

**Senate File 59 - Introduced**

SENATE FILE 59  
BY SEGEBART

**A BILL FOR**

1 An Act relating to the redemption and handling of beverage  
2 containers and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 455C.1, subsections 6 and 10, Code 2019,  
2 are amended by striking the subsections.

3 Sec. 2. Section 455C.2, Code 2019, is amended to read as  
4 follows:

5 **455C.2 Refund values.**

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

15 2. In addition to the refund value provided in subsection  
16 1 of [this section](#), a ~~dealer, or~~ person operating a redemption  
17 center who redeems empty beverage containers ~~or a dealer agent~~  
18 shall be reimbursed by the distributor required to accept the  
19 empty beverage containers an amount ~~which~~ that is ~~one cent~~  
20 two cents per container. A ~~dealer, dealer agent, or~~ person  
21 operating a redemption center may compact empty metal beverage  
22 containers with the approval of the distributor required to  
23 accept the containers.

24 Sec. 3. Section 455C.3, subsections 1 and 4, Code 2019, are  
25 amended by striking the subsections.

26 Sec. 4. Section 455C.3, subsection 2, Code 2019, is amended  
27 to read as follows:

28 2. A distributor shall accept and pick up from ~~a dealer~~  
29 ~~served by the distributor or~~ a redemption center ~~for a~~  
30 ~~dealer served by the distributor~~ at least weekly, ~~or when the~~  
31 ~~distributor delivers the beverage product if deliveries are~~  
32 ~~less frequent than weekly,~~ any empty beverage container of the  
33 kind, size, and brand sold by the distributor, and shall pay to  
34 the ~~dealer or~~ person operating a redemption center the refund  
35 value of a beverage container and the reimbursement as provided

1 under [section 455C.2](#) within one week following pickup of the  
2 containers ~~or when the dealer or redemption center normally~~  
3 ~~pays the distributor for the deposit on beverage products~~  
4 ~~purchased from the distributor if less frequent than weekly.~~  
5 A distributor or employee or agent of a distributor is not in  
6 violation of [this subsection](#) if a redemption center is closed  
7 when the distributor attempts to make ~~a regular delivery or a~~  
8 regular pickup of empty beverage containers. [This subsection](#)  
9 does not apply to a distributor selling alcoholic liquor to the  
10 alcoholic beverages division of the department of commerce.

11 Sec. 5. Section 455C.4, subsections 1 and 4, Code 2019, are  
12 amended to read as follows:

13 1. Except as provided in [section 455C.5, subsection 3](#), a  
14 ~~dealer~~, a person operating a redemption center, a distributor,  
15 or a manufacturer may refuse to accept any empty beverage  
16 container ~~which~~ that does not have stated on it a refund value  
17 as provided under [section 455C.2](#).

18 4. A class "E" liquor control licensee may refuse to accept  
19 and to pay the refund value on an empty alcoholic liquor  
20 container from a ~~dealer or a~~ redemption center or from a person  
21 acting on behalf of or who has received empty alcoholic liquor  
22 containers from a ~~dealer or a~~ redemption center.

23 Sec. 6. Section 455C.4, subsections 2, 3, and 5, Code 2019,  
24 are amended by striking the subsections.

25 Sec. 7. Section 455C.6, subsections 1, 2, 3, and 4, Code  
26 2019, are amended to read as follows:

27 1. ~~To facilitate the return of empty beverage containers and~~  
28 ~~to serve dealers of beverages, any~~ Any person may establish a  
29 redemption center, subject to the approval of the department,  
30 at which consumers may return empty beverage containers  
31 and receive payment of the refund value of such beverage  
32 containers.

33 2. An application for approval of a redemption center  
34 shall be filed with the department. The application shall  
35 state the name and address of the person responsible for the

1 establishment and operation of the redemption center, ~~and the~~  
2 kind and brand names of the beverage containers ~~which that~~  
3 will be accepted at the redemption center, ~~and the names and~~  
4 ~~addresses of the dealers to be served by the redemption center.~~  
5 The application shall contain such other information as the  
6 director may reasonably require. A person who operates an  
7 unapproved redemption center prior to July 1, 2020, shall have  
8 until December 1, 2020, to gain approval and may continue to  
9 operate until such date.

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

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

29 Sec. 8. Section 455C.12, subsection 2, Code 2019, is amended  
30 to read as follows:

31 2. A distributor who collects or attempts to collect  
32 a refund value on an empty beverage container when the  
33 distributor has paid the refund value on the container to  
34 a ~~dealer,~~ redemption center, or consumer is guilty of a  
35 fraudulent practice.

1     Sec. 9. Section 455C.12, subsection 3, paragraph a, Code  
2 2019, is amended to read as follows:

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

7     Sec. 10. Section 455C.14, subsection 1, Code 2019, is  
8 amended to read as follows:

9     1. If the refund value indication required under section  
10 455C.5 on an empty nonrefillable metal beverage container  
11 is readable but the redemption of the container is lawfully  
12 refused by a ~~dealer~~ or person operating a redemption center  
13 under other sections of **this chapter** or rules adopted pursuant  
14 to these sections, the container shall be accepted and the  
15 refund value paid to a consumer as provided in **this section**.  
16 Each beer distributor selling nonrefillable metal beverage  
17 containers in this state shall provide individually or  
18 collectively by contract or agreement with a ~~dealer,~~ person  
19 operating a redemption center or another person, at least  
20 one facility in the county seat of each county where refused  
21 empty nonrefillable metal beverage containers having a  
22 readable refund value indication as required by **this chapter**  
23 are accepted and redeemed. In cities having a population of  
24 twenty-five thousand or more, the number of the facilities  
25 provided shall be one for each twenty-five thousand population  
26 or a fractional part of that population.

27     Sec. 11. Section 455C.16, Code 2019, is amended to read as  
28 follows:

29     **455C.16 Beverage containers — disposal at sanitary landfill**  
30 **prohibited.**

31     ~~Beginning July 1, 1990, the~~ The final disposal of beverage  
32 containers ~~by a dealer, distributor, or manufacturer, or person~~  
33 ~~operating a redemption center, in a sanitary landfill, is~~  
34 ~~prohibited.~~ Beginning September 1, 1992, including the final  
35 disposal of beverage containers that used to contain alcoholic

1 liquor as defined in [section 123.3, subsection 5](#), by a dealer,  
2 distributor, ~~or~~ manufacturer, or person operating a redemption  
3 center in a sanitary landfill, is prohibited.

4 Sec. 12. REPEAL. Section 455C.7, Code 2019, is repealed.

5 Sec. 13. EFFECTIVE DATE. This Act takes effect July 1,  
6 2020.

7 EXPLANATION

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

10 Under current law, a consumer may return an empty beverage  
11 container upon which a refund value has been paid to a dealer  
12 or a redemption center. When a distributor collects empty  
13 beverage containers from a dealer, dealer agent, or redemption  
14 center, the distributor reimburses the dealer, dealer agent, or  
15 redemption center the refund value plus a 1-cent handling fee  
16 for each empty beverage container. Current law also allows any  
17 person to establish a redemption center that serves a dealer  
18 if it is approved by the department of natural resources. Any  
19 person can also establish an unapproved redemption center.

20 Under this bill, a consumer must return an empty beverage  
21 container to a redemption center if the consumer seeks  
22 to redeem a refund value paid for the beverage container.  
23 Additionally, the handling fee paid by a distributor is  
24 increased to 2 cents for each empty beverage container. A  
25 distributor must pick up from a redemption center empty  
26 beverage containers on at least a weekly basis. The bill makes  
27 conforming changes throughout Code chapter 455C to remove  
28 instances of "dealer" and "dealer agent" from provisions  
29 dealing with redemption. Lastly, the bill requires all  
30 redemption centers to be approved by the department; any  
31 unapproved redemption center that currently exists can continue  
32 operating without approval until December 1, 2020.

33 The bill takes effect on July 1, 2020.