

H.915. An Act Relating to Establishing an Extended Producer Responsibility Program for Beverage Containers

Section by Section Summary

Section 1. Amends 10 V.S.A. Chapter 53, Beverage Container Redemption.

§ 1521. Definitions.

- Amends the definition of “container” in § 1521(3) to focus on the material the container is made from.
 - Container would now be defined as:
 - the individual, and separate, bottle, can, or jar composed of glass, aluminum or other metal, polyethylene terephthalate (i.e. PTE), high density polyethylene (i.e. HDPE), or any combination of those materials, and containing a beverage.
 - Carbonated beverage containers with a volume of 3 liters or more would be exempt.

[**Note:** Who is a “distributor” or “manufacturer”. The definitions are not changing, but the entire program applies to these entities

- § 1521(4): “Distributor”: every person who engages in the sale of consumer products in containers to a dealer in this State including any manufacturer who engages in such sales. Any dealer or retailer who sells, at the retail level, beverages in containers without having purchased them from a person otherwise classified as a distributor, is a distributor.
- § 1521(5): “Manufacturer”: every person bottling, canning, packing, or otherwise filling containers for sale.

§1522. Beverage Container Deposit

- § 1522(a): clarifies the deposit for beverage containers that are not liquor. The current language is confusing by stating that the deposit is not less than 5 cents. H.915 strikes the “not less than” language to clearly provide the deposit is 5 cents.
- § 1522(b): increases from 4 to 5 cents per container the handling fee manufacturers and distributors pay retailers and redemption centers that redeem containers that are not in a commingling program.

[**Note:** “Commingling” means the sorting of beverage containers at a redemption center by material type and size rather than by beverage brand according to the requirements of a commingling agreement.]

- 1522(b), also provides that the handling fee shall not apply to beverages that are covered by a stewardship plan approved by ANR. Compensation of redemption centers will be addressed under the plan once the plan is implemented and not through a default handling fee.

§1522a. Current Beverage Container Redemption Rules Authority

- The current ANR rulemaking authority for the bottle bill is repealed. The changes in the bill make the current directives in this section obsolete. A subsequent section grants ANR general rulemaking authority.

§ 1523. Acceptance of Beverage Containers

- § 1523(a)(1): clarifies that a manufacturer or distributor shall not refuse to pick up containers from a retailer that sells its product or a person operating a certified redemption center any empty beverage containers of the kind, size, and brand sold by the manufacturer or distributor, or refuse to pay the retailer or a person operating a redemption center the refund value of a beverage container.
- § 1523(b)(1): authorizes a retailer to refuse to redeem beverage containers if a stewardship plan that meets the requirements of the act has been implemented by a producer responsibility organization in the State and the retailer's building is less than 5,000 square feet.
- § 1523(b)(2): exempts from the requirement to accept and redeem beverage containers those manufacturers or distributors that sell directly to a consumer if the retail location where the manufacturer or distributor sells beverage containers is less than 5,000 square feet.

§1524. Labeling

- § 1524(a)(1): requires every beverage container sold in the State to clearly indicate on the product label or other ANR approved method the word Vermont or the letters VT and the container's refund value.
- § 1524(a)(1): allows the label to be on the top lid of the container, the side of the container, or in another clearly visible location on the container.
- § 1524(c): requires each beverage container sold or offered for sale in the State to include a Universal Product Code and barcode.

§ 1527. Redemption of Liquor Bottles; Repeal of Current Penalty

- § 1527 first repeals the specific \$1,000 cap on penalties for violations of the beverage container law. ANR has authority to impose penalties under its default enforcement authority in 10 V.S.A. ch. 201.
- § 1527 then sets forth the requirements for redemption of liquor bottles. These are not new requirements. DLL has been implementing these requirements, but they are not in statute. They are being added to statute for transparency.
- § 1527(1): provides that the deposit for liquor containers is 15 cents.
- § 1527(2): provides that the handling fee to be paid for redemption of a liquor bottle is 3.5 cents.
- § 1527(3): provides that a retailer shall not refuse to pick up liquor containers sold by the retailer unless the container is broken. Also provides that DLL shall not refuse to pick up a liquor container, pay the refund value, or pay the handling fee.
- § 1527(4): authorizes DLL to coordinate and compensate the PRO for collection of liquor bottle.
- § 1527(5): requires DLL to report to ANR the tonnage of liquor bottles collected in the previous year and the redemption rate for liquor bottles in the previous calendar year.

§ 1529. Redemption Center Certification

- Repeals a requirement that a redemption center must participate in an approved commingling program if the redemption center redeems more than 250,000 containers per year.

§1531. Manufacturer Participation in Producer Responsibility Organization

- § 1531(a): provides that no manufacturer or distributor may sell or distribute a beverage container in this State without participating in an ANR-approved producer responsibility organization (PRO).
- § 1531(b): on or before Jan. 1, 2027, a manufacturer shall apply to the Secretary to form a PRO that will fulfill the requirements of manufacturers under the chapter.
- § 1531(c): the Secretary may approve, for a period not longer than 10 years, a PRO, provided that:
 - The PRO is a registered nonprofit corporation;
 - the PRO has the capacity to administer the requirements of a stewardship plan; and
 - The PRO does not create any unreasonable barriers to manufacturers or distributors joining the PRO and shall take into consideration the needs of small manufacturers that do not generate a significant volume of containers.
- § 1531(d): after approval, a PRO shall maintain a website that identifies:
 - the name and principal business address of each manufacturer participating in the PRO; and
 - the name of each beverage and the container size covered by the stewardship plan.
- § 1531(e): provides that if the PRO does not meet its requirements or the stewardship plan, ANR may dissolve the PRO.
- § 1531(f): if no PRO is formed, ANR may require formation of a PRO or adopt its own stewardship plan.
 - If ANR administers the plan, ANR shall charge each manufacturer the costs of plan administration, ANR's oversight costs, and an assessment of 10% of the plan's total cost to be deposited in the Solid Waste Management Account for grants to develop recycling markets.
- § 1531(g): The PRO shall reimburse ANR for all oversight costs in administering the chapter.

§ 1532. Stewardship Plan; Minimum Requirements

- § 1532(a): provides the required elements of any PRO stewardship plan. Under § 1532(a), the PRO shall submit a plan to ANR or before April 1, 2028.
- A stewardship plan shall, at a minimum, meet all of the following the requirements:
 1. Convenience of collection § 1532(a)(1).
 - A plan shall ensure that consumers have convenient redemption opportunities.
 - The plan shall take reasonable efforts to site points of redemption equitably across all regions of the State to allow for convenient and reasonable access for all Vermonters to redemption.
 - A plan shall document how redemption services will be available to consumers as follows:
 - at least three points of redemption per county, at least one of which provides an immediate return of a deposit to a consumer;
 - at least 1 point of redemption per municipality with a population of 7,000 or more that provides immediate return of a deposit to a consumer unless a waiver is granted by ANR; and

- The plan shall take reasonable efforts to site points of collection in areas with high population density or located in designated centers.
 - When approving the convenience requirement of a plan, ANR can reduce the number of redemption points, provided that the total number shall not fall below those required under 1532(a)(1)(A)(i) and (ii).
2. Fair operation and compensation to redemption centers.
- The plan shall satisfy all of the following requirements.
 - The plan shall describe how all locations that redeem beverage containers are fairly compensated for their participation in the collection program.
 - There shall not be barriers to the participation in the collection program for a redemption center, except for restrictions that are authorized by the Secretary, by rule.
 - The plan shall describe how management and sorting of containers at redemption centers is minimized. The plan shall document how brand sorting will be eliminated at redemption.
 - The plan shall describe how materials will be timely picked up from redemption centers.
 - The plan shall maximize use of existing infrastructure when establishing collection points.
3. Collection location standards. All locations that provide for redemption of beverage containers shall:
- provide expeditious redemption services that limit the need for persons redeeming containers to wait for redemption services;
 - be at sites that are secure, sufficiently lighted, and managed to ensure the safety of persons redeeming containers at a location; and
 - comply with all applicable laws related to the collection, transportation, and disposition of mandated recyclables.
4. Education to consumers.
- The plan shall describe the education efforts to be undertaken to increase redemption.
5. Consultation with stakeholders.
- The PRO shall consult with stakeholders on plan development and at least annually. Prior to submitting a plan, the PRO shall allow stakeholders to review and comment.
- § 1532(b): Reporting.
 - No less than annually, the PRO shall report the following to ANR:
 1. the name, address, and business hours of each participating redemption center;
 2. the amount, in containers and tons, and material type of beverage containers redeemed by the categories of vinous beverage containers and all other beverage containers (not including liquor);
 3. the location and amount of beverage container material that was recycled and into what products that beverage container material was recycled;
 4. the carbon impacts associated with the administration of the stewardship plan;

5. the costs associated with administration of the stewardship plan, including costs of collection, management, and transportation and the amount received for commodities;
 6. improvements made in that year to increase convenience of consumer redemption;
 7. efforts to reduce environmental impacts and to increase reusability or recyclability of materials;
 8. PRO efforts to improve the environmental outcomes of the program;
 9. the educational materials and educational strategies the PRO uses; and
 10. any additional information required by the Secretary.
- § 1532(c): Within 90 days of a receipt of a proposed plan from a PRO, ANR shall review and decide to approve the plan or not. The plan shall be approved if it will maximize diversion of recyclable materials, provide convenience to users, and create a more circular economy. Approval is for five years.
 - § 1532(d): The PRO shall implement an approved plan not later than 9 months after ANR approval.
 - § 1532(e): SNRE added the authority for ANR to require a PRO to conduct additional education and outreach, provide additional redemption site, or additional redemption opportunities if the PRO fails to meet the beverage container redemption rate for vinous beverage containers or for all other beverage containers.

§1533. Program and Fiscal Audit

- § 1533(a): requires an independent-third party program audit of a PRO stewardship plan every five years. The audit shall make recommendations to improve the operation of the collection program.
- § 1533(b): requires the PRO to conduct a fiscal audit annually to analyze the PRO, its expenditures, the number of beverage containers collected, and the amount of unclaimed deposits.
 - The audit shall also provide the redemption rate of beverage containers redeemed in the State.
- The results of each audit are submitted to ANR.

§1534. Beverage Container Redemption Rate Goal; Report

- § 1534(a) sets the State goals for minimum beverage container redemption rates. The goals shall be:
 1. Beginning on July 1, 2029: 75 percent.
 2. Beginning on July 1, 2032: 80 percent.
- § 1534(b)(1): beginning on January 1, 2029, ANR annually reports to the Legislature the current beverage container redemption rate in the State for the following three categories of beverage containers:
 - liquor bottles;
 - vinous beverage containers; and
 - all other beverage containers.
- § 1534(b)(2): ANR shall recommend whether the beverage container deposit for an category of containers should increase. There is no automatic increase to the container deposit under the bill.

§ 1535. Rulemaking

- ANR may adopt rules necessary for administration of the beverage redemption system.

1536. Antitrust

- Exempts the PRO and its participants from State antitrust laws to allow them to work together to implement the PRO. But the exemption does not apply to price fixing or restricting the area of sale for a product.

Section 2. ANR Standard Notice and Comment Procedures

- Section 2 amends 10 V.S.A. § 7714 to provide that ANR's approval of a PRO stewardship plan for beverage container redemption shall be subject to Type 3 notice and comment.
- Under Type 3 notice, ANR provides notice of an application or decision through the environmental notice bulletin, provides for a public comment period, and holds a public meeting when requested.

Section 3. Clean Water Fund 10 V.S.A. § 1388

- Authorizes the transfer of unclaimed beverage container deposits from the Clean Water Fund to the Solid Waste Management Assistance Account for four fiscal years to allow for grants for implementation of the PRO and its stewardship plan.
 - In FY 2030 and 2031, \$1,000,000 is transferred.
 - In FY2032 and 2033, \$750,000 is transferred.

Section 4. Waste Management Assistance Fund. 10 V.S.A. § 6618

- Amends the Waste Management Assistance Fund to recognize that the Solid Waste Management Assistance Account may include transfers from the Clean Water Fund.
- Also authorizes ANR to enter a grant with the PRO to reimburse the cost of equipment and improvements to infrastructure to implement the PRO's stewardship plan.

Section 5. Bottle Bill Recycling Materials Reporting

- Section 5 requires manufacturers and distributors that are currently subject to the bottle bill to report recycling information to ANR in the same manner as recycled materials are reported to ANR by materials recovery facilities and similar facilities. The information shall include:
 - the amount in containers and tons and material type of beverage container collected; and
 - the location and amount of beverage container material and what products the beverage containers were recycled into.

Section 6. Repeal of Redemption Center Certification

- Sec. 6 repeals the requirement of 10 V.S.A. § 1529 that ANR certify redemption centers. Once the PRO is established and implementing a plan, the PRO will be responsible for approving redemption centers as part of the plan.

Section. 7. Effective Dates

- The act takes effect July 1, 2026, except that effective dates are built into the substance of the bill.