
VBA Legislative Update – Week 17 May 9, 2026

→ Update on Miscellaneous Alcohol Bill.

[H.921 An act relating to alcoholic beverages](#). On Friday, the Senate gave final approval to H.921 as recommended by the Senate Economic Development Housing & General Affairs Committee. Next week, the bill will go back to the House. The House will have to decide whether they can live with the Senate changes, whether they want to send the bill back with additional changes, or whether they want to ask for a conference committee.

As a reminder, the bill as Passed by the Senate includes the following provisions (**changes from the House Passed in yellow**):

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
- Increases from **one to ten five** the number of 4th class license locations that a licensed manufacturers 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.
 - **This change was made after concerns were raised about potential density of 4th class locations. The conversation was confusing and the change was made as a compromise to end the discussion.**

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.

- **NEW.** Requires manufacturer of malt beverages to retain copies of records of self-distribution and sales made. Annually, on or before January 15, manufacturers will have to report to DLL the total amount of malt beverages distributed.

Section 7: ~~Sunset (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.~~ **The Senate deleted the sunset provision.** They did this for a couple of reasons: with the reporting to DLL they felt they would have a good idea on how the distribution was going, and, because distribution licenses begin on April 1, and the law was set to sunset on July 1, DLL worried that this could put brewers in a difficult situation if the law did sunset and they had to make alternative arrangements for distribution.

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 and 10: 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.

NEW Section 11 and 12: Allows a licensed caterer to host not more than five functions per calendar year located on the caterer's own first-, first-and third-, or second-class licensed premises. This section was added at the request of DLL to address some issues that some wine bars were having.

→ **Update on Bottle Bill.**

[H.915 An act relating to establishing an extended producer responsibility program for beverage containers.](#) On Friday, the Senate Natural Resources and Energy Committee voted (5-0-0) to approve an amended version of H915. The bill will next head to the Senate Finance Committee before consideration by the full Senate. After that, the bill will go back to the House where they will decide whether they can live with the Senate changes, whether they want to send the bill back with additional changes, or whether they want to ask for a conference committee.

H.915 as passed by the House, overhauls Vermont's existing "bottle bill" by transitioning from the current deposit-redemption system to an **Extended Producer Responsibility (EPR) program** for beverage containers. Here is a summary of what the bill does, with the changes proposed by the Senate:

- **Producer Responsibility Organization (PRO).** The centerpiece of the bill is requiring beverage industry **deposit initiators** (typically the first distributor or manufacturer) to form and join an approved (by the Secretary of ANR) **nonprofit Producer Responsibility Organization (PRO)** by January 1, 2027. The PRO takes over responsibility for managing the container redemption system, replacing the current patchwork of manufacturer/distributor obligations.
- **Deposits & Handling Fees**
 - o Maintains the existing minimum 5-cent deposit on most beverage containers
 - o Raises the handling fee paid to redemption centers from 3.5 to **4.5 cents** per container (commingled) and from 4 to **5 cents** (non-commingled) until the PRO plan takes effect in 2029, after which "fair compensation" under the approved plan governs.

- o Sets a special **15-cent deposit** on liquor bottles (over 50ml), administered separately through the Department of Liquor and Lottery
- **Stewardship Plan** The PRO must submit a stewardship plan to the Secretary by **April 1, 2028**, with full implementation by **March 1, 2029**. The plan must address:
 - o At least **3 redemption points per county**, with at least one offering immediate deposit return
 - o **At least one immediate-return point per municipality with 7,000+ residents**
 - o Fair compensation to all redemption locations
 - o Elimination of brand sorting at redemption points
 - o **Consumer education efforts**
 - o **Stakeholder consultation and public comment processes**
- **Redemption Rate Goals**
 - o **75%** redemption rate by July 1, 2030
 - o **80%** by July 1, 2033
- **Retailer Obligations**
 - o Once the PRO plan is implemented (March 2029), small retailers under **5,000 square feet** may opt out of accepting returns
 - o Redemption centers may refuse containers that are dirty, broken, unlabeled, known to have been purchased out of state, already redeemed, or not registered with the PRO
- **Labeling**
 - o All containers must display "VT" and refund value
 - o Beginning **July 1, 2027**, all containers must also carry a **Universal Product Code (UPC) and barcode**
- **Funding & Grants**
 - o Unclaimed deposits (escheats) flow into the **Clean Water Fund**
 - o A portion (\$1M/year in FY2030–31, \$750K/year in FY2032–33) may be redirected to the **Waste Management Assistance Fund** to help the PRO cover infrastructure and equipment startup costs
- **Audits & Reporting**
 - o Fiscal audits annually beginning 2030
 - o Program audits every five years beginning 2033
 - o Annual legislative reports on redemption rates beginning December 2030
 - o ANR implementation status report to the Legislature by January 1, 2030

→ **Headlines of Note**

- [Shot at redemption: A day with Bradford's bottle-sorting wiz](#)
- [Baruth Pushes to Ban Guns From Establishments That Serve Alcohol](#)
- [Capitol Recap: Vermont House votes to partially repeal Act 181](#)
- [Vermont could become first state to ban herbicide linked to Parkinson's](#)
- [Overdose deaths fell in Vermont for the third year in a row](#)
- [Vermont labor board declines state's request to pause order blocking return-to-office policy](#)
- [UVM Health must cut expenses by \\$300 million in three years, independent liaison finds](#)
- [What's AI's place in mental health care? Vermont lawmakers say it should be limited.](#)

- [Vermont House Passes S.325, Repealing the Road Rule and Tier 3 - Does It Go Far Enough to Help the Housing Crisis?](#)
- [ANALYSIS | Vermont's Affordability Squeeze: Higher Costs at the Register, Higher Costs on the Farm](#)