

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.

- The bottle bill applies to containers containing specific beverages. The definition of “beverage” is not changing, and the scope of the bottle bill is not changing.
 - “Beverage” means beer or other malt beverages and mineral waters, mixed wine drink, soda water and carbonated soft drinks in liquid form and intended for human consumption. “Beverage” also means liquor and ready-to-drink spirits beverage.
- The definition of “container” in § 1521(3) is changing 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.
- § 1521(5): “Deposit Initiator”. The current bottle bill applies to manufacturers and distributors of specific beverage containers. There was confusion as to who the new program would apply to. To clarify application of the program, the Senate Committee moved a definition of “deposit initiator” from the escheats section and largely replaced the use of manufacturer and distributor with “deposit initiator”
 - A “deposit initiator” means the first distributor or manufacturer to collect the deposit on a beverage container sold to any person within the State. If no person initiates a deposit, the first distributor in the State shall be the deposit initiator. **(Added by Senate)**
- § 1521(7): “Fair Compensation”: The bill requires a producer responsibility organization (PRO) to develop a stewardship plan for redemption of beverage containers. As part of the plan, the bill requires the PRO to provide points of redemption (redemption centers and retailers) with fair compensation.
 - “Fair compensation” means the compensation from the producer responsibility organization to the point of redemption in the amount that covers the point of redemption’s reasonable costs of operating redemption services and a reasonable rate of return. **(Added by Senate)**
- § 1521(8): “Point of redemption”: a location included in the stewardship plan that redeems beverage containers. A point of redemption includes manually sorting containers, mechanically sorting containers, and bag drops. **(Added by Senate)**

§1522. Beverage Container Deposit

- § 1522(a): clarifies the deposit for beverage containers that are not liquor. Current law states the deposit is not less than 5 cents. The confusing “not less than” language is struck to provide the deposit is just 5 cents.

- § 1522(b): Increases the handling fee deposit initiators must pay retailers and redemption centers that redeem containers. The handling fee for commingled beverage containers increases from 3.5 cents to 4.5 cents. The handling fee for non-commingled containers increases from 4 to 5 cents. **(Added by Senate)**
 - These increases apply until the PRO implements the stewardship plan. The stewardship plan allows for an increased handling fee for a year before negotiation of fair compensation would be required.
- [**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.]

§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): clarifies that a retailer or redemption center 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 redemption centers are established that serve the public need.
- § 1523(b)(2): exempts from the requirement for redemption those containers that are not clean, broken, or mislabeled.
- Requirements for container acceptance are amended in Sec. 2 when the PRO implements the plan.

§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 4.5 cents. **(Senate increased the fee from the 3.5 cents in the House bill)**

- § 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 bottles.
- § 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.

§ 1530. Abandoned Beverage Container Deposits

- Strikes the definition of “deposit initiator” in the abandoned beverage container section (escheats) as the definition was moved to the definitions section for the whole chapter.

§1531. Manufacturer Participation in Producer Responsibility Organization

- § 1531(a): provides that no deposit initiator 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 deposit initiators 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 deposit initiators joining the PRO and takes 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): Clarifies that the PRO may charge fees to deposit initiators that are members of the PRO.
- § 1531(f): If the PRO does not meet requirements of the stewardship plan, ANR may dissolve the PRO.
- § 1531(g): 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 **25%** of the plan’s total cost to be deposited in the Solid Waste Management Account for grants to develop recycling markets. **(Senate increased the fee ANR can charge from 10% to 25%)**
- § 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 on 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 ANR determines that requiring an immediate return would create an impediment to effective redemption; and
 - The plan shall take reasonable efforts to site points of collection in areas with high population density or located in designated centers.
 - The PRO may propose to remove a retail redemption location from the plan, but must document how the location is adequately served by other points of redemption. ANR cannot reduce redemption opportunities below the required collection per county or in towns of 7,000 or more.
 - The PRP may not use only single feed reverse vending machines or only mobile redemption to meet the convenience requirements.
 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, provided that for a little over one year until July 1, 2030, the handling fee shall be 4.5 cents per container. **(Added by Senate)**
 - 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.
 - The PRO shall use dispute resolution to resolve disputes about negotiations of compensation. **(Added by Senate)**
 - After 2.5 years of implementing the plan, the PRO reports to ANR about how it is meeting the fair compensation requirements. **(Added by Senate)**
 3. Redemption amount. Requires PRO to pay the required redemption value for containers.

4. Collection location standards. All locations that provide for redemption of beverage containers shall:
 - provide timely 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.
5. Education to consumers.
 - The plan shall describe the education efforts to be undertaken to increase redemption.
6. 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 the public to review and comment.
 - ANR is required to publish its plan on its website. **(Added by Senate)**
- § 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, including the number of redemption centers added or removed from the in the preceding year.;
 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 approve, deny, or amend the plan. 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 on March 1, 2029. **(Added by Senate)**
- § 1532(e): ANR can 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, 2030: 75 percent.
 2. Beginning on July 1, 2033: 80 percent.
- § 1534(b)(1): beginning on January 1, 2030, 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; 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. The exemption does not apply to price fixing or restricting sales area of a product.

Section 2. 10 V.S.A. § 1523. Acceptance of Beverage Containers When PRO Implements Plan

- Beginning March 1, 2029, when the PRO implements the stewardship plan, Section 2 adds additional exemptions to the requirement that retailers or manufacturers redeem beverage container.
- § 1523(b)(1), if a retailer has less than 5,000 square feet, and the PRO is implementing the plan, the retailer can reuse redemption.
- § 1523(b)(2), if a manufacturer has direct to consumers sales, they can refuse redemption if the sales location is less than 5,000 square feet.
- § 1523(c), a point of redemption or PRO can refuse to redeem containers that were known to have been purchased out of State, have already been redeemed, or are not registered with the PRO.

Section 3. 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 4. 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 5. Waste Management Assistance Fund. 10 V.S.A. § 6618

- § 6618(a) amends the Waste Management Assistance Fund to recognize that the Solid Waste Management Assistance Account may include transfers from the Clean Water Fund.
- § 6618(b)(11) 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 6. ANR Status Report on Implementation of Stewardship Plan

- On or before January 1, 2023, ANR reports to the General Assembly the status of implementation of the stewardship plan, including how the convenience of collection and fair compensation requirements were implemented and how the system has been modernized. **(Added by Senate).**

Section 7. Repeal of Handling Fee under PRO Stewardship Plan

- Sec. 7 repeals the initial handling fee that points of redemption receive under the stewardship plan. Fair compensation shall be provided by negotiation with points of redemption.

Section 8. Repeal of Redemption Center Certification and Beverage Registration

- Sec. 8 repeals the requirement of 10 V.S.A. § 1529 that ANR certify redemption centers. Once the PRO is implementing a plan, the PRO will be responsible for approving redemption centers as part of the plan.
- Sec. 8 also repeals the requirement for manufacturers to register beverages with ANR. Once the PRO has been established the manufacturers will register with the PRO.

Sections 9-12. Household Hazardous Products Stewardship Plan

- Secs. 9 to 12 make technical changes to the Household Hazardous Products extended responsibility program to allow more than one PRO, but only for specific product sectors.
- Sec. 11 also authorizes ANR to seek reimbursement of costs for household hazardous products PROs.

Section. 13. Effective Dates

- The act takes effect July 1, 2026, except that:
 - requiring UPC labels and bar codes takes effect July 1, 2027;
 - prohibiting sale of beverages without it being registered with the PRO, takes effect July 1m 2027;
 - requirements for acceptance of beverage containers after plan implementation takes effect March 1, 2029;
 - Capital implemental grants take effect July 1, 2029; and
 - Repal of the handling fee under the PRO plan takes effect July 1, 2030.