

VBA Legislative Update – Week 7 February 21, 2026

→ Update on VBA Issues

Omnibus Alcohol Bill ([current draft](#)). Last week, Rep. Birong, Chair of the House Government Operations and Military Affairs Committee, and Rep. Lucy Boyden, told the VBA that they will be advising the committee to support the VBA's [self-distribution proposal](#) with a reduced threshold of 3000 barrels. In short, they believe that 3000 barrels is both a fair compromise with the distributors, who were advocating for 1000 barrels, and creates a significant opportunity for small brewers to get their product to market. They will also be advising the committee to include a sunset on this authority in two years to force lawmakers to evaluate how self-distribution is going and whether the threshold should be adjusted.

At the request of DLL and the Department of Financial Regulation, the committee is also considering adding a provision to the Omnibus Alcohol Bill to change or repeal the mandate that liquor licensees carry liquor liability insurance. That mandate passed in 2023, but has not been implemented. The committee will take more testimony on this proposal [next week](#).

The committee may not vote on the Omnibus Alcohol Bill until the week of March 9th.

Updates to the Bottle Bill. The House Environment Committee is getting close to finalizing a bill that makes significant changes to Vermont's bottle redemption system. The bill shifts responsibility for managing beverage container collection and recycling from retailers and the state to a Producer Responsibility Organization (PRO) — a nonprofit entity formed and funded by manufacturers and distributors.

Here's a summary of the current draft, [DR 25-0991 \(Draft 5.2\)](#), a bill to modernize Vermont's bottle deposit system through Extended Producer Responsibility (EPR):

Key Requirements

- **PRO Formation:** By January 1, 2027, all manufacturers and distributors of covered beverage containers must apply to join a Secretary of ANR-approved PRO. Participation becomes mandatory by March 1, 2028.
- **Stewardship Plan:** The PRO must submit a stewardship plan by January 1, 2028, covering how it will collect containers, compensate redemption centers, educate consumers, and ensure convenient statewide access (e.g. at least 3 redemption points per county).
- **Deposits:** The existing 5-cent deposit on most beverages is retained;
- **Redemption Goals:** A 75% redemption rate by July 1, 2029, rising to 80% by July 1, 2032.
- **UPC Labels:** All containers must carry a Universal Product Code/barcode (effective July 1, 2027).
- **Small Retailers:** Retailers under 5,000 sq. ft. may opt out of accepting returns once the PRO's stewardship plan is in place.

- **Audits & Oversight:** The PRO must undergo annual independent fiscal audits (beginning 2029) and program audits every five years (beginning 2033). The Secretary of Natural Resources oversees the program and can dissolve a failing PRO.
- **Funding:** Unclaimed deposits (escheats) flow into Vermont's Clean Water Fund. Temporary transfers of up to \$1 million/year in fiscal years 2030–2033 support solid waste management grants, including implementation grants to help the PRO build out infrastructure.
- **Effective Date:** July 1, 2026 (with phased-in requirements through 2028).

Background on the proposed change:

The Agency of Natural Resources (ANR) and the Department of Environmental Conservation (DEC) hired a consultant to conduct a study to analyze and compare the costs and benefits – financial and environmental – associated with three different models for the management of beverage containers via the “bottle bill” deposit return system and the regular Vermont recycling system. Based on the report, lawmakers decided to pursue model #2. You can read more about the bottle bill [here](#) and the consultants’ work here:

- [Powerpoint Presentation:](#) Recycling System Analysis for the Vermont Bottle Bill
- [Executive Summary:](#) Analysis of System Costs and Environmental Impacts of Three Scenarios
- [Full Report:](#) Analysis of System Costs and Environmental Impacts of Three Scenarios

The VBA GAC is still evaluating the proposal, discussing with other stakeholders and trying to determine the pros and cons for manufacturers.

→ **Headlines of Note**

- [Senate President Baruth Won’t Seek Reelection](#)
- [Vermont’s School Enrollment Is Dropping at an Alarming Rate](#)
- [Judge Releases Steven Tendo From ICE Custody](#)
- [Vermont settles lawsuits over foster case licenses denied due to anti-LGBTQ beliefs](#)
- [Vermont seeks to join 5 states in drug-purchasing consortium](#)
- [Vermont students are ‘well below’ proficiency goals in math and English, according to state report](#)
- [Why people incompetent to stand trial could receive treatment in Vermont’s prisons](#)
- [Lawmakers elect new leader for Vermont National Guard](#)

→ **VBA Bill Report.**

| Bill | Sponsors | Description | Status |
|-----------------------|--|--|--|
| H 637 | Ian Goodnow; Rep. Martin LaLonde | An Act Relating to Operating A Vehicle Under the Influence of Alcohol or Other Substances This bill proposes to make several changes to the laws concerning operating a vehicle under the influence of alcohol or other substances. | Committees: House Judiciary Status: Read first time and referred to the Committee on Judiciary (01/09/26) |

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| H 647 | Rep. Lucy Boyden | <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: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/13/26)</p> <p>Folded into the Omnibus Alcohol Bill.</p> |
| H 655 | Rep. Lucy Boyden; Rep. Matthew Birong | <p>An Act Relating To Alcoholic Beverages And The Board Of Liquor And Lottery</p> <p>This bill proposes to amend various provisions of Title 7 to change the term length for members of the Board of Liquor and Lottery from three years to four years, eliminate the specific limitation on the hours of sale for licensees who sell alcoholic beverages for off-premises consumption pursuant to 7 V.S.A. § 230, state that special events permits are subject to approval by the local control commissioners in conformance with the definition of "special event permit" in Title 7, eliminate language...</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 (01/13/26)</p> <p>Folded into the Omnibus Alcohol Bill.</p> |
| H 672 | Rep. Lucy Boyden | <p>An Act Relating to Distribution of Malt Beverages by Licensed Manufacturers</p> <p>This bill proposes to authorize licensed malt beverage manufacturers to distribute malt beverages directly to the holders of first- or second-class licenses. This bill also proposes to limit the total amount of malt beverages that a licensed manufacturer may distribute directly to licensees on an annual basis.</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 (01/14/26)</p> <p>Folded into the Omnibus Alcohol Bill.</p> |

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| H 832 | Rep. Lucy Boyden | <p>An Act Relating to Fourth-class Licenses and Retail Alcoholic Beverage Tasting Permits</p> <p>This bill proposes to authorize licensed alcoholic beverage manufacturers, at not more than 10 fourth-class license locations, to sell alcoholic beverages produced by other manufacturers. This bill also proposes to amend the application requirements for retail alcoholic beverage tasting permits to allow a licensee to submit the application and fee at least one day before the proposed date of the tasting event.</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 (01/29/26)</p> <p>Folded into the Omnibus Alcohol Bill.</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> |
| S 279 | Sen. Keshia Ram Hinsdale; Sen. David Weeks; Sen. Patrick Brennan; Sen. Richard Westman | <p>An Act Relating to Caterer's Licenses and the Distribution of Malt Beverages by Licensed Manufacturers</p> <p>This bill proposes to authorize licensed malt beverage manufacturers to distribute malt beverages directly to the holders of first- or second-class licenses. This bill also proposes to limit the total amount of malt beverages that a licensed manufacturer may distribute directly to licensees on an annual basis. This bill also proposes to amend the definition of caterer's license to repeal the restriction on serving alcoholic beverages at first- or first- and third-class licensed locations.</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 (01/21/26)</p> |