

## VAB Legislative Update – Week 8 March 1, 2025

### → Town Meeting Week Break

The legislature will be on a break next week, March 3 -7. There will be no weekly report next week.

### → House and Senate Agree on Mid-Year Budget Adjustment – Veto Likely

On Friday, the legislature sent the Governor their annual [Budget Adjustment Act](#). Although the legislature and the Governor agree on 99% of the spending proposals in the bill, they disagree on a few key items. These disagreements could result in the first veto of the session. The Governor has 5 days to sign or veto the bill

The legislature's proposal allocates \$1.8 million to preserve expanded eligibility for the state's emergency motel housing program, which currently shelters about 1,400 vulnerable Vermonters, many of whom are children. The current eligibility requirements are set to expire on April 1. Democratic lawmakers argue that failing to supplement funding now would result in mass unsheltering. Republican Gov. Phil Scott and his administration oppose the funding, arguing that the motel program does not provide positive outcomes and that spending decisions should be delayed until more is known about potential federal funding cuts.

Other highlights in the bill include:

- Funds courthouse security contracts and current information technology expenses in the Judiciary.
- Funds caseload and utilization adjustments in the Agency of Human Services.
- Funds various costs at the Vermont Veterans' Home, including \$5.9 million General Fund for traveling nurses.
- Funds increased demand for the Agency of Education's Adult Diploma Program.
- Provides additional \$1.0 million Cannabis Regulation Fund to the Department of Health for substance use prevention programming.
- Provides additional \$1.3 million federal funds for 3SquaresVT regular benefit caseload adjustment.
- Provides \$21.0 for nursing home emergency fiscal relief.
- Provides \$24.5 for nursing home Medicaid bed day adjustment.
- Provides \$10 million for provider stabilization grants for Medicaid providers.
- Provides \$50K to the Judiciary to construct ADA-accessible bathrooms in the Essex Meeting House.
- Provides \$2.8 million to the Vermont Housing and Conservation Board for developmentally disabled housing pilot projects.
- Adds \$1.8 million to support General Assistance Emergency Housing, extending emergency winter weather housing provisions for eligible populations through June 30, 2025.

- Adds \$8.6 million to the Vermont Housing and Conservation Board for various housing initiatives.
- Transfers an additional \$5.7 million from the General funds, for a total of \$6.5 million, to the Emergency Relief and Assistance Fund for State contribution to local FEMA match for flood recovery.
- Adds \$27.8K to the Attorney General office Appellate Unit for a new position.
- Adds \$39.7K to the Human Rights Commission for two new positions.
- Adds \$1.8 million for grants to municipalities impacted by floods.

#### → **Bill to extend to-go drinks passes the House**

On Friday, the House gave final approval to [a bill, H.339](#), that would repeal the sunset of the pandemic-era law authorizing to-go drinks ([7 VSA §230](#)).

Under current law, first- and third-class licensees may sell malt beverages, vinous beverages, and spirits-based prepared drinks for off-premises consumption when accompanied by a food order and when otherwise in compliance with the provisions of [7 VSA §230](#). The law was enacted during the pandemic and is scheduled to sunset on July 1, 2025. The bill that was approved would repeal the sunset of this law resulting in the authority for to-go drink to be a permanent feature of Vermont law.

The bill will next be considered by the Senate.

#### → **Lawmakers Introduce Bill to Raise Beer Taxes – No Action Expected This Year**

A [group of lawmakers](#) introduced a bill this week that would dramatically increase the gallonage tax on malt beverages – from \$.265 per gallon to \$1.36 per gallon regardless of ABV – a 500% increase!!

The purpose of bill, [H.376](#), is to raise money to “offset the continuing costs of support services” for “mental health treatment and recovery” related to alcohol consumption. The bill would also require all alcohol beverages sold in Vermont to include a label that states the alcohol content of the beverage in U.S. Standard Drinks as well as a warning label that states: “WARNING: Drinking alcoholic beverages may increase cancer risk and, if consumed during pregnancy, can cause birth defects.”

However, as Bob Montgomery might say, “don’t get your tri-clamps in a knot,” because it is unlikely that this bill will get any air-time this year. And even if it were to gain traction, it is unlikely that the Governor would support this kind of tax increase. That said, its introduction offers an opportunity to engage with the bill’s sponsors and other lawmakers to communicate craft brewers’ concerns with such a dramatic tax increase proposal.

→ **Local Headlines of Note**

[‘Very, very financially fragile’: Vermont’s federally qualified health centers are struggling](#)  
[Final Reading: Unsalaries school support staff want to be eligible for unemployment insurance](#)  
[Gov. Phil Scott’s ‘education transformation’ bill hits the Legislature, all 176 pages of it](#)  
[Proposed tax breaks for military retirees gain steam in Montpelier](#)  
[Potential veto looms over Democrats’ push to preserve emergency motel housing eligibility](#)  
[Thousands call in to telephone town hall hosted by Vt. congressional delegation](#)  
[Will fired federal workers in Vt. be eligible for unemployment benefits?](#)

→ **VBA Bill Report**

We are not expecting action on any alcohol-related legislation this session.

VBA BILL REPORT – WEEK 8 FEBRUARY 28, 2025			
Bill	Sponsors	Description	Status
<a href="#">H 24</a>	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)
<a href="#">H 45</a>	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)
<a href="#">H 51</a>	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)

<a href="#">H 110</a>	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>
<a href="#">H 119</a>	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>
<a href="#">H 144</a>	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>
<a href="#">H 260</a>	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>
<a href="#">H 339</a>	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: House Government Operations and Military Affairs</p> <p>Status: <b>Passed the House</b></p>

<a href="#"><b>H 376</b></a>	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>
<a href="#"><b>H 377</b></a>	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>
<a href="#"><b>S 88</b></a>	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 &amp; referred to Committee on Economic Development, Housing and General Affairs (02/25/25)</p>