

**House File 2122 - Introduced**

HOUSE FILE 2122

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**A BILL FOR**

1 An Act relating to the redemption of and payment of refund  
2 value on beverage containers, including oversight by the  
3 department of revenue, making appropriations, providing  
4 penalties, and including effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

FUTURE CHANGES TO CURRENT BEVERAGE CONTAINER CONTROL LAW

Section 1. Section 455C.1, subsections 1 and 6, Code 2022, are amended to read as follows:

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

6. "*Dealer agent*" means a person who solicits or picks up empty beverage containers from a participating dealer for the purpose of returning the empty beverage containers to a distributor or manufacturer.

Sec. 2. Section 455C.1, Code 2022, is amended by adding the following new subsection:

NEW SUBSECTION. 12A. "*Participating dealer*" means a dealer who accepts the return of empty beverage containers from a consumer.

Sec. 3. Section 455C.2, Code 2022, is amended to read as follows:

**455C.2 Refund values.**

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~~ a participating dealer or ~~person operating~~ a redemption center and acceptance of the empty beverage container by the participating dealer or ~~person operating a~~ redemption center, the participating dealer or ~~person operating~~ a redemption center shall return the amount of the refund value to the consumer.

2. In addition to the refund value provided in [subsection 1](#)

1 of ~~this section~~, a participating dealer, ~~or person operating a~~  
2 ~~redemption center who redeems empty beverage containers~~ or a  
3 dealer agent shall be reimbursed ~~by the distributor required~~  
4 ~~to accept the empty beverage containers~~ an amount which that  
5 is one cent per container. ~~A dealer, dealer agent, or person~~  
6 ~~operating a redemption center may compact empty metal beverage~~  
7 ~~containers with the approval of the distributor required to~~  
8 ~~accept the containers.~~ A redemption center shall be reimbursed  
9 an amount that is two cents per container.

10 Sec. 4. Section 455C.3, subsections 1, 2, and 4, Code 2022,  
11 are amended to read as follows:

12 1. A participating dealer shall not refuse to accept from  
13 a consumer any empty beverage container of the kind, size and  
14 brand sold by the participating dealer, or refuse to pay to the  
15 consumer the refund value of a beverage container as provided  
16 under [section 455C.2](#).

17 2. A distributor shall accept and pick up from a  
18 participating dealer served by the distributor or a redemption  
19 center for a dealer served by the distributor at least weekly,  
20 or when the distributor delivers the beverage product if  
21 deliveries are less frequent than weekly, any empty beverage  
22 container of the kind, size, and brand sold by the distributor,  
23 and shall pay to the participating dealer or ~~person operating~~  
24 a redemption center the refund value of a beverage container  
25 and the reimbursement as provided under [section 455C.2](#) within  
26 one week following pickup of the containers or when the  
27 participating dealer or redemption center normally pays the  
28 distributor for the deposit on beverage products purchased from  
29 the distributor if less frequent than weekly. A distributor  
30 or employee or agent of a distributor is not in violation  
31 of [this subsection](#) if a redemption center is closed when the  
32 distributor attempts to make a regular delivery or a regular  
33 pickup of empty beverage containers. [This subsection](#) does  
34 not apply to a distributor selling alcoholic liquor to the  
35 alcoholic beverages division of the department of commerce.

1 4. A distributor shall accept from a dealer agent any empty  
2 beverage container of the kind, size, and brand sold by the  
3 distributor and ~~which~~ that was picked up by the dealer agent  
4 from a participating dealer within the geographic territory  
5 served by the distributor and the distributor shall pay the  
6 dealer agent the refund value of the empty beverage container  
7 and the reimbursement as provided in [section 455C.2](#).

8 Sec. 5. Section 455C.4, Code 2022, is amended to read as  
9 follows:

10 **455C.4 Refusal to accept containers.**

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

16 2. A dealer may refuse to accept and to pay the refund value  
17 of any empty beverage container ~~if the place of business of the~~  
18 ~~dealer and the kind and brand of empty beverage containers are~~  
19 ~~included in an order of the department approving a redemption~~  
20 ~~center under [section 455C.6](#) if a redemption center is located~~  
21 ~~within a twenty-mile radius of the dealer.~~

22 3. ~~A dealer or a distributor may refuse to accept and to pay~~  
23 ~~the refund value of an empty wine or alcoholic liquor container~~  
24 ~~which is marked to indicate that it was sold by a state liquor~~  
25 ~~store. The alcoholic beverages division shall not reimburse~~  
26 ~~a dealer or a distributor the refund value on an empty wine or~~  
27 ~~alcoholic liquor container which is marked to indicate that the~~  
28 ~~container was sold by a state liquor store.~~

29 4. ~~3.~~ A class "E" liquor control licensee may refuse to  
30 accept and to pay the refund value on an empty alcoholic liquor  
31 container from a participating dealer or a redemption center  
32 or from a person acting on behalf of or who has received empty  
33 alcoholic liquor containers from a participating dealer or a  
34 redemption center.

35 5. ~~4.~~ A manufacturer or distributor may refuse to accept

1 and to pay the refund value and reimbursement as provided in  
2 section 455C.2 on any empty beverage container that was picked  
3 up by a dealer agent from a participating dealer outside the  
4 geographic territory served by the manufacturer or distributor.

5 Sec. 6. Section 455C.5, subsection 1, Code 2022, is amended  
6 to read as follows:

7 1. Each beverage container sold or offered for sale in  
8 this state by a dealer shall clearly indicate the refund value  
9 of the container by embossing or by a stamp, label, or other  
10 method securely affixed to the container, ~~the refund value of~~  
11 ~~the container~~. The department shall specify, by rule, the  
12 minimum size of the refund value indication on the beverage  
13 containers.

14 Sec. 7. Section 455C.12, subsection 2, Code 2022, is amended  
15 to read as follows:

16 2. A distributor who collects or attempts to collect  
17 a refund value on an empty beverage container when the  
18 distributor has paid the refund value on the container to a  
19 participating dealer, redemption center, or consumer is guilty  
20 of a fraudulent practice.

21 Sec. 8. Section 455C.12, subsection 3, paragraphs a and b,  
22 Code 2022, are amended to read as follows:

23 a. Collects or attempts to collect the refund value on the  
24 container a second time, with the knowledge that the refund  
25 value has once been paid by the distributor to a participating  
26 dealer, redemption center, or consumer.

27 b. Manufactures, sells, possesses, or applies a false or  
28 counterfeit label or indication ~~which~~ that shows or purports to  
29 show a refund value for a beverage container, with intent to  
30 use the false or counterfeit label or indication.

31 Sec. 9. Section 455C.13, Code 2022, is amended to read as  
32 follows:

33 **455C.13 ~~Distributors'~~ Collection and disposal agreements**  
34 **authorized.**

35 1. A distributor, dealer, or redemption center may enter

1 into a contract or agreement with any other distributor,  
2 manufacturer, or person for the purpose of collecting or ~~paying~~  
3 ~~the refund value on, or~~ disposing of, beverage containers as  
4 provided in [this chapter](#).

5 2. For purposes of this chapter, any contracts entered into  
6 pursuant to this section for the collection or disposal of  
7 empty beverage containers shall not be deemed to interfere with  
8 the refund value pursuant to section 455C.2.

9 Sec. 10. Section 455C.14, subsection 1, Code 2022, is  
10 amended to read as follows:

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

29 Sec. 11. Section 455C.16, Code 2022, is amended to read as  
30 follows:

31 **455C.16 Beverage containers — disposal at sanitary landfill**  
32 **prohibited.**

33 ~~Beginning July 1, 1990, the~~ The final disposal of beverage  
34 containers by a dealer, distributor, or manufacturer, or  
35 ~~person operating a redemption center, in a sanitary landfill,~~

1 ~~is prohibited. Beginning September 1, 1992, including the~~  
2 final disposal of beverage containers that used to contain  
3 alcoholic liquor as defined in [section 123.3, subsection 5,](#)  
4 by a participating dealer, distributor, ~~or~~ manufacturer, or  
5 ~~person operating a~~ redemption center in a sanitary landfill,  
6 is prohibited.

7 Sec. 12. EFFECTIVE DATE. This division of this Act takes  
8 effect July 1, 2023.

9 DIVISION II

10 REPEAL OF CURRENT BEVERAGE CONTAINER CONTROL LAW

11 Sec. 13. Section 123.24, subsection 2, paragraph d, Code  
12 2022, is amended by striking the paragraph.

13 Sec. 14. Section 123.26, Code 2022, 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. 15. Section 123.187, subsection 3, paragraph e, Code  
28 2022, is amended by striking the paragraph.

29 Sec. 16. Section 423.6, subsection 3, paragraph a, Code  
30 2022, 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. 17. Section 455A.4, subsection 1, paragraph b, Code  
4 2022, is amended to read as follows:

5 *b.* Provide overall supervision, direction, and coordination  
6 of functions to be administered by the administrators under  
7 chapters 321G, 321I, 455B, ~~455C~~, 456A, 456B, 457A, 458A, 459,  
8 459A, 459B, 461A, 462A, 462B, 464A, 465C, 473, 481A, 481B,  
9 483A, 484A, and 484B.

10 Sec. 18. Section 455A.6, subsection 6, paragraphs a, b, and  
11 d, Code 2022, are amended to read as follows:

12 *a.* Establish policy for the department and adopt rules,  
13 pursuant to chapter 17A, necessary to provide for the effective  
14 administration of chapter 455B, ~~455C~~, or 459.

15 *b.* Hear appeals in contested cases pursuant to chapter 17A  
16 on matters relating to actions taken by the director under  
17 chapter ~~455C~~, 458A, 464B, or 473.

18 *d.* Approve the budget request prepared by the director  
19 for the programs authorized by chapters 455B, ~~455C~~, 455E,  
20 455F, 455H, and 459, subchapters II and III. The commission  
21 shall approve the budget request prepared by the director for  
22 programs subject to the rulemaking authority of the commission.  
23 The commission may increase, decrease, or strike any item  
24 within the department budget request for the specified programs  
25 before granting approval.

26 Sec. 19. Section 455A.6, subsection 6, paragraphs a, b, and  
27 d, Code 2022, are amended to read as follows:

28 *a.* Establish policy for the department and adopt rules,  
29 pursuant to chapter 17A, necessary to provide for the effective  
30 administration of chapter 455B, ~~455C~~, or 459.

31 *b.* Hear appeals in contested cases pursuant to chapter 17A  
32 on matters relating to actions taken by the director under  
33 chapter ~~455C~~, 458A, 464B, or 473.

34 *d.* Approve the budget request prepared by the director  
35 for the programs authorized by chapters 455B, ~~455C~~, 455E,



1 455F, 455H, and 459, subchapters II and III. The commission  
2 shall approve the budget request prepared by the director for  
3 programs subject to the rulemaking authority of the commission.  
4 The commission may increase, decrease, or strike any item  
5 within the department budget request for the specified programs  
6 before granting approval.

7 Sec. 20. Section 455B.313, subsection 1, Code 2022, is  
8 amended to read as follows:

9 1. A distributor ~~as defined in section 455C.1, subsection~~  
10 ~~9,~~ shall not sell or offer to sell any beverage container  
11 if the beverage container is connected to another beverage  
12 container by a device constructed of a material ~~which~~ that is  
13 not biodegradable or photodegradable.

14 Sec. 21. Section 455B.313, Code 2022, is amended by adding  
15 the following new subsection:

16 NEW SUBSECTION. 3. For purposes of this section,  
17 "*distributor*" means any person who engages in the sale of  
18 beverages in beverage containers to a dealer in this state,  
19 as those terms are defined in section 421D.1, including any  
20 manufacturer who engages in such sales.

21 Sec. 22. REPEAL. Chapter 455C, Code 2022, is repealed.

22 Sec. 23. EFFECTIVE DATE. This division of this Act takes  
23 effect January 1, 2024.

24 DIVISION III

25 NEW BEVERAGE CONTAINER CONTROL LAW

26 Sec. 24. NEW SECTION. 421D.1 Definitions.

27 As used in this chapter, unless the context otherwise  
28 requires:

29 1. "*Beverage*" means wine as defined in section 123.3,  
30 subsection 54, alcoholic liquor as defined in section 123.3,  
31 subsection 5, beer as defined in section 123.3, subsection  
32 7, high alcoholic content beer as defined in section 123.3,  
33 subsection 22, canned cocktail as defined in section 123.3,  
34 subsection 11, and mineral water, soda water, and similar  
35 carbonated soft drinks in liquid form and intended for human

1 consumption.

2 2. "*Beverage container*" means any sealed glass, plastic, or  
3 metal bottle, can, jar, or carton containing a beverage.

4 3. "*Consumer*" means any person who purchases a beverage in a  
5 beverage container for use or consumption.

6 4. "*Dealer*" means any person who engages in the sale of  
7 beverages in beverage containers to a consumer.

8 5. "*Department*" means the department of revenue.

9 6. "*Director*" means the director of revenue.

10 7. "*Redemption center*" means a facility at which consumers  
11 may return empty beverage containers and receive payment for  
12 the refund value of the empty beverage containers.

13 Sec. 25. NEW SECTION. **421D.2 Refund values — recycling**  
14 **— reimbursement.**

15 1. *a.* A refund value of five cents shall be paid by a  
16 consumer to a dealer on each beverage container sold in this  
17 state by the dealer for consumption off the premises.

18 *b.* On a monthly basis, a dealer shall submit to the  
19 department, in a form and manner determined by the department,  
20 receipts indicating the number of beverage containers sold by  
21 the dealer and the five-cent refund value collected for each  
22 beverage container sold by the dealer pursuant to paragraph "*a*".  
23 The department shall credit monthly to the treasurer of state  
24 for deposit in the bottle bill deposit fund established in  
25 section 421D.11 the refund value collected from dealers under  
26 this paragraph.

27 2. A consumer may redeem the refund value by returning  
28 a beverage container to a redemption center. Upon return of  
29 the empty beverage container, upon which a refund value has  
30 been paid, to a redemption center and acceptance of the empty  
31 beverage container by the redemption center, the redemption  
32 center shall pay the amount of the refund value to the consumer  
33 within a reasonable time.

34 3. A redemption center shall dispose of beverage containers  
35 by transporting or causing the transport of the beverage

1 containers to a recycling site.

2 4. On a monthly basis, a redemption center shall be  
3 reimbursed by the department from the bottle bill deposit fund  
4 established in section 421D.11 the amount of refund value that  
5 the redemption center has paid to consumers and the handling  
6 fee. The department shall establish the handling fee by rule  
7 in an amount that is one and one-half cents per beverage  
8 container, but the department may establish accuracy standards  
9 to account for discrepancies in the weight of recycled material  
10 and the number of beverage containers the redemption center  
11 claims to have been recycled.

12 Sec. 26. NEW SECTION. 421D.3 Refusal to accept containers.

13 A redemption center may refuse to accept any empty beverage  
14 container that does not have stated on it a refund value as  
15 provided under section 421D.4.

16 Sec. 27. NEW SECTION. 421D.4 Refund value stated on  
17 container — exceptions.

18 1. Each beverage container sold or offered for sale in  
19 this state by a dealer shall clearly indicate the refund value  
20 of the container by embossing or by a stamp, label, or other  
21 method securely affixed to the container. The department  
22 shall specify, by rule, the minimum size of the refund value  
23 indication on the beverage containers and require registration  
24 of the universal product code for each beverage container in a  
25 format required by the department.

26 2. A person, except a distributor, shall not import  
27 into this state a beverage container that does not have  
28 securely affixed to the container the refund value indication.  
29 This subsection does not apply under any of the following  
30 circumstances:

31 a. For beverage containers containing alcoholic liquor as  
32 defined in section 123.3, subsection 5, the total capacity of  
33 the containers is not more than the amount provided in section  
34 123.22, subsection 1.

35 b. For beverage containers containing beer as defined

1 in section 123.3, subsection 7, the total capacity of the  
2 containers is not more than the amount provided in section  
3 123.122, subsection 3.

4 *c.* For beverage containers containing wine as defined  
5 in section 123.3, subsection 54, the total capacity of the  
6 containers is not more than the amount provided in section  
7 123.171, subsection 3.

8 *d.* For all other beverage containers, the total capacity of  
9 the containers is not more than five hundred seventy-six fluid  
10 ounces.

11 3. Subsections 1 and 2 do not apply to a refillable glass  
12 beverage container that has a brand name permanently marked  
13 on it and that has a refund value of five cents, to any other  
14 refillable beverage container that has a refund value of five  
15 cents and that is exempted by rules adopted by the department,  
16 or to a beverage container sold aboard a commercial airliner or  
17 passenger train for consumption on the premises.

18 Sec. 28. NEW SECTION. **421D.5 Redemption centers.**

19 To facilitate the return of empty beverage containers, any  
20 person may establish a redemption center at which consumers may  
21 return empty beverage containers and receive payment of the  
22 refund value of such beverage containers.

23 Sec. 29. NEW SECTION. **421D.6 Rules.**

24 The department shall adopt rules necessary to carry out  
25 the provisions of this chapter, subject to the provisions of  
26 chapter 17A.

27 Sec. 30. NEW SECTION. **421D.7 Penalties.**

28 1. Except as provided in subsection 2, any person violating  
29 the provisions of section 421D.2 or 421D.4, or a rule adopted  
30 under this chapter, shall be guilty of a simple misdemeanor.

31 2. Any person who does any of the following acts is guilty  
32 of a fraudulent practice under chapter 714:

33 *a.* Collects or attempts to collect the refund value on a  
34 beverage container a second time, with the knowledge that the  
35 refund value has once been paid by the redemption center to a

1 consumer.

2 *b.* Manufactures, sells, possesses, or applies a false or  
3 counterfeit label or indication that shows or purports to show  
4 a refund value for a beverage container, with intent to use the  
5 false or counterfeit label or indication.

6 *c.* Collects or attempts to collect a refund value on  
7 a container with the use of a false or counterfeit label  
8 or indication showing a refund value, knowing the label or  
9 indication to be false or counterfeit.

10 *d.* Intentionally submits to the department a request for  
11 reimbursement of refund value that does not accurately reflect  
12 the number of beverage containers collected and recycled by a  
13 redemption center for the period that the redemption center  
14 seeks reimbursement.

15 3. As used in this section, "*a false or counterfeit label*  
16 *or indication*" means a label or indication purporting to show  
17 a valid refund value that has not been initially applied as  
18 authorized by a distributor.

19 4. Subsection 2, paragraph "a", does not apply to empty  
20 beverage containers that are intended to be refillable  
21 and are in a standard of condition to be refillable by the  
22 manufacturer, notwithstanding any standard for sanitization.

23 5. A person who violates any provision of this chapter  
24 shall be subject to a civil penalty that shall be established,  
25 assessed, and collected by the department by rule, but shall  
26 not exceed two thousand dollars per violation. Any civil  
27 penalty collected under this chapter shall be deposited in the  
28 general fund of the state.

29 **Sec. 31. NEW SECTION. 421D.8 Administrative enforcement —**  
30 **compliance orders.**

31 The director may issue any order necessary to secure  
32 compliance with or prevent a violation of the provisions of  
33 this chapter or any rule adopted or permit or order issued  
34 pursuant to this chapter. The person to whom the compliance  
35 order is issued may cause to be commenced a contested case

1 within the meaning of chapter 17A by filing within thirty days  
2 a notice of appeal to the director. On appeal, the director  
3 may affirm, modify, or vacate the order.

4 Sec. 32. NEW SECTION. **421D.9 Judicial review.**

5 Judicial review of any order or other action of the director  
6 may be sought in accordance with the terms of chapter 17A.

7 Notwithstanding the terms of chapter 17A, petitions for  
8 judicial review may be filed in the district court of the  
9 county in which the alleged offense was committed.

10 Sec. 33. NEW SECTION. **421D.10 Civil actions for compliance**  
11 **— penalties.**

12 1. The attorney general, on request of the department, shall  
13 institute any legal proceedings necessary to obtain compliance  
14 with an order of the director, including proceedings for a  
15 temporary injunction, or prosecuting any person for a violation  
16 of an order of the director or the provisions of this chapter  
17 or any rules adopted or permit or order issued pursuant to this  
18 chapter.

19 2. Any person who violates an order issued pursuant to  
20 section 421D.8 shall be subject to a civil penalty not to  
21 exceed two thousand dollars for each day of such violation.

22 Sec. 34. NEW SECTION. **421D.11 Refund value payment program**  
23 **— fund created.**

24 1. The department shall establish and administer a refund  
25 value payment program. The purpose of the program shall be  
26 to administer payments of refund value and handling fees to  
27 redemption centers after the redemption centers accept empty  
28 beverage containers from consumers. The program shall be  
29 administered in accordance with rules adopted by the department  
30 pursuant to chapter 17A.

31 2. A bottle bill deposit fund is established in the state  
32 treasury under the control of the department. The fund shall  
33 consist of moneys deposited in the fund pursuant to section  
34 421D.2. Moneys in the fund are appropriated to the department  
35 for purposes designated in subsection 4. Notwithstanding

1 section 8.33, moneys in the fund that remain unencumbered or  
2 unobligated at the close of a fiscal year shall not revert  
3 but shall remain available for expenditure for the purposes  
4 designated. Notwithstanding section 12C.7, subsection 2,  
5 interest or earnings on moneys in the fund shall be credited  
6 to the fund.

7 3. A bottle bill cash reserve account is established  
8 within the bottle bill deposit fund. Moneys in the bottle  
9 bill deposit fund on July 1, 2025, shall be deposited in the  
10 account. The department shall use moneys in the account in  
11 the event that the other moneys in the bottle bill deposit  
12 fund are insufficient to issue reimbursement and handling fees  
13 to redemption centers. At the end of each fiscal year, the  
14 account shall be replenished to the original amount deposited  
15 on July 1, 2025, from the other moneys in the bottle bill  
16 deposit fund if such other moneys are available.

17 4. Moneys in the fund shall be used by the department for  
18 all of the following purposes:

19 a. Issuing reimbursement of refund value to a redemption  
20 center after the redemption center accepts empty beverage  
21 containers from and pays the refund value to a consumer.

22 b. Issuing the handling fee to a redemption center for each  
23 beverage container that a redemption center accepts from a  
24 consumer.

25 c. Covering administrative costs to administer the refund  
26 value payment program in an amount determined by the department  
27 by rule.

28 d. Annually transferring an amount of moneys to the taxpayer  
29 relief fund established in section 8.57E that is equal to the  
30 amount of unclaimed deposits at the end of the fiscal year  
31 minus the amount necessary to cover administrative costs, the  
32 amount necessary to replenish the bottle bill cash reserve  
33 account, and the amount in the bottle bill cash reserve  
34 account.

35 e. Replenishing the bottle bill cash reserve account when

1 necessary.

2 Sec. 35. NEW SECTION. **455D.9B Disposal of beverage**  
3 **containers at sanitary landfill prohibited.**

4 The final disposal of beverage containers, as defined in  
5 section 421D.1, including the final disposal of beverage  
6 containers that used to contain alcoholic liquor as defined in  
7 section 123.3, subsection 5, by a redemption center, as defined  
8 in section 421D.1, in a sanitary landfill is prohibited.

9 Sec. 36. EFFECTIVE DATE. This division of this Act takes  
10 effect January 1, 2024.

11 EXPLANATION

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

14 Under current law, a consumer may return an empty beverage  
15 container upon which a 5-cent refund value has been paid to a  
16 dealer or a redemption center. When a distributor collects  
17 empty beverage containers from a dealer, dealer agent, or  
18 redemption center, the distributor reimburses the dealer,  
19 dealer agent, or redemption center the refund value plus a  
20 1-cent handling fee for each empty beverage container. Current  
21 law also allows any person to establish a redemption center  
22 that serves a dealer if it is approved by the department of  
23 natural resources. Any person may also establish an unapproved  
24 redemption center.

25 DIVISION I. This bill increases the handling fee to 2 cents,  
26 but only when paid to a redemption center. The bill provides  
27 that a dealer may choose to not accept beverage containers  
28 if a redemption center is located within a 20-mile radius of  
29 the dealer. The bill makes numerous changes throughout Code  
30 chapter 455C to change instances of "dealer" to "participating  
31 dealer", remove obsolete language, and stylistically and  
32 grammatically update the Code chapter.

33 This division of the bill takes effect July 1, 2023.

34 DIVISION II. The bill repeals the current beverage  
35 container control law (Code chapter 455C) on January 1, 2024,



1 and makes corresponding changes.

2       DIVISION III. The bill creates a new Code chapter 421D to  
3 place beverage container control provisions under the authority  
4 of the department of revenue (DOR). Under the new beverage  
5 container control provisions, a dealer shall submit to DOR on  
6 a monthly basis receipts indicating the number of beverage  
7 containers sold by the dealer and the 5-cent refund value  
8 collected for each beverage container sold by the dealer. DOR  
9 shall credit monthly to the treasurer of state for deposit  
10 in the bottle bill deposit fund established in the bill the  
11 refund value collected from dealers. A consumer may redeem  
12 the refund value by returning an empty beverage container  
13 to a redemption center. After payment of the refund value  
14 by a redemption center to a consumer, the redemption center  
15 shall dispose of empty beverage containers by transporting the  
16 beverage containers to a recycling site. After a redemption  
17 center provides proof of recycling, DOR shall reimburse the  
18 redemption center the refund value paid to consumers and a  
19 handling fee provided by rule. The reimbursement shall be paid  
20 from the bottle bill deposit fund established in the bill.  
21 This division of the bill does not require a distributor to  
22 pick up beverage containers and reimburse redemption centers.

23       The bill requires DOR to establish and administer a refund  
24 value payment program for the purpose of administering  
25 payments of refund value and handling fees to redemption  
26 centers. The bill establishes a bottle bill deposit fund in  
27 the state treasury under the control of DOR. Moneys in the  
28 bottle bill deposit fund may be used for purposes of issuing  
29 refund value and the handling fee to a redemption center,  
30 covering administrative costs to administer the program,  
31 annually transferring moneys to the taxpayer relief fund, and  
32 replenishing the bottle bill cash reserve account established  
33 within the fund.

34       The bill requires DOR to require by rule registration of the  
35 universal product code for each beverage container in a format

1 required by DOR. The bill requires DOR to adopt rules to carry  
2 out this division of the bill.

3 The bill provides penalty provisions primarily based on  
4 simple misdemeanors and fraudulent practices in current Code  
5 chapter 455C, but also creates the fraudulent practice of  
6 intentionally submitting to DOR a request for reimbursement  
7 of refund value that does not accurately reflect the number  
8 of beverage containers collected and recycled by a redemption  
9 center for the period that the redemption center seeks  
10 reimbursement. The bill also provides for civil enforcement by  
11 DOR, including the imposition of civil penalties not to exceed  
12 \$2,000.

13 This division of the bill takes effect January 1, 2024.