

VBA Legislative Update – Week 1

January 10, 2025

→ 2026 Legislative Session Convenes

The second-half of 2025-2026 Vermont legislative session kicked-off this week with Governor Phil Scott's [State of the State Address](#) on Wednesday afternoon. The Governor devoted the entirety of his address to one topic: education. The Governor was clear, he expects lawmakers to follow through on last year's education reform law, Act 73, and the new district maps it calls for.

It's unusual for the Governor to limit his address to only one issue and it highlights how much of a priority it is for him to see progress on education reform. But education reform is fraught with complexity and skepticism around Act 73 has grown among some lawmakers. A group tasked with redrawing district lines recently [rejected the idea of forced school district mergers](#), saying it would cause a level of disruption that Vermont's school system isn't prepared for.

While education reform is sure to dominate policy discussions this session, lawmakers also face significant challenges relating to high health care costs, a lack of affordable housing, increasing effects of climate change and the fiscal impacts of federal policy chaos.

In two weeks, the Governor will deliver his annual budget address, at which time he will reveal additional policy priorities in the areas of housing, energy, healthcare, and public safety.

→ Update on VBA Issues

- **DLL Updates.** Last week, DLL Commissioner Knight provided updates to both the [House Government Operations and Military Affairs Committee](#) and the [Senate Economic Development, General Affairs and Housing Committee](#). Highlights of her presentation included:
 - 802 store sales were trending at a 2% decline, which is lower than most states which are averaging around 6%.
 - Consumer choice for less alcohol consumption is driving the decline.
 - The DLL's Office of Compliance and Enforcement conducted 119 **online** tobacco compliance checks in calendar year 2025. As a reminder, it is illegal to purchase tobacco products online in the state of Vermont. OCE investigators identify sites selling tobacco products and walk through the ordering process. In roughly 75% of cases, the site operator disallows completion of the transaction when the delivery location of 'Vermont' is selected. Compliance failures, meaning sites that would allow shipment to Vermont, are referred to the Attorney General's Office (AGO). OCE referred 29 cases to the AGO in 2025.

- The bulk of Commissioner Knight's presentation related to [lottery](#) and gambling matters.
- **VBA Priority Legislation** - allowing Vermont licensed malt beverage manufacturers to distribute up to 5000 barrels of malt beverage annually to 1st and 2nd class establishments.
 - We expect both the House and Senate bills to be introduced next week.
 - We expect that the bill will start in the House and be folded into an omnibus liquor bill.
 - The Chair is *generally* favorable to the proposal.
 - The distributors remain *generally* favorable but may be looking to limit the number of barrels or the size of manufacturers that are authorized to self-distribute. The VBA GAC will discuss at our next meeting on 1/16/26.
 - Hearings could begin sometime in the next few weeks.
 - Once the bills are introduced, will be sending out an **Action Alert** encouraging all VBA members to contact their lawmakers to urge passage of this important measure.
 - It will also be a good opportunity to share the [Seven Days](#) article.
- **New liquor bill introduced.** Last week, Senators Clarkson and Westman introduced [S. 236 An act relating to vinous beverage manufacturers and fourth-class licenses](#). This bill would allow the holder of a fourth-class license to serve customers at a tasting room not more than:
 - an aggregate total of 16 ounces of malt beverages or hard cider;
 - an aggregate total of 12 ounces of vinous beverages or ready- to-drink spirits beverages; and
 - one-quarter ounce of spirits or fortified wine with a total of two ounces.

These new limits would only apply to tasting rooms. Existing limits would still apply at farmers markets.

The bill would also allow **vinous beverages** manufacturers the same authority as malt beverage manufacturers have “to operate up to two licensed establishments...that are located at the licensed manufacturing facility or on property that is owned by the licensee and is contiguous with the parcel of land on which the licensed manufacturing facility is located, provided the manufacturer owns or has direct control over both establishments.”

→ Headlines of Note

- [Signaling or substance? Vermont lawmakers propose restrictions on ICE, but enforcement is questionable.](#)
- [Final Reading: House tax chair weighs potential revenue losses due to Trump's 'One Big Beautiful Bill'](#)

- [Lawmakers try to keep education reform on track as Gov. Phil Scott calls the issue Vermont's 'most critical challenge'](#)
- [Vermont Health officials reaffirm existing childhood vaccine schedule in light of federal changes](#)
- ['We just need to do it': In address to lawmakers, Gov. Phil Scott stays bullish on education reform plans](#)
- [Vermont ranks last in economic momentum as lawmakers tackle affordability](#)
- [Vermont Treasurer Mike Pieciak pitches drug discount program to lawmakers](#)
- [Lawmakers Plan to Tackle Education Reform, Health Care](#)

→ **Bill Report.** Please keep in mind that bills introduced in 2025 are still technically alive and can be taken up for consideration. As bills begin to move, the report format will be updated to indicate bills that are moving.

Bill	Sponsors	Description	Status
<u>H45</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.	Committees: House Judiciary Status: Read first time and referred to the Committee on Judiciary (01/21/25)
<u>H51</u>	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: Committee of Conference (05/30/25)
<u>H110</u>	Rep. Lucy Boyden	An Act Relating To A Reciprocity Requirement For Out-of-state Consumer Shipping Licenses 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.	Committees: House Government Operations and Military Affairs Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/28/25)
<u>H119</u>	Rep. Carolyn Branagan	An Act Relating To The Beverage Container Redemption System 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	Committees: House Environment Status: Read first time and referred to the Committee on Environment (01/29/25)

		deposit for a container from five cents to 10 cents.	
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 637	Ian Goodnow; Rep. Martin LaLonde	<p>An Act Relating To Operating A Vehicle Under The Influence Of Alcohol Or Other Substances</p> <p>This bill proposes to make several changes to the laws concerning operating a vehicle under the influence of alcohol or other substances.</p>	<p>Committees: House Judiciary</p> <p>Status: Read first time and referred to the Committee on Judiciary (01/09/26)</p>
S 131	Sen. Philip 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>Committees: Senate Judiciary; Senate Government Operations; Senate Rules; House Government Operations and Military Affairs; Senate Judiciary disagreed to.</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (04/30/25)</p>
S 236	Sen. Alison Clarkson; Sen. Richard Westman	<p>An Act Relating To Vinous Beverage Manufacturers And Fourth-class Licenses</p> <p>This bill proposes to allow the holder of a fourth-class license to serve customers larger total volumes of alcoholic beverages at a tasting room or retail shop operated by the licensee. This bill also proposes to allow manufacturers of vinous beverages to operate not more than two first-class licensed establishments that are located at the licensed manufacturing facility or on property that is owned by the licensee and contiguous with the parcel of land on which the licensed manufacturing facility...</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 (01/09/26)</p>