

## VBA Legislative Update – Week 9 March 15, 2025

## → Lawmakers Again Take Aim at Consumer Data Privacy Protections.

In the absence of federal action, many states, including Vermont, are adopting their own consumer data privacy laws. The patchwork of state laws creates obvious challenges for multi-state (and multi-national) businesses. Last year the legislature attempted to pass comprehensive consumer data privacy protections but faced strong opposition by a broad coalition of business and non-profit groups. While most organizations support the concept of data privacy and are willing to adopt additional measures to strengthen data privacy practices, there were many details in the bill of concern to various stakeholders. The most unanimous sticking point in the bill was the proposed enforcement mechanism in the bill, a private right of action (PRA). Stakeholders urged instead that the law be enforced by the Attorney General, where most believe enforcement would be reasonable. In the end, last year's bill was vetoed by the Governor and the Senate was not able to override.

This year lawmakers are back at it, trying to pass a consumer data protection bill. Two competing measures were introduced in the Senate – one, S.71, endorsed by national data privacy organizations, and one, S.93, endorsed by the business community. The crucial differences between the two bills <u>can be found here</u>. The biggest difference is around the enforcement mechanism – S.71 includes a private right of action.

Senate Institutions Committee considered both bills. Business community witnesses <u>testified</u> that S.93 represents clearer compliance guidelines, better alignment with existing state and federal regulations, and a more practical framework for consumer data protection without excessive litigation risk. Consumer protection <u>advocates testified</u> that S.71 represents stronger and more comprehensive protections for consumer data without unnecessarily hamstringing business operations.

Originally, the Committee took up S.71; however, by Thursday of this week, they had replaced the bill's language with language from S.93 and passed the legislation on a vote of 5-0.

From the perspective of Vermont's craft brewers, it's unlikely that either version of the bill would capture most of you. As introduced. S.71 would have applied to any business that controls or processes "the personal data of more than **25,000 consumers."** As passed by the committee, it only applies to business that "controlled or processed the personal data of more than **100,000 consumers."** 

When the bill makes it way to the House, we expect it will get a chilly reception. A bill, H.208, that mirrors the original provisions of S.71, was introduced in the House and has the strong support of the House Commerce and Economic Development committee. Stay tuned...

## → Local Headlines of Note

Lawmakers seek to lower Vermont hospital costs, strengthen health care regulator
Some Think Scott Should Do More to Stand Up to Trump
In first veto of 2025, Phil Scott strikes down spending bill that would extend motel stays
House bill would add floss and 2 more products to Vermont's PFAS regulations
Final Reading: Health care workers still face threats and attacks in Vermont's hospitals,
advocates say

<u>Trump delays tariffs again, sparking more uncertainty for Vermont officials and businesses</u>
<u>Concerns grow as Copley Hospital set to vote on fate of birthing center</u>

## → VBA Bill Report

Aside from <u>H.339</u>, which makes permanent in law the authority to sell To-Go drinks when accompanied by a food order, we are not expecting any action on alcohol-related legislation this year. H.339 is now in the Senate Economic Development Committee. We do not expect consideration of this bill for a few weeks.

Of note, the Chair of the House Government Operations and Military Affairs, Rep. Birong, has told us that he no intention of taking up for action <u>H.376</u>, a bill that would quintuple the gallonage tax on malt beverages.

VBA BILL REPORT – WEEK 9  MARCH 15, 2025						
Bill	Sponsors	Description	Status			
<u>H 24</u>	Rep. Anne Donahue	An Act Relating To Requiring Retail Businesses To Accept Cash	Committees: House Commerce and Economic Development			
		This bill proposes to prohibit a retail business from refusing to accept cash payment.	Status: Read first time and referred to the Committee on Commerce and Economic Development (01/09/25)			
<u>H 45</u>	Rep. Mary-Katherine Stone; Rep. Tiffany Bluemle; Rep. Abbey Duke; Rep. Barbara Rachelson; Bram Kleppner; Rep. Kate Logan; Rep. Robert Hooper; Rep. Troy Headrick	An Act Relating To Prohibiting Possession Of Firearms On Premises Where Alcohol Is Licensed To Be Served  This bill proposes to prohibit possession of firearms on premises where alcohol is licensed to be served and to require that notice of the prohibition be posted at each premises.	Status: Read first time and referred to the Committee on Judiciary (01/21/25)			

<u>H 51</u>	Rep. Lucy Boyden; Rep. Matthew Birong	An Act Relating To Miscellaneous Amendments To The Statutes Governing Alcoholic Beverages	Committees: House Government Operations and Military Affairs
		This bill proposes to: (1) authorize the holder of a fourth-class license to sell its products to not more than eight additional manufacturers or rectifiers; and (2) authorize manufacturers of malt beverages to acquire a retail shipping license and ship malt beverages to first- and second-class licensees.	Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/21/25)
<u>H 110</u>	Rep. Lucy Boyden	An Act Relating To A Reciprocity Requirement For Out-of-state Consumer Shipping Licenses	Committees: House Government Operations and Military Affairs
		This bill proposes to limit the issuance of out-of-state malt beverage consumer shipping licenses to breweries that are located in states that allow Vermont brewers to acquire consumer shipping licenses.	Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/28/25)
H 119	Rep. Carolyn Branagan	An Act Relating To The Beverage Container Redemption System	Committees: House Environment
		This bill proposes to expand the scope of the beverage container redemption system to include cider, hard kombucha, noncarbonated water, and noncarbonated soft drinks. The bill also would increase the deposit for a container from five cents to 10 cents.	Status: Read first time and referred to the Committee on Environment (01/29/25)
H 144	Rep. Brian Minier; Bridget Burkhardt; Rep. Emilie Krasnow; Rep. Kate Logan; Rep. Laura Sibilia; Rep. Leonora Dodge; Rep. Lisa Hango; Rep. Michelle Bos-Lun	An Act Relating To Enhancing Food Allergen Awareness In Food Service Establishments  This bill proposes to require owners and operators of food service establishments to designate employees to complete a food allergen training program. It further proposes to require food service establishments to post signage regarding food allergens.	Committees: House Human Services  Status: Read first time and referred to the Committee on Human Services (02/05/25)

H 260	Rep. Esme Cole; Rep. Monique Priestley; Rep. Ela Chapin; Herb Olson; Rep. Jubilee McGill; Rep. Kate McCann; Rep. Kate Nugent; Rep. Mary Howard; Robert "Rob" North; VL Coffin	An Act Relating To Prohibiting Certain Substances In Food Manufactured, Sold, Or Distributed In Vermont  This bill proposes to prohibit the manufacture, sale, delivery, or distribution in commerce of food containing brominated vegetable oil, potassium bromate, propylparaben, or red dye no. 3.	Committees: House Human Services  Status: Read first time and referred to the Committee on Human Services (02/19/25)
<u>H 339</u>	House Committee on Government Operations and Military Affairs	An Act Relating To Removing The Repeal Of 7 V.s.a. § 230  This bill proposes to remove the repeal of 7 V.S.A. § 230 (sale of alcoholic beverages for off-premises consumption).	Committees: Senate Economic Development Housing and General Affairs Committee  Status: As Passed the House
H 376	Rep. Kate Nugent; Rep. Brian Cina; Rep. Carol Ode; Rep. Jubilee McGill; Rep. Mari Cordes; Rep. Michelle Bos-Lun; Rep. Monique Priestley; Rep. Phil Pouech; Rep. Troy Headrick	An Act Relating To The Creation Of The Treatment And Recovery Fund And The Labeling And Taxation Of Alcoholic Beverages  This bill proposes to (1) require all alcoholic beverages sold in the State to bear a label containing a statement of the alcohol content in U.S. Standard Drinks; (2) increase the gallonage taxes on malt beverages and vinous beverages; (3) increase the excise tax on spirits; (4) create the Treatment and Recovery Fund, dedicate the proceeds of the gallonage tax to the Fund, and establish the purposes for which monies from the Fund may be disbursed; and (5) require the Division of Liquor Control t	Committees: House Government Operations and Military Affairs  Status: Read first time and referred to the Committee on Government Operations and Military Affairs (02/26/25)
H 377	Rep. Barbara Rachelson; Rep. Chea Waters Evans	An Act Relating To The Local Media Advertising Tax Credit  This bill proposes to create an income tax credit for small businesses that purchase advertising in local media outlets.	Committees: House Ways and Means  Status: Read first time and referred to the Committee on Ways and Means (02/26/25)

<u>S 88</u>	Sen. Wendy Harrison; Sen. Alison Clarkson; Sen. Anne Watson; Joseph "Joe" Major; Sen.	An Act Relating To Creating An Enhanced Growth Incentive For Employee-owned Businesses	Committees: Senate Economic Development, Housing and General Affairs
	Randolph Brock; Sen. Rebecca White; Robert "Rob" Plunkett	This bill proposes to create a new enhanced incentive for locally owned and controlled employee-owned businesses within the Vermont Employment Growth Incentive Program (VEGI).	Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/25/25)