

CHAPTER 107
BEVERAGE CONTAINER DEPOSITS
[Prior to 7/1/83, DEQ Ch 34]
[Prior to 12/3/86, Water, Air and Waste Management[900]]

Chapter rescission date pursuant to Iowa Code section 17A.7: 9/23/31

567—107.1 Reserved.

567—107.2(455C) Definitions. In addition to the definitions in Iowa Code section 455C.1, for the purpose of this chapter, the following terms shall have the meaning indicated in this rule.

“*Act*” means Iowa Code chapter 455C.

“*Approved redemption center*” means a redemption center approved by the department pursuant to 107.4(1).

“*Carbonated*” means charged under pressure with carbon dioxide.

“*Distributor redemption center*” means a redemption center that satisfies the requirements of Iowa Code section 455C.14.

“*Emboss*” means to raise the surface in relief.

“*Exempt beverage container*” means a beverage container that is not marked with the words “Iowa Refund 5¢” because it is a refillable glass beverage container having a brand name permanently marked on it and having a refund value of 5 or more cents or because it is a refillable metal or plastic beverage container that has been exempted, in accordance with the procedure of 107.3(7), from the requirement of having the refund value marked on the container. An exempt beverage container is exempt from having the words “Iowa Refund 5¢” indicated on the container but is not necessarily exempt from the minimum deposit and redemption requirements of this chapter.

“*Handling fee*” or “*fee*” means the amount reimbursed by a distributor, in addition to the return of the 5 cent refund value, in an amount that is 1 cent per beverage container for containers accepted from a dealer agent or 3 cents per beverage container accepted from a participating dealer or redemption center. Only one fee shall be charged per container.

“*High-contrasting color*” in reference to labeling requirements means a clear differentiation in hue, value, and intensity with the background on which the redemption message appears, surrounding artwork, and other nearby printed information.

“*Incise*” means to scratch the surface to produce legible letters or characters at a precise width and depth.

“*Indelibly*” means that the refund value is permanently affixed on the beverage container and cannot be smeared or removed during regular use from the point of being offered for sale until the point of redemption.

“*Mineral water*” means water naturally or artificially infused with mineral salts or gases. Mineral water may be carbonated or uncarbonated.

“*Soda water*” means water that has been carbonated.

“*Soft drink*” means any nonalcoholic liquid other than mineral water or soda water intended for human consumption.

“*Unapproved redemption center*” means a redemption center that is not an approved redemption center.

This rule is intended to implement Iowa Code sections 455C.1 and 455C.9.

[ARC 0487D, IAB 8/19/26, effective 9/23/26]

567—107.3(455C) Labeling requirements.

107.3(1) All beer, wine, alcoholic liquor, mineral water, soda water and similar carbonated soft drink containers (other than exempt containers) sold or offered for sale in Iowa by a dealer shall have the words “Iowa Refund 5¢” or “IA 5¢” clearly, indelibly and legibly indicated on the container. Any abbreviation of the words “Iowa Refund” other than as provided in this subrule shall be submitted to and approved by the department.

107.3(2) The minimum size of the words “Iowa Refund 5¢” or “IA 5¢” and all approved abbreviations shall be a minimum of 9-point type (approximately .125 inch or 3 millimeters) if the words are embossed or incised and 18-point type (approximately .25 inch or 6 millimeters) if the words are otherwise affixed to the container. A stamp or label may have the words “Iowa Refund 5¢” or “IA 5¢” in less than 18-point type if the label is submitted to the department and the department determines that the high-contrasting color or the characteristics of the stamp or label make the stamp or label as easy to discern as a stamp or label with 18-point type.

107.3(3) The words “Iowa Refund 5¢” or “IA 5¢” shall be indicated by embossing (raised letters), by incising, by printing in high-contrasting color, by a stamp or label of high-contrasting color, or by other method approved by the department securely and permanently affixed to the container.

107.3(4) Reserved.

107.3(5) The words “Iowa Refund 5¢” or “IA 5¢” shall be on the top or on the cylindrical portion of a metal beverage container. The words “Iowa Refund 5¢” or “IA 5¢” shall be on the conical portion of a glass or plastic beverage container so that the words are visible from above or shall be on the product label. The placement of refund information solely on the bottom of the beverage container is prohibited.

107.3(6) An example of the label or labeled container may, but need not, be submitted to the department for informal approval.

107.3(7) An application for exemption from the requirement of having the words “Iowa Refund 5¢” or “IA 5¢” indicated on the container shall be submitted to the department and shall contain:

- a. The name, address and telephone number of the applicant;
- b. The refund value of the container; and
- c. A statement of why the container can be readily and permanently identified by consumers as subject to a deposit.

107.3(8) An example of the container for which the exemption is being requested shall be sent to the department along with the application required in 107.3(7). The example may consist of photographic images or empty containers. Examples submitted to the department shall not contain any liquid.

107.3(9) The department may exempt the container if the department determines that the container is subject to a deposit of 5 or more cents and that consumers can readily and permanently identify the container as one subject to a deposit.

107.3(10) Automatic exemption. Beverage containers sold in Iowa containing alcoholic liquor as defined in Iowa Code section 123.3(5) where the total capacity of the container is not more than 50 milliliters are automatically exempted from the labeling requirement of 567—107.3(455C). However, such beverage containers remain subject to the remainder of this chapter.

[ARC 0487D, IAB 8/19/26, effective 9/23/26]

567—107.4(455C) Redemption centers. The Act provides for both approved and unapproved redemption centers. Both approved and unapproved redemption centers redeem empty beverage containers and pay the refund value to consumers. Only approved redemption centers can satisfy the requirements of Iowa Code section 455C.4(2)“a”(2) and “a”(3) and 2022 Iowa Acts, Senate File 2378, section 19.1(a) or 19.1(b). Additionally, only approved redemption centers will be listed on the department’s electronic database pursuant to Iowa Code section 455C.4(2)“c.”

107.4(1) *Approved redemption centers.*

- a. Any person may file with the department an application for approval of a redemption center.
- b. An annual application for approval of a redemption center shall be submitted to the department electronically.

(1) Initial application. Redemption centers that wish to be considered approved under this chapter should file their application within 30 days of starting their business.

(2) Annual renewals. All redemption centers should file their annual renewal application by January 31 of each subsequent year to allow the department to update its approved redemption center list in a timely manner.

(3) Application requirements. A redemption center must submit a separate application for each facility, including if a redemption center is operating a mobile redemption system for a dealer or dealers. The information on the application will be included in an electronic database for consumers to locate the

nearest approved redemption center; as such, applications must be resubmitted annually to ensure that contact information remains accurate. There is no fee to submit the application. The application shall include the following information:

1. Name, address and telephone number of the redemption center;
2. Name, address and telephone number of the person or persons responsible for the establishment and operation of the redemption center;
3. A statement that the operator of the redemption center understands it must accept all redeemable containers, except for those containers exempted in 567—107.13(455C);
4. Whether the redemption center will be operating a mobile redemption system and the location(s) where the system will be operated.
 - c. The department will issue an electronic order of approval once a complete application is received.
 - d. The department may at any time rescind the order approving a redemption center if the department determines, after notice and hearing, that the redemption center is in violation of the Act or this chapter or that the redemption center is no longer meeting the above criteria.
 - e. An approved redemption center shall accept from consumers and shall pay the refund value for all beverage containers that bear an Iowa refund value and those containers exempted from the labeling requirement pursuant to 107.3(10).
 - f. When an approved redemption center is closing permanently, it shall give to the department notice that includes the redemption center's final date of operation. As of the final date of operation, the redemption center's approval as a redemption center shall be terminated and a dealer it was approved to serve shall no longer be an exempt dealer. An approved redemption center must notify the department and any dealers or distributors with which the redemption center has agreements 30 days prior to the redemption center's closing.

107.4(2) *Refused container redemption centers.* Redemption centers required by Iowa Code section 455C.14 may be either "approved" or "unapproved." To be "approved," the facility must submit an application pursuant to 107.4(1), which includes the requirement to accept all redeemable beverage containers except for those containers exempted in 567—107.13(455C).

[ARC 0487D, IAB 8/19/26, effective 9/23/26]

567—107.5 to 107.7 Reserved.

567—107.8(455C) Miscellaneous requirements.

107.8(1) Beverage containers sold on interstate carriers, such as trains, planes, or buses that travel through Iowa, are not subject to the deposit and labeling requirements of the Act.

107.8(2) Transfer tanks, premix tanks and beer kegs are not subject to the deposit and labeling requirements of the Act.

107.8(3) Return limits. Dealers may limit the number of containers returned by an individual to 120 containers in a 24-hour period. Redemption centers may limit the number of containers returned by an individual to 500 containers in a 24-hour period.

[ARC 0487D, IAB 8/19/26, effective 9/23/26]

567—107.9(455C) Partial pickup and acceptance of redeemed containers by distributor.

107.9(1) *Notification of frequency.* A distributor shall notify each participating dealer served by the distributor of the intended frequency of pickup. A distributor shall notify each redemption center from which the distributor is required to pick up containers of the intended frequency of pickup.

107.9(2) *Partial pickup.* A distributor who picks up containers more often than the required frequency shall not be required to pick up all available containers from a participating dealer or redemption center at each pickup provided that all available containers are picked up from the dealer or redemption center within the required frequency.

[ARC 0487D, IAB 8/19/26, effective 9/23/26]

567—107.10(455C) Dealer agent lists. A dealer agent shall provide to a distributor upon request a list of the dealers that the dealer agent is serving.

[ARC 0487D, IAB 8/19/26, effective 9/23/26]

567—107.11 and **107.12** Reserved.

567—107.13(455C) Refusing payment of the refund value. A distributor, participating dealer, or redemption center may refuse to pay the refund value and, if applicable, the handling fee pursuant to Iowa Code section 455C.4 and in the following situations:

107.13(1) *Refusal of certain brands (e.g., store brands).*

a. For any beverage container subject to the Iowa beverage container control law, all distributors and manufacturers must charge a 5-cent deposit for each container delivered by that distributor or manufacturer to a dealer and must pick up, or facilitate the pickup of, the container from a participating dealer or an approved redemption center. This includes, at a minimum, reimbursing the participating dealer or approved redemption center for the refund value and the applicable handling fee. The requirements of this paragraph apply regardless of the relationship between the distributor or manufacturer and the dealer.

b. Any approved redemption center may refuse to accept containers for redemption if there is no distributor or manufacturer providing reimbursement and paying the requisite fee for the given container. In such cases, the redemption center shall notify the department and must post a notice of the brands it will not accept.

107.13(2) *Redeemed containers must be reasonably clean and intact.* Consumers shall return containers in a reasonably clean and intact condition. For a refillable beverage container, the container must hold liquid, be able to be resealed and be in its original shape. A nonrefillable glass container may be chipped, but it may not have the bottom broken out or the neck broken off. A nonrefillable metal container may be dented or partially crushed but may not be crushed flat. In order to be redeemed, an empty beverage container shall be dry and free of foreign materials other than the dried residue of the beverage. Redemption centers and participating dealers may refuse to redeem containers that are not reasonably clean and intact, as well as containers that do not have an Iowa 5-cent redemption label and containers that have had the Iowa 5-cent label removed or if the label is illegible for any reason.

[ARC 0487D, IAB 8/19/26, effective 9/23/26]

567—107.14(455C) Payment to redemption centers and dealer agents delivering containers to distributors. A distributor shall issue to a redemption center or dealer agent payment of the refund value and handling fee within one week of delivery and acceptance of empty beverage containers, unless otherwise agreed to by both the redemption center and the distributor or by both the dealer agent and the distributor, as the case may be.

[ARC 0487D, IAB 8/19/26, effective 9/23/26]

567—107.15(455C) Sales tax on deposits. The department of revenue has determined that the payment of the deposit by a consumer is not a sale subject to the payment of additional sales tax.

[ARC 0487D, IAB 8/19/26, effective 9/23/26]

These rules are intended to implement Iowa Code chapter 455C.

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- ¹ The Administrative Rules Review Committee at their January 4, 1979, meeting delayed [DEQ 34.8(1)] 107.8(1) under provisions of 67 GA, SF 244, §19.
- ² Effective date of amendments to 567—107.1(455C) to 567—107.15(455C) adopted as ARC 1538B delayed 70 days by the Administrative Rules Review Committee at its meeting held May 15, 2002. At its meeting held July 9, 2002, the Committee delayed the effective date until adjournment of the 2003 Session of the General Assembly. At its meeting held August 13, 2002, the Committee lifted the delay, with the exception of 107.4(3) “d,” 107.4(4), 107.9(2), 107.9(3) and the second paragraph of 107.14, which were placed under Session Delay and remained delayed until December 17, 2002, when amendments published January 8, 2003, became effective.