

1 TO THE HONORABLE SENATE:

2 The Committee on Natural Resources and Energy to which was referred
3 House Bill No. 915 entitled “An act relating to establishing an extended
4 producer responsibility program for beverage containers” respectfully reports
5 that it has considered the same and recommends that the Senate propose to the
6 House that the bill be amended by striking out all after the enacting clause and
7 inserting in lieu thereof the following:

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

9 CHAPTER 53. BEVERAGE CONTAINERS; DEPOSIT-REDEMPTION

10 SYSTEM

11 § 1521. DEFINITIONS

12 As used in this chapter:

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

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 [Repealed.]~~

19 (3) “Container” means the individual, and separate, bottle, can, or jar, ~~or~~
20 ~~earthen~~ composed of glass, aluminum or other metal, ~~paper, plastic~~ polyethylene
21 terephthalate, high density polyethylene, or any combination of those

1 materials, and containing a consumer product beverage. This definition shall
2 does not include containers made of biodegradable material beverage
3 containers with a volume greater than three liters.

4 (4) “Dealer” means any person, including any operator of a vending
5 machine or retailer, who engages in the sale of beverages in beverage
6 containers to consumers in the State.

7 (5) “Deposit initiator” means the first distributor or manufacturer to
8 collect the deposit on a beverage container sold to any person within the State.
9 If no person initiates a deposit, the first distributor in the State shall be the
10 deposit initiator.

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

16 (7) “Fair compensation” means the compensation from the producer
17 responsibility organization to the point of redemption in the amount that covers
18 the point of redemption’s reasonable costs of operating redemption services
19 and a reasonable rate of return.

20 ~~(5)~~(8) “Manufacturer” means every person bottling, canning, packing, or
21 otherwise filling containers for sale to distributors or dealers.

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

7 (10) “Point of redemption” means a location included in the plan
8 adopted under section 1532 of this title that redeems beverage containers under
9 this chapter. A point of redemption includes manually sorting containers,
10 mechanically sorting containers, and bag drops.

11 (11) “Point of redemption with immediate return of deposit” means a
12 point of redemption that immediately provides a person with a deposit when a
13 beverage container is presented for redemption.

14 ~~(6)~~(12) “Recycling” means the process of sorting, cleansing, treating,
15 and reconstituting waste and other discarded materials for the purpose of
16 reusing the materials in the same or altered form.

17 ~~(7)~~(13) “Redemption center” means a store or other location where any
18 person may, during normal business hours, redeem the amount of the deposit
19 for any empty beverage container labeled or certified pursuant to section 1524
20 of this title.

1 (14) “Redemption rate” means the number of beverage containers
2 redeemed for the deposit divided by the number of beverage containers sold
3 and may not include in its calculation any unredeemed beverage containers
4 collected or processed by municipal or other recycling programs.

5 (15) “Retailer” means a store or other licensed entity, including vending
6 machines, where containers are sold at the retail level for off-premise
7 consumption.

8 ~~(8)~~(16) “Secretary” means the Secretary of Natural Resources.

9 ~~(9)~~ “Mixed wine drink” means a beverage containing wine and more
10 than 15 percent added plain, carbonated, or sparkling water and that contains
11 added natural or artificial blended material, such as fruit juices, flavors,
12 flavoring, adjuncts, coloring, or preservatives; that contains not more than
13 16 percent alcohol by volume; or other similar product marketed as a wine
14 cooler.

15 ~~(10)~~(17) “Liquor” means spirits as defined in 7 V.S.A. § 2.

16 § 1522. BEVERAGE CONTAINERS; DEPOSIT

17 (a) Except with respect to beverage containers that contain liquor, a deposit
18 of ~~not less than~~ five cents shall be paid by the consumer on each beverage
19 container sold at the retail level and refunded to the consumer upon return of
20 the empty beverage container. With respect to beverage containers of volume
21 greater than 50 ml- that contain liquor, a deposit of 15 cents shall be paid by

1 the consumer on each beverage container sold at the retail level and refunded
2 to the consumer upon return of the empty beverage container. The difference
3 between liquor bottle deposits collected and refunds made is hereby retained
4 by the Liquor Control Enterprise Fund for administration of this subsection.

5 (b) A retailer or a person operating a redemption center who redeems
6 beverage containers shall be reimbursed by the ~~manufacturer or distributor of~~
7 ~~such deposit initiator of the~~ beverage containers in an amount that is ~~three and~~
8 ~~one-half~~ four and one-half cents per container for containers of beverage
9 brands that are part of a commingling program and ~~four~~ five cents per
10 container for containers of beverage brands that are not part of a commingling
11 program. Beginning on March 1, 2029, a retailer or a person operating a
12 redemption center shall be reimbursed for beverage containers that are covered
13 by a stewardship plan approved by the Secretary under this chapter according
14 to the fair compensation requirements of the plan.

15 * * *

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

18 § 1522a. RULES

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

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

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

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

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

11 § 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

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

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

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

1 refuse to pay the retailer or a person operating a redemption center the refund
2 value of a beverage container as established by section 1522 of this title.

3 (b) A retailer, with the prior approval of the Secretary, may refuse to
4 redeem beverage containers if a redemption center or centers are established
5 that serve the public need.

6 (c) A retailer or a person operating a redemption center may refuse to
7 redeem beverage containers that are not clean, or are broken, and shall not
8 redeem beverage containers that are not labeled in accordance with
9 section 1524 of this title.

10 § 1524. LABELING

11 (a)(1) Every beverage container sold or offered for sale at retail in this State
12 shall clearly indicate by embossing ~~or on the normal product label~~, imprinting
13 on the normal product label, or ~~in the case of a metal beverage container on the~~
14 ~~top of the container~~, other approved method secured to the container the word
15 “Vermont” or the letters “VT” and the refund value of the container in not less
16 than one-eighth inch type size or such other alternate indications as may be
17 approved by the Secretary.

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

1 (b) The Commissioner of Liquor and Lottery may allow, in the case of
2 liquor bottles, a conspicuous, adhesive sticker to be attached to indicate the
3 deposit information required in subsection (a) of this section, provided that the
4 size, placement, and adhesive qualities of the sticker are as approved by the
5 Commissioner. The stickers shall be affixed to the bottles by the
6 manufacturer, except that liquor that is sold in the State in quantities less than
7 100 cases per year may have stickers affixed by personnel employed by the
8 Division of Liquor Control.

9 (c) ~~This section shall not apply to permanently labeled beverage containers~~
10 Every beverage container sold or offered for sale in the State shall contain a
11 Universal Product Code and a barcode displayed on the container.

12 * * *

13 § 1527. ~~PENALTY~~ REDEMPTION OF LIQUOR BOTTLES

14 ~~A person who violates a provision of this chapter shall be fined not more~~
15 ~~than \$1,000.00 for each violation~~ Notwithstanding any other provision of this
16 chapter to the contrary, redemption of beverage containers of volume greater
17 than 50 ml that contain liquor shall be subject to the following requirements:

18 (1) Deposit. Beverage containers subject to this section shall have a
19 deposit of 15 cents on each container sold at the retail level and returned to the
20 consumer upon return of the empty beverage container.

1 (2) Handling fee. Distributors of beverage containers subject to this
2 section shall pay a point of redemption that redeems a beverage container four
3 and one-half cents per container.

4 (3) Retail redemption. A retailer shall not refuse to accept beverage
5 containers subject to this section or refuse to pay that person the refund value
6 established by subdivision (1) of this section for any container sold by the
7 retailer unless the container is not clean, broken, or has an exemption issued by
8 the Secretary. The Department of Liquor and Lottery shall not refuse to pick
9 up empty beverage containers subject to this section, pay the refund value, or
10 pay the handling fee to a retailer subject to this section.

11 (4) Coordination with producer responsibility organization. The
12 Department of Liquor and Lottery may coordinate with and compensate the
13 producer responsibility organization to collect beverages containers subject to
14 this section at points of redemption that are a part of the collection plan
15 developed by the producer responsibility organization. Containers collected at
16 these points of redemption shall not be subject to the handling fee established
17 by subdivision (2) of this section.

18 (5) Performance goals and reporting. The Department of Liquor and
19 Lottery shall be subject to the redemption rate goals established in section
20 1534 of this title for beverage containers containing liquor. Beginning on

1 January 15, 2027, and annually thereafter, the Commissioner of Liquor and
2 Lottery shall report to the Secretary of Natural Resources:

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

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

7 * * *

8 § 1529. REDEMPTION CENTER CERTIFICATION

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

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

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

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

20 § 1530. ABANDONED BEVERAGE CONTAINER DEPOSITS

1 ~~(a) As used in this section, “deposit initiator” means the first distributor or~~
2 ~~manufacturer to collect the deposit on a beverage container sold to any person~~
3 ~~within the State.~~

4 **(b)** Beginning on January 1, 2020, and quarterly thereafter, every deposit
5 initiator shall report to the Secretary of Natural Resources and the
6 Commissioner of Taxes. The report shall be submitted on or before the 25th
7 day of the calendar month succeeding the quarter ending on the last day of
8 March, June, September, and December each year. The deposit initiator shall
9 submit the report on a form provided by the Commissioner of Taxes. The
10 report shall include:

11 (1) the number of beverage containers sold in the preceding quarter and
12 the number of beverage containers returned in the preceding quarter;

13 (2) the amount of beverage container deposits received by the deposit
14 initiator;

15 (3) the amount of refund payments made in the preceding quarter; and

16 (4) any additional information required by the Commissioner of Taxes.

17 ~~(e)~~**(b)(1)** On or before January 1, 2020, and quarterly thereafter, at the time
18 a report is filed pursuant to subsection (d) of this section, each deposit initiator
19 shall remit to the Commissioner of Taxes any abandoned beverage container
20 deposits from the preceding quarter. The amount of abandoned beverage
21 container deposits for a quarter is the amount equal to the amount of deposits

1 that the deposit initiator collected in the quarter less the amount of the total
2 refund value paid out by the deposit initiator for beverage containers during the
3 quarter.

4 (2) In any calendar quarter, the deposit initiator may submit to the
5 Commissioner of Taxes a request for reimbursement of refunds paid under this
6 chapter that exceed the amount of deposits collected in the quarter. The
7 Commissioner of Taxes shall pay a request for reimbursement under this
8 subdivision from the funds remitted to the Commissioner under subdivision (1)
9 of this subsection, provided that:

10 (A) the Commissioner determines that the deposits collected by the
11 deposit initiator are insufficient to pay the refunds on returned beverage
12 containers; and

13 (B) a reimbursement paid by the Commissioner to the deposit
14 initiator shall not exceed the amount paid by the deposit initiator under
15 subdivision (1) of this subsection (c) less amounts paid to the initiator pursuant
16 to this subdivision (2) in the previous four quarterly filings.

17 (3) Except as expressly provided otherwise in this chapter, all the
18 administrative provisions of 32 V.S.A. chapter 151, including those relating to
19 collection, enforcement, interest, and penalty charges, shall apply to the
20 remittance of abandoned beverage container deposits.

1 (4) A deposit initiator may within 60 days after the date of mailing of a
2 notice of deficiency, the date of a full or partial denial of a request for
3 reimbursement, or the date of an assessment petition the Commissioner of
4 Taxes in writing for a hearing and determination on the matter. The hearing
5 shall be subject to and governed by 3 V.S.A. chapter 25. Within 30 days after
6 a determination, an aggrieved deposit initiator may appeal a determination by
7 the Commissioner of Taxes to the Washington Superior Court or the Superior
8 Court of the county in which the deposit initiator resides or has a place of
9 business.

10 (5) Notwithstanding any appeal, upon finding that a deposit initiator has
11 failed to remit the full amount required by this chapter, the Commissioner of
12 Taxes may treat any refund payment owed by the Commissioner to a deposit
13 initiator as if it were a payment received and may apply the payment in
14 accordance with 32 V.S.A. § 3112.

15 ~~(d)~~(c) The Secretary of Natural Resources may prohibit the sale of a
16 beverage that is sold or distributed in the State by a deposit initiator who fails
17 to comply with the requirements of this chapter. The Secretary may allow the
18 sale of a beverage upon the deposit initiator's coming into compliance with the
19 requirements of this chapter.

20 ~~(e)~~(d) Data reported to the Secretary of Natural Resources and the
21 Commissioner of Taxes by a deposit initiator under this section shall be

1 confidential business information exempt from public inspection and copying
2 under 1 V.S.A. § 317(c)(9) but shall not be confidential return information
3 under 32 V.S.A. § 3102, provided that the Commissioner of Taxes may use
4 and disclose such information in summary or aggregated form that does not
5 directly or indirectly identify individual deposit initiators except to the
6 Secretary of Natural Resources in relation to the administration of this chapter.

7 § 1531. MANUFACTURER AND DISTRIBUTOR PARTICIPATION IN
8 PRODUCER RESPONSIBILITY ORGANIZATION

9 (a) No deposit initiator shall sell or distribute a beverage container in this
10 State without participating in a Secretary-approved producer responsibility
11 organization.

12 (b) On or before January 1, 2027, the deposit initiator of beverage
13 containers sold or distributed within the State shall apply to the Secretary to
14 form a producer responsibility organization to fulfill the requirements of
15 deposit initiators under this chapter.

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

18 (1) the producer responsibility organization or its subsidiary is registered
19 under 26 U.S.C. § 501(c)(3) as a nonprofit entity;

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

4 (3) the producer responsibility organization does not create any
5 unreasonable barriers to joining the producer responsibility organization and
6 shall take into the consideration the needs of small manufacturers that do not
7 generate a significant volume of containers.

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

10 (1) the name and principal business address of each manufacturer or
11 distributor participating in the producer responsibility organization;

12 (2) the name of each beverage and the container size covered by the
13 stewardship plan; and

14 (3) for each beverage container subject to the plan, a Universal Product
15 Code and a barcode shall be displayed on the container.

16 (e) The producer responsibility organization may charge fees to deposit
17 initiators to cover the costs of administration and implementation of this
18 chapter. Deposit initiators shall pay all fees required by the producer
19 responsibility organization and provide any data required by the producer
20 responsibility organization. If a deposit initiator fails to meet these

1 requirements, the producer responsibility organization may remove it from the
2 producer responsibility organization.

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

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

17 (h) The producer responsibility organization shall reimburse the Secretary
18 for the costs of overseeing the administration of the program under this chapter
19 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 organization, 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 (i) 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 April 1, 2028, 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.

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

8 (i) at least three points of redemption per county, at least one of
9 which provides an immediate return of a deposit to a consumer;

10 (ii) 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 (iii) 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 (B) The producer responsibility organization may propose in its plan
17 to remove retail redemption locations required by subdivision 1523(a)(2) of
18 this title. When proposing to remove these retail locations, the producer
19 responsibility organization shall document how the location is adequately
20 served by other points of redemption. The Secretary shall not approve any
21 reduction that reduces the points of redemption below the levels required under

1 subdivisions (1)(A)(i) and (ii) of this subsection (a). The Secretary may
2 require additional points of redemption based on the location of proposed or
3 existing points of redemption, shopping patterns, and the convenience of
4 redeeming beverage containers.

5 (C) The producer responsibility organization may not use single-feed
6 reverse vending machines or mobile points of redemption as the point of
7 redemption to satisfy the requirement under subdivision (1)(A)(i) of this
8 subsection (a) except where the producer responsibility organization
9 documents that the population and retail density of the county is adequately
10 served by the use of these forms of collection.

11 (D) The producer responsibility organization shall ensure that points
12 of redemption have the operational capacity to redeem beverage containers.
13 This includes training on the use of equipment, providing service of equipment
14 in a reasonable time if there are issues, and providing pick-up of collected
15 containers from the point of redemption in a reasonable period from receiving
16 a request.

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

19 (A) The plan shall describe how all locations that redeem beverage
20 containers are fairly compensated for their participation in the collection
21 program provided that the producer responsibility organization shall pay each

1 location that redeems beverage containers four and one-half cents per container
2 collected unless the **producer responsibility organization** negotiates a separate
3 compensation agreement with a location that redeems beverage containers.

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

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

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

12 (E) The plan shall maximize the use of existing infrastructure, when
13 establishing points of **redemption** under subdivision (1) of this subsection (a).

14 (F) Consistent with guidelines developed by the Secretary, the
15 producer responsibility organization shall use binding dispute resolution to
16 resolve any disputes that arise surrounding fair compensation. This process
17 shall be implemented using a neutral third-party decision maker agreed to by
18 all parties.

19 (G) After the plan is effective for two years and six months, the
20 producer responsibility organization shall submit a report on fair compensation
21 to the Secretary. The report shall either describe how the producer

1 responsibility organization has adjusted compensation for points of redemption
2 or document why such an adjustment is not necessary.

3 (3) Collection location standards. All locations that provide for
4 redemption of beverage containers shall:

5 (A) provide timely redemption services that limit the need for
6 persons redeeming containers to wait for redemption services;

7 (B) be at sites that are secure, sufficiently lighted, and managed to
8 ensure the safety of persons redeeming containers at a location;

9 (C) be open and accepting beverage containers:

10 (i) in the case of a fixed point of redemption, at least 35 hours per
11 week, including six consecutive hours on Saturday; or

12 (ii) in the case of a mobile point of redemption, at least 15 hours
13 per week, including at least four consecutive hours on Saturday; and

14 (D) comply with all applicable laws related to the collection,
15 transportation, and disposition of mandated recyclables.

16 (4) Education to consumers. The plan shall describe what education
17 efforts will be undertaken to increase the number of beverage containers
18 redeemed in the State.

19 (5) Consultation with stakeholders. The producer responsibility
20 organization shall consult with stakeholders on the development of the plan.
21 The plan shall include processes for regular consultation, which shall not be

1 less than annually, with stakeholders, including the Agency, redemption
2 centers, municipal and private recycling organizations, and other stakeholders.

3 Prior to submitting a proposed plan to the Agency, the producer responsibility
4 organization shall allow the stakeholders to comment on the proposed plan.

5 The producer responsibility organization shall either make changes in response
6 to those comments or provide a written response on why the change was not
7 made to the stakeholders and the Agency.

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

11 (1) the name, address, and business hours of each redemption center
12 participating in the approved stewardship plan and the number of redemption
13 centers added or removed from the plan over the preceding year;

14 (2) the amount, in containers and tons, and material type of beverage
15 containers redeemed under the plan and the redemption rate of beverage
16 containers;

17 (3) the location and amount of beverage container material that was
18 recycled and what products that beverage container material was recycled into;

19 (4) the carbon impacts associated with the administration of the
20 stewardship plan;

1 (5) the costs associated with administration of the stewardship plan,
2 including the costs of collection, management, and transportation of redeemed
3 containers and the amount received for commodities;

4 (6) a description of any improvements made in the reporting year to
5 increase ease and convenience for consumers to return beverage containers for
6 redemption;

7 (7) efforts taken by or on behalf of the manufacturer or distributor to
8 reduce environmental impacts throughout the product life cycle and to increase
9 reusability or recyclability at the end of the life cycle by material type;

10 (8) efforts taken by or on behalf of the producer responsibility
11 organization to improve the environmental outcomes of the program by
12 improving operational efficiency, such as reduction of truck trips through
13 improved material handling or compaction or the increased use of refillable
14 containers in a local refilling system;

15 (9) a description and copies of educational materials and educational
16 strategies the producer responsibility organization uses for the purposes of this
17 program; and

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

19 (c) Review of Stewardship Plan.

20 (1) Within 90 days after receipt of a plan submitted under this section,
21 the Secretary shall review the plan and determine whether to approve the plan,

1 deny the plan, or require an amendment to the plan. The Secretary may amend
2 or add conditions to the plan as a part of the approval. The plan shall be
3 approved after concluding that the plan meets the criteria established in this
4 section and the elements of the plan will maximize diversion of recyclable
5 materials, provide convenience to users, and create a more circular economy.
6 If the plan is denied, the Secretary shall provide a basis for that denial and the
7 producer responsibility organization shall submit a revised plan addressing
8 these issues within 60 days following the notice of denial.

9 (2) At least six months prior to the expiration of the plan, the producer
10 responsibility organization shall submit a renewal to the stewardship plan.
11 Renewals shall address all elements considered in the original plan and shall be
12 considered in the same manner as an original plan. The Secretary shall issue a
13 final determination on an application for renewal not later than 90 days before
14 the expiration of the plan.

15 (3) The Secretary's approval pursuant to this subsection shall be for a
16 period not greater than five years.

17 (d) Plan implementation. The producer responsibility organization shall
18 implement the approved plan on March 1, 2029.

19 (e) Revision of stewardship goals. If the producer responsibility
20 organization fails to meet the beverage container redemption rate in section
21 1534 of this title for all other beverage containers, the Secretary may require

1 the producer responsibility organization to implement activities to enhance the
2 rate of redemption, including additional public education and outreach,
3 additional redemption sites, or additional redemption opportunities.

4 § 1533. PROGRAM AND FISCAL AUDIT

5 (a) Program audit. Beginning on October 1, 2033, and every five years
6 thereafter, the producer responsibility organization shall conduct an
7 independent third-party program audit of the operation of the stewardship plan.
8 The program audit shall examine how the product stewardship organization
9 compensates redemption centers as a part of its report. The audit shall make
10 recommendations to improve the operation of the collection program
11 established by this chapter, including any recommendation to the
12 compensation structure for redemption centers.

13 (b) Fiscal audit. Beginning on October 1, 2030, and annually thereafter,
14 the producer responsibility organization shall conduct an independent third-
15 party fiscal audit of the program. The fiscal audit shall provide a transparent
16 fiscal analysis of the producer responsibility organization, its expenditures, the
17 number of beverage containers collected, and the amount of unclaimed
18 deposits. The audit shall also provide the redemption rate of beverage
19 containers redeemed in the State. The Secretary shall approve the audit results
20 and the redemption rate of beverage containers included in the audit.

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

5 § 1534. BEVERAGE CONTAINER REDEMPTION RATE GOAL;

6 REPORT

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

9 (1) Beginning on July 1, 2030: 75 percent.

10 (2) Beginning on July 1, 2033: 80 percent.

11 (b)(1) Beginning on December 1, 2030, and annually thereafter, the
12 Secretary of Natural Resources shall submit to the House Committees on
13 Environment and on Ways and Means and the Senate Committees on Natural
14 Resources and Energy and on Finance a written report containing the current
15 beverage container redemption rate in the State for the following two
16 categories of beverage containers:

17 (A) liquor bottles; and

18 (B) all other beverage containers.

19 (2) Each annual report submitted under subdivision (1) of this subsection
20 shall include a recommendation of whether the beverage container deposit for

1 either of the beverage categories should be increased to improve redemption of
2 that category of beverage container.

3 § 1535. RULEMAKING

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

6 § 1536. ANTITRUST; CONDUCT AUTHORIZED

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

17 (b) Limitations on antitrust activity. Subsection (a) of this section shall not
18 apply to an agreement among manufacturers, distributors, groups of
19 manufacturers or distributors, retailers, wholesalers, or the producer
20 responsibility organization affecting the price of beverage containers or any

1 agreement restricting the geographic area in which or customers to whom
2 beverage containers shall be sold.

3 Sec. 2. 10 V.S.A. § 1523 is amended to read:

4 § 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

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

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

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

19 (b)(1) A retailer, ~~with the prior approval of the Secretary,~~ may refuse to
20 redeem beverage containers if a ~~redemption center or centers are established~~
21 ~~that serve the public need~~ stewardship plan that meets the requirements of

1 section 1532 of this title has been implemented by the producer responsibility
2 organization in the State and the retailer's building is less than 5,000 square
3 feet.

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

8 (c) A ~~retailer or a person operating a redemption center~~ may point of
9 redemption or producer responsibility organization shall refuse to redeem
10 beverage containers that are not clean or, are broken and shall not redeem
11 beverage containers that, are not labeled in accordance with section 1524 of
12 this title, **were purchased out of State,** have already been redeemed, or are not
13 registered with the producer responsibility organization pursuant to subsection
14 1531(d) of this title.

15 Sec. 3. 10 V.S.A. § 7714 is amended to read:

16 § 7714. TYPE 3 PROCEDURES

17 (a) Purpose; scope.

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

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

3 (A) Each general permit issued pursuant to the Secretary’s authority
4 under this title other than a general permit subject to section 7712 of this
5 chapter. However, this section does not apply to a notice of intent under a
6 general permit.

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

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

10 (i) an aquatic nuisance control permit under chapter 50 of this
11 title;

12 (ii) a change in treatment for a public water supply under chapter
13 56 of this title;

14 (iii) a collection plan for mercury-containing lamps under section
15 7156 of this title;

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

18 (v) a primary battery stewardship plan under section 7586 of this
19 title;

20 (vi) a covered household products collection plan under section
21 7813 of this title; and

1 (vii) a stewardship plan required under chapter 53 of this title.

2 (b) Notice of application. The Secretary shall provide notice of an
3 administratively complete application through the environmental notice
4 bulletin.

5 (c) Notice of draft decision; comment period. The Secretary shall provide
6 notice of the draft decision through the environmental notice bulletin and shall
7 post the draft decision to the bulletin. The Secretary shall provide a public
8 comment period.

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

12 (e) Notice of final decision. The Secretary shall provide notice of the final
13 decision through the environmental notice bulletin and shall post the final
14 decision to the bulletin. The Secretary shall provide a response to comments.

15 Sec. 4. 10 V.S.A. § 1388 is amended to read:

16 § 1388. CLEAN WATER FUND

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

19 (1) revenues from the Property Transfer Tax surcharge established under
20 32 V.S.A. § 9602a;

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

4 (3) the unclaimed beverage container deposits (escheats) remitted to the
5 State under chapter 53 of this title, except as follows:

6 (A) in State fiscal year 2030, the Secretary may transfer up to
7 \$1,000,000.00 to the Solid Waste Management Assistance Account of the fund
8 created pursuant to section 6618 of this title for grants pursuant to subdivision
9 6618(b)(11) of this title;

10 (B) in State fiscal year 2031, the Secretary may transfer up to
11 \$1,000,000.00 to the Solid Waste Management Assistance Account of the fund
12 created pursuant to section 6618 of this title for grants pursuant to subdivision
13 6618(b)(11) of this title;

14 (C) in State fiscal year 2032, the Secretary may transfer up to
15 \$750,000.00 to the Solid Waste Management Assistance Account of the fund
16 created pursuant to section 6618 of this title for grants pursuant to subdivision
17 6618(b)(11) of this title; and

18 (D) in State fiscal year 2033, the Secretary may transfer up to
19 \$750,000.00 to the Solid Waste Management Assistance Account of the fund
20 created pursuant to section 6618 of this title for grants pursuant to subdivision
21 6618(b)(11) of this title;

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

3 (5) other revenues dedicated for deposit into the Fund by the General
4 Assembly.

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

8 Sec. 5. 10 V.S.A. § 6618 is amended to read:

9 § 6618. WASTE MANAGEMENT ASSISTANCE FUND

10 (a) There is hereby created in the State Treasury a fund to be known as the
11 Waste Management Assistance Fund to be expended by the Secretary of
12 Natural Resources. The Fund shall have three accounts: one for Solid Waste
13 Management Assistance, one for Hazardous Waste Management Assistance,
14 and one for Electronic Waste Collection and Recycling Assistance. The
15 Hazardous Waste Management Assistance Account shall consist of a
16 percentage of the tax on hazardous waste under the provisions of 32 V.S.A.
17 chapter 237, as established by the Secretary; the toxics use reduction fees
18 under subsection 6628(j) of this title; and appropriations of the General
19 Assembly. In no event shall the amount of the hazardous waste tax that is
20 deposited to the Hazardous Waste Management Assistance Account exceed 40
21 percent of the annual tax receipts. The Solid Waste Management Assistance

1 Account shall consist of the franchise tax on waste facilities assessed under the
2 provisions of 32 V.S.A. chapter 151, subchapter 13; transfers from the Clean
3 Water Fund; and appropriations of the General Assembly. The Electronic
4 Waste Collection and Recycling Account shall consist of the program and
5 implementation fees required under section 7553 of this title. All balances in
6 the Fund accounts at the end of any fiscal year shall be carried forward and
7 remain a part of the Fund accounts, except as provided in subsection (e) of this
8 section. Interest earned by the Fund shall be deposited into the appropriate
9 Fund account. Disbursements from the Fund accounts shall be made by the
10 State Treasurer on warrants drawn by the Commissioner of Finance and
11 Management.

12 (b) The Secretary may authorize disbursements from the Solid Waste
13 Management Assistance Account for the purpose of enhancing solid waste
14 management in the State in accordance with the adopted waste management
15 plan. This includes:

16 * * *

17 (11) The Secretary shall enter a grant with the producer responsibility
18 organization approved under chapter 53 of this title for bottle bill
19 implementation. The grant shall be for four years and reimburse the cost of
20 equipment and improvements to infrastructure documented by the producer
21 responsibility organization in its approved stewardship plan. Grants shall be

1 limited as follows: in fiscal year 2030, not more than \$1,000,000.00; in fiscal
2 year 2031, not more than \$1,000,000.00; in fiscal year 2032, not more than
3 \$750,000.00; and in fiscal year 2033, not more than \$750,000.00.

4 Sec. 6. REPEAL

5 (a) In Sec. 1 of this act, 10 V.S.A. § 1529 (redemption center certification)
6 is repealed on March 1, 2029.

7 (b) In Sec. 5 of this act, 10 V.S.A. § 6618(b)(11) (producer responsibility
8 implementation grants) is repealed October 1, 2033.

9 (c) 10 V.S.A. § 1528 (product registration) is repealed on March 1, 2029.

10 Sec. 7. 10 V.S.A. § 7182 is amended to read:

11 § 7182. SALE OF COVERED HOUSEHOLD HAZARDOUS PRODUCTS;
12 STEWARDSHIP ORGANIZATION REGISTRATION;
13 MANUFACTURER REGISTRATION

14 * * *

15 (b) Stewardship organization registration requirements.

16 (1) On or before July 1, 2025, a stewardship organization shall file a
17 registration form with the Secretary. The Secretary shall provide the
18 registration form to the stewardship organization. The registration form shall
19 include:

1 (A) a description of how the stewardship organization meets the
2 requirements of subsection 7184(b) of this title, including any reasonable
3 requirements for participation in the stewardship organization; and

4 (B) the name, address, and contact information of a person for a
5 nonmember manufacturer to contact regarding how to participate in the
6 stewardship organization to satisfy the requirements of this chapter.

7 (2) Beginning on July 1, ~~2026~~ 2028 and annually thereafter, a
8 stewardship organization shall renew its registration with the Secretary. A
9 renewal registration shall include the following:

10 (A) a list of the manufacturers participating in the stewardship
11 organization;

12 (B) a list of the brands of each manufacturer participating in the
13 stewardship organization;

14 (C) a list of the covered household hazardous products of each
15 manufacturer participating in the stewardship organization;

16 (D) the name, address, and contact information of a person
17 responsible for ensuring compliance with this chapter;

18 (E) a description of how the stewardship organization meets the
19 requirements of subsection 7184(b) of this title, including any reasonable
20 requirements for participation in the stewardship organization; and

1 (F) the name, address, and contact information of a person for a
2 nonmember manufacturer to contact regarding how to participate in the
3 stewardship organization to satisfy the requirements of this chapter.

4 * * *

5 Sec. 8. 10 V.S.A. § 7183 is amended to read:

6 § 7183. COLLECTION PLANS

7 (a) Collection plan required. On or before July 1, 2026, any stewardship
8 organization registered with the Secretary as representing manufacturers of
9 covered household hazardous products shall coordinate and submit to the
10 Secretary for review ~~one collection plan for all manufacturers~~ a collection plan
11 that addresses how covered household hazardous products enrolled in that plan
12 meet the requirements of this chapter.

13 * * *

14 Sec. 9. 10 V.S.A. § 7187 is amended to read:

15 § 7187. AGENCY RESPONSIBILITIES

16 (a) Review and approve collection plans. The Secretary shall review and
17 approve or deny collection plans submitted under section 7183 of this title
18 according to the public notice and comment requirements of section 7714 of
19 this title.

20 * * *

1 (h) Reimbursement of Agency oversight costs. The stewardship
2 organization shall reimburse the Secretary for the costs of overseeing the
3 administration of the program under this chapter as follows:

4 (1) The Secretary shall annually provide an estimate of the costs of
5 overseeing the administration of the program to the stewardship organization,
6 including staff costs, compliance, and oversight of the system.

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

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

17 Sec. 10. TRANSITION

18 (a) Beginning July 1, 2027, a group of manufacturers may register a new
19 stewardship organization covering a class of household hazardous products and
20 their packages when collected together. There shall be only one stewardship
21 organization per class of products, however there may be more than one

1 stewardship program administering the requirements of 10 V.S.A. chapter
2 164B.

3 (b) Beginning July 1, 2027, an approved stewardship organization covering
4 a class of household products may submit a plan for the products covered by
5 that approved stewardship organization. In addition to the elements covered
6 by 10 V.S.A. 7183 the plan shall describe any transition from the previously
7 approved plan. The Secretary shall have 120 days to review and approve or
8 reject any plan submitted under this section. That plan shall take effect not
9 later than July 1, 2030.

10 Sec. 11. EFFECTIVE DATES

11 This act shall take effect on July 1, 2026, except that:

12 (1) in Sec. 1, 10 V.S.A. § 1524(c) (requiring a UPC label on containers)
13 shall take effect on July 1, 2027;

14 (2) in Sec. 1, 10 V.S.A. § 1531(a) (prohibiting sale or distribution
15 without participating in the producer responsibility organization) shall take
16 effect on July 1, 2027;

17 (3) Sec. 2 (acceptance of beverage containers after plan implementation)
18 shall take effect on March 1, 2029; and

19 (4) in Sec. 5, 10 V.S.A. § 6618(b)(11) (capital implementation grants)
20 shall take effect on July 1, 2029.

21

1

2

3 (Committee vote: _____)

4

5

Senator _____

6

FOR THE COMMITTEE