

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

2 CHAPTER 53. BEVERAGE CONTAINERS; DEPOSIT-REDEMPTION

3 SYSTEM

4 § 1521. DEFINITIONS

5 As used in this chapter:

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

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 [Repealed.]~~

12 (3) “Container” means the individual, and separate, bottle, can, or jar, ~~or~~
13 ~~earthen~~ composed of glass, aluminum or other metal, ~~paper, plastic~~ polyethylene
14 terephthalate, high density polyethylene, or any combination of those
15 materials, and containing a ~~consumer product~~ beverage. This definition ~~shall~~
16 does not include containers made of biodegradable material carbonated
17 beverage containers with a volume greater than three liters.

18 (4) “Distributor” means every person who engages in the sale of
19 beverages consumer products in containers to a retailer dealer in this State,
20 including any manufacturer who engages in such sales. Any dealer or retailer

1 who sells, at the retail level, beverages in containers without having purchased
2 them from a person otherwise classified as a distributor ~~shall be~~ is a distributor.

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

7 (6)(5) “Manufacturer” means every person bottling, canning, packing, or
8 otherwise filling containers for sale to distributors or ~~retailers~~ dealers.

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

19 (9) “Point of redemption with immediate return of deposit” means a
20 point of redemption that immediately provides a person with a deposit when a
21 beverage container is presented for redemption.

1 (10)(6) “Recycling” means the process of sorting, cleansing, treating,
2 and reconstituting waste and other discarded materials for the purpose of
3 reusing the materials in the same or altered form.

4 (11)(7) “Redemption center” means a store or other location where any
5 person may, during normal business hours, redeem the amount of the deposit
6 for any empty beverage container labeled or certified pursuant to section 1524
7 of this title.

8 (12) “Redemption rate” means the number of beverage containers
9 redeemed for the deposit divided by the number of beverage containers sold
10 and may not include in its calculation any unredeemed beverage containers
11 collected or processed by municipal or other recycling programs.

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

15 (14)(8) “Secretary” means the Secretary of Natural Resources.

16 (9) “Mixed wine drink” means a beverage containing wine and more
17 than 15 percent added plain, carbonated, or sparkling water and that contains
18 added natural or artificial blended material, such as fruit juices, flavors,
19 flavoring, adjuncts, coloring, or preservatives; that contains not more than
20 16 percent alcohol by volume; or other similar product marketed as a wine
21 cooler.

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

3 § 1522a. RULES

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

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

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

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

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

17 § 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

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

19 (1) A retailer shall not refuse to accept from any person any empty
20 beverage containers, labeled in accordance with section 1524 of this title, of
21 the kind, size, and brand sold by the retailer, or refuse to pay to that person the

1 refund value of a beverage container as established by section 1522 of this
2 title, except as provided in subsection (b) of this section.

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

9 (b) 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.

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

16 § 1524. LABELING

17 (a)(1) Every beverage container sold or offered for sale at retail in this State
18 shall clearly indicate by embossing ~~or~~ on the normal product label, imprinting
19 on the normal product label, or ~~in the case of a metal beverage container on the~~
20 ~~top of the container,~~ other approved method secured to the container the word
21 “Vermont” or the letters “VT” and the refund value of the container in not less

1 than one-eighth inch type size or such other alternate indications as may be
2 approved by the Secretary.

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

7 (b) The Commissioner of Liquor and Lottery may allow, in the case of
8 liquor bottles, a conspicuous, adhesive sticker to be attached to indicate the
9 deposit information required in subsection (a) of this section, provided that the
10 size, placement, and adhesive qualities of the sticker are as approved by the
11 Commissioner. The stickers shall be affixed to the bottles by the
12 manufacturer, except that liquor that is sold in the State in quantities less than
13 100 cases per year may have stickers affixed by personnel employed by the
14 Division of Liquor Control.

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

18 * * *

19 § 1527. ~~PENALTY~~ REDEMPTION OF LIQUOR BOTTLES

20 ~~A person who violates a provision of this chapter shall be fined not more~~
21 ~~than \$1,000.00 for each violation~~ Notwithstanding any other provision of this

1 chapter to the contrary, redemption of beverage containers of volume greater
2 than 50 ml that contain liquor shall be subject to the following requirements:

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

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

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

16 (4) Coordination with producer responsibility organization. The
17 Department of Liquor and Lottery may coordinate with and compensate the
18 producer responsibility organization to collect beverages subject to this section
19 at points of redemption that are a part of the collection plan developed by the
20 producer responsibility organization. Containers collected at these points of

1 collection shall not be subject to the handling fee established by subdivision
2 (2) of this section.

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

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

10 (B) the redemption rate for liquor bottles in the previous calendar
11 year.

12 * * *

13 § 1529. REDEMPTION CENTER CERTIFICATION

14 A person operating a redemption center ~~may~~ shall obtain a certification
15 from the Secretary. A redemption center certification shall include the
16 following:

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

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

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

5 § 1530. ABANDONED BEVERAGE CONTAINER DEPOSITS

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

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

- 16 (1) the number of beverage containers sold in the preceding quarter and the
17 number of beverage containers returned in the preceding quarter;
18 (2) the amount of beverage container deposits received by the deposit initiator;
19 (3) the amount of refund payments made in the preceding quarter; and
20 (4) any additional information required by the Commissioner of Taxes.

1 (c)(1) On or before January 1, 2020, and quarterly thereafter, at the time a
2 report is filed pursuant to subsection (d) of this section, each deposit initiator
3 shall remit to the Commissioner of Taxes any abandoned beverage container
4 deposits from the preceding quarter. The amount of abandoned beverage
5 container deposits for a quarter is the amount equal to the amount of deposits
6 that the deposit initiator collected in the quarter less the amount of the total
7 refund value paid out by the deposit initiator for beverage containers during the
8 quarter.

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

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

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

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

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

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

18 (d) The Secretary of Natural Resources may prohibit the sale of a beverage that
19 is sold or distributed in the State by a deposit initiator who fails to comply with
20 the requirements of this chapter. The Secretary may allow the sale of a

1 beverage upon the deposit initiator's coming into compliance with the
2 requirements of this chapter.

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

11 § 1531. PARTICIPATION IN A

12 PRODUCER RESPONSIBILITY ORGANIZATION

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

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

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

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

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

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

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

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

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

16 (3) for each beverage container subject to the plan, its Universal Product
17 Code.

18 (e) The producer responsibility organization may charge fees to deposit
19 initiators to cover the costs of administration and implementation of this
20 chapter. Deposit initiators shall pay all fees required by the producer
21 responsibility organization and provide any data required by the producer

1 responsibility organization. If a deposit initiator fails to meet these
2 requirements the producer responsibility organization may remove them from
3 the producer responsibility organization.

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

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

17 (h) The producer responsibility organization shall reimburse the Secretary
18 for the costs of overseeing the administration of the program under this chapter
19 as follows:

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

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

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

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

17 § 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS

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

1 (1) Convenience of collection.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (C) be open and accepting beverage containers:

8 (i) in the case of a fixed point of redemption, at least 35 hours per
9 week, including six consecutive hours on Saturday and until at least
10 7:00 p.m. at least one day per week; or

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

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

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

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

1 centers, municipal and private recycling organizations, and other stakeholders.

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

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

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

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

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

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

17 (4) the carbon impacts associated with the administration of the
18 stewardship plan;

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

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

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

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

12 (9) a description and copies of educational materials and educational
13 strategies the producer responsibility organization uses for the purposes of this
14 program; and

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

16 (c) Review of Stewardship Plan.

17 (1) Within 90 days after receipt of a plan submitted under this section,
18 the Secretary shall review the plan and determine whether to approve the plan,
19 deny the plan, or require an amendment to the plan. The Secretary may amend
20 or add conditions to the plan as a part of the approval. The plan shall be
21 approved after concluding that the plan meets the criteria established in this

1 section and the elements of the plan will maximize diversion of recyclable
2 materials, provide convenience to users, and create a more circular economy.

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

6 (2) At least six months prior to the expiration of the plan, the producer
7 responsibility organization shall submit a renewal to the stewardship plan.
8 Renewals shall address all elements considered in the original plan and shall be
9 considered in the same manner as an original plan. The Secretary shall issue a
10 final determination on an application for renewal no later than 90 days from
11 the expiration of the plan.

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

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

16 (e) Revision of stewardship goals. If the producer responsibility
17 organization fails to meet the beverage container redemption rate in section
18 1534 of this title for all other beverage containers, the Secretary may require
19 the producer responsibility organization to implement activities to enhance the
20 rate of redemption, including additional public education and outreach,
21 additional redemption sites, or additional redemption opportunities.

1 § 1533. PROGRAM AND FISCAL AUDIT

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

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

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

1 § 1534. BEVERAGE CONTAINER REDEMPTION RATE GOAL;

2 REPORT

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

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

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

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

13 (A) liquor bottles; and

14 (B) all other beverage containers.

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

19 § 1535. RULEMAKING

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

1 § 1536. ANTITRUST; CONDUCT AUTHORIZED

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

12 (b) Limitations on antitrust activity. Subsection (a) of this section shall not
13 apply to an agreement among manufacturers, distributors, groups of
14 manufacturers or distributors, retailers, wholesalers, or the producer
15 responsibility organization affecting the price of beverage containers or any
16 agreement restricting the geographic area in which or customers to whom
17 beverage containers shall be sold.

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

19 § 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

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

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

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

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

20 (2) A manufacturer that sells directly to a consumer from a retail
21 location may refuse to redeem beverage containers if the retail location where

1 the manufacturer or distributor sells beverage containers is less than 5,000
2 square feet.

3 (c) A retailer or a person operating a redemption center point of
4 redemption and producer responsibility organization shall ~~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, purchased outside the State, which have already been
8 redeemed, or are not registered with the producer responsibility organization
9 pursuant to section 1531(d) of this title.

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

11 § 7714. TYPE 3 PROCEDURES

12 (a) Purpose; scope.

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

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

19 (A) Each general permit issued pursuant to the Secretary's authority
20 under this title other than a general permit subject to section 7712 of this

1 chapter. However, this section does not apply to a notice of intent under a
2 general permit.

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

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

6 (i) an aquatic nuisance control permit under chapter 50 of this
7 title;

8 (ii) a change in treatment for a public water supply under chapter
9 56 of this title;

10 (iii) a collection plan for mercury-containing lamps under section
11 7156 of this title;

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

14 (v) a primary battery stewardship plan under section 7586 of this
15 title;

16 (vi) a covered household products collection plan under section
17 7813 of this title; and

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

19 (b) Notice of application. The Secretary shall provide notice of an
20 administratively complete application through the environmental notice
21 bulletin.

1 (c) Notice of draft decision; comment period. The Secretary shall provide
2 notice of the draft decision through the environmental notice bulletin and shall
3 post the draft decision to the bulletin. The Secretary shall provide a public
4 comment period.

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

8 (e) Notice of final decision. The Secretary shall provide notice of the final
9 decision through the environmental notice bulletin and shall post the final
10 decision to the bulletin. The Secretary shall provide a response to comments.

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

12 § 1388. CLEAN WATER FUND

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

15 (1) revenues from the Property Transfer Tax surcharge established under
16 32 V.S.A. § 9602a;

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

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

1 (A) in State fiscal year 2030, the Secretary may transfer up to
2 \$1,350,000.00 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 (B) in State fiscal year 2031, the Secretary may transfer up to
6 \$1,350,000.00 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;

9 (C) in State fiscal year 2032, the Secretary may transfer up to
10 \$1,100,000.00 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; and

13 (D) in State fiscal year 2033, the Secretary may transfer up to
14 \$1,000,000.00 to the Solid Waste Management Assistance Account of the fund
15 created pursuant to section 6618 of this title for grants pursuant to subdivision
16 6618(b)(11) of this title;

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

19 (5) other revenues dedicated for deposit into the Fund by the General
20 Assembly.

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

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

5 § 6618. WASTE MANAGEMENT ASSISTANCE FUND

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

1 implementation fees required under section 7553 of this title. All balances in
2 the Fund accounts at the end of any fiscal year shall be carried forward and
3 remain a part of the Fund accounts, except as provided in subsection (e) of this
4 section. Interest earned by the Fund shall be deposited into the appropriate
5 Fund account. Disbursements from the Fund accounts shall be made by the
6 State Treasurer on warrants drawn by the Commissioner of Finance and
7 Management.

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

12 * * *

13 (11) Bottle bill implementation grants. The Secretary shall enter a grant
14 with the producer responsibility organization approved under chapter 53 of this
15 title. The grant shall be for four years and reimburse the cost of equipment and
16 improvements to infrastructure documented by the producer responsibility
17 organization in its approved stewardship plan.

18 (12) Redemption center transition grant. The Secretary shall administer a
19 grant program for redemption centers who were certified with the Secretary on
20 January 1, 2026. In order to be eligible for this grant, the redemption center
21 cannot have received any upgrades or other investments to their facility by the

1 producer responsibility organization under chapter 53 of this title. Grants shall
2 be based on \$0.005 per container redeemed at the facility. The total amount of
3 grants issued by the Secretary shall not exceed \$350,000.00 annually and shall
4 be awarded to eligible redemption centers on a first come first served basis.

5 Sec. 5. ~~BOTTLE BILL RECYCLING AND MATERIALS REPORTING~~

6 ~~A manufacturer or distributor collecting beverage containers subject to~~
7 ~~10 V.S.A chapter 53 shall report recycling information to the Secretary of~~
8 ~~Natural Resources in the same manner as recycled materials are reported to the~~
9 ~~Secretary under 10 V.S.A. chapter 159. The information shall include:~~

10 ~~(1) the amount in containers and tons and material type of beverage~~
11 ~~container collected; and~~

12 ~~(2) the location and amount of beverage container material and what~~
13 ~~products the beverage containers were recycled into.~~

14 Sec. 6. REPEAL

15 (a) In Sec. 1, 10 V.S.A. §§ 1528 (product registration) and 1529
16 (redemption center certification) shall be repealed on March 1, 2029.

17 (b) In Sec. 5, 10 V.S.A. 6618(b)(11)(producer responsibility
18 implementation grants) and (12) (redemption center transition grants) shall be
19 repealed October 1, 2033.

20 Sec. 7. EFFECTIVE DATES

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

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

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

6 (3) Sec. 2. Shall take effect March 1, 2029.

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