

VBA Legislative Update – Week 8 February 28, 2026

→ The Week Ahead and Crossover

The legislature is on break next week for Town Meeting. They return to work on Tuesday, March 10. Friday March 13 is the Crossover deadline for policy bills. Crossover is generally the date by which policy bills must be out of their committee of jurisdiction if they are going to cross over to the other body. There are a lot of exceptions to this rule - so it isn't necessarily an assurance that policy ideas that haven't made the deadline won't reappear at some point.

→ Update on VBA Issues

Last week, the House Government Operations and Military Affairs Committee, voted 11-0-0 to approve [H.921, the Miscellaneous Alcohol Bill](#). The bill will be considered by the full House the week of March 9th.

The bill includes the following sections:

Section 1: Changes the term for service on the Liquor and Lottery Board from 2 to 4 years

Section 2:

- Increase the allowable **total volume** of alcoholic beverages that may be served for consumption at a 4th class licensed location (aka tasting room),
 - not more than an aggregate total of 16 ounces of malt beverages or hard cider;
 - not more than an aggregate total of 12 ounces of vinous beverages or ready-to-drink spirits beverages; and
 - not more than one-quarter ounce of spirits or fortified wine with a total of two ounces.
 - this does not apply to farmers markets
- This section also increases from **one to ten** the number of 4th class license locations that a licensed manufacturer is allowed to sell alcoholic beverages produced by other manufacturers. At these locations, they may sell unopened beverages or serve them by the glass (with or without charge), provided the beverages are purchased on invoice from the producing manufacturers or rectifiers.

Section 3: Removes the restriction on hours of operation for sale for off-premise consumption (was 10am – 11pm) and aligns with all other liquor sales under DLL rules.

Section 4: This is a technical, or “housekeeping” change to the law to conform with other sections of law.

Section 5: Changes the application deadline for a **retail alcoholic beverage tasting permit** from **at least five days to at least one day** before an event.

Section 6:

- Allows vinous beverage manufacturer the same right as a malt beverage manufacturer to operate two licensed establishments at their manufacturing facility or on land contiguous.
- **Allows malt beverage manufacturers to self-distribute up to 3000 barrels of malt beverage annually.**

Section 7: Sunsets (repeals) the right of malt beverage manufacturers to self-distribute up to 3000 barrels of malt beverage annually on **July 1, 2028**. This means that during the 2028 session, the legislature will have to proactively repeal the sunset in order to extend the authority for self-distribution. This will also give the VBA the opportunity to advocate for increasing the cap at that time.

Section 8: This is another technical change to the law to increase the payment methods available to applicants of a solicitor's license.

Section 9: Repeals the sunset on allowing a “an art gallery, retail establishment, public library, or museum” to be issued not more than 12 special venue serving permits in a calendar year.

Updates to the Bottle Bill. Last week, the House Environment Committee voted to approve [H.915, 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 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**

- [Health insurance, inflation and federal funding cuts: Here’s what’s driving school budget increases this year](#)
- [Capitol Recap: Lawmakers grapple with private equity in Vermont’s health care system](#)
- [This Town Meeting Day, Vermont towns consider calling for universal health care](#)
- [NH House committee hears testimony about restricting abortion access to 20 weeks](#)
- [Vermont Lawmakers Create Emergency Pathway for Section 8 Vouchers, But No Immediate Cash Infusion](#)
- [Vermont Firms Brace for Tough Battle to Reclaim Tariff Cash — Consumers Likely Left Empty-Handed](#)

→ **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)
H 647 (now H.921)	Rep. Lucy Boyden	An Act Relating to Vinous Beverage Manufacturers and Fourth-class Licenses 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...	Committees: House Government Operations and Military Affairs Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/13/26) Folded into the Omnibus Alcohol Bill.

<p>H 655 (now H.921)</p>	<p>Rep. Lucy Boyden; Rep. Matthew Birong</p>	<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>
<p>H 672 (now H.921)</p>	<p>Rep. Lucy Boyden</p>	<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>
<p>H 832 (now H.921)</p>	<p>Rep. Lucy Boyden</p>	<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>

H.915	House Committee on Environment	<p>An act relating to establishing an extended producer responsibility program for beverage containers</p> <p>This bill proposes to require all manufacturers and distributors of covered beverage containers to participate in a producer responsibility organization that shall manage the collection and disposition of beverage containers.</p>	<p>Committees: House Ways and Means</p> <p>Status: Read first time and referred to the Committee on Ways and Means.</p>
H.921	House Committee on Government Operations and Military Affairs	<p>An act relating to alcoholic beverages</p> <p>This bill proposes to amend various provisions of Title 7 related to the Board of Liquor and Lottery, fourth- class licenses, manufacturers of alcoholic beverages, special events permits, and special venue serving permits.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and placed on the House Notice Calendar for Second Reading.</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>