

House File 2205 - Introduced

HOUSE FILE 2205

BY LOHSE

A BILL FOR

1 An Act providing for the future repeal of the beverage
2 containers control program, making appropriations, and
3 including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

UNPAID REFUND VALUE

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Section 1. Section 16.41, subsection 1, Code 2020, is amended to read as follows:

1. A shelter assistance fund is created as a revolving fund in the state treasury under the control of the authority consisting of any moneys appropriated by the general assembly and received under [section 428A.8](#) and [section 455C.11](#) for costs of operations of shelters for the homeless and domestic violence shelters, essential services for the homeless, and evaluation and reporting of services for the homeless. Each fiscal year, moneys in the fund, in an amount equal to not more than three percent of the total moneys distributed as grants from the fund during the fiscal year, may be used for purposes of administering the fund.

Sec. 2. Section 455C.1, subsections 3, 7, 8, 10, and 12, Code 2020, are amended by striking the subsections.

Sec. 3. Section 455C.2, subsection 1, Code 2020, is amended to read as follows:

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

Sec. 4. NEW SECTION. 455C.11 Unpaid refund value.

1. Refund value that has not been paid by a distributor to a dealer or redemption center on and after July 1, 2020, shall be credited monthly to the treasurer of state for deposit in the following manner:

a. Ninety percent of unpaid refund value shall be deposited in the unpaid refunds recycling fund established in section

1 455C.11A.

2 *b.* Ten percent of the unpaid refund value shall be deposited
3 in the shelter assistance fund established in section 16.41.

4 2. In the event that a dealer, dealer agent, or redemption
5 center lawfully accepts beverage containers and returns
6 refund value to consumers prior to September 1, 2023, in an
7 amount that exceeds the amount a distributor has available
8 due to unpaid refund value previously credited to the
9 treasurer of state under subsection 1, the distributor
10 shall accept the containers, pay the refund value, and pay
11 the reimbursement amount of one cent per container. The
12 distributor may submit receipts to the department, in a manner
13 prescribed by the department, showing the discrepancy, and
14 the commission shall issue a refund from the unpaid refunds
15 recycling fund established in section 455C.11A in the amount
16 of the discrepancy. The distributor shall not include the
17 reimbursement amount of one cent per container upon the
18 acceptance of empty beverage containers when demonstrating a
19 discrepancy.

20 3. This section is repealed October 1, 2023.

21 Sec. 5. NEW SECTION. **455C.11A Unpaid refunds recycling**
22 **grant program — fund created.**

23 1. The department shall establish and the commission
24 shall administer an unpaid refunds recycling grant program.
25 The purpose of the program shall be to provide financial
26 assistance to enhance recycling programs. The program shall be
27 administered in accordance with rules adopted by the commission
28 pursuant to chapter 17A.

29 2. An unpaid refunds recycling fund is established in the
30 state treasury under the control of the commission. The fund
31 shall consist of moneys appropriated to or deposited in the
32 fund. Moneys in the fund are appropriated to the commission
33 for purposes of issuing grants under the program as set forth
34 under subsection 3. Notwithstanding section 8.33, moneys in
35 the fund that remain unencumbered or unobligated at the close

1 of a fiscal year shall not revert but shall remain available
2 for expenditure for the purposes designated. Notwithstanding
3 section 12C.7, subsection 2, interest or earnings on moneys in
4 the fund shall be credited to the fund.

5 3. Moneys in the fund shall be used by the commission to
6 issue grants under the program in the following manner:

7 a. Twenty-eight percent shall be allocated for the issuance
8 of grants to provide assistance for the establishment of
9 recycling systems.

10 b. Twenty-eight percent shall be allocated for the issuance
11 of grants to provide assistance for the expansion of existing
12 recycling systems, including dual stream recycling.

13 c. Thirty-three percent shall be allocated for the issuance
14 of grants to provide assistance for existing redemption centers
15 to transition to operate as recycling centers.

16 d. Eleven percent shall be allocated for the issuance of
17 grants to provide assistance for new and existing recycling
18 education programs.

19 4. This section is repealed October 1, 2023.

20 Sec. 6. FUTURE REPEAL. Sections 455C.5, 455C.6, 455C.7, and
21 455C.10, Code 2020, are repealed effective July 1, 2023.

22 Sec. 7. FUTURE REPEAL. Sections 455C.2, 455C.3, 455C.4,
23 455C.9, 455C.12, 455C.13, and 455C.14, Code 2020, are repealed
24 effective September 1, 2023.

25 Sec. 8. FUTURE REPEAL. The section of this Act amending
26 section 16.41 is repealed effective October 1, 2023.

27 Sec. 9. EFFECTIVE DATE. The following takes effect July 1,
28 2023:

29 The section of this division of this Act amending section
30 455C.2, subsection 1.

31 Sec. 10. EFFECTIVE DATE. The following takes effect October
32 1, 2023:

33 The section of this division of this Act amending section
34 455C.1.

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DIVISION II

CONFORMING CHANGES

1
2 Sec. 11. Section 123.24, subsection 2, paragraph d, Code
3 2020, is amended to read as follows:

4 *d.* A bottle surcharge in an amount sufficient, ~~when~~
5 ~~added to the amount not refunded to class "E" liquor control~~
6 ~~licensees pursuant to [section 455C.2](#),~~ to pay the costs incurred
7 by the division for collecting and properly disposing of the
8 liquor containers. The amount collected pursuant to this
9 paragraph, ~~in addition to any amounts not refunded to class "E"~~
10 ~~liquor control licensees pursuant to [section 455C.2](#),~~ shall be
11 deposited in the beer and liquor control fund established under
12 section 123.17.

13 Sec. 12. Section 123.26, Code 2020, is amended to read as
14 follows:

15 **123.26 Restrictions on sales — seals — labeling.**

16 Alcoholic liquor shall not be sold by a class "E" liquor
17 control licensee except in a sealed container with identifying
18 markers as prescribed by the administrator and affixed in the
19 manner prescribed by the administrator, and no such container
20 shall be opened upon the premises of a state warehouse. ~~The~~
21 ~~division shall cooperate with the department of natural~~
22 ~~resources so that only one identifying marker or mark is needed~~
23 ~~to satisfy the requirements of [this section](#) and [section 455C.5,](#)~~
24 ~~subsection 1.~~ Possession of alcoholic liquors ~~which~~ that do
25 not carry the prescribed identifying markers is a violation of
26 this chapter except as provided in [section 123.22](#).

27 Sec. 13. Section 123.187, subsection 3, paragraph e, Code
28 2020, is amended by striking the paragraph.

29 Sec. 14. Section 423.6, subsection 3, paragraph a, Code
30 2020, is amended to read as follows:

31 *a.* Any tangible personal property including containers
32 for which it is intended shall, by means of fabrication,
33 compounding, manufacturing, or germination, become an integral
34 part of other tangible personal property intended to be sold
35 ultimately at retail, ~~and containers used in the collection,~~

1 ~~recovery, or return of empty beverage containers subject to~~
2 ~~chapter 455C.~~

3 Sec. 15. Section 455A.6, subsection 6, paragraph d, Code
4 2020, is amended to read as follows:

5 d. Approve the budget request prepared by the director
6 for the programs authorized by chapters 455B, 455C, 455E,
7 455F, 455H, and 459, subchapters II and III. The commission
8 shall approve the budget request prepared by the director for
9 programs subject to the rulemaking authority of the commission.
10 The commission may increase, decrease, or strike any item
11 within the department budget request for the specified programs
12 before granting approval.

13 Sec. 16. EFFECTIVE DATE. The following take effect July 1,
14 2023:

15 1. The section of this division of this Act amending section
16 123.26.

17 2. The section of this division of this Act amending section
18 123.187, subsection 3, paragraph "e".

19 Sec. 17. EFFECTIVE DATE. The following takes effect
20 September 1, 2023:

21 The section of this division of this Act amending section
22 123.24, subsection 2, paragraph "d".

23 Sec. 18. EFFECTIVE DATE. The following take effect October
24 1, 2023:

25 1. The section of this division of this Act amending section
26 423.6, subsection 3, paragraph "a".

27 2. The section of this division of this Act amending section
28 455A.6, subsection 6, paragraph "d".

29 EXPLANATION

30 The inclusion of this explanation does not constitute agreement with
31 the explanation's substance by the members of the general assembly.

32 This bill provides for the future repeal of the beverage
33 containers control program, commonly referred to as the "bottle
34 bill", and makes appropriations to certain funds.

35 Under current law, when a distributor sells beverages in

1 eligible containers to a dealer, the distributor adds 5 cents
2 per eligible container to the sale price. When a dealer sells
3 beverages in eligible containers to a consumer, the dealer
4 charges the 5-cent deposit on each beverage container. A
5 consumer can take eligible beverage containers to a dealer,
6 dealer agent, or redemption center and receive a 5-cent
7 refund for every eligible beverage container that the consumer
8 returns. A distributor collects eligible containers from a
9 dealer, dealer agent, or redemption center, at which time
10 the distributor pays the dealer, dealer agent, or redemption
11 center 5 cents per eligible container plus a handling fee of an
12 additional 1 cent per empty container.

13 On July 1, 2023, the bill strikes the provision of the
14 beverage containers control program that requires a dealer to
15 charge a consumer the refund value for each beverage container.
16 The provisions of the program that allow a consumer to return
17 beverage containers in exchange for the refund value and that
18 allow a dealer or a person operating a redemption center to
19 return beverage containers to a distributor in exchange for
20 the refund value and handling fee are repealed on September 1,
21 2023.

22 On a monthly basis beginning July 1, 2020, unpaid refund
23 value shall be credited to the treasurer of state. Ninety
24 percent of the unpaid refund value shall be deposited in
25 the unpaid refunds recycling fund, which is created by
26 the bill in the state treasury under the control of the
27 environmental protection commission. Moneys in the fund shall
28 be administered by the commission and shall be allocated for
29 purposes relating to recycling systems and education as part
30 of the unpaid refunds recycling grant program. The remaining
31 10 percent of unpaid refund value shall be deposited in the
32 shelter assistance fund administered by the Iowa finance
33 authority.

34 In the event that a dealer, dealer agent, or redemption
35 center lawfully accepts beverage containers and returns refund

1 value to consumers prior to September 1, 2023, in an amount
2 that exceeds the amount a distributor has available due to
3 unpaid refund value being previously credited to the treasurer
4 of state, the distributor shall accept the beverage containers
5 and pay the refund value and handling fee. The distributor may
6 then submit receipts to the department of natural resources
7 showing the discrepancy. The commission shall issue a refund
8 in the amount of the discrepancy. The distributor shall not
9 include the handling fee when demonstrating a discrepancy.

10 The sections of the bill relating to the distribution of
11 unpaid refund value, establishing the unpaid refunds recycling
12 grant program and unpaid refunds recycling fund, and amending
13 the shelter assistance fund are repealed October 1, 2023. The
14 bill amends various Code provisions to conform with changes
15 to the beverage containers control program as changes to the
16 program become effective.