

House File 152 - Introduced

HOUSE FILE 152

BY JONES

A BILL FOR

1 An Act relating to accounting of unpaid beverage container
2 refund value.

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

1 Section 1. Section 455C.1, subsection 1, Code 2021, is
2 amended to read as follows:

3 1. "*Beverage*" means wine as defined in section 123.3,
4 subsection 54, alcoholic liquor as defined in section 123.3,
5 subsection 5, beer as defined in section 123.3, subsection
6 7, high alcoholic content beer as defined in section 123.3,
7 subsection 22, canned cocktail as defined in section 123.3,
8 subsection 11, mineral water, soda water, and similar
9 carbonated soft drinks in liquid form and intended for human
10 consumption.

11 Sec. 2. NEW SECTION. **455C.3A Accounting of unpaid refund**
12 **value.**

13 1. As used in this section, "*financial institution*" means
14 any bank, trust company, savings association, insurance company
15 or related corporation, partnership, foundation, or other
16 institution licensed to do business in the state of Iowa.

17 2. Each distributor shall open a special interest-bearing
18 account at an Iowa branch of a financial institution to the
19 credit of the distributor. The distributor shall deposit in
20 the account an amount equal to the refund value established
21 pursuant to section 455C.2 for each beverage container sold
22 by the distributor on or after July 1, 2021. The distributor
23 shall make the deposit not more than three business days after
24 the date the beverage container is sold to a dealer. All
25 interest, dividends, and returns earned on the account shall
26 be paid directly into the account. Moneys in the account
27 shall be kept separate and apart from all other moneys in the
28 distributor's possession.

29 3. Reimbursement paid to a dealer, dealer agent, or
30 redemption center pursuant to section 455C.2, subsection 2,
31 shall be paid from the account created pursuant to subsection
32 1 of this section.

33 4. Each distributor shall submit a report to the director by
34 October 31, 2021, covering the period beginning July 1, 2021,
35 and ending September 30, 2021, and thereafter shall submit a

1 quarterly report covering the immediately preceding calendar
2 quarter not later than one month after the close of the quarter
3 for which the report is prepared. The report shall be on a form
4 prescribed by the director and contain such information that
5 the director deems necessary, including but not limited to all
6 of the following:

7 *a.* The balance in the account at the beginning of the
8 quarter for which the report is prepared.

9 *b.* A list of all deposits credited to the account during
10 the quarter, including those deposits equivalent to the refund
11 values paid to the distributor and all interest, dividends, or
12 returns received on the account.

13 *c.* A list of all withdrawals from the account during the
14 quarter, all service charges and overdraft charges on the
15 account, and all payments made pursuant to subsection 3.

16 *d.* The balance in the account at the close of the quarter
17 for which the report is prepared.

18 5. The treasurer of state may, independently or upon
19 request of the director, examine the accounts and records of
20 any distributor maintained by the distributor pursuant to this
21 section, including receipts, disbursements, and such other
22 items as the treasurer of state deems appropriate.

23 6. The attorney general may, independently or upon request
24 of the director, institute any appropriate action or proceeding
25 to enforce any provision of this section or any rule adopted
26 pursuant to this section.

27

EXPLANATION

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

30 This bill relates to accounting of unpaid beverage container
31 refund value under the beverage containers control law, also
32 known as the bottle bill.

33 Current law limits beverage containers subject to beverage
34 containers control deposit and refund provisions to any sealed
35 glass, plastic, or metal bottle, can, jar, or carton holding

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

15 The bill adds high alcoholic content beer and canned
16 cocktails to the definition of "beverage".

17 The bill requires each distributor to open a special
18 interest-bearing account at an Iowa branch of a financial
19 institution, as defined in the bill, to the credit of the
20 distributor. The distributor shall deposit in the account an
21 amount equal to the refund value for each beverage container
22 sold by the distributor on or after July 1, 2021, and the
23 reimbursement of refund value paid by the distributor to a
24 dealer, dealer agent, or redemption center shall be paid from
25 the account.

26 Beginning October 31, 2021, and quarterly thereafter, the
27 bill requires each distributor to submit to the director of
28 the department of natural resources (DNR) a report covering
29 the immediately preceding calendar quarter that includes the
30 balance in the account at the beginning of the quarter for
31 which the report is prepared, a list of all deposits credited
32 to the account during the quarter, a list of all withdrawals
33 from the account during the quarter, and the balance in the
34 account at the close of the quarter for which the report is
35 prepared.

H.F. 152

1 The bill authorizes the treasurer of state, independently
2 or upon request of the DNR director, to examine the accounts
3 and records of any distributor maintained by the distributor
4 pursuant to the bill. The bill authorizes the attorney
5 general, independently or upon request of the DNR director, to
6 institute any appropriate action or proceeding to enforce any
7 provision of the bill or any rule adopted pursuant to the bill.