

10 (b) Each beverage container sold or offered for sale in the State that has a
11 deposit pursuant to section 1522 of this title shall include a Universal Product
12 Code and barcode. Each distributor shall provide the Universal Product Code
13 and barcode as part of its beverage registration or within 60 days following
14 March 1, 2025, whichever occurs first.

15 (c) The Commissioner of Liquor and Lottery may allow, in the case of
16 liquor bottles, a conspicuous, adhesive sticker to be attached to indicate the
17 deposit information required in subsection (a) of this section, provided that the
18 size, placement, and adhesive qualities of the sticker are as approved by the
19 Commissioner. The stickers shall be affixed to the bottles by the
20 manufacturer, except that liquor that is sold in the State in quantities less than

1 100 cases per year may have stickers affixed by personnel employed by the
2 Division of Liquor Control.

3 ~~(c) This section shall not apply to permanently labeled beverage containers.~~

4 * * *

5 § 1527. ~~PENALTY~~

6 ~~A person who violates a provision of this chapter shall be fined not more~~
7 ~~than \$1,000.00 for each violation. [Repealed.]~~

8 * * *

9 § 1529. REDEMPTION CENTER CERTIFICATION

10 A person operating a redemption center ~~may~~ shall obtain a certification
11 from the Secretary. A redemption center certification shall include the
12 following:

13 (1) Specification of the name and location of the facility;

14 (2) ~~If the certified redemption center redeems more than 250,000~~
15 ~~containers per year, a requirement that the certified redemption center shall~~
16 ~~participate in an approved commingling agreement; and~~

17 ~~(3)~~ Additional conditions, requirements, and restrictions as the Secretary
18 may deem necessary to implement the requirements of this chapter. This ~~may~~
19 shall include requirements concerning reporting, recording, and inspections of
20 the operation of the site.

21 * * *

1 § 1531. MANUFACTURER PARTICIPATION IN PRODUCER

2 RESPONSIBILITY ORGANIZATION

3 (a) No manufacturer or distributor may sell or distribute a beverage
4 container in this State without participating in a Secretary-approved producer
5 responsibility organization.

6 (b) On or before January 1, 2026, manufacturers of beverage containers
7 sold or distributed within the State shall apply to the Secretary to form a
8 producer responsibility organization to fulfill the requirements of
9 manufacturers under this chapter.

10 (c) The Secretary may approve, for a period not longer than 10 years, the
11 producer responsibility organization, provided that:

12 (1) the producer responsibility organization has the capacity to
13 administer the requirements of a stewardship plan required by section 1532 of
14 this title; and

15 (2) the producer responsibility organization does not create any
16 unreasonable barriers to joining the producer responsibility organization and
17 shall take into the consideration the needs of small manufacturers that do not
18 generate a significant volume of containers.

19 (d) After approval, the producer responsibility organization shall maintain a
20 website that identifies:

1 (1) the name and principal business address of each manufacturer
2 participating in the producer responsibility organization; and

3 (2) the name of each beverage and the container size covered by the
4 stewardship plan.

5 (e) If the producer responsibility organization fails to implement the
6 requirements of this chapter, the rules adopted by the Secretary, or an approved
7 stewardship plan, the Secretary may dissolve the producer responsibility
8 organization.

9 (f) If no producer responsibility organization is formed, the Secretary shall
10 either require the formation of the producer responsibility organization or
11 adopt and administer a plan that meets the requirements of section 1532 of this
12 title. If the Secretary administers the plan adopted under section 1532, the
13 Secretary shall charge each manufacturer the costs of plan administration, the
14 Agency’s oversight costs, and a recycling market development assessment of
15 10 percent of the plan’s total cost to be deposited in the Solid Waste
16 Management Assistance Account of the Waste Management Assistance Fund,
17 for the purpose of providing grants to develop markets to recycle materials.

18 (g) The producer responsibility organization shall reimburse the Secretary
19 for the costs of overseeing the administration of the program under this chapter
20 as follows:

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

4 (2) The producer responsibility organization shall provide any
5 comments to the Secretary’s budget within 30 days following receipt. The
6 Agency of Natural Resources shall respond to all comments provided by the
7 producer responsibility organization and may make changes to its budget in
8 response to those comments. These comments and the responses shall be
9 provided to the General Assembly as a part of the Secretary’s budget.

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

14 (h) Manufacturers and distributors of liquor are exempt from the
15 requirements of this section and the requirement to implement a stewardship
16 plan under section 1532 of this title.

17 § 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS

18 (a) Plan elements. On or before October 1, 2026, an approved producer
19 responsibility organization shall submit a stewardship plan to the Secretary. A
20 stewardship plan shall, at a minimum, meet all of the following requirements
21 of this section:

1 (1) Convenience of collection. A plan shall ensure that consumers have
2 convenient opportunities to redeem beverage containers. The plan shall take
3 reasonable efforts to site points of redemption equitably across all regions of
4 the State to allow for convenient and reasonable access of all Vermonters to
5 redemption opportunities. A plan shall document how redemption services
6 will be available to consumers as follows:

7 (A) at least three points of redemption per county that provide an
8 immediate return of a deposit to a consumer unless a waiver is granted by the
9 Secretary;

10 (B) at least one point of redemption per municipality with a
11 population of 7,000 or more persons that provides an immediate return of a
12 deposit to a consumer unless a waiver is granted by the Secretary; and

13 (C) how sites of redemption are or will be sited in areas with high
14 population density or located in centers designated under 24 V.S.A. chapter
15 76A.

16 (2) Fair operation and compensation to redemption centers. The plan
17 shall satisfy all of the following requirements.

18 (A) The plan shall describe how all locations that redeem beverage
19 containers are fairly compensated for their participation in the collection
20 program.

1 (B) There shall not be barriers to the participation in the collection
2 program for a redemption center, except for restrictions that are authorized by
3 the Secretary.

4 (C) The plan shall describe how management and sorting of
5 containers at redemption centers is minimized. The plan shall document how
6 brand sorting will be eliminated at points of redemption.

7 (D) The plan shall describe how materials will be picked up from
8 redemption centers on a timely basis.

9 (E) The plan shall maximize the use of existing infrastructure when
10 establishing points of collection under subdivision (1) of this subsection (a).

11 (3) Education to consumers. The plan shall describe what education
12 efforts will be undertaken to increase the number of beverage containers
13 redeemed in the State.

14 (4) Consultation with stakeholders. The producer responsibility
15 organization shall consult with stakeholders on the development of the plan.
16 The plan shall include processes for regular consultation, which shall not be
17 less than annually, with stakeholders including the Agency, redemption
18 centers, municipal and private recycling organizations, and other stakeholders.

19 (b) Reporting. At a frequency required by the Secretary but not less than
20 annually, the producer responsibility organization shall report the following to
21 the Secretary:

- 1 (1) the name, address, and business hours of each redemption center
2 participating in the approved stewardship plan;
- 3 (2) the amount, in containers and tons, and material type of beverage
4 containers redeemed under the plan and the redemption rate of beverage
5 containers;
- 6 (3) the location and amount of beverage container material that was
7 recycled and what products that beverage container material was recycled into;
- 8 (4) the carbon impacts associated with the administration of the
9 stewardship plan;
- 10 (5) the costs associated with administration of the stewardship plan,
11 including the costs of collection, management, and transportation of redeemed
12 containers and the amount received for commodities;
- 13 (6) a description of any improvements made in the reporting year to
14 increase ease and convenience for consumers to return beverage containers for
15 redemption;
- 16 (7) efforts taken by or on behalf of the manufacturer or distributor to
17 reduce environmental impacts throughout the product life cycle and to increase
18 reusability or recyclability at the end of the life cycle by material type;
- 19 (8) efforts taken by or on behalf of the producer responsibility
20 organization to improve the environmental outcomes of the program by
21 improving operational efficiency, such as reduction of truck trips through

1 improved material handling or compaction or the increased use of refillable
2 containers in a local refilling system;

3 (9) a description and copies of educational materials and educational
4 strategies the producer responsibility organization uses for the purposes of this
5 program; and

6 (10) any additional information required by the Secretary.

7 (c) Secretary of Natural Resources approval. The plan shall be submitted
8 to the Secretary, and, after concluding that the elements of the plan will
9 maximize diversion of recyclable materials, provide convenience to users, and
10 create a more circular economy, the Secretary’s approval pursuant to this
11 subsection shall be for a period not greater than five years.

12 (d) Revision of stewardship goals. If the producer responsibility
13 organization fails to meet the beverage container redemption rate in section
14 1534 of this title for all other beverage containers, the Secretary may require
15 the producer responsibility organization to implement activities to enhance the
16 rate of redemption, including additional public education and outreach,
17 additional redemption sites, or additional redemption opportunities.

18 § 1533. PROGRAM AND FISCAL AUDIT

19 (a) Program audit. Beginning on March 1, 2032 and every five years
20 thereafter, the producer responsibility organization shall conduct an
21 independent third-party program audit of the operation of the stewardship plan.

1 The audit shall make recommendations to improve the operation of the
2 collection program established by this chapter.

3 (b) Fiscal audit. Beginning on March 1, 2028 and annually thereafter, the
4 producer responsibility organization shall conduct an independent third-party
5 fiscal audit of the program. The fiscal audit shall provide a transparent fiscal
6 analysis of the producer responsibility organization, its expenditures, the
7 number of beverage containers collected, and the amount of unclaimed
8 deposits. The audit shall also provide the redemption rate of beverage
9 containers redeemed in the State. The Secretary shall approve the audit results
10 and the redemption rate of beverage containers included in the audit.

11 (c) Submission to Secretary. The results of each audit required under
12 subsections (a) and (b) of this section shall be submitted to the Secretary for
13 purposes of reviewing performance of the stewardship plan and for oversight
14 of the requirements of this chapter.

15 § 1534. BEVERAGE CONTAINER REDEMPTION RATE GOAL;

16 REPORT

17 (a) It is a goal of the State that the following minimum beverage container
18 redemption rates shall be satisfied by the specified dates:

19 (1) Beginning on July 1, 2028: 75 percent.

20 (2) Beginning on July 1, 2032: 80 percent.

21 (3) Beginning on July 1, 2037: 85 percent.

1 (4) Beginning on July 1, 2042: 90 percent.

2 (b)(1) Beginning on July 1, 2027 and annually thereafter, the Secretary of
3 Natural Resources shall submit to the Senate Committees on Natural
4 Resources and Energy and on Finance and the House Committees on
5 Environment and on Ways and Means a written report containing the current
6 beverage container redemption rate in the State for the following two
7 categories of beverage containers:

8 (A) liquor bottles; and

9 (B) all other beverage containers.

10 (2) Each annual report submitted under subdivision (1) of this subsection
11 shall include a recommendation of whether the beverage container deposit for
12 either of the beverage categories should be increased to improve redemption of
13 that category of beverage container.

14 § 1535. RULEMAKING

15 The Secretary may adopt rules, in accordance with 3 V.S.A. chapter 25,
16 necessary for the administration of this chapter.

17 § 1536. ANTITRUST; CONDUCT AUTHORIZED

18 (a) Activity authorized. A manufacturer, group of manufacturers, or
19 producer responsibility organization implementing or participating in an
20 approved collection plan under this chapter for the collection, transport,
21 processing, and management of beverage container is individually or jointly

1 immune from liability for conduct under State laws relating to antitrust,
2 restraint of trade, unfair trade practices, and other regulation of trade or
3 commerce under 9 V.S.A. chapter 63, subchapter 1 to the extent that the
4 conduct is reasonably necessary to plan, implement, and comply with the
5 producer responsibility organization’s chosen system for beverage containers.

6 (b) Limitations on antitrust activity. Subsection (a) of this section shall not
7 apply to an agreement among producers, groups of manufacturers, retailers,
8 wholesalers, or the producer responsibility organization affecting the price of
9 beverage containers or any agreement restricting the geographic area in which
10 or customers to whom beverage containers shall be sold.

11 Sec. 2. 10 V.S.A. § 7714 is amended to read:

12 § 7714. TYPE 3 PROCEDURES

13 (a) Purpose; scope.

14 (1) The purpose of this section is to establish the public notice and
15 comment requirements that the Department must follow when adopting general
16 permits, except for general permits governed by section 7712 of this chapter,
17 and when considering other permits listed in this section.

18 (2) The procedures under this section shall be known as Type 3
19 Procedures. This section governs each of the following:

20 (A) Each general permit issued pursuant to the Secretary’s authority
21 under this title other than a general permit subject to section 7712 of this

1 chapter. However, this section does not apply to a notice of intent under a
2 general permit.

3 (B) Issuance of a dam safety order under chapter 43 of this title,
4 except for an unsafe dam order under section 1095 of this title.

5 (C) An application or request for approval of:

6 (i) an aquatic nuisance control permit under chapter 50 of this
7 title;

8 (ii) a change in treatment for a public water supply under chapter
9 56 of this title;

10 (iii) a collection plan for mercury-containing lamps under section
11 7156 of this title;

12 (iv) an individual plan for the collection and recycling of
13 electronic waste under section 7554 of this title; ~~and~~

14 (v) a primary battery stewardship plan under section 7586 of this
15 title; and

16 (vi) a stewardship plan required under chapter 53 of this title.

17 (b) Notice of application. The Secretary shall provide notice of an
18 administratively complete application through the environmental notice
19 bulletin.

20 (c) Notice of draft decision; comment period. The Secretary shall provide
21 notice of the draft decision through the environmental notice bulletin and shall

1 post the draft decision to the bulletin. The Secretary shall provide a public
2 comment period.

3 (d) Public meeting. The Secretary shall hold a public meeting whenever
4 any person files a written request for such a meeting. The Secretary otherwise
5 may hold a public meeting at ~~his or her~~ the Secretary's discretion.

6 (e) Notice of final decision. The Secretary shall provide notice of the final
7 decision through the environmental notice bulletin and shall post the final
8 decision to the bulletin. The Secretary shall provide a response to comments.

9 Sec. 3. ANR REPORT ON STATUS REPORT OF RECYCLING SYSTEM

10 On or before January 15, 2028, the Secretary of Natural Resources shall
11 submit to the Senate Committees on Natural Resources and Energy and on
12 Finance and the House Committees on Environment and on Ways and Means a
13 report on the status of the State's recycling system prior to the expansion of the
14 beverage container redemption system required under this act. The report shall
15 include:

16 (1) a summary of the operation of the Agency of Natural Resources'
17 approved stewardship plan since March 1, 2025 by the producer responsibility
18 organization registered with the Agency;

19 (2) identification of the points of redemption under the existing
20 stewardship plan, including:

1 (A) an assessment of whether the existing points of redemption allow
2 for convenient and reasonable access of all Vermonters to redemption
3 opportunities;

4 (B) an assessment of whether the existing points of redemption are
5 suitable for redemption by all Vermonters under the planned expansion of the
6 beverage container system; and

7 (C) any recommendations to improve the convenience of redemption
8 prior to the expansion of the beverage container redemption system; and

9 (3) a summary of the infrastructure in the State, other than points of
10 redemption, available for the management and processing of beverage
11 containers and an assessment of whether additional infrastructure is needed
12 prior to the expansion of the beverage container redemption system.

13 Sec. 4. REPEAL

14 10 V.S.A. § 1528 (beverage registration with ANR) and 10 V.S.A. § 1529
15 (redemption center certification by ANR) are repealed on March 1, 2025.

16 Sec. 5. BOTTLE BILL RECYCLING AND MATERIALS REPORTING

17 A manufacturer or distributor collecting beverage containers subject to
18 10 V.S.A chapter 53 shall report recycling information to the Secretary of
19 Natural Resources in the same manner as recycled materials are reported to the
20 Secretary under 10 V.S.A. chapter 159. The information shall include:

1 (1) the amount in containers and tons and material type of beverage
2 container collected; and

3 (2) the location and amount of beverage container material and what
4 products the beverage containers were recycled into.

5 Sec. 6. EFFECTIVE DATES

6 This act shall take effect on July 1, 2025, except that:

7 (1) in Sec. 1, 10 V.S.A. § 1524(b) (requiring a UPC label on containers)
8 shall take effect on March 1, 2027; and

9 (2) in Sec. 1, 10 V.S.A. § 1531(a) (prohibiting the sale or distribution
10 without participating in the producer responsibility organization) shall take
11 effect on March 1, 2027.