

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 [Repealed.]~~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 ~~either~~ 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~~ and a retailer or a redemption
16 center shall not refuse to pay to that a person the refund value of a beverage
17 container as established by section 1522 of this title, except as provided in
18 subsection (b) subsections (b) or (c) of this section.

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

1 title, of the kind, size, and brand sold by the manufacturer or distributor, or
2 refuse to pay the retailer or a person operating a redemption center the refund
3 value of a beverage container as established by section 1522 of this title.

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

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

11 * * *

12 § 1524. LABELING

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

20 (2) The label shall be on the top lid of the beverage container, the side of
21 the beverage container, or in a clearly visible location on the beverage

1 container. This subsection does not prohibit including names or abbreviations
2 of other states with deposit legislation comparable to this chapter.

3 (b) The Commissioner of Liquor and Lottery may allow, in the case of
4 liquor bottles, a conspicuous, adhesive sticker to be attached to indicate the
5 deposit information required in subsection (a) of this section, provided that the
6 size, placement, and adhesive qualities of the sticker are as approved by the
7 Commissioner. The stickers shall be affixed to the bottles by the
8 manufacturer, except that liquor that is sold in the State in quantities less than
9 100 cases per year may have stickers affixed by personnel employed by the
10 Division of Liquor Control.

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

14 * * *

15 § 1527. PENALTY REDEMPTION OF LIQUOR BOTTLES

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

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

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

7 (3) Redemption. A retailer shall not refuse to accept beverage
8 containers subject to this section or refuse to pay a person the refund value
9 established by subdivision (1) of this section for any container unless the
10 container is not clean, broken, or has an exemption issued by the Secretary.

11 The Department of Liquor and Lottery shall not refuse to pick up empty
12 beverage containers subject to this section, pay the refund value, or pay the
13 handling fee to a retailer or redemption center subject to this section.

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

1 shall include requirements concerning reporting, recording, and inspections of
2 the operation of the site.

3 § 1530. ABANDONED BEVERAGE CONTAINER DEPOSITS

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

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

14 (1) the number of beverage containers sold in the preceding quarter and
15 the number of beverage containers returned in the preceding quarter;

16 (2) the amount of beverage container deposits received by the deposit
17 initiator;

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

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

20 ~~(e)~~(b)(1) On or before January 1, 2020, and quarterly thereafter, at the time
21 a report is filed pursuant to subsection (d) of this section, each deposit initiator

1 shall remit to the Commissioner of Taxes any abandoned beverage container
2 deposits from the preceding quarter. The amount of abandoned beverage
3 container deposits for a quarter is the amount equal to the amount of deposits
4 that the deposit initiator collected in the quarter less the amount of the total
5 refund value paid out by the deposit initiator for beverage containers during the
6 quarter.

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

13 (A) the Commissioner determines that the deposits collected by the
14 deposit initiator are insufficient to pay the refunds on returned beverage
15 containers; and

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

20 (3) Except as expressly provided otherwise in this chapter, all the
21 administrative provisions of 32 V.S.A. chapter 151, including those relating to

1 collection, enforcement, interest, and penalty charges, shall apply to the
2 remittance of abandoned beverage container deposits.

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

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

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

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

9 § 1531. MANUFACTURER AND DISTRIBUTOR PARTICIPATION IN
10 PRODUCER RESPONSIBILITY ORGANIZATION

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

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

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

20 (1) the producer responsibility organization or its subsidiary is registered
21 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 25 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 the Secretary determines that requiring an
13 immediate return of deposit would create an impediment to effective
14 redemption under the plan; and

15 (iii) how sites of redemption are or will be sited in areas with high
16 population density or located in centers designated under 24 V.S.A. chapter
17 76A.

18 (B) The producer responsibility organization may propose in its plan
19 to remove retail redemption locations required by subdivision 1523(a)(2) of
20 this title. When proposing to remove these retail locations, the producer
21 responsibility organization shall document how the location is adequately

1 served by other points of redemption. The Secretary shall not approve any
2 reduction that reduces the points of redemption below the levels required under
3 subdivisions (1)(A)(i) and (ii) of this subsection (a). The Secretary may
4 require additional points of redemption based on the location of proposed or
5 existing points of redemption, shopping patterns, and the convenience of
6 redeeming beverage containers.

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

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

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

1 (A) The plan shall describe how all locations that redeem beverage
2 containers are fairly compensated for their participation in the collection
3 program provided that the producer responsibility organization shall pay each
4 location that redeems beverage containers:

5 (i) three and one-half cents per container for containers redeemed
6 at a location through single-feed reverse vending machines;

7 (ii) four and one-half cents per container for all other means of
8 redemption at a location; or

9 (iii) according to a separate compensation agreement negotiated
10 between a redemption location or a group of redemption locations that redeems
11 beverage containers and the producer responsibility organization.

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

15 (C) The plan shall describe how management and sorting of
16 containers at points of redemption is minimized. The plan shall document how
17 brand sorting will be eliminated at points of redemption.

18 (D) The plan shall describe how materials will be picked up from
19 points of redemption on a timely basis.

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

1 (F) Consistent with guidelines developed by the Secretary, the
2 producer responsibility organization shall use binding dispute resolution to
3 resolve any disputes that arise surrounding negotiation of separate
4 compensation agreements between the producer responsibility organization
5 and points of redemption. This process shall be implemented using a neutral
6 third-party decision maker agreed to by all parties.

7 (3) Redemption amount. The producer responsibility organization or a
8 point of redemption operating under the plan shall pay a person presenting a
9 beverage container for redemption the refund value of the beverage container
10 as established by section 1522 of this title.

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

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

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

17 (C) be open and accepting beverage containers:

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

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

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

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

6 (6) Consultation with stakeholders. The producer responsibility
7 organization shall consult with stakeholders on the development of the plan.
8 The plan shall include processes for regular consultation, which shall take
9 place not less than annually, with stakeholders, including the Agency,
10 redemption centers, municipal and private recycling organizations, bag drop
11 and reverse vending technology providers, and other stakeholders. Prior to
12 submitting a proposed plan to the Agency, the producer responsibility
13 organization shall allow the public to comment on the proposed plan. The
14 producer responsibility organization shall either make changes in response to
15 those comments or provide a written response on why the change was not
16 made to the stakeholders and the Agency.

17 (7) The Agency shall publish the proposed and final approved plan on
18 the Agency's website.

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 and the number of redemption
3 centers added or removed from the plan over the preceding year;
- 4 (2) the amount, in containers and tons, and material type of beverage
5 containers redeemed under the plan and the redemption rate of beverage
6 containers;
- 7 (3) the location and amount of beverage container material that was
8 recycled and what products that beverage container material was recycled into;
- 9 (4) the carbon impacts associated with the administration of the
10 stewardship plan;
- 11 (5) the costs associated with administration of the stewardship plan,
12 including the costs of collection, management, and transportation of redeemed
13 containers and the amount received for commodities;
- 14 (6) a description of any improvements made in the reporting year to
15 increase ease and convenience for consumers to return beverage containers for
16 redemption;
- 17 (7) efforts taken by or on behalf of the manufacturer or distributor to
18 reduce environmental impacts throughout the product life cycle and to increase
19 reusability or recyclability at the end of the life cycle by material type;
- 20 (8) efforts taken by or on behalf of the producer responsibility
21 organization to improve the environmental outcomes of the program by

1 improving operational efficiency, such as reduction of truck trips through
2 improved material handling or compaction or the increased use of refillable
3 containers in a local refilling system;

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

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

8 (c) Review of stewardship plan.

9 (1) Within 90 days after receipt of a plan submitted under this section,
10 the Secretary shall review the plan and determine whether to approve the plan,
11 deny the plan, or require an amendment to the plan. The Secretary may amend
12 or add conditions to the plan as a part of the approval. The plan shall be
13 approved after concluding that the plan meets the criteria established in this
14 section and the elements of the plan will maximize diversion of recyclable
15 materials, provide convenience to users, and create a more circular economy.
16 If the plan is denied, the Secretary shall provide a basis for that denial and the
17 producer responsibility organization shall submit a revised plan addressing
18 these issues within 60 days following the notice of denial.

19 (2) At least six months prior to the expiration of the plan, the producer
20 responsibility organization shall submit a renewal to the stewardship plan.
21 Renewals shall address all elements considered in the original plan and shall be

1 considered in the same manner as an original plan. The Secretary shall issue a
2 final determination on an application for renewal not later than 90 days before
3 the expiration of the plan.

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

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

8 (e) Revision of stewardship goals. If the producer responsibility
9 organization fails to meet the beverage container redemption rate in section
10 1534 of this title for all other beverage containers, the Secretary may require
11 the producer responsibility organization to implement activities to enhance the
12 rate of redemption, including additional public education and outreach,
13 additional redemption sites, or additional redemption opportunities.

14 § 1533. PROGRAM AND FISCAL AUDIT

15 (a) Program audit. Beginning on October 1, 2033, and every five years
16 thereafter, the producer responsibility organization shall conduct an
17 independent third-party program audit of the operation of the stewardship plan.
18 The program audit shall examine how the product stewardship organization
19 compensates redemption centers as a part of its report. The audit shall make
20 recommendations to improve the operation of the collection program

1 established by this chapter, including any recommendation to the
2 compensation structure for redemption centers.

3 (b) Fiscal audit. Beginning on October 1, 2030, and annually thereafter,
4 the producer responsibility organization shall conduct an independent third-
5 party fiscal audit of the program. The fiscal audit shall provide a transparent
6 fiscal 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, 2030: 75 percent.

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

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

7 (A) liquor bottles; and

8 (B) all other beverage containers.

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

13 § 1535. RULEMAKING

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

16 § 1536. ANTITRUST; CONDUCT AUTHORIZED

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

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

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

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

13 § 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

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

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

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

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

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

19 (c) ~~A retailer or a person operating a redemption center may point of~~
20 ~~redemption or producer responsibility organization shall~~ refuse to redeem
21 beverage containers that are not clean ~~or,~~ are broken ~~and shall not redeem~~

1 ~~beverage containers that~~ are not labeled in accordance with section 1524 of
2 this title, were purchased out of State, have already been redeemed, or are not
3 registered with the producer responsibility organization pursuant to subsection
4 1531(d) of this title.

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

6 § 7714. TYPE 3 PROCEDURES

7 (a) Purpose; scope.

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

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

14 (A) Each general permit issued pursuant to the Secretary's authority
15 under this title other than a general permit subject to section 7712 of this
16 chapter. However, this section does not apply to a notice of intent under a
17 general permit.

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

- 1 (C) An application or request for approval of:
- 2 (i) an aquatic nuisance control permit under chapter 50 of this
- 3 title;
- 4 (ii) a change in treatment for a public water supply under chapter
- 5 56 of this title;
- 6 (iii) a collection plan for mercury-containing lamps under section
- 7 7156 of this title;
- 8 (iv) an individual plan for the collection and recycling of
- 9 electronic waste under section 7554 of this title;
- 10 (v) a primary battery stewardship plan under section 7586 of this
- 11 title;
- 12 (vi) a covered household products collection plan under section
- 13 7813 of this title; and
- 14 (vii) a stewardship plan required under chapter 53 of this title.
- 15 (b) Notice of application. The Secretary shall provide notice of an
- 16 administratively complete application through the environmental notice
- 17 bulletin.
- 18 (c) Notice of draft decision; comment period. The Secretary shall provide
- 19 notice of the draft decision through the environmental notice bulletin and shall
- 20 post the draft decision to the bulletin. The Secretary shall provide a public
- 21 comment period.

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

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

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

8 § 1388. CLEAN WATER FUND

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

11 (1) revenues from the Property Transfer Tax surcharge established under
12 32 V.S.A. § 9602a;

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

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

18 (A) in State fiscal year 2030, the Secretary may transfer up to
19 \$1,000,000.00 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 (B) in State fiscal year 2031, the Secretary may transfer up to
2 \$1,000,000.00 to the Solid Waste Management Assistance Account of the fund
3 created pursuant to section 6618 of this title for grants pursuant to subdivision
4 6618(b)(11) of this title;

5 (C) in State fiscal year 2032, the Secretary may transfer up to
6 \$750,000.00 to the Solid Waste Management Assistance Account of the fund
7 created pursuant to section 6618 of this title for grants pursuant to subdivision
8 6618(b)(11) of this title; and

9 (D) in State fiscal year 2033, the Secretary may transfer up to
10 \$750,000.00 to the Solid Waste Management Assistance Account of the fund
11 created pursuant to section 6618 of this title for grants pursuant to subdivision
12 6618(b)(11) of this title;

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

15 (5) other revenues dedicated for deposit into the Fund by the General
16 Assembly.

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

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

2 § 6618. WASTE MANAGEMENT ASSISTANCE FUND

3 (a) There is hereby created in the State Treasury a fund to be known as the
4 Waste Management Assistance Fund to be expended by the Secretary of
5 Natural Resources. The Fund shall have three accounts: one for Solid Waste
6 Management Assistance, one for Hazardous Waste Management Assistance,
7 and one for Electronic Waste Collection and Recycling Assistance. The
8 Hazardous Waste Management Assistance Account shall consist of a
9 percentage of the tax on hazardous waste under the provisions of 32 V.S.A.
10 chapter 237, as established by the Secretary; the toxics use reduction fees
11 under subsection 6628(j) of this title; and appropriations of the General
12 Assembly. In no event shall the amount of the hazardous waste tax that is
13 deposited to the Hazardous Waste Management Assistance Account exceed 40
14 percent of the annual tax receipts. The Solid Waste Management Assistance
15 Account shall consist of the franchise tax on waste facilities assessed under the
16 provisions of 32 V.S.A. chapter 151, subchapter 13; transfers from the Clean
17 Water Fund; and appropriations of the General Assembly. The Electronic
18 Waste Collection and Recycling Account shall consist of the program and
19 implementation fees required under section 7553 of this title. All balances in
20 the Fund accounts at the end of any fiscal year shall be carried forward and
21 remain a part of the Fund accounts, except as provided in subsection (e) of this

1 section. Interest earned by the Fund shall be deposited into the appropriate
2 Fund account. Disbursements from the Fund accounts shall be made by the
3 State Treasurer on warrants drawn by the Commissioner of Finance and
4 Management.

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

9 * * *

10 (11) The Secretary shall enter a grant agreement with the producer
11 responsibility organization approved under chapter 53 of this title for bottle bill
12 implementation. The grant shall be for four years and reimburse the cost of
13 equipment and improvements to infrastructure documented by the producer
14 responsibility organization in its approved stewardship plan. Grants shall be
15 limited as follows: in fiscal year 2030, not more than \$1,000,000.00; in fiscal
16 year 2031, not more than \$1,000,000.00; in fiscal year 2032, not more than
17 \$750,000.00; and in fiscal year 2033, not more than \$750,000.00.

18 **Sec. 6. AGENCY OF NATURAL RESOURCES REPORT;**

19 **IMPLEMENTATION OF STEWARDSHIP PLAN FOR**

20 **REDEMPTION OF BEVERAGE CONTAINERS**

1 On or before January 1, 2032, the Secretary of Natural Resources shall
2 submit to the House Committee on Environment and the Senate Committee on
3 Natural Resources and Energy a report regarding implementation of a
4 stewardship plan for the redemption of beverage containers by the producer
5 responsibility organization required under 10 V.S.A. chapter 53. The report
6 shall:

7 (1) describe how the producer responsibility organization has adjusted
8 compensation for points of redemption included under the stewardship plan or
9 document why such an adjustment was not necessary;

10 (2) summarize whether and to what extent points of redemption
11 included under the stewardship plan have negotiated separate compensation
12 agreements with the producer responsibility organization under 10 V.S.A.
13 § 1532(a)(2)(A)(iii) for the redemption beverage containers;

14 (3) assess whether the producer responsibility organization has
15 sufficiently updated or implemented redemption technologies to modernize
16 redemption services and improve the convenience and efficiency of
17 redemption services in the State; and

18 (4) recommend whether the handling fees for redeemed containers
19 required to be part of the stewardship plan under 10 V.S.A. § 1532(a)(2)(A)(i)
20 and (ii) should be retained to ensure fair compensation of points of redemption
21 of beverage containers.

1 Sec. 7. 10 V.S.A. § 1532(a)(2) is amended to read:

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

4 (A) The plan shall describe how all locations that redeem beverage
5 containers are fairly compensated for their participation in the collection
6 program ~~provided that the producer responsibility organization shall pay each~~
7 ~~location that redeems beverage containers;~~

8 (i) ~~three and one half cents per container for containers redeemed~~
9 ~~at a location through single-feed reverse vending machines;~~

10 (ii) ~~four and one half cents per container for all other means of~~
11 ~~redemption at a location; or~~

12 (iii) ~~according to a separate compensation agreement negotiated~~
13 ~~between a redemption location or a group of redemption locations that redeems~~
14 ~~beverage containers and the producer responsibility organization. The~~
15 ~~producer responsibility organization and a redemption location or groups of~~
16 ~~redemption locations shall negotiate how the redemption location or locations~~
17 ~~shall be compensated for collection of containers under the plan.~~

18 * * *

19 Sec. 8. REPEALS

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

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

7 * * *

8 Sec. 11. 10 V.S.A. § 7187 is amended to read:

9 § 7187. AGENCY RESPONSIBILITIES

10 (a) Review and approve collection plans. The Secretary shall review and
11 approve or deny collection plans submitted under section 7183 of this title
12 according to the public notice and comment requirements of section 7714 of
13 this title.

14 * * *

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

18 (1) The Secretary shall annually provide an estimate of the costs of
19 overseeing the administration of the household hazardous products collection
20 program to the stewardship organization, including staff costs, compliance, and
21 oversight of the system.

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

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

11 Sec. 12. TRANSITION

12 (a) Beginning on July 1, 2027, a group of manufacturers may register a
13 new stewardship organization covering a class of household hazardous
14 products and their packages when collected together. There shall be only one
15 stewardship organization per class of products; however, there may be more
16 than one stewardship program administering the requirements of 10 V.S.A.
17 chapter 164B.

18 (b) Beginning on July 1, 2027, an approved stewardship organization
19 covering a class of household hazardous products may submit a plan for the
20 products covered by that approved stewardship organization. In addition to the
21 elements covered by 10 V.S.A. § 7183, the plan shall describe any transition

1 from the previously approved plan. The Secretary shall have 120 days to
2 review and approve or reject any plan submitted under this section. That plan
3 shall take effect **on or before** than July 1, 2030.

4 Sec. 13. EFFECTIVE DATES

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

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

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

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

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

15 **(5) Sec. 7 (repeal of handling fees under the beverage container**
16 **stewardship plan) shall take effect on July 1, 2033.**

17
18 (Committee vote: _____)

19 _____

20 Senator _____

21 FOR THE COMMITTEE