

House File 150 - Introduced

HOUSE FILE _____
BY WHITAKER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to beverage container control by expanding the
2 number of beverage containers covered, eliminating the
3 requirement of distributors to collect and pay refund values,
4 and making conforming changes.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 1796HH 83
7 tm/rj/5

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1 1 Section 1. Section 123.24, subsection 5, Code 2009, is
1 2 amended to read as follows:
1 3 5. Notwithstanding subsection 4, the division shall assess
1 4 a bottle surcharge to be included in the price of alcoholic
1 5 liquor in an amount sufficient, ~~when added to the amount not~~
~~1 6 refunded to class "E" liquor control licensees pursuant to~~
~~1 7 section 455C.2,~~ to pay the costs incurred by the division for
1 8 collecting and properly disposing of the liquor containers.
1 9 The amount collected pursuant to this subsection, ~~in addition~~
~~1 10 to any amounts not refunded to class "E" liquor control~~
~~1 11 licensees pursuant to section 455C.2,~~ shall be deposited in
1 12 the beer and liquor control fund established under section
1 13 123.53.
1 14 Sec. 2. Section 455B.313, subsection 1, Code 2009, is
1 15 amended to read as follows:
1 16 1. A distributor as defined in section 455C.1, ~~subsection~~
~~1 17 9,~~ shall not sell or offer to sell any beverage container if
1 18 the beverage container is connected to another beverage
1 19 container by a device constructed of a material which is not
1 20 biodegradable or photodegradable.
1 21 Sec. 3. Section 455C.1, subsections 1 and 2, Code 2009,
1 22 are amended by striking the subsections and inserting in lieu
1 23 thereof the following:
1 24 1. "Beverage" means any liquid intended for human
1 25 consumption and packaged in a beverage container for sale to
1 26 consumers. "Beverage" does not include the following:
1 27 a. A liquid typically ingested in very small quantities
1 28 and consumed for medicinal purposes only.
1 29 b. A liquid designed to be consumed only as a nutritional
1 30 supplement.
1 31 c. A product intended to be consumed, or packaged and sold
1 32 to consumers or institutions, in a frozen state.
1 33 d. A powdered drink mix.
1 34 e. A soup or broth, including seafood, meat, or vegetable
1 35 broth.
2 1 f. Farm-produced apple cider which has not been heated,
2 2 pasteurized, or otherwise processed.
2 3 g. A liquid which is any of the following:
2 4 (1) A syrup.
2 5 (2) A concentrate.
2 6 (3) Typically added as a minor flavoring ingredient in
2 7 food or drink, such as extracts, cooking additives, sauces, or
2 8 condiments.
2 9 h. Milk or other primarily dairy-based drinks.
2 10 2. "Beverage container" means any container, filled and
2 11 sealed by the manufacturer and containing a beverage, which is
2 12 at least five and one-half fluid ounces or one hundred
2 13 sixty-two milliliters but not more than sixty-eight fluid
2 14 ounces or two liters in size.
2 15 Sec. 4. Section 455C.2, Code 2009, is amended to read as
2 16 follows:
2 17 455C.2 REFUND VALUES.
2 18 ~~1-~~ A refund value of not less than ~~five~~ ten cents shall be

2 19 paid by the consumer on each beverage container sold in this
2 20 state by a dealer for consumption off the premises. ~~Upon~~
~~2 21 return of the empty beverage container upon which a refund~~
~~2 22 value has been paid to the dealer or person operating a~~
~~2 23 redemption center and acceptance of the empty beverage~~
~~2 24 container by the dealer or person operating a redemption~~
~~2 25 center, the dealer or person operating a redemption center~~
~~2 26 shall return the amount of the refund value to the consumer.~~
2 27 The dealer shall remit all refund values paid by a consumer to
2 28 an approved redemption center serving the dealer pursuant to
2 29 section 455C.6. However, a dealer may operate its own
2 30 approved redemption center, and if it does so, may retain the
2 31 refund values.

2 32 2. ~~In addition to the refund value provided in subsection~~
~~2 33 1 of this section, a dealer, or person operating a redemption~~
~~2 34 center who redeems empty beverage containers or a dealer agent~~
~~2 35 shall be reimbursed by the distributor required to accept the~~
3 1 ~~empty beverage containers an amount which is one cent per~~
3 2 ~~container. A dealer, dealer agent, or person operating a~~
3 3 ~~redemption center may compact empty metal beverage containers~~
3 4 ~~with the approval of the distributor required to accept the~~
3 5 ~~containers.~~

3 6 Sec. 5. Section 455C.3, Code 2009, is amended by striking
3 7 the section and inserting in lieu thereof the following:
3 8 455C.3 ACCEPTANCE OF EMPTY BEVERAGE CONTAINERS AND REFUSAL
3 9 TO PAY REFUND VALUES.

3 10 1. A dealer may refuse to accept an empty beverage
3 11 container from a consumer if the dealer is served by an
3 12 approved redemption center. If a dealer is operating an
3 13 approved redemption center, the dealer shall not refuse to
3 14 accept an empty beverage container.

3 15 2. A person operating an approved redemption center shall
3 16 not refuse to accept an empty beverage container from a
3 17 consumer.

3 18 3. A person operating an approved redemption center may
3 19 refuse to pay a refund value to the consumer for the empty
3 20 beverage container if the refund value is not stated on the
3 21 container as required pursuant to section 455C.5, or if the
3 22 empty beverage container was purchased outside the state.

3 23 4. A distributor shall not be required to pay to a
3 24 manufacturer, a dealer, a dealer agent, or a consumer a refund
3 25 value on a nonrefillable beverage container.

3 26 Sec. 6. Section 455C.5, subsection 1, Code 2009, is
3 27 amended to read as follows:

3 28 1. Each beverage container sold or offered for sale in
3 29 this state by a dealer shall clearly indicate by embossing or
3 30 by a stamp, label or other method securely affixed to the
3 31 container ~~by a manufacturer or distributor~~, the refund value
3 32 of the container. The department shall specify, by rule, the
3 33 minimum size of the refund value indication on the beverage
3 34 containers.

3 35 Sec. 7. Section 455C.6, subsections 2 and 3, Code 2009,
4 1 are amended to read as follows:

4 2 2. An application for approval of a redemption center
4 3 shall be filed with the department. The application shall
4 4 state the name and address of the person responsible for the
4 5 establishment and operation of the redemption center, ~~the kind~~
~~4 6 and brand names of the beverage containers which will be~~
~~4 7 accepted at the redemption center~~, and the names and addresses
4 8 of the dealers to be served by the redemption center. The
4 9 application shall contain such other information as the
4 10 director may reasonably require.

4 11 3. The department shall approve a redemption center if it
4 12 finds that the redemption center will provide a convenient
4 13 service to consumers for the return of empty beverage
4 14 containers. The order of the department approving a
4 15 redemption center shall state the dealers to be served by the
4 16 redemption center ~~and the kind and brand names of empty~~
~~4 17 beverage containers which the redemption center must accept.~~
4 18 The order may contain such other provisions to insure that the
4 19 redemption center will provide a convenient service to the
4 20 public as the director may determine.

4 21 Sec. 8. Section 455C.12, Code 2009, is amended to read as
4 22 follows:

4 23 455C.12 PENALTIES.

4 24 1. Any person violating the provisions of section 455C.2,
4 25 455C.3, 455C.5, and 455C.8, or a rule adopted under this
4 26 chapter shall be guilty of a simple misdemeanor.

4 27 2. ~~A distributor who collects or attempts to collect a~~
~~4 28 refund value on an empty beverage container when the~~
~~4 29 distributor has paid the refund value on the container to a~~

~~4 30 dealer, redemption center, or consumer is guilty of a~~
~~4 31 fraudulent practice.~~

4 32 3- 2. Any person who does any of the following acts is
4 33 guilty of a fraudulent practice:

4 34 a. Collects or attempts to collect the refund value on the
4 35 container a second time, with the knowledge that the refund
5 1 value has once been paid by ~~the distributor to a dealer,~~
5 2 redemption center ~~or to a consumer.~~

5 3 b. Manufactures, sells, possesses or applies a false or
5 4 counterfeit label or indication which shows or purports to
5 5 show a refund value for a beverage container, with intent to
5 6 use the false or counterfeit label or indication.

5 7 c. Collects or attempts to collect a refund value on a
5 8 container with the use of a false or counterfeit label or
5 9 indication showing a refund value, knowing the label or
5 10 indication to be false or counterfeit.

5 11 4- 3. As used in this section, a false or counterfeit
5 12 label or indication means a label or indication purporting to
5 13 show a valid refund value which has not been initially applied
5 14 as authorized by a manufacturer or distributor.

~~5 15 5- 4. Subsection 2 and subsection 3, paragraph "a" of~~
~~5 16 this section have has no application to empty beverage~~
5 17 containers which are intended to be refillable and are in a
5 18 standard of condition except for sanitization to be refillable
5 19 by the manufacturer.

5 20 Sec. 9. Section 455C.16, Code 2009, is amended to read as
5 21 follows:

5 22 455C.16 BEVERAGE CONTAINERS == DISPOSAL AT SANITARY
5 23 LANDFILL PROHIBITED.

~~5 24 Beginning July 1, 1990, the The final disposal of empty~~
5 25 beverage containers by a dealer, distributor, or manufacturer,
5 26 or person operating a redemption center, in a sanitary
5 27 landfill, is prohibited. ~~Beginning September 1, 1992, the~~
~~5 28 final disposal of beverage containers used to contain~~
~~5 29 alcoholic liquor as defined in section 123.3, subsection 5, by~~
~~5 30 a dealer, distributor, or manufacturer, or person operating a~~
~~5 31 redemption center in a sanitary landfill, is prohibited.~~

5 32 Sec. 10. Sections 455C.4, 455C.7, 455C.13, and 455C.14,
5 33 Code 2009, are repealed.

5 34 EXPLANATION

5 35 This bill relates to the control of empty beverage
6 1 containers and makes changes to Code chapter 455C, commonly
6 2 referred to as the bottle bill.

6 3 The bill expands the definitions of beverage and beverage
6 4 container to require more beverage containers to carry refund
6 5 values.

6 6 The bill increases to 10 cents the refund value on beverage
6 7 containers. The refund value is currently 5 cents per
6 8 beverage container.

6 9 The bill makes significant changes to the way refund values
6 10 are collected and empty beverage containers are accepted.
6 11 Currently, distributors collect 5 cents on each container from
6 12 dealers who in turn charge 5 cents to consumers. Consumers
6 13 who return the empty beverage containers are refunded the 5
6 14 cents by the dealer who returns the empty beverage containers
6 15 to the distributor and is also refunded the 5 cents. Dealers,
6 16 however, also receive an amount of 1 cent per container from
6 17 the distributor, which is commonly referred to as the handling
6 18 fee.

6 19 The bill eliminates most of the requirements placed on
6 20 distributors by the current law. The bill requires dealers to
6 21 collect the refund values from consumers and then remit the
6 22 refund value to an approved redemption center. Consumers
6 23 return the empty beverage containers to the redemption center
6 24 instead of the dealer and the redemption center pays them the
6 25 refund value. Distributors no longer have to collect or pay
6 26 refund values, and they no longer have to accept the empty
6 27 beverage containers from dealers. Instead, the empty beverage
6 28 containers will be disposed of by the redemption centers.

6 29 The bill requires a redemption center to accept all empty
6 30 beverage containers, but it does not require them to pay the
6 31 refund value to the consumer if the container does not bear a
6 32 refund value indication or if the container was purchased out
6 33 of the state.

6 34 The bill makes conforming amendments and strikes or repeals
6 35 a number of outdated provisions.

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