

RE: Public Hearing HF 872 – April 27, 2021

House Ways and Means Committee members

My name is Linda Schreiber, representing the League of Women Voters of Iowa. We appreciate lawmakers' efforts to update the bottle bill throughout this Legislative session. The bottle bill (Iowa's Container Deposit Law) has served the state well for over 40 years. Everyone agrees it's time for an update. The League would like to see improvements to the bottle bill that benefit Iowa consumers.

HF 872 improvements:

- Requires a registered universal product code and
- Expands civil enforcement procedures and penalties for violations (up to \$2,500).
- Any person may establish a redemption center to serve a dealer if it is approved by the Department of Natural Resources.

HF 872 concerns:

- The term dealer is not defined in the proposal – what or who is identified as a dealer?
- Any person can establish an unapproved redemption center without registering with the DNR. Will these pop-up centers be regulated? How will the DNR know where these centers exist? How will customers find these centers if they can open and close at will?
- Counties with 30,000 or more population may allow dealers that are within 10 miles of a redemption center to enter into a contract for service.
- Counties with fewer than 30,000 population may allow dealers that are within 15 miles of a redemption center to enter into a contract for service.

Driving to redeem will discourage redemption which means more plastic containers will be landfilled.

Plastic takes decades to decompose and leeches toxins into the soil that ultimately seeps into the state's waterways. Redemption is critical to conserving energy and natural resources and maintaining a supply chain for manufacturers. Iowa's current law requires all sellers to redeem.

If Iowa lawmakers truly want a Container Redemption Law that is successful they should look to the states where redemption is the highest. Michigan has a 91 percent redemption rate. One of the most successful components of that state's law is the ability to track beverage sales.

I urge you to shift the responsibilities for the bottle bill to an Iowa department that could create a transparent accounting system to track beverage sales, manage deposit fees and refund retailers and redemption centers for the deposits they payout to consumers and authorize a chargeback system for distributors to reimburse handling fees for beverages sold. And equally important: enforce and regulate fines to those entities that aren't following the law.

The state would be able to recoup the cost of administering the accounting program with a beverage administrative fee and also offer grants from the unclaimed deposits to a) retail for technology updates (like reverse vending) and b) environmental groups for eco-friendly projects and environmental improvements.

This one step could be a game-changer for the state's bottle bill and create a fair, equitable program for everyone – distributors, retail and customers.

A better bottle bill would increase deposit fees to 10 cents and the handling fee to 3 cents and tie all increases to the cost of living to initiate an automatic fee adjustment at appropriate points to provide a timely revenue-generating mechanism.

A great bottle bill would also expand allowable containers redeemed to include water, tea, sports drinks, and juice that use the same materials as currently redeemable containers.

A really wonderful bottle bill would require future beverage sellers to outfit all new construction with redemption facilities along the exterior perimeter of their facility.

Redemption supports the economy, encourages the development of new industries to create new ways to repurpose container materials, which helps preserve natural resources and grow jobs. The more ways that containers can be reused or repurposed the better.

Vote no on HF 872 and support these simple steps maintain costs within the industries affected and won't raise or pass costs to taxpayers or consumers and that keeps a net-neutral bottle bill for lowans.

Thank you –

Linda Schreiber
LWVIA Advocacy