
VBA Legislative Update – Week 10 March 22, 2025

Montpelier Reeling from Trump Administration Actions and Bracing for More

Everyday seems to bring more bad news for Vermonters and the Federal services they rely on. It's hard to keep up. Lawmakers in Montpelier get regular reports from state agencies, business leaders and their constituents, all of whom are scrambling to plug budget holes as they plan for more cuts and uncertainty. Unfortunately, the announced and planned cuts are far too massive for Vermont tax payers to fill the gaps. Some examples of what lawmakers are trying to grapple with include:

→ **Tariffs on Trade with Canada.** In February the Trump Administration announced a round of 25% tariffs on goods from Mexico and Canada, triggering 25% retaliatory levies from Canada. At the time, Ontario also said it would pull American alcohol products from its shelves. Ultimately, Trump granted a reprieve on Canadian and Mexican goods covered by the North American trade agreement until April 2. However, about 60% of Canadian products are still subject to the duties. As Canada is one of Vermont's biggest trading partners, the impacts of these tariffs in Vermont have been widespread, including:

- Caledonia Spirits. A shipment of spirits, ordered by the Société des alcools du Québec (SAQ)— an entity that's responsible for the trade of alcoholic beverages in the province — has been sitting on a shipping dock at Montpelier-based Barr Hill by Caledonia Spirits for about a month. The SAQ called off the order shortly after Trump announced the tariffs against Canada in February,
- Kingdom Brewing, like a number of Vermont craft brewers, import their beer cans from Canada, and are impacted by aluminum tariffs.
- Vermont industries have also had to contend with boycotts from Canadians, which have upended a tourism and hospitality sector that relies heavily on visitors from the north. Jay Peak ski resort and Hill Farmstead Brewery, among others — reported they had seen a steep drop in visitors from Canada in recent weeks.
- Morrison's Custom Feeds in Barnet, a farm animal feed company, experienced a \$5,000 increase in the price for one truckload of soybean meal from Canada.

→ **US Department of Agriculture Cuts.** Earlier this month, the Vermont Agency of Agriculture was notified that the USDA had paused or canceled tens of millions of dollars in funding for agricultural programs across the state, including:

- The cancelation of two programs — the Local Food Purchase Assistance Program and the Local Food for Schools and Child Care Cooperative Agreement, respectively — that the USDA had previously pledged to support. The funding, about \$1.7 million, helps supply locally grown Vermont produce into schools and child care centers, food shelves and through grant-funded community supported agriculture shares
- A "pause" on a \$10.7 million grant to assist farmers with installing water quality projects designed to keep Vermont waterways free of farm-related pollution.

- A “pause” on \$9.5 million for the Northeast Dairy Business Innovation Center, an organization that supports dairy businesses in the development, production, marketing and distribution of dairy products.

→ **US Department of Transportation Cuts.** The Vermont Agency of Transportation was ordered by the US Department of Transportation to “review” certain federal grants already in the pipeline to determine whether the projects slated for support relate to “diversity, equity and inclusion,” “climate change,” “environmental justice” or “gender,” as well as to review projects “whose primary purpose is bicycle infrastructure.” Projects in any of those categories are slated to be cut.

Some of the projects impacted include, among others:

- Roadway and pedestrian safety improvements in downtown Burlington and St. Albans, as well as along the mountain access road in Killington.
- Funds for a planned rebuild of the Winooski River bridge between Burlington and Winooski,
- Funds for a new pedestrian bridge planned over Interstate 89 in South Burlington, and
- A buildout of electric vehicle charging infrastructure across the state.

→ **US Dept of Education Cuts.** Last week, the Trump Administration announced plans to dismantle the US Department of Education. The impacts of in Vermont are yet unknown. Overall, the Vermont Agency of Education, in FY24, received about \$490 million in federal dollars, more than 90% of which it passed on as grants, including:

- \$68 million the Elementary and Secondary Education Act (ESEA), the state receives more than annually from the feds, and the Individuals with Disabilities Education Act provides another \$37.5 million for Vermont’s schools,

→ **Bracing for [major cuts to Medicaid](#).** Federal GOP lawmakers are [on a mission to cut \\$880 billion](#) from Medicaid spending. This could translate to a loss of [\\$1 billion](#) in health care benefits to Vermonters. Last week, Vermont lawmakers received a [dire menu of options](#).

→ **Local Headlines of Note**

[Scott administration rejects compromise on motel housing funding](#)

[As US-Canada relations sour, Vermont businesses are facing boycotts](#)

[Vermont Has a Drinking Problem. It's Time to Talk About It.](#)

[Bears are waking up, Vermonters should take down birdfeeders](#)

[Essex residents to weigh in on Amazon facility](#)

[DOGE Cuts Will Hobble Defenses Against Housing Discrimination](#)

[How will Trump’s push to dismantle the Department of Education affect Vermont?](#)

→ **VBA Bill Report**

Updates:

- Aside from [H.339](#), 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.

- As previously reported, the Chair of the House Government Operations and Military Affairs, Rep. Birong, has told us that he has no plans this session to take up [H.376](#), a bill that would quintuple the gallonage tax on malt beverages.
- The GAC will be working over the next several months to consider and develop a tiered licensing proposal – for either (or both) a manufacturer’s license or a distributor’s license. One of the goals of a proposal will be to make it easier for small manufacturers to get limited amounts of their product to bars, restaurants and retail outlets. The GAC will look at other state models, seek input from VBA members, and consult with stakeholders.

VBA BILL REPORT – WEEK 10 MARCH 23, 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; Rep. 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.	Committees: House Judiciary Status: Read first time and referred to the Committee on Judiciary (01/21/25)
H 51	Rep. Lucy Boyden; Rep. Matthew Birong	An Act Relating to Miscellaneous Amendments to The Statutes Governing Alcoholic Beverages 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.	Committees: House Government Operations and Military Affairs Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/21/25)

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>

<u>H 376</u>	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>
<u>H 377</u>	Rep. Barbara Rachelson; Rep. Chea Waters Evans	<p>An Act Relating to The Local Media Advertising Tax Credit</p> <p>This bill proposes to create an income tax credit for small businesses that purchase advertising in local media outlets.</p>	<p>Committees: House Ways and Means</p> <p>Status: Read first time and referred to the Committee on Ways and Means (02/26/25)</p>
<u>S 88</u>	Sen. Wendy Harrison; Sen. Alison Clarkson; Sen. Anne Watson; Joseph "Joe" Major; Sen. Randolph Brock; Sen. Rebecca White; Robert "Rob" Plunkett	<p>An Act Relating to Creating an Enhanced Growth Incentive For Employee-owned Businesses</p> <p>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).</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/25/25)</p>
<u>S.131</u>	Sen. Phil Baruth	<p>An act relating to approval of an amendment to the charter of the City of Burlington relating to the possession of firearms</p> <p>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.</p>	<p>Committee: Government Operations</p> <p>Status: Read the 1st time and referred to Committee on Government Operations (03/20/25)</p>