

VBA Legislative Update – – Week 12 April 5, 2026

→ **Movement on Education Transformation.** After weeks of consideration, on Thursday, the House Education Committee, on a party-line vote, passed out [a bill, H. 955, that establishes the framework for the House's education transformation](#) effort to date.

The legislation tracks closely to the work of the [School Redistricting Task Force](#). The bill proposes to overlay seven regional “[Cooperative Education Service Areas](#)” — CESAs — over Vermont's existing 119 school districts.

Each CESA is required to provide at least three specific services to its members: special education (including high-cost, low-incidence services), business and administrative services, and consultation and facilitation for creating union school districts.

Unlike the previous voluntary model, the bill explicitly assigns every supervisory union in Vermont to one of seven specific CESAs. The bill requires all school districts to participate in working with their CESA and a hired facilitator to study the advisability of forming unified union school districts. Voters in a district in any proposed merger would have the final say under the legislation.

The bill delays implementation of the Foundation Formula until 2030 and ties it to new contingencies, including completion of district consolidation votes and additional analytical work by the Joint Fiscal Office. Under a Foundation Formula, the state would set a base per-pupil spending level and send each district a corresponding education payment instead of local boards making spending decisions.

The bill also requires JFO to hire a contractor to make recommendations regarding how to account for the provision of prekindergarten education within Vermont's education finance system.

The bill is currently under consideration by the House Ways and Means Committee. That committee has been exploring taxing tools to incentivize mergers. School construction funding could also be part of the incentive mix.

This bill has a long road to an eventual House and Senate Committee of Conference and then to the Governor's desk. The Governor continues to signal that any voluntary merger plan will be met with a veto. Stay tuned...

→ **Headlines of Note**

- [Labor Board Shoots Down Gov. Scott's Return-to-Office Policy](#)
- [UVM wants to use state scholarship money to pay for a new sports complex. Vermont legislators are skeptical.](#)
- [High gas prices hit Vermonters at the pump, store and heating bill](#)
- [As manufacturing jobs decline, Vermont business leaders take their concerns to the Statehouse](#)
- [Vermont Just Hit Snooze on Your Property Tax Bill - Again](#)
- [House panel opts for voluntary school merger proposal. It faces a tough path forward.](#)

→ **The Week Ahead for VBA**

- [Senate Committee on Economic Development, Housing and General Affairs](#). Senate Economic Development, Housing and General Affairs is not [scheduled](#) to return to H.921 next week.
- [Senate Committee on Natural Resources and Energy](#). Senate Natural Resources [agenda](#) will hear from a number of witnesses regarding [H.915, a bill that makes significant changes to Vermont's bottle redemption system](#). Witnesses include:
 - Susan Collins, President, Container Recycling Institute
 - Bree Dietly, Principal, Breezeway Consulting, Beverage Association of Vermont
 - Mike Smaha, Vice President, Government Relations, Can Manufacturers Institute
 - Michael Noel, Government Affairs Manager, Tomra Collectible Solutions
 - Sam Tracy, Director of Legislative Affairs & Business Development, CLYNK
 - Scott DeFife, Executive Director, Glass Packaging Institute
 - Paul Burns, Executive Director, Vermont Public Interest Research Group
 - Justin Marsh, Executive Director, Conservation of Voters
 - Casey Harrington, Owner, Beverage Baron
 - John Langhus, Owner, Putney Rd. Redemption Center
 - Shane Switser, Owner, Lyndonville Redemption
 - Jacob Trombley, Owner, Vermont Redemption
 - Maggie Lenz, Lobbyist, Vermont Retail & Grocers Association

→ **Update on VBA Issues**

Miscellaneous Alcohol Bill. Last week, the Senate Economic Development Housing and General Affairs Committee held an introductory hearing on [H.921, the Miscellaneous Alcohol Bill](#). They heard from Legislative Counsel and DLL Commissioner Wendy Knight.

During the hearing, we learned that a Vermont beer manufacturer and VBA member had reached out to committee members expressing tied house concerns with regard to the bill, specifically Section 2 of the [bill](#).

Section 2 of the bill was proposed by the Vermont Spirits Council. In January, the Vermont Spirits Council, through Chris Kesler, notified the entire VBA membership about the legislative changes they were proposing. In addition, the VBA GAC has reviewed the

proposal on a number of occasions. To date, no concerns were raised directly to the VBA or the GAC regarding Section 2 of the bill. Section 2 **does the following:**

H921 Miscellaneous Alcohol Bill – Section 2		
Topic	Current	Proposed
Number of 4th-class locations	Up to 20 total licenses, but only 1 location can carry other Vermont producers' products	Up to 20 licenses, but up to 10 locations can carry other Vermont producers' products
Products you can carry (beer/wine/RTD)	Your own + products from up to 5 additional Vermont manufacturers (only at 1 location)	Your own + products from other Vermont manufacturers (expanded access across up to 10 locations)
Products you can carry (spirits/fortified wine)	Up to 5 additional Vermont manufacturers	Up to 7 additional Vermont manufacturers
Who a manufacturer can sell their product to	Any fourth-class licensee (no cap)	Any fourth-class licensee (no cap)
Sampling – tasting room / retail shop	Beer/wine/RTD: 2 oz per serving, 8 oz total Spirits: 0.25 oz per serving, 1 oz total	Beer/cider: 16 oz total Wine/RTD: 12 oz total Spirits: 2 oz total

Vermont law has evolved over the years to include a number of exceptions to the tied house prohibition found in 7 VSA §203 (a)(1). Most of the exceptions in law were adopted at the request of the craft beer industry in order to allow the industry to grow, while still preserving the spirit of the three-tier framework. In this case, the proposal is brought by the craft spirits industry to offer more opportunities to get locally produced craft beverage products to consumers.

As a reminder, the other sections of the bill propose the following:

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

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. **THIS IS THE VBA'S PRIORITY SECTION OF THE BILL.**

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.

→ **ACTION ALERT.** Please reach out to members of the Senate Economic Development Committee to urging support for the bill, specifically Section 6.

- Sen. [Alison Clarkson](mailto:aclarkson@leg.state.vt.us), Chair, Windsor County, aclarkson@leg.state.vt.us
- Sen. [Randy Brock](mailto:rbrock@leg.state.vt.us), Vice Chair, Franklin County, rbrock@leg.state.vt.us
- Sen. [Kesha Ram Hinsdale](mailto:kramhinsdale@leg.state.vt.us), Chittenden County South, kramhinsdale@leg.state.vt.us
- Sen. [Thomas Chittenden](mailto:tcrittenden@leg.state.vt.us), Chittenden County South, tcrittenden@leg.state.vt.us
- Sen. [David Weeks](mailto:dweeks@leg.state.vt.us), Rutland County, dweeks@leg.state.vt.us

→ **VBA Bill Report.**

Bill	Sponsors	Description	Status
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 H.921 (see below)
H 655 (now H.921)	Rep. Lucy Boyden; Rep. Matthew Birong	An Act Relating To Alcoholic Beverages And The Board Of Liquor And Lottery 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	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 H.921 (see below)

		of "special event permit" in Title 7, eliminate language...	
H 672 (now H.921)	Rep. Lucy Boyden	An Act Relating to Distribution of Malt Beverages by Licensed Manufacturers 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.	Committees: House Government Operations and Military Affairs Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/14/26) Folded into H.921 (see below)
H 832 (now H.921)	Rep. Lucy Boyden	An Act Relating to Fourth-class Licenses and Retail Alcoholic Beverage Tasting Permits 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.	Committees: House Government Operations and Military Affairs Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/29/26) Folded into H.921 (see below)
H.915	House Committee on Environment	An act relating to establishing an extended producer responsibility program for beverage containers 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.	Committees: Senate Natural Resources and Energy Status: PASSED THE HOUSE

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: Senate Economic Development Housing and General Affairs</p> <p>Status: PASSED HOUSE</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. Kesha 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>