

VBA Legislative Update – Week 12 April 5, 2025

→ House Education Transformation Bill Moves Closer to Passage

The House Committee on Ways and Means spent the week plugging away at the Education Transformation package with the aim of voting the legislation out by the end of the day Friday. While they didn't quite make that deadline, they have decided on the bill's funding system elements and the committee is prepared to vote the 120+ page bill first thing next week. You can read the most recent version of the bill [here](#).

The major tax elements of the bill are:

- **A foundation formula.** Districts will be granted a foundational payment called an Educational Opportunity Payment (EOP) per each weighted student. Districts will be allowed to vote to spend up to 10% above that grant in what is called Supplemental District Spending.
- **Homestead Exemption.** The Committee decided to transition from a property tax credit to a homestead exemption. The homestead exemption allows a homeowner to exempt part of their property tax burden based on a sliding scale depending on their income. This change is intended to improve transparency and reduces complexity. The limit for assistance caps out at \$115,000 of household income.
- **Property Tax Rate Classifications.** The Committee decided to create three new classifications of non-homestead property, for a total of four tax rates. The new classifications for tax rates are homestead and non-homestead, which would now include three sub-classifications: apartment, residential, and non-residential.

The major governance elements of the bill are (developed by the House Education Committee and House Commerce Committee) are:

- **Districts.** The bill tasks a new subcommittee comprised of five appointed, retired superintendents to draft potential district maps with no fewer than 4,000 students per district.
- **Scale –** The bill sets a 12-student minimum class size for Pre-K, 15 for grades 1-4, and 18 for grades 5-12 - effective 2026. For comparison, our current average class size is just over 10 across all grade levels.
- **Career Technical Education.** The House Committee on Commerce and Economic Development [has recommended](#) moving to a single statewide CTE district and aligning CTE governance with newly drawn K–12 school districts. The CTE changes are not in the current draft of the bill.

We will provide a more complete summary of the House proposal next week. We expect the full House to debate the Education Transformation Bill on Thursday and Friday next week. It then moves to the Senate for consideration.

→ **Local Headlines of Note**

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→ **[Proposed Changes to Bottle Redemption System.](#)**

Last week we reported that the House Environment committee is considering a bill that would make some major changes to the bottle redemption system. The committee continued to take testimony on the proposal last week and we expect they will continue in the week ahead. **If the House moves forward with this proposal, the Senate will likely wait until next year to consider it.**

Under current law, beverages that are subject to the 5-cent container deposit include: beer, wine coolers, other malt beverages, pre-mixed spirits cocktails; carbonated non-alcoholic beverages, including sodas, sparkling waters and juices, and carbonated sports and energy drinks. Liquor containers over 50mL are also subject to a deposit at a rate of 15 cents per container. Unclaimed liquor bottle deposits are retained by the Department of Liquor and Lottery. As of October 1, 2019, all other unclaimed beverage deposits have been remitted to the State and deposited in the Clean Water Fund.

[The bill](#) proposes numerous changes to Vermont's beverage container redemption system. Most notably, it restructures the redemption system by **requiring beverage container manufacturers and distributors to participate in a newly formed producer responsibility organization (PRO)**. The PRO would be responsible for creating and implementing a stewardship plan that would manage the beverage container redemption system going forward. The Agency of Natural Resources (ANR) would oversee the organization and verify stewardship plan adherence. **Initially at least, the bill does not propose to increase the deposit (remains at \$.05) or to expand application of the law to other beverages.** Notable provisions in the bill are listed below, in order of effective date:

- On or before January 1, 2026, ANR will accept applications to form a producer responsibility organization. ANR would have authority to compel the creation of a producer responsibility organization or stewardship plan if one isn't created or submitted by that date. ANR would also have authority to bill back oversight costs to the producer responsibility organization.
 - The Sec may approve a PRO for not more than 10 years
 - The PRO shall maintain a website that identifies its participants and all the containers covered in the stewardship plan

- o The PRO shall not exclude by unreasonable barriers the small manufacturers
- o Manufacturers and distributors of liquor are exempt from the requirements of this section and the requirement to implement a stewardship plan under section 1532 of this title (page 11)
- o The PRO is subject to review by the Secretary and the Secretary may obligate them to enhance their program to meet goals
- On or before October 1, 2026, an approved producer responsibility organization may submit a stewardship plan to ANR for review and approval. Approval would be granted for a five-year period. A stewardship plan shall, at a minimum, meet all of the following requirements (detailed in the law):
 - o Convenience of collection. A plan shall ensure that consumers have convenient opportunities to redeem beverage containers: 3 points of redemption per county and 1 per municipality of 7,000 people or greater
 - o Fair operation and compensation to redemption centers.
 - Plan will detail how to minimize management and sorting
 - Plan will maximize the use of existing infrastructure
 - o Education to consumers.
 - o Consultation with stakeholders.
 - o Reporting: amount of containers redeemed and redemption rates, carbon impacts associated, ongoing improvements and efforts to reduce environmental impacts, among other things.
- Beginning on January 15, 2026 and annually thereafter, the Commissioner of Liquor and Lottery shall report to the Secretary of Natural Resources: (1) the amount and tonnage of liquor bottles that the Department of Liquor and Lottery collected in the previous calendar year; and (2) the redemption rate for liquor bottles in the previous calendar year.
- A manufacturer or distributor collecting beverage containers must report recycling information to the Secretary of Natural Resources, including the amount in containers and tons and material type of beverage container collected and location
- Each beverage container sold or offered for sale in the State that is required to have a deposit must include a Universal Product Code and barcode. Each distributor shall provide the Universal Product Code and barcode as part of its beverage registration or within 60 days following March 1, 2027, whichever occurs first.
 - o Beverage containers must be labeled with refund value and Universal Product Code by March 1, 2027.
 - o It no longer has to be imprinted on the tops/lids of metal containers as long as its clear somewhere else
- Beginning on March 1, 2032 and every five years thereafter, the producer responsibility organization shall conduct an independent third-party fiscal audit of the program. The fiscal audit shall provide a transparent fiscal analysis of the producer responsibility organization, its expenditures, the number of beverage containers collected, and the amount of unclaimed deposits. The audit shall also provide the redemption rate of beverage containers redeemed in the State. The Secretary shall approve the audit results and the redemption rate of beverage containers included in the audit.

- The bill also sets redemption rate goals, aiming for 75% by 2028 and increasing incrementally to 90% by 2042.
- Retailers and distributors/manufacturers with retail locations that are under 5,000 square feet may refuse to redeem beverage containers. Otherwise, they are only allowed to refuse containers if they are broken or contaminated.

Some Outstanding Questions

- The biggest unknown in the current proposal is – how much will the new system cost, and who will pay? Some argue that instead of depositing the unclaimed deposits into the Clean Water Fund, that money should be reinvested in the system to improve infrastructure and systems.
- Will there be a handling fee in the new system, or will that expense be part of the PRO?
- What questions do you have?

Read more about Extended Producer Responsibility (EPR) laws:

- [Expended Producer Responsibility: A Primer](#)
- [How bottle bill, EPR programs work together](#)
- [Oregon becomes second state to pass packaging EPR law](#)
- [Navigating the EPR Laws: What Alcohol Beverage Producers Need to Know](#)

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→ **VBA Bill Report**

VBA BILL REPORT – WEEK 12 April 6, 2025			
Bill	Sponsors	Description	Status
H 24	Rep. Anne Donahue	An Act Relating to Requiring Retail Businesses to Accept Cash This bill proposes to prohibit a retail business from refusing to accept cash payment.	Committees: House Commerce and Economic Development Status: Read first time and referred to the Committee on Commerce and Economic Development (01/09/25)

H 45	Rep. Mary-Katherine Stone; Rep. Tiffany Bluemle; Rep. Abbey Duke; Rep. Barbara Rachelson; Bram Kleppner; Rep. Kate Logan; Rep. Robert Hooper; Rep. Troy Headrick	<p>An Act Relating to Prohibiting Possession of Firearms on Premises Where Alcohol Is Licensed To Be Served</p> <p>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.</p>	<p>Committees: House Judiciary</p> <p>Status: Read first time and referred to the Committee on Judiciary (01/21/25)</p>
H 51	Rep. Lucy Boyden; Rep. Matthew Birong	<p>An Act Relating to Miscellaneous Amendments to The Statutes Governing Alcoholic Beverages</p> <p>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.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/21/25)</p>
H 110	Rep. Lucy Boyden	<p>An Act Relating to A Reciprocity Requirement for Out-of-state Consumer Shipping Licenses</p> <p>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.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/28/25)</p>
H 119	Rep. Carolyn Branagan	<p>An Act Relating to The Beverage Container Redemption System</p> <p>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.</p>	<p>Committees: House Environment</p> <p>Status: Read first time and referred to the Committee on Environment (01/29/25)</p>

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	<p>An Act Relating to Enhancing Food Allergen Awareness in Food Service Establishments</p> <p>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.</p>	<p>Committees: House Human Services</p> <p>Status: Read first time and referred to the Committee on Human Services (02/05/25)</p>
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	<p>An Act Relating to Prohibiting Certain Substances in Food Manufactured, Sold, Or Distributed in Vermont</p> <p>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.</p>	<p>Committees: House Human Services</p> <p>Status: Read first time and referred to the Committee on Human Services (02/19/25)</p>
H 339	House Committee on Government Operations and Military Affairs	<p>An Act Relating to Removing the Repeal Of 7 V.s.a. § 230</p> <p>This bill proposes to remove the repeal of 7 V.S.A. § 230 (sale of alcoholic beverages for off-premises consumption).</p>	<p>Committees: Senate Economic Development Housing and General Affairs Committee</p> <p>Status: As Passed the House</p>
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	<p>An Act Relating to The Creation Of The Treatment And Recovery Fund And The Labeling And Taxation of Alcoholic Beverages</p> <p>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...</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (02/26/25)</p>

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)
S 88	Sen. Wendy Harrison; Sen. Alison Clarkson; Sen. Anne Watson; Joseph "Joe" Major; Sen. Randolph Brock; Sen. Rebecca White; Robert "Rob" Plunkett	An Act Relating to Creating an Enhanced Growth Incentive For Employee-owned Businesses 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).	Committees: Senate Economic Development, Housing and General Affairs Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/25/25)
S.131	Sen. Phil Baruth	An act relating to approval of an amendment to the charter of the City of Burlington relating to the possession of firearms This bill proposes to approve an amendment to the charter of the City of Burlington to prohibit the possession of firearms in any building or on any real property or parking area under the ownership or control of an establishment licensed to serve alcohol for on- premises consumption.	Committee: Government Operations Status: Read the 1 st time and referred to Committee on Government Operations (03/20/25)