

SENATE FILE 39
BY BRUNKHORST NAT. RES. & ENVIRONMENT

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, and providing effective
3 dates.

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

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SF 39
NAT. RES. & ENVIRONMENT

1 Section 1. Section 455C.1, subsections 1, 2, 6, and 10,
2 Code 2005, are amended to read as follows:

3 1. "Beverage" means includes, but is not limited to, wine
4 as-defined-in-section-123.37-subsection-37, alcoholic liquor
5 as-defined-in-section-123.37-subsection-5, and beer all as
6 defined in section 123.3, subsection-77-mineral-water, soda
7 water-and-similar-carbonated-soft-drinks and any nonalcoholic
8 carbonated and noncarbonated drinks excluding grade 'A' milk
9 and milk products as specified in the grade 'A' pasteurized
10 milk ordinance, as provided in section 192.102, in liquid form
11 and intended for human consumption. "Beverage" does not
12 include any of the following:

13 a. A liquid that is any of the following:

14 (1) A syrup.

15 (2) In a concentrated form.

16 (3) Typically added as a minor flavoring ingredient in
17 food or drink, such as extracts, cooking additives, sauces, or
18 condiments.

19 b. A liquid that is ingested in very small quantities and
20 consumed for medicinal purposes only.

21 c. A liquid that is designed and consumed only as a
22 nutritional supplement, as defined by the department, and not
23 as a beverage.

24 d. Products frozen at the time of sale to the consumer,
25 or, in the case of institutional users such as hospitals and
26 nursing homes, at the time of sale to such users.

27 e. Products designed to be consumed in a frozen state.

28 f. Instant drink powders.

29 g. Seafood, meat, or vegetable broths or soups but not
30 juices.

31 h. Farm-produced apple cider that has not been heated,
32 pasteurized, or otherwise processed.

33 i. Infant formula.

34 2. "Beverage container" means any sealed-glass, plastic,
35 or-metal bottle, can, jar or-carton, or other container made

1 of glass, metal, or plastic containing a beverage which has
2 been sealed by a manufacturer. "Beverage containers" for
3 noncarbonated drinks, excluding alcoholic liquor, wine, and
4 fruit juices and drinks, includes only those containers with a
5 maximum capacity of not more than two liters and not less than
6 one hundred forty-seven milliliters. "Beverage containers"
7 made of high-density polyethylene for fruit juices and drinks
8 includes only those containers with a maximum capacity of less
9 than one-half gallon.

10 ~~6.---"Dealer-agent"-means-a-person-who-solicits-or-picks-up~~
11 ~~empty-beverage-containers-from-a-dealer-for-the-purpose-of~~
12 ~~returning-the-empty-beverage-containers-to-a-distributor-or~~
13 ~~manufacturer-~~

14 ~~10.---"Geographic-territory"-means-the-geographical-area~~
15 ~~within-a-perimeter-formed-by-the-outermost-boundaries-served~~
16 ~~by-a-distributor-~~

17 Sec. 2. Section 455C.1, Code 2005, is amended by adding
18 the following new subsection:

19 NEW SUBSECTION. 14. "Steward" means an organization which
20 has tax-exempt status under section 501(c)(3) of the Internal
21 Revenue Code chosen by distributors to administer the
22 container redemption fund created in section 455C.3B, as well
23 as perform other duties identified in an agreement between the
24 steward and distributors.

25 Sec. 3. NEW SECTION. 455C.2A REFUND VALUE.

26 1. A refund value of not less than five cents shall be
27 paid by the consumer on each beverage container sold in this
28 state by a dealer for consumption off the premises. Upon
29 return of the empty beverage container, upon which a refund
30 value has been paid, to a person operating a redemption center
31 and acceptance of the empty beverage container by the person
32 operating the redemption center, the person operating the
33 redemption center shall return the amount of the refund value
34 to the consumer.

35 2. A consumer may dispose of a beverage container by

1 allowing the container to be collected by an entity providing
2 a local curbside collection service. An entity collecting a
3 beverage container pursuant to this subsection shall only
4 accept a container which has been reduced or altered in size
5 or shape as defined by the department.

6 Sec. 4. NEW SECTION. 455C.3A REIMBURSEMENT AMOUNT.

7 In addition to the refund value provided in section
8 455C.2A, a person operating a redemption center who redeems
9 empty beverage containers shall be reimbursed from moneys in
10 the container redemption fund an amount which is one cent per
11 container.

12 Sec. 5. NEW SECTION. 455C.3B CONTAINER REDEMPTION FUND.

13 1. A container redemption fund shall be established by a
14 steward selected by all distributors who sell a beverage
15 container to a dealer in this state. The fund shall consist
16 of any moneys received from distributors. Moneys in the fund
17 shall be considered to be held by the steward on behalf of the
18 consumers purchasing a beverage container from a dealer. Any
19 interest earned on moneys in the fund shall be retained in the
20 fund. The fund shall be used for purposes of disbursing
21 moneys to redemption centers and for purposes described in
22 section 455C.3C.

23 2. Within the container redemption fund, the steward shall
24 create an Iowa beautiful land account which shall be used at
25 the steward's discretion for purposes of supporting programs
26 related to recycling, solid waste management, and litter
27 control.

28 3. Within the container redemption fund, the steward shall
29 create a bottle bill scholarship account. The steward shall
30 establish a scholarship program which shall provide to
31 students of an eligible institution as defined in section
32 261.35 scholarships for matriculation at such an eligible
33 institution. In order to qualify for a scholarship, the
34 student, at a minimum, shall pursue a curriculum which
35 includes the topic of natural resources conservation or solid

1 waste management.

2 Sec. 6. NEW SECTION. 455C.3C ADMINISTRATION OF FUND.

3 On or after the first day of each calendar quarter, the
4 steward shall determine the final balance of the fund for the
5 end of the previous calendar quarter. One-half of the balance
6 shall be deemed to constitute abandoned refund value and shall
7 be allocated by the steward, in the following manner:

8 1. For the fiscal year beginning July 1, 2006, the steward
9 shall do all of the following:

10 a. Allocate up to ten percent of the abandoned refund
11 value for purposes of administering the fund.

12 b. Allocate up to thirty percent of the abandoned refund
13 value for purposes of providing financial assistance to
14 redemption centers for start-up costs.

15 c. Allocate thirty percent of the abandoned refund value
16 for purposes of providing financial assistance to solid waste
17 planning areas for recycling purposes.

18 d. Allocate the remaining abandoned refund value for
19 deposit in the Iowa beautiful land account.

20 2. For the fiscal year beginning July 1, 2007, the steward
21 shall do all of the following:

22 a. Allocate up to seven percent of the abandoned refund
23 value for purposes of administering the fund.

24 b. Allocate twenty percent of the abandoned refund value
25 for purposes of providing financial assistance to redemption
26 centers for start-up costs.

27 c. Allocate thirty percent of the abandoned refund value
28 for purposes of providing financial assistance to solid waste
29 planning areas for recycling purposes.

30 d. Allocate eight percent of the abandoned refund value
31 for purposes of remitting the moneys to the department to be
32 used by the department for the restore the outdoors program
33 established in section 461A.3A.

34 e. Allocate five percent of the abandoned refund value for
35 deposit in the bottle bill scholarship account.

1 f. Allocate the remaining abandoned refund value for
2 deposit in the Iowa beautiful land account.

3 3. For the fiscal year beginning July 1, 2008, and every
4 fiscal year thereafter, the steward shall do all of the
5 following:

6 a. Allocate up to five percent of the abandoned refund
7 value for purposes of administering the fund.

8 b. Allocate ten percent of the abandoned refund value for
9 purposes of expanding recycling efforts at redemption centers.

10 c. Allocate thirty percent of the abandoned refund value
11 for purposes of providing financial assistance to solid waste
12 planning areas for recycling purposes.

13 d. Allocate twenty percent of the abandoned refund value
14 for purposes of remitting the moneys to the department to be
15 used by the department for the restore the outdoors program
16 established in section 461A.3A.

17 e. Allocate five percent of the abandoned refund value for
18 deposit in the bottle bill scholarship account.

19 f. Allocate the remaining abandoned refund value for
20 deposit in the Iowa beautiful land account.

21 Sec. 7. Section 455C.4, Code 2005, is amended to read as
22 follows:

23 455C.4 REFUSAL TO ACCEPT CONTAINERS.

24 ~~1. Except-as-provided-in-section-455C.5, subsection 3, a~~
25 ~~dealer, a~~ A person operating a redemption center, a
26 ~~distributor or a manufacturer~~ may refuse to accept any empty
27 beverage container which does not have stated on it a refund
28 value as provided under section ~~455C.2~~ 455C.2A. A person
29 operating a redemption center shall refuse to accept an empty
30 beverage container that has been reduced or altered in size or
31 shape as defined by the department.

32 ~~2. A dealer may refuse to accept and to pay the refund~~
33 ~~value of any empty beverage container if the place of business~~
34 ~~of the dealer and the kind and brand of empty beverage~~
35 ~~containers are included in an order of the department~~

1 ~~approving-a-redemption-center-under-section-455C-6. A~~
2 ~~redemption center may deduct five cents from the total~~
3 ~~reimbursement to be received by a consumer for any empty~~
4 ~~beverage container that is presented to the redemption center~~
5 ~~that does not meet the requirements of section 455C.5.~~

6 ~~3.--A-dealer-or-a-distributor-may-refuse-to-accept-and-to~~
7 ~~pay-the-refund-value-of-an-empty-wine-or-alcoholic-liquor~~
8 ~~container-which-is-marked-to-indicate-that-it-was-sold-by-a~~
9 ~~state-liquor-store.--The-alcoholic-beverages-division-shall~~
10 ~~not-reimburse-a-dealer-or-a-distributor-the-refund-value-on-an~~
11 ~~empty-wine-or-alcoholic-liquor-container-which-is-marked-to~~
12 ~~indicate-that-the-container-was-sold-by-a-state-liquor-store.~~

13 ~~4.--A-class-"E"-liquor-control-licensee-may-refuse-to~~
14 ~~accept-and-to-pay-the-refund-value-on-an-empty-alcoholic~~
15 ~~liquor-container-from-a-dealer-or-a-redemption-center-or-from~~
16 ~~a-person-acting-on-behalf-of-or-who-has-received-empty~~
17 ~~alcoholic-liquor-containers-from-a-dealer-or-a-redemption~~
18 ~~center.~~

19 ~~5.--A-manufacturer-or-distributor-may-refuse-to-accept-and~~
20 ~~to-pay-the-refund-value-and-reimbursement-as-provided-in~~
21 ~~section-455C-2-on-any-empty-beverage-container-that-was-picked~~
22 ~~up-by-a-dealer-agent-from-a-dealer-outside-the-geographic~~
23 ~~territory-served-by-the-manufacturer-or-distributor.~~

24 Sec. 8. Section 455C.5, subsection 1, Code 2005, is
25 amended to read as follows:

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

33 Sec. 9. Section 455C.5, Code 2005, is amended by adding
34 the following new subsections:

35 NEW SUBSECTION. 4. A distributor shall not sell or offer

1 for sale to a dealer in this state a beverage container if the
2 distributor sells the same beverage container meeting the
3 labeling requirements of this section in a state that does not
4 have a beverage container redemption system, unless the
5 distributor deposits in the container redemption fund an
6 amount equal to the refund value per container meeting the
7 labeling requirements of this section to a dealer in a state
8 that does not have a beverage container redemption system.

9 NEW SUBSECTION. 5. Subsection 4 shall not apply if a
10 distributor demonstrates to the steward an average ratio of
11 beverage containers meeting the labeling requirements of this
12 section and sold to dealers in a state that does not have a
13 beverage container redemption system which are eventually
14 redeemed in this state. Upon approval by the steward of the
15 ratio, the steward and distributor shall agree on the proper
16 amount the distributor must pay into the container redemption
17 fund per container sold to a dealer in a state that does not
18 have a beverage container redemption system.

19 Sec. 10. Section 455C.6, Code 2005, is amended to read as
20 follows:

21 455C.6 REDEMPTION CENTERS.

22 1. To facilitate the return of empty beverage containers
23 ~~and-to-serve-dealers-of-beverages~~, any person may establish a
24 redemption center, subject to the approval of the department
25 steward, at which consumers may return empty beverage
26 containers and receive payment of the refund value of such
27 beverage containers. A dealer shall not own or operate a
28 redemption center, unless the redemption center is located
29 outside and separate from the business premises of the dealer.

30 2. An application for approval of a redemption center
31 shall be filed with the department steward. The application
32 shall state the name and address of the person responsible for
33 the establishment and operation of the redemption center, and
34 the kind and brand names of the beverage containers which will
35 be accepted at the redemption center, ~~and-the-names-and~~

1 ~~addresses-of-the-dealers-to-be-served-by-the-redemption~~
2 center. The application shall contain such other information
3 as the director steward may reasonably require.

4 3. The department steward shall approve a redemption
5 center if it finds that the redemption center will provide a
6 convenient service to consumers for the return of empty
7 beverage containers. ~~The-order-of-the-department-approving-a~~
8 ~~redemption-center-shall-state-the-dealers-to-be-served-by-the~~
9 ~~redemption-center-and-the-kind-and-brand-names-of-empty~~
10 ~~beverage-containers-which-the-redemption-center-must-accept-~~
11 The order approving a redemption center may contain such other
12 provisions to insure ensure that the redemption center will
13 provide a convenient service to the public as the director
14 steward may determine.

15 4. The department steward may review the approval of any
16 redemption center at any time. After written notice to the
17 person responsible for the establishment and operation of the
18 redemption center, ~~and-to-the-dealers-served-by-the-redemption~~
19 ~~center,~~ the commission steward may, after hearing, withdraw
20 approval of a redemption center if the commission steward
21 finds there has not been compliance with the department's
22 steward's order approving the redemption center, or if the
23 redemption center no longer provides a convenient service to
24 the public.

25 5. All approved redemption centers shall meet applicable
26 health standards.

27 Sec. 11. Section 455C.12, subsections 1, 2, and 3, Code
28 2005, are amended to read as follows:

29 1. Any person violating the provisions of section ~~455C-2,~~
30 ~~455C-3,~~ 455C.5, and 455C.8, or a rule adopted under this
31 chapter shall be guilty of a simple misdemeanor.

32 2. ~~A-distributor~~ An owner or operator of a redemption
33 center who collects or attempts to collect a refund value on
34 an empty beverage container when the distributor redemption
35 center has paid the refund value on the container to a dealer,

1 redemption-center, or consumer is guilty of a fraudulent
2 practice.

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

5 a. Collects or attempts to collect the refund value on the
6 container a second time, with the knowledge that the refund
7 value has once been paid by the distributor redemption center
8 to a dealer, redemption-center or consumer.

9 b. Manufactures, sells, possesses, or applies a false or
10 counterfeit label or indication which shows or purports to
11 show a refund value for a beverage container, with intent to
12 use the false or counterfeit label or indication.

13 c. Collects or attempts to collect a refund value on a
14 container with the use of a false or counterfeit label or
15 indication showing a refund value, knowing the label or
16 indication to be false or counterfeit.

17 Sec. 12. NEW SECTION. 455C.17 PILOT PROJECT.

18 The steward shall establish a pilot project which would
19 allow a solid waste planning area to function as a redemption
20 center in terms of accepting empty beverage containers from
21 consumers and paying the refund value to consumers. A
22 participant in the pilot project shall receive from the
23 container redemption fund five cents per container accepted
24 from a consumer. Any container accepted by a pilot project
25 participant may be sold by the participant to a recycler and
26 moneys received by the participant shall be retained by the
27 participant.

28 Sec. 13. NEW SECTION. 455C.18 REPORT.

29 1. By January 15 of each year, the steward shall submit to
30 the department a financial report regarding the container
31 redemption fund.

32 2. Every five years beginning in the calendar year 2011,
33 by January 15, the department, in cooperation with the
34 steward, shall submit a written report to the general assembly
35 which reviews and provides recommendations regarding the

1 administration of this chapter including, but not limited to,
2 the allocation of abandoned refund value in the container
3 redemption fund and the types of beverage containers covered
4 under this chapter.

5 Sec. 14. NEW SECTION. 455C.19 RECYCLED CONTENT IN
6 BEVERAGE CONTAINERS.

7 A beverage container made of glass or metal sold or offered
8 for sale in this state shall have a minimum postconsumer
9 recycled content of twenty-five percent by weight.

10 Sec. 15. Section 123.24, subsection 5, Code 2005, is
11 amended to read as follows:

12 5. Notwithstanding subsection 4, the division shall assess
13 a bottle surcharge to be included in the price of alcoholic
14 liquor in an amount sufficient, ~~when added to the amount not~~
15 ~~refunded to class "E" liquor control licensees pursuant to~~
16 ~~section 455C-2,~~ to pay the costs incurred by the division for
17 collecting and properly disposing of the liquor containers.
18 The amount collected pursuant to this subsection, ~~in addition~~
19 ~~to any amounts not refunded to class "E" liquor control~~
20 ~~licensees pursuant to section 455C-2,~~ shall be deposited in
21 the beer and liquor control fund established under section
22 123.53.

23 Sec. 16. Section 455C.3A, as enacted in section 4 of this
24 Act, is amended to read as follows:

25 455C.3A REIMBURSEMENT AMOUNT.

26 1. In addition to the refund value provided in section
27 455C.2A, a person operating a redemption center who redeems
28 empty beverage containers shall be reimbursed from moneys in
29 the container redemption fund an amount which is one cent and
30 one-half cents per container.

31 2. By the seventh day of each month, a distributor that is
32 not a part of the agreement submitted to the department
33 pursuant to section 21 of this Act shall remit to the steward
34 for deposit in the container redemption fund an amount equal
35 to three cents for each beverage container sold to a dealer

1 during the previous month.

2 Sec. 17. Section 455C.3A, as enacted in section 4 of this
3 Act, is amended to read as follows:

4 455C.3A REIMBURSEMENT AMOUNT.

5 1. In addition to the refund value provided in section
6 455C.2A, a person operating a redemption center who redeems
7 empty beverage containers shall be reimbursed from moneys in
8 the container redemption fund an amount which is one-cent
9 three cents per container.

10 2. By the seventh day of each month, a distributor that is
11 not a part of the agreement submitted to the department
12 pursuant to section 21 of this Act shall remit to the steward
13 for deposit in the container redemption fund an amount equal
14 to three cents for each beverage container sold to a dealer
15 during the previous month.

16 Sec. 18. Section 455C.2, Code 2005, is repealed.

17 Sec. 19. Section 455C.3, Code 2005, is repealed.

18 Sec. 20. Section 455C.7, Code 2005, is repealed.

19 Sec. 21. DISTRIBUTOR PLAN -- CONTINGENT EFFECTIVE DATE.

20 1. By January 1, 2006, all distributors shall develop an
21 agreement and submit the agreement to the department of
22 natural resources. The agreement shall include provisions
23 relating to, but not be limited to, all of the following:

24 a. The designation of a steward for the container
25 redemption fund.

26 b. The amount of moneys to be deposited in the container
27 redemption fund by distributors on a per beverage container
28 basis.

29 c. The manner in which distributors shall transfer moneys
30 in paragraph "b".

31 d. A plan for distributors to transfer to the steward for
32 deposit in the container redemption fund on July 1, 2006, any
33 moneys being held by distributors as unredeemed refund value.

34 2. An agreement shall not be deemed complete or properly
35 submitted to the department until the department approves the

1 steward designated by the distributors.

2 3. If the department has not received an agreement from
3 distributors and has not approved the steward designated by
4 the distributors by January 1, 2006, section 17 of this Act
5 takes effect January 1, 2006, section 23, subsections 1 and 2,
6 of this Act are repealed on January 1, 2006, and section 16 of
7 this Act is repealed on January 1, 2006.

8 4. If the department has received an agreement from
9 distributors and has approved the steward designated by the
10 distributors by January 1, 2006, section 16 of this Act takes
11 effect January 1, 2006, and section 23, subsection 1, of this
12 Act is repealed January 1, 2006.

13 Sec. 22. FUND CREATION -- INITIAL DEPOSITS -- EFFECTIVE
14 DATE -- CONTINGENT REPEAL.

15 1. By July 1, 2006, the steward shall establish the
16 container redemption fund and receive initial deposits from
17 distributors. Upon completion of the requirements of this
18 subsection, the steward shall submit notice to the department
19 of natural resources confirming compliance with the
20 requirements of this subsection. If the department receives
21 notice by July 1, 2006, section 17 of this Act and section 23,
22 subsection 2, of this Act are repealed July 1, 2006.

23 2. If the department has not received notice of compliance
24 from the steward by July 1, 2006, section 17 of this Act takes
25 effect July 1, 2006, and section 23, subsection 2, of this Act
26 is repealed July 1, 2006.

27 3. Sections 5 and 6 of this Act shall take effect July 1,
28 2006.

29 Sec. 23. EFFECTIVE DATES.

30 1. Section 16 of this Act takes effect January 1, 2007.

31 2. Section 17 of this Act takes effect January 1, 2007.

32 3. Sections 3, 4, 7, 8, 9, 10, 11, 12, 13, 15, 18, 19, and
33 20 of this Act take effect January 1, 2007.

34 4. Sections 1 and 14 of this Act take effect July 1, 2007.

35

EXPLANATION

1 This bill amends Code chapter 455C, which contains the
2 beverage container control law. The bill replaces the current
3 system for redeeming and recycling beverage containers with a
4 new system.

5 Effective July 1, 2007, the bill expands the list of
6 beverages whose containers are regulated under Code chapter
7 455C and amends the definition of "beverage container". The
8 newly regulated beverages include any nonalcoholic carbonated
9 and noncarbonated drinks excluding grade 'A' milk and milk
10 products as specified in the grade 'A' pasteurized milk
11 ordinance. The bill provides a list of exceptions to the
12 newly regulated beverages. The bill provides that "beverage
13 container" means a bottle, can, jar, or other container made
14 of glass, metal, or plastic containing a beverage. The bill
15 limits the definition by size for certain noncarbonated drinks
16 and beverage containers for fruit juices and drinks.

17 Effective July 1, 2007, the bill provides that a beverage
18 container made of glass or metal sold or offered for sale in
19 this state shall have a minimum postconsumer recycled content
20 of 25 percent by weight.

21 Effective January 1, 2007, the bill provides that a refund
22 value of not less than 5 cents shall be paid by the consumer
23 on each beverage container sold in this state by a dealer for
24 consumption off the premises. The bill provides that, upon
25 return of the empty beverage container, upon which a refund
26 value has been paid, to a person operating a redemption center
27 and acceptance of the empty beverage container by the person
28 operating the redemption center, the person operating the
29 redemption center shall return the amount of the refund value
30 to the consumer.

31 Effective January 1, 2007, the bill provides that in
32 addition to the refund value, a person operating a redemption
33 center who redeems empty beverage containers shall be
34 reimbursed from moneys in the container redemption fund an
35 amount which is 1 cent per container.

1 Effective July 1, 2006, the bill provides that a container
2 redemption fund shall be established and administered by a
3 steward selected by all distributors and approved by the
4 department of natural resources. The bill provides that the
5 fund shall consist of any moneys received from distributors.
6 The bill also creates an Iowa beautiful land account and a
7 scholarship account within the fund.

8 Effective July 1, 2006, the bill provides that, on or after
9 the first day of each calendar quarter, the steward shall
10 determine the final balance of the fund for the end of the
11 previous calendar quarter. The bill provides that one-half of
12 the balance shall be deemed to constitute abandoned refund
13 value and provides for the allocation of the abandoned refund
14 value.

15 Effective January 1, 2007, the bill provides that a person
16 operating a redemption center shall refuse to accept an empty
17 beverage container which has been reduced or altered in size
18 or shape as defined by the department. The bill provides that
19 a redemption center may deduct 5 cents from the total
20 reimbursement to be received by a consumer for any empty
21 beverage container that is presented to the redemption center
22 that does not meet the labeling requirements.

23 Effective January 1, 2007, the bill provides a beverage
24 container sold or offered for sale in this state by a dealer
25 shall clearly and conspicuously indicate the refund value.
26 The bill provides that a distributor shall not sell or offer
27 for sale to a dealer in this state a beverage container if the
28 distributor sells the same beverage container meeting the
29 labeling requirements of this section in a state that does not
30 have a beverage container redemption system, unless the
31 distributor deposits in the container redemption fund an
32 amount equal to the refund value per container meeting the
33 labeling requirements to a dealer in a state that does not
34 have a beverage container redemption system, unless a
35 distributor demonstrates to the steward an average ratio of

1 beverage containers meeting the labeling requirements and sold
2 to dealers in a state that does not have a beverage container
3 redemption system which are eventually redeemed in this state.

4 Effective January 1, 2007, the bill provides that a dealer
5 shall not own or operate a redemption center, unless the
6 redemption center is located outside and separate from the
7 business premises of the dealer.

8 Effective January 1, 2007, the bill provides that the
9 steward shall establish a pilot project which would allow a
10 solid waste planning area to function as a redemption center
11 in terms of accepting empty beverage containers from consumers
12 and paying the refund value to consumers. The bill provides
13 that a participant in a pilot project shall receive 5 cents
14 per container from the container redemption fund and any
15 container accepted by the participant may be sold by the
16 participant to a recycler with the participant retaining the
17 proceeds of the sale.

18 Effective January 1, 2007, the bill provides that, by
19 January 15 of each year, the steward shall submit to the
20 department a financial report regarding the container
21 redemption fund. The bill provides that, every five years
22 beginning in the calendar year 2011, by January 15, the
23 department, in cooperation with the steward, shall submit a
24 written report to the general assembly which reviews and
25 provides recommendations regarding the administration of the
26 beverage container control law.

27 The bill provides that, by January 1, 2006, all
28 distributors shall develop an agreement and submit the
29 agreement to the department. The bill provides that the
30 agreement shall include the designation of a steward for the
31 container redemption fund, the amount to be deposited in the
32 container redemption fund by distributors on a per beverage
33 container basis, the manner in which distributors shall
34 transfer moneys to the fund, and a plan for distributors to
35 transfer to the steward for deposit in the container

1 redemption fund any moneys being held by distributors as
2 unredeemed refund value. The bill provides that an agreement
3 shall not be deemed complete or properly submitted to the
4 department until the department approves the steward
5 designated by the distributors. The bill provides that if the
6 department has received an agreement from distributors by
7 January 1, 2006, the reimbursement amount shall increase to
8 1.5 cents per container, otherwise the reimbursement amount
9 increases to 3 cents. The bill provides that, for any
10 distributor not part of the distributor agreement, the
11 distributor shall remit to the steward for deposit in the
12 container redemption fund an amount equal to 3 cents for each
13 beverage container sold to a dealer during the previous month.

14 The bill provides that, by July 1, 2006, the steward shall
15 establish the container redemption fund and receive initial
16 deposits from distributors and shall submit notice to the
17 department confirming compliance with these requirements. The
18 bill provides that if notice is not received by July 1, 2006,
19 the reimbursement amount shall increase to 3 cents per
20 container.

21 The bill also makes conforming amendments.

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