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SENATE FILE

BY BARTZ

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to redemption of empty beverage containers,  
 2 creating a container redemption fund, a Robert D. Ray  
 3 beautiful land fund, and a bottle bill scholarship fund, and  
 4 providing an effective date.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 194 NAT. RES. & ENVIRONMENT

1 Section 1. Section 123.24, subsection 5, Code 2001, is  
2 amended by striking the subsection.

3 Sec. 2. Section 455C.1, Code 2001, is amended by adding  
4 the following new subsections:

5 NEW SUBSECTION. 10A. "Handling reimbursement equivalent  
6 amount" means an amount of money per pound of empty beverage  
7 containers which is equivalent to one cent per empty beverage  
8 container.

9 NEW SUBSECTION. 12A. "Recycler" means a person approved  
10 by the department who receives empty beverage containers from  
11 a redemption center or a local curbside collection service.

12 NEW SUBSECTION. 14. "Refund equivalent amount" means an  
13 amount of money per pound of empty beverage containers that is  
14 equivalent to five cents per empty beverage container.

15 Sec. 3. Section 455C.1, subsection 6, Code 2001, is  
16 amended by striking the subsection.

17 Sec. 4. Section 455C.2, Code 2001, is amended by striking  
18 the section and inserting in lieu thereof the following:

19 455C.2 DUTIES.

20 The department shall do all of the following:

- 21 1. Administer the container redemption fund.
- 22 2. Determine and publish the refund equivalent amount and  
23 handling reimbursement equivalent amount.
- 24 3. Conduct an approval process for redemption centers and  
25 recyclers.

26 Sec. 5. Section 455C.3, Code 2001, is amended by striking  
27 the section and inserting in lieu thereof the following:

28 455C.3 CONTAINER REDEMPTION FUND.

- 29 1. a. A container redemption fund is established in the  
30 state treasury under the control of the department consisting  
31 of any moneys received by the department from distributors and  
32 from recyclers. Moneys in the fund shall be used for purposes  
33 of disbursing moneys to redemption centers as provided in this  
34 section. The fund shall also consist of any moneys  
35 appropriated by the general assembly for deposit in the fund.

1 Notwithstanding section 8.33, all moneys in the container  
2 redemption fund, which remain unexpended or unobligated at the  
3 close of the fiscal year, shall not revert but shall remain  
4 available for expenditure for subsequent fiscal years.

5 b. As of July 1 of each fiscal year, the department shall  
6 determine the final balance of the fund for the end of the  
7 previous fiscal year. One half of the balance shall be deemed  
8 to constitute abandoned refund value and is appropriated and  
9 shall be allocated by the department in the following manner:

10 (1) Not more than five percent of the abandoned refund  
11 value shall be used by the department for administrative costs  
12 associated with administering this chapter.

13 (2) Fifteen percent of the abandoned refund value shall be  
14 deposited in the Robert D. Ray beautiful land fund created in  
15 section 455C.3A.

16 (3) Ten percent of the abandoned refund value shall be  
17 allocated equally to the solid waste planning areas for  
18 recycling purposes.

19 (4) Ten percent of the abandoned refund value shall be  
20 allocated equally to solid waste planning areas that have not  
21 met the fifty percent waste volume reduction goal established  
22 in section 455D.3 for supporting waste reduction measures.

23 (5) Fifteen percent of the abandoned refund value shall be  
24 allocated equally to county conservation boards for  
25 maintenance of county parks.

26 (6) Twenty percent of the abandoned refund value shall be  
27 allocated to the department of agriculture and land  
28 stewardship for the soil conservation cost share as provided  
29 in section 161A.73, subsection 1, paragraph "a".

30 (7) Twenty percent of the abandoned refund value shall be  
31 allocated to the department of natural resources for the  
32 restore the outdoors program established in section 461A.3A.

33 (8) Five percent of the abandoned refund value shall be  
34 deposited to the bottle bill scholarship fund created in  
35 section 455C.3B.

1 2. Not more than one week after a distributor sells a  
2 beverage container to a dealer, the distributor shall pay the  
3 department five cents for each beverage container sold to a  
4 dealer. The department shall immediately deposit moneys  
5 received from a distributor in the container redemption fund.

6 3. a. At least monthly, a redemption center shall submit  
7 a report to the department detailing the number of pounds of  
8 empty beverage containers transferred to recyclers since the  
9 previous reporting period. The department shall designate a  
10 form for reporting information to the department.

11 b. For every pound of empty beverage containers a  
12 redemption center transfers to a recycler, the department  
13 shall pay the redemption center an amount equivalent to the  
14 sum of the refund equivalent amount and the handling  
15 reimbursement equivalent amount. All payments made pursuant  
16 to this paragraph shall be paid out of moneys in the container  
17 redemption fund.

18 Sec. 6. NEW SECTION. 455C.3A ROBERT D. RAY BEAUTIFUL  
19 LAND FUND.

20 1. The Robert D. Ray beautiful land fund is created in the  
21 office of the treasurer of state under the control of the  
22 department. The fund shall consist of moneys deposited in the  
23 fund pursuant to section 455C.3. Moneys in the fund shall be  
24 used to support environmental programs of the department.

25 2. Moneys in the fund are appropriated annually as  
26 follows:

27 a. Five percent of the moneys in the fund to the state  
28 department of transportation to be used for purposes of the  
29 adopt-a-highway program administered by the department.

30 b. Five percent of the moneys in the fund to the state  
31 board of regents for the Iowa waste reduction center for the  
32 safe and economic management of solid waste and hazardous  
33 substances established in section 268.4 for purposes of the  
34 Iowa waste exchange.

35 c. Thirty percent of the moneys in the fund to the

1 department of natural resources for purposes of providing  
2 financial assistance to cities, counties, or private  
3 organizations for purposes of assisting adopt-a-place programs  
4 designed to address litter collection and prevention.

5 d. Fifteen percent of the moneys in the fund to the  
6 department of natural resources for purposes of providing  
7 grants to dealers and persons operating a redemption center  
8 for purposes of increasing the effectiveness, efficiency, and  
9 convenience of redemption.

10 e. Fifteen percent of the moneys in the fund to the  
11 department of natural resources for purposes of providing  
12 grants to cities, counties, or private organizations for  
13 purposes of awareness, informational, or educational programs  
14 designed to address litter and illegal dumping issues.

15 f. Fifteen percent of the moneys in the fund to the  
16 department of natural resources for purposes of providing  
17 grants to cities, counties, or private organizations for  
18 purposes of awareness, informational, or educational programs  
19 designed to address waste reduction, waste reuse, and  
20 recycling issues.

21 g. Fifteen percent of the moneys in the fund to the  
22 department of natural resources for purposes of providing no-  
23 interest loans to cities, counties, or public or private  
24 organizations for purposes of developing end uses and markets  
25 for recyclables in the state.

26 Sec. 7. NEW SECTION. 455C.3B BOTTLE BILL SCHOLARSHIP  
27 FUND.

28 The bottle bill scholarship fund is established in the  
29 office of treasurer of state to be administered by the  
30 department. The department shall adopt rules pursuant to  
31 chapter 17A for the administration of this section. The rules  
32 shall provide, at a minimum, that students of an eligible  
33 institution as defined in section 261.35 pursuing a curriculum  
34 which includes the topic of natural resources conservation or  
35 solid waste management shall be eligible to receive a bottle

1 bill scholarship for matriculation at the eligible  
2 institution. Notwithstanding section 12C.7, interest earned  
3 on money in the scholarship fund shall be deposited into the  
4 fund and may be used by the commission only for bottle bill  
5 scholarship awards.

6 Sec. 8. Section 455C.4, Code 2001, is amended by striking  
7 the section and inserting in lieu thereof the following:

8 455C.4 REDEMPTION.

9 1. A refund value of not less than five cents shall be  
10 paid by the consumer on each beverage container sold in this  
11 state by a dealer for consumption off the premises.

12 2. A consumer may redeem an empty beverage container  
13 through a redemption center. A redemption center shall  
14 reimburse a consumer for all empty beverage containers  
15 accepted by the redemption center according to the refund  
16 equivalent amount formula published by the department.

17 3. A redemption center may deduct five cents from the  
18 total reimbursement to be received by a consumer for any empty  
19 beverage container that is presented to the redemption center  
20 which does not meet the requirements of section 455C.5.

21 4. A redemption center shall accept any kind of empty  
22 beverage container covered by this chapter that meets the  
23 requirements of section 455C.5. A redemption center shall  
24 refuse to accept a beverage container which has been reduced  
25 or altered in size or shape as defined by the department.

26 5. A consumer may dispose of a beverage container by  
27 allowing the container to be collected by an entity providing  
28 a local curbside collection service. An entity collecting a  
29 beverage container pursuant to this subsection shall not  
30 reimburse the consumer for the container and shall only accept  
31 a container which has been reduced or altered in size or shape  
32 as defined by the department. A container collected by an  
33 entity providing a local curbside collection service shall  
34 sell the container to a recycler approved pursuant to section  
35 455C.7.

1 Sec. 9. Section 455C.5, Code 2001, is amended to read as  
2 follows:

3 455C.5 "IOWA REFUND VALUE" STATED ON CONTAINER --  
4 EXCEPTIONS.

5 1. Each beverage container sold or offered for sale in  
6 this state by a dealer shall clearly indicate the words "Iowa  
7 refund" in capital letters by embossing or by a stamp, label  
8 or other method securely affixed to the container, ~~the refund~~  
9 ~~value-of-the-container~~. The department shall specify, by  
10 rule, the minimum size and contrast of the words "Iowa refund"  
11 value indication on the beverage containers. The embossing,  
12 stamp, label, or other method shall be clear, conspicuous, and  
13 in significant color contrast.

14 2. A person, except a distributor, shall not import into  
15 this state on or after July 1, 1979 January 1, 2002, a  
16 beverage container which does not have securely affixed to the  
17 container the ~~refund-value-indication~~ words "Iowa refund".

18 The provisions of this subsection do not apply if:

19 a. For beverage containers containing alcoholic liquor as  
20 defined in section 123.3, subsection 5, the total capacity of  
21 the containers is not more than one quart or, in the case of  
22 alcoholic liquor personally obtained outside the United  
23 States, one gallon.

24 b. For beverage containers containing beer as defined in  
25 section 123.3, subsection 7, the total capacity of the  
26 containers is not more than two hundred eighty-eight fluid  
27 ounces.

28 c. For all other beverage containers, the total capacity  
29 of the containers is not more than five hundred seventy-six  
30 fluid ounces.

31 3. The provisions of subsections 1 and 2 ~~of this section~~  
32 ~~do not apply to a-refillable-glass-beverage-container-which~~  
33 ~~has-a-brand-name-permanently-marked-on-it-and-which-has-a~~  
34 ~~refund-value-of-not-less-than-five-cents,-to-any-other~~  
35 ~~refillable-beverage-container-which-has-a-refund-value-of-not~~

1 ~~less than five cents and which is exempted by the director~~  
2 ~~under rules adopted by the commission, or to~~ a beverage  
3 container sold aboard a commercial airliner or passenger train  
4 for consumption on the premises.

5 4. A distributor shall not sell or offer for sale to a  
6 dealer in the state a beverage container if the distributor  
7 sells the same beverage container meeting the labeling  
8 requirements of this section in a state that does not have a  
9 beverage container redemption system.

10 Sec. 10. Section 455C.6, Code 2001, is amended to read as  
11 follows:

12 455C.6 REDEMPTION CENTERS.

13 1. To facilitate the return of empty beverage containers  
14 ~~and to serve dealers of beverages,~~ any person may establish a  
15 redemption center, subject to the approval of the department,  
16 at which consumers may return empty beverage containers and  
17 receive payment of the refund ~~value of such~~ equivalent amount  
18 for the beverage containers. A redemption center shall not be  
19 owned or operated by a dealer.

20 2. An application for approval of a redemption center  
21 shall be filed with the department. The application shall  
22 state the name and address of the person responsible for the  
23 establishment and operation of the redemption center, ~~the kind~~  
24 ~~and brand names of the beverage containers which will be~~  
25 ~~accepted at the redemption center, and the names and addresses~~  
26 ~~of the dealers to be served by the redemption center~~ and the  
27 recycler with which the redemption center will be doing  
28 business. The application shall contain such other  
29 information as the director may reasonably require.

30 3. The department shall approve a redemption center if it  
31 finds that the redemption center will provide a convenient  
32 service to consumers for the return of empty beverage  
33 containers. ~~The order of the department approving a~~  
34 ~~redemption center shall state the dealers to be served by the~~  
35 ~~redemption center and the kind and brand names of empty~~

1 ~~beverage-containers-which-the-redemption-center-must-accept-~~  
2 The order approving a redemption center may contain ~~such-other~~  
3 provisions to ~~insure~~ ensure that the redemption center will  
4 provide a convenient service to the public as the director may  
5 determine.

6 4. The department may review the approval of any  
7 redemption center at any time. After written notice to the  
8 person responsible for the establishment and operation of the  
9 redemption center, and to the ~~dealers-served-by-the~~ recycler  
10 with which the redemption center will be doing business, the  
11 commission may, after hearing, withdraw approval of a  
12 redemption center if the commission finds there has not been  
13 compliance with the department's order approving the  
14 redemption center, or if the redemption center no longer  
15 provides a convenient service to the public.

16 5. All approved redemption centers shall meet applicable  
17 health standards.

18 6. A redemption center approved after the effective date  
19 of this Act shall not offer for purchase to a consumer any  
20 beverage sold in multiple unit packages.

21 Sec. 11. Section 455C.7, Code 2001, is amended by striking  
22 the section and inserting in lieu thereof the following:

23 455C.7 RECYCLERS.

24 1. In order for a redemption center to receive moneys from  
25 the container redemption fund, the redemption center must  
26 transfer empty beverage containers to a recycler approved by  
27 the department. An approved recycler shall accept all types  
28 of empty beverage containers covered by this chapter.

29 2. An application for approval of a recycler shall be  
30 filed with the department. The application shall state the  
31 name and address of the recycler and the names and addresses  
32 of the redemption centers to be served by the recycler. The  
33 application shall contain such other information as the  
34 director may reasonably require.

35 3. The department shall approve a recycler if the

1 department finds that the recycler will provide a convenient  
2 service to a significant number of redemption centers. The  
3 order of the department approving a recycler shall state the  
4 redemption centers to be served by the recycler and shall  
5 state the price the department shall receive per pound of  
6 empty beverage containers for containers received from a  
7 redemption center. The order may contain such other  
8 provisions to ensure that the recycler will provide a  
9 convenient service to the redemption centers as the director  
10 may determine.

11 4. The department may review the approval of any recycler  
12 at any time. After written notice to the recycler, and to the  
13 redemption centers served by the recycler, the commission may,  
14 after hearing, withdraw approval of a recycler if the  
15 commission finds there has not been compliance with the  
16 department's order approving the recycler, or if the recycler  
17 no longer provides a convenient service to the redemption  
18 centers.

19 Sec. 12. NEW SECTION. 455C.11 REFILLABLE BEVERAGE  
20 CONTAINERS.

21 Refillable beverage containers shall not be subject to the  
22 provisions of this chapter.

23 Sec. 13. Section 455C.12, subsections 1, 2, 3, and 5, Code  
24 2001, are amended to read as follows:

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

28 2. A ~~distributor~~ recycler who collects or attempts to  
29 collect a refund value on an empty beverage container when the  
30 ~~distributor~~ recycler has ~~paid-the-refund-value-on~~ received the  
31 ~~container-to-a-dealer,-redemption-center,-or-consumer~~ from a  
32 redemption center is guilty of a fraudulent practice.

33 3. Any person who does any of the following acts is guilty  
34 of a fraudulent practice:

35 a. Collects or attempts to collect the refund value on the

1 container a second time, with the knowledge that the refund  
2 value-has-once-been-paid-by-the-distributor-to-a-dealer,  
3 redemption-center-or-consumer container has previously been  
4 transferred to a recycler by a redemption center.

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

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

13 5.--Subsection-2-and-subsection-37-paragraph-"a"-of-this  
14 section-have-no-application-to-empty-beverage-containers-which  
15 are-intended-to-be-refillable-and-are-in-a-standard-of  
16 condition-except-for-sanitization-to-be-refillable-by-the  
17 manufacturer.

18 Sec. 14. DISTRIBUTOR PAYMENT. On January 2, 2002, any  
19 distributor providing beverage containers to a dealer in this  
20 state during the calendar year 2001 shall pay the department  
21 an amount equal to six cents per container for ninety percent  
22 of all containers that were distributed by the distributor  
23 during the calendar year 2001 and that had not been redeemed  
24 as of December 31, 2001.

25 Sec. 15. EFFECTIVE DATE. This Act takes effect January 1,  
26 2002.

27 EXPLANATION

28 This bill amends Code chapter 455C, which relates to the  
29 beverage container control law. The bill replaces the current  
30 system for redeeming and recycling beverage containers with a  
31 new system.

32 The bill creates two new measurements and two new entities  
33 within the container redemption system. The bill provides  
34 that "handling reimbursement equivalent amount" is an amount  
35 of money per pound of empty beverage containers that is

1 equivalent to 1 cent per empty beverage container. The bill  
2 also provides that "refund equivalent amount" is an amount of  
3 money per pound of empty beverage containers which is  
4 equivalent to 5 cents per empty beverage container. The bill  
5 provides that a "recycler" is a person approved by the  
6 department of natural resources who receives empty beverage  
7 containers from a recycling agent.

8 The bill provides departmental duties related to Code  
9 chapter 455C which include administering a newly created  
10 container redemption fund, determining and publishing the  
11 refund equivalent amount, and the handling reimbursement  
12 equivalent amount, and conducting an approval process for  
13 redemption centers and recyclers.

14 The bill creates a container redemption fund in the state  
15 treasury under the control of the department. The bill  
16 provides that the fund shall consist of the moneys received by  
17 the department from distributors and recyclers. The bill  
18 provides that as of July 1 of each fiscal year, the department  
19 shall determine the final balance of the fund for the end of  
20 the previous fiscal year with one half of the balance being  
21 deemed to constitute abandoned refund value. The bill  
22 provides that the abandoned refund value is appropriated to  
23 the department. The bill provides that the moneys shall be  
24 allocated to the Robert D. Ray beautiful land fund, to solid  
25 waste planning areas, to county conservation boards, to the  
26 department of agriculture and land stewardship, to the  
27 department of natural resources, and to the bottle bill  
28 scholarship fund.

29 The bill creates a Robert D. Ray beautiful land fund under  
30 the control of the department to be used to support  
31 environmental programs of the department. The bill provides  
32 that the moneys in the fund shall be appropriated annually to  
33 the state department of transportation for the adopt-a-highway  
34 program, to the state board of regents for the Iowa waste  
35 exchange, and to the department of natural resources for an

1 adopt-a-place program, grants for programs on litter and  
2 illegal dumping, grants for programs on waste reduction, waste  
3 reuse, and recycling, and no-interest loans for developing end  
4 uses and markets for recyclables.

5 The bill creates a bottle bill scholarship fund to provide  
6 scholarships to postsecondary students pursuing a curriculum  
7 which includes the topics of natural resources conservation  
8 and solid waste management.

9 The bill provides that a refund value of not less than 5  
10 cents shall be paid by the consumer on each beverage  
11 container. The bill provides that redemption centers shall be  
12 used for redeeming empty beverage containers and that  
13 redemption centers shall pay the refund value to consumers.  
14 The bill provides that redemption centers shall refuse to  
15 accept a container which has been reduced or altered in size  
16 or shape as defined by the department. The bill provides that  
17 a consumer may dispose of a beverage container by allowing the  
18 container to be collected by an entity providing a local  
19 curbside collection service and that such an entity collecting  
20 a beverage container shall not reimburse the consumer for the  
21 container and shall only accept a container which has been  
22 reduced or altered in size or shape as defined by the  
23 department. The bill provides that a container collected by  
24 such an entity providing a local curbside collection service  
25 shall sell the container to an approved recycler.

26 The bill provides that, not more than one week after a  
27 distributor sells a beverage container to a dealer, the  
28 distributor shall pay the department 5 cents for each beverage  
29 container sold to a dealer. The bill also provides that, at  
30 least monthly, a redemption center shall submit a report to  
31 the department detailing the number of pounds of empty  
32 beverage containers transferred to recyclers since the  
33 previous reporting period. The bill provides that, for every  
34 pound of empty beverage containers transferred to a recycler,  
35 the department shall pay the redemption center an amount

1 equivalent to the sum of the refund equivalent amount and the  
2 handling reimbursement equivalent amount.

3 The bill provides that a redemption center may deduct 5  
4 cents from the total reimbursement to be received by a  
5 consumer for any empty beverage container that is presented to  
6 the redemption center and does not meet the container labeling  
7 requirements.

8 The bill makes amendments related to the container labeling  
9 requirements. The bill provides that the words "Iowa refund"  
10 shall be on every container in a manner that is clear,  
11 conspicuous, and in significant color contrast. The bill  
12 prohibits a distributor from selling or offering for sale to a  
13 dealer in this state a container if the distributor sells the  
14 same beverage container meeting the labeling requirements in a  
15 state that does not have a beverage container redemption  
16 system.

17 The bill makes conforming amendments to provisions relating  
18 to redemption centers. The bill provides that redemption  
19 centers approved after the effective date of the bill shall  
20 not sell or offer for sale to a consumer any beverage sold in  
21 multiple unit packages. The bill provides that a dealer shall  
22 not own or operate a redemption center.

23 The bill provides an application and approval process for  
24 recyclers. The bill provides for the subsequent review and  
25 withdrawal of approval of a recycler. The bill provides that  
26 an order approving a recycler shall include the price the  
27 department shall receive per pound of empty beverage  
28 containers for containers received from a redemption center.

29 The bill provides that refillable beverage containers shall  
30 not be subject to the provisions of Code chapter 455C.

31 The bill provides that, on January 2, 2002, any distributor  
32 providing beverage containers to a dealer in the state during  
33 the calendar year 2001 shall pay the department an amount  
34 equal to 6 cents per container for 90 percent of all  
35 containers that were distributed by the distributor during the

1 calendar year 2001 and that had not been redeemed as of  
2 December 31, 2001.

3 The bill makes conforming amendments to the penalty  
4 provisions of Code chapter 455C.

5 The bill takes effect January 1, 2002.

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