



ADMINISTRATIVE OFFICE

19 Gregory Drive, Suite 204

South Burlington, VT 05403

EMAIL info@cswd.net

TEL (802) 872-8100

www.cswd.net

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To: Board of Commissioners
From: Jen Holliday
Date: 5/18/2023
RE: Legislative Update

The 2023 Vermont legislative session ended last Friday with lawmakers expected to return in late June for a veto session. Attached are the solid waste related bills that we tracked throughout the session. This is the first year of the biennium which means that all bills remain actionable through the next session in 2024. Action was taken during this session on two of the bills, H.67 and H.158.

H.67, an act relating to household products containing hazardous substances squeaked over the finish line and was passed by both the House and Senate on the last day of the session. We expect the Governor will either sign the bill or let it pass into law without his signature once it makes its way to his desk. We do not expect a veto.

H.67 was the 4th version of the EPR HHW bills that we have worked on over the past 7+ years. Lawmakers finally answered the call from solid waste entities for financial relief for household hazardous waste collection services that we are required to provide.

The law applies to household hazardous products that are not covered under other Vermont EPR laws (paint, batteries, mercury lamps, electronics, and mercury thermostats) and includes all hazardous consumer products in their original packaging from both businesses and residents. Products included are items such as paint thinner, waxes, furniture polish, automotive fluids, and cleaners. One-pound propane tanks and other gas cylinders are also covered. Producers will be required to provide education and outreach on proper disposal as well as convenient collection services for their products. They will be required to work with solid waste entities such as CSWD to accomplish this. They will also be required to cover all costs associated with collecting their products which is different than some of the other EPR programs in place that only cover disposal costs. We estimate this will save CSWD \$100,000 - \$150,000 annually.

This is the first EPR program for HHW in the United States and for that reason, producers asked for extra time to form a stewardship program and write and implement a plan. Collection plans are due from the producers by July 1, 2025, with approval and implementation to follow within 6 months.

H.158, an act related to the beverage container redemption system did not pass this year - yet. The bill passed the House, was amended in the Senate, and made it back to the House when the clock ran out to vote on the changes made in the Senate. There are a few scenarios on what might happen with this bill. The House can take it up and pass it during the veto session in June. If this happens, the Governor will likely veto it when it gets to his desk. The legislature could try to override his veto in January but the Senate vote on the bill was 19-11 so, at the moment, there are not enough Senators that support

the bill to override the veto with the 2/3 majority needed. The House can also take it up in January and make significant changes that will appease the Governor to allow it to pass into law.

There are three primary components to the bill. The first is expansion of beverages subject to the deposit system including all beverages except for milk, plant-based beverages, infant formula, meal replacement drinks and nonalcoholic cider. The most notable inclusions in the expansion are bottled water, wine, sports drinks, juices, and hard cider.

The second component of the bill is restructuring the existing bottle bill system by requiring the beverage producers to form a producer responsibility organization (PRO) to manage the beverage container redemption system going forward. The PRO would be responsible for creating and implementing a stewardship plan that would require more convenience, transparency, and higher redemption rates. The Agency of Natural Resources (ANR) would oversee the organization and verify stewardship plan adherence.

The third component of the bill is related to the unclaimed deposits or escheats. Starting July 1, 2026, the first \$3,000,000 in unclaimed deposits will go to the State for the Clean Water Fund as they do now, and any additional revenue would go to the PRO to help stand up the new system.

The Senate amendment would also include a system analysis to be completed by a third party through the Agency of Natural Resources by January 15, 2025, and reported to the legislature. The analyses must include the total system cost; the cost to consumers; the impact of the expansion on the recycling system; the cost or savings to solid waste districts; the costs of operating a redemption center and if the handling fee would need to be altered; the impact on the overall recycling system in the state; the impact on the Clean Water Fund; and the geographic distribution of redemption center.

CSWD provided neutral testimony on the bill informing lawmakers what the financial impact would have on our MRF.