

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 [Repealed.]~~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 collection in the amount that covers
18 the point of collection’s reasonable costs of operating redemption services and
19 a reasonable rate of return.

20 (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 cents per container for containers of beverage brands that are part of a
9 commingling program and ~~four~~ five cents per container for containers of
10 beverage brands that are not part of a commingling program. Beginning on
11 March 1, 2029, the handling fee shall not apply to beverages that are covered
12 by a stewardship plan approved by the Secretary under this chapter.

13 * * *

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15 ~~during the regular operating hours of the establishment.~~ [Repealed.]

16 § 1522a. RULES

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

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

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

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

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 [Repealed.]~~

9 § 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

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

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

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

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

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

8 § 1524. LABELING

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

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

20 (b) The Commissioner of Liquor and Lottery may allow, in the case of
21 liquor bottles, a conspicuous, adhesive sticker to be attached to indicate the

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

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

10 * * *

11 § 1527. PENALTY REDEMPTION OF LIQUOR BOTTLES

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

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

19 (2) Handling fee. Distributors of beverage containers subject to this
20 section shall pay a **point of redemption** that redeems a beverage container three
21 and one-half cents per container.

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

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

15 (5) Performance goals and reporting. The Department of Liquor and
16 Lottery shall be subject to the redemption rate goals established in section
17 1534 of this title for beverage containers containing liquor. Beginning on
18 January 15, 2027, and annually thereafter, the Commissioner of Liquor and
19 Lottery shall report to the Secretary of Natural Resources:

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

1 Commissioner of Taxes. The report shall be submitted on or before the 25th
2 day of the calendar month succeeding the quarter ending on the last day of
3 March, June, September, and December each year. The deposit initiator shall
4 submit the report on a form provided by the Commissioner of Taxes. The
5 report shall include:

6 (1) the number of beverage containers sold in the preceding quarter and
7 the number of beverage containers returned in the preceding quarter;

8 (2) the amount of beverage container deposits received by the deposit
9 initiator;

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

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

12 ~~(e)~~(b)(1) On or before January 1, 2020, and quarterly thereafter, at the time
13 a report is filed pursuant to subsection (d) of this section, each deposit initiator
14 shall remit to the Commissioner of Taxes any abandoned beverage container
15 deposits from the preceding quarter. The amount of abandoned beverage
16 container deposits for a quarter is the amount equal to the amount of deposits
17 that the deposit initiator collected in the quarter less the amount of the total
18 refund value paid out by the deposit initiator for beverage containers during the
19 quarter.

20 (2) In any calendar quarter, the deposit initiator may submit to the
21 Commissioner of Taxes a request for reimbursement of refunds paid under this

1 chapter that exceed the amount of deposits collected in the quarter. The
2 Commissioner of Taxes shall pay a request for reimbursement under this
3 subdivision from the funds remitted to the Commissioner under subdivision (1)
4 of this subsection, provided that:

5 (A) the Commissioner determines that the deposits collected by the
6 deposit initiator are insufficient to pay the refunds on returned beverage
7 containers; and

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

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

16 (4) A deposit initiator may within 60 days after the date of mailing of a
17 notice of deficiency, the date of a full or partial denial of a request for
18 reimbursement, or the date of an assessment petition the Commissioner of
19 Taxes in writing for a hearing and determination on the matter. The hearing
20 shall be subject to and governed by 3 V.S.A. chapter 25. Within 30 days after
21 a determination, an aggrieved deposit initiator may appeal a determination by

1 the Commissioner of Taxes to the Washington Superior Court or the Superior
2 Court of the county in which the deposit initiator resides or has a place of
3 business.

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

9 ~~(e)~~(c) The Secretary of Natural Resources may prohibit the sale of a
10 beverage that is sold or distributed in the State by a deposit initiator who fails
11 to comply with the requirements of this chapter. The Secretary may allow the
12 sale of a beverage upon the deposit initiator's coming into compliance with the
13 requirements of this chapter.

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

1 § 1531. MANUFACTURER AND DISTRIBUTOR PARTICIPATION IN
2 PRODUCER RESPONSIBILITY ORGANIZATION

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

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

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

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

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

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

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

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

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

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

9 (e) The producer responsibility organization may charge fees to deposit
10 initiators to cover the costs of administration and implementation of this
11 chapter. Deposit initiators shall pay all fees required by the producer
12 responsibility organization and provide any data required by the producer
13 responsibility organization. If a deposit initiator fails to meet these
14 requirements, the producer responsibility organization may remove it from the
15 producer responsibility organization.

16 (f) If the producer responsibility organization fails to implement the
17 requirements of this chapter, the rules adopted by the Secretary, or an approved
18 stewardship plan, the Secretary may dissolve the producer responsibility
19 organization.

20 (g) If no producer responsibility organization is formed, the Secretary shall
21 either require the formation of the producer responsibility organization or

1 adopt and administer a plan that meets the requirements of section 1532 of this
2 title. If the Secretary administers the plan adopted under section 1532 of this
3 title, the Secretary shall charge each deposit initiator the costs of plan
4 administration, the Agency’s oversight costs, and a recycling market
5 development assessment of 10 percent of the plan’s total cost to be deposited
6 in the Solid Waste Management Assistance Account of the Waste Management
7 Assistance Fund, for the purpose of providing grants to develop markets to
8 recycle materials.

9 (h) The producer responsibility organization shall reimburse the Secretary
10 for the costs of overseeing the administration of the program under this chapter
11 as follows:

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

15 (2) The producer responsibility organization shall provide any
16 comments to the Secretary’s budget within 30 days following receipt. The
17 Agency of Natural Resources shall respond to all comments provided by the
18 producer responsibility organization and may make changes to its budget in
19 response to those comments. These comments and the responses shall be
20 provided to the General Assembly as a part of the Secretary’s budget.

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

5 (i) Manufacturers and distributors of liquor are exempt from the
6 requirements of this section and the requirement to implement a stewardship
7 plan under section 1532 of this title.

8 § 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS

9 (a) Plan elements. On or before April 1, 2028, an approved producer
10 responsibility organization shall submit a stewardship plan to the Secretary. A
11 stewardship plan shall, at a minimum, meet all of the following requirements
12 of this section:

13 (1) Convenience of collection.

14 (A) A plan shall ensure that consumers have convenient opportunities
15 to redeem beverage containers. The plan shall take reasonable efforts to site
16 points of redemption equitably across all regions of the State to allow for
17 convenient and reasonable access of all Vermonters to redemption
18 opportunities. A plan shall document how redemption services will be
19 available to consumers as follows:

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

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

4 (iii) how sites of redemption are or will be sited in areas with high
5 population density or located in centers designated under 24 V.S.A. chapter
6 76A.

7 (B) The producer responsibility organization may propose in its plan
8 to remove retail redemption locations required by subdivision 1523(a)(2) of
9 this title. When proposing to remove these retail locations, the producer
10 responsibility organization shall document how the location is adequately
11 served by other points of redemption. The Secretary shall not approve any
12 reduction that reduces the points of redemption below the levels required under
13 subdivisions (1)(A)(i) and (ii) of this subsection (a). The Secretary may
14 require additional points of redemption based on the location of proposed or
15 existing points of redemption, shopping patterns, and the convenience of
16 redeeming beverage containers.

17 (C) The producer responsibility organization may not use single-feed
18 reverse vending machines or mobile points of collection as the point of
19 redemption to satisfy the requirement under subdivision (1)(A)(i) of this
20 subsection (a) except where the producer responsibility organization

1 documents that the population and retail density of the county is adequately
2 served by the use of these forms of collection.

3 (D) The producer responsibility organization shall ensure that points
4 of collection have the operational capacity to redeem beverage containers.
5 This includes training on the use of equipment, providing service of equipment
6 in a reasonable time if there are issues, and providing pick-up of collected
7 containers from the point of collection in a reasonable period from receiving a
8 request.

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

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

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

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

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

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

3 (F) Consistent with guidelines developed by the Secretary, the
4 producer responsibility organization shall use binding dispute resolution to
5 resolve any disputes that arise surrounding fair compensation. This process
6 shall be implemented using a neutral third party decision maker agreed to by
7 all parties.

8 (G) After the plan is effective for two years and six months, the
9 producer responsibility organization shall submit a report on fair compensation
10 to the Secretary. The report shall either describe how the producer
11 responsibility organization has adjusted compensation for points of redemption
12 or document why such an adjustment is not necessary.

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

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

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

19 (C) be open and accepting beverage containers:

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

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

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

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

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

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

1 (1) the name, address, and business hours of each redemption center
2 participating in the approved stewardship plan;

3 (2) the amount, in containers and tons, and material type of beverage
4 containers redeemed under the plan and the redemption rate of beverage
5 containers;

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

8 (4) the carbon impacts associated with the administration of the
9 stewardship plan;

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

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

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

19 (8) efforts taken by or on behalf of the producer responsibility
20 organization to improve the environmental outcomes of the program by
21 improving operational efficiency, such as reduction of truck trips through

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

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

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

7 (c) Review of Stewardship Plan.

8 (1) Within 90 days after receipt of a plan submitted under this section,
9 the Secretary shall review the plan and determine whether to approve the plan,
10 deny the plan, or require an amendment to the plan. The Secretary may amend
11 or add conditions to the plan as a part of the approval. The plan shall be
12 approved after concluding that the plan meets the criteria established in this
13 section and the elements of the plan will maximize diversion of recyclable
14 materials, provide convenience to users, and create a more circular economy.

15 If the plan is denied, the Secretary shall provide a basis for that denial and the
16 producer responsibility organization shall submit a revised plan addressing
17 these issues within 60 days following the notice of denial.

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

1 final determination on an application for renewal no later than 90 days from
2 the expiration of the plan.

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

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

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

13 § 1533. PROGRAM AND FISCAL AUDIT

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

1 (b) Fiscal audit. Beginning on October 1, 2030, and annually thereafter,
2 the producer responsibility organization shall conduct an independent third-
3 party fiscal audit of the program. The fiscal audit shall provide a transparent
4 fiscal analysis of the producer responsibility organization, its expenditures, the
5 number of beverage containers collected, and the amount of unclaimed
6 deposits. The audit shall also provide the redemption rate of beverage
7 containers redeemed in the State. The Secretary shall approve the audit results
8 and the redemption rate of beverage containers included in the audit.

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

13 § 1534. BEVERAGE CONTAINER REDEMPTION RATE GOAL;

14 REPORT

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

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

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

19 (b)(1) Beginning on December 1, 2030, and annually thereafter, the
20 Secretary of Natural Resources shall submit to the House Committees on
21 Environment and on Ways and Means and the Senate Committees on Natural

1 Resources and Energy and on Finance a written report containing the current
2 beverage container redemption rate in the State for the following two
3 categories of beverage containers:

4 (A) liquor bottles; and

5 (B) all other beverage containers.

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

10 § 1535. RULEMAKING

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

13 § 1536. ANTITRUST; CONDUCT AUTHORIZED

14 (a) Activity authorized. A manufacturer, distributor, group of
15 manufacturers or distributors, or producer responsibility organization
16 implementing or participating in an approved collection plan under this chapter
17 for the collection, transport, processing, and management of beverage
18 container is individually or jointly immune from liability for conduct under
19 State laws relating to antitrust, restraint of trade, unfair trade practices, and
20 other regulation of trade or commerce under 9 V.S.A. chapter 63, subchapter 1
21 to the extent that the conduct is reasonably necessary to plan, implement, and

1 comply with the producer responsibility organization’s chosen system for
2 beverage containers.

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

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

10 § 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

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

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

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

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

4 (b)(1) 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~~ stewardship plan that meets the requirements of
7 section 1532 of this title has been implemented by the producer responsibility
8 organization in the State and the retailer's building is less than 5,000 square
9 feet.

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

14 (c) A ~~retailer or a person operating a redemption center may~~ point of
15 redemption or producer responsibility organization shall refuse to redeem
16 beverage containers that are not ~~clean or,~~ are broken and shall not redeem
17 ~~beverage containers that,~~ are not labeled in accordance with section 1524 of
18 this title, have already been redeemed, or are not registered with the producer
19 responsibility organization pursuant to section 1531(d) of this title.

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

2 § 7714. TYPE 3 PROCEDURES

3 (a) Purpose; scope.

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

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

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

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

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

17 (i) an aquatic nuisance control permit under chapter 50 of this
18 title;

19 (ii) a change in treatment for a public water supply under chapter
20 56 of this title;

1 (iii) a collection plan for mercury-containing lamps under section
2 7156 of this title;

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

5 (v) a primary battery stewardship plan under section 7586 of this
6 title;

7 (vi) a covered household products collection plan under section
8 7813 of this title; and

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

10 (b) Notice of application. The Secretary shall provide notice of an
11 administratively complete application through the environmental notice
12 bulletin.

13 (c) Notice of draft decision; comment period. The Secretary shall provide
14 notice of the draft decision through the environmental notice bulletin and shall
15 post the draft decision to the bulletin. The Secretary shall provide a public
16 comment period.

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

1 (e) Notice of final decision. The Secretary shall provide notice of the final
2 decision through the environmental notice bulletin and shall post the final
3 decision to the bulletin. The Secretary shall provide a response to comments.

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

5 § 1388. CLEAN WATER FUND

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

8 (1) revenues from the Property Transfer Tax surcharge established under
9 32 V.S.A. § 9602a;

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

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

15 (A) in State fiscal year 2030, the Secretary may transfer up to
16 \$1,350,000.00 to the Solid Waste Management Assistance Account of the fund
17 created pursuant to section 6618 of this title for grants pursuant to subdivision
18 6618(b)(11) of this title;

19 (B) in State fiscal year 2031, the Secretary may transfer up to
20 \$1,350,000.00 to the Solid Waste Management Assistance Account of the fund

1 created pursuant to section 6618 of this title for grants pursuant to subdivision
2 6618(b)(11) of this title;

3 (C) in State fiscal year 2032, the Secretary may transfer up to
4 \$1,100,000.00 to the Solid Waste Management Assistance Account of the fund
5 created pursuant to section 6618 of this title for grants pursuant to subdivision
6 6618(b)(11) of this title; and

7 (D) in State fiscal year 2033, the Secretary may transfer up to
8 \$1,100,000.00 to the Solid Waste Management Assistance Account of the fund
9 created pursuant to section 6618 of this title for grants pursuant to subdivision
10 6618(b)(11) of this title;

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

13 (5) other revenues dedicated for deposit into the Fund by the General
14 Assembly.

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

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

19 § 6618. WASTE MANAGEMENT ASSISTANCE FUND

20 (a) There is hereby created in the State Treasury a fund to be known as the
21 Waste Management Assistance Fund to be expended by the Secretary of

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

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

5 * * *

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

14 (12) Redemption center transition grant. The Secretary shall administer
15 a grant program for redemption centers that were certified with the Secretary
16 on January 1, 2026. In order to be eligible for this grant, the redemption center
17 cannot have received any upgrades or other investments to its facility by the
18 producer responsibility organization under chapter 53 of this title. Grants shall
19 be based on \$0.005 per container redeemed at the facility. The total amount of
20 grants issued by the Secretary shall not exceed \$350,000.00 annually and shall
21 be awarded to eligible redemption centers on a first-come, first-served basis.

1 Sec. 6. REPEAL

2 (a) In Sec. 1, 10 V.S.A. §§ 1528 (product registration) and 1529
3 (redemption center certification) are repealed on March 1, 2029.

4 (b) In Sec. 5, 10 V.S.A. § 6618(b)(11) (producer responsibility
5 implementation grants) and (12) (redemption center transition grants) are
6 repealed October 1, 2033.

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

8 § 7182. SALE OF COVERED HOUSEHOLD HAZARDOUS PRODUCTS;

9 STEWARDSHIP ORGANIZATION REGISTRATION;

10 MANUFACTURER REGISTRATION

11 * * *

12 (b) Stewardship organization registration requirements.

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

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

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

2 § 7183. COLLECTION PLANS

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

9 * * *

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

11 § 7187. AGENCY RESPONSIBILITIES

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

16 * * *

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

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

4 (2) The stewardship organization shall provide any comments to the
5 Secretary’s budget within 30 days following receipt. The Agency of Natural
6 Resources shall respond to all comments provided by the stewardship
7 organization and may make changes to its budget in response to those
8 comments. These comments and the responses shall be provided to the
9 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 stewardship
12 organization shall not be required to reimburse any Agency cost unless that
13 cost is approved as a part of the Agency’s budget.

14 Sec. 10. TRANSITION

15 (a) Beginning July 1, 2027, a group of manufacturers may register a new
16 stewardship organization covering a class of household hazardous products and
17 their packages when collected together. There shall be only one stewardship
18 organization per class of products, however there may be more than one
19 stewardship program administering the requirements of 10 V.S.A. chapter
20 164B.

1 (b) Beginning July 1, 2027, an approved stewardship organization covering
2 a class of household products may submit a plan for the products covered by
3 that approved stewardship organization. In addition to the elements covered
4 by 10 V.S.A. 7183 the plan shall describe any transition from the previously
5 approved plan. The Secretary shall have 120-days to review and approve or
6 reject any plan submitted under this Section. That plan shall take effect no
7 later than July 1, 2030.

8 Sec. 11. EFFECTIVE DATES

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

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

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

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

17 (4) in Sec. 5, 10 V.S.A. § 6618(b)(11) (capital implementation grants)
18 and (12) (grants to redemption centers) shall take effect on July 1, 2029.

19
20
21

1 (Committee vote: _____)

2

3

Senator _____

4

FOR THE COMMITTEE