

**House Study Bill 709 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON LUNDGREN)

**A BILL FOR**

1 An Act relating to beverage containers control provisions,  
2 including handling fees, refund value, applicability to  
3 certain beverages, and acceptance of beverage containers,  
4 and providing penalties.

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

1 Section 1. Section 455C.1, subsections 1 and 6, Code 2022,  
2 are 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 6. "*Dealer agent*" means a person who solicits or picks up  
12 empty beverage containers ~~from a dealer~~ for the purpose of  
13 returning the empty beverage containers to a distributor or  
14 manufacturer.

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

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

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

22 **455C.2 Refund values.**

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

1     2. In addition to the refund value provided in subsection  
2 1 of ~~this section~~, a participating dealer, dealer agent, or  
3 person operating a redemption center who redeems empty beverage  
4 containers ~~or a dealer agent~~ shall be reimbursed by the  
5 distributor required to accept the empty beverage containers  
6 ~~an amount which a~~ handling fee that, before January 1, 2032,  
7 ~~is one cent~~ two cents per container. On and after January 1,  
8 2032, the handling fee shall be one and one-half cents per  
9 container. A participating dealer, dealer agent, or person  
10 operating a redemption center may compact empty metal beverage  
11 containers with the approval of the distributor required to  
12 accept the containers.

13     3. Upon delivery of beverages from a distributor to a  
14 dealer, the dealer shall pay a handling fee of one-half cent  
15 per container to the distributor. This subsection is repealed  
16 January 1, 2032.

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

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

24     2. A distributor shall accept and pick up from a  
25 participating dealer served by the distributor or a redemption  
26 center for a dealer served by the distributor at least weekly,  
27 or when the distributor delivers the beverage product if  
28 deliveries are less frequent than weekly, any empty beverage  
29 container of the kind, size, and brand sold by the distributor,  
30 and shall pay to the participating dealer or person operating  
31 a redemption center the refund value of a beverage container  
32 and the reimbursement as provided under [section 455C.2](#) within  
33 one week following pickup of the containers or when the  
34 participating dealer or redemption center normally pays the  
35 distributor for the deposit on beverage products purchased from

1 the distributor if less frequent than weekly. A distributor  
2 or employee or agent of a distributor is not in violation  
3 of [this subsection](#) if a redemption center is closed when the  
4 distributor attempts to make a regular delivery or a regular  
5 pickup of empty beverage containers. [This subsection](#) does  
6 not apply to a distributor selling alcoholic liquor to the  
7 alcoholic beverages division of the department of commerce.

8 4. A distributor shall accept from a dealer agent any  
9 empty beverage container of the kind, size, and brand sold by  
10 the distributor and ~~which~~ that was picked up by the dealer  
11 agent ~~from a dealer~~ within the geographic territory served  
12 by the distributor and the distributor shall pay the dealer  
13 agent the refund value of the empty beverage container and the  
14 reimbursement as provided in [section 455C.2](#).

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

17 **455C.4 Refusal to accept containers.**

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

23 2. A dealer may refuse to accept and to pay the refund value  
24 of any empty beverage container ~~if the place of business of the~~  
25 ~~dealer and the kind and brand of empty beverage containers are~~  
26 ~~included in an order of the department approving a redemption~~  
27 ~~center under [section 455C.6](#) if the dealer has provided notice~~  
28 to the department and if the place of business of the dealer is  
29 located within a fifteen-mile radius of a redemption center or  
30 dealer agent.

31 ~~3. A dealer or a distributor may refuse to accept and to pay~~  
32 ~~the refund value of an empty wine or alcoholic liquor container~~  
33 ~~which is marked to indicate that it was sold by a state liquor~~  
34 ~~store. The alcoholic beverages division shall not reimburse~~  
35 ~~a dealer or a distributor the refund value on an empty wine or~~

~~1 alcoholic liquor container which is marked to indicate that the  
2 container was sold by a state liquor store.~~

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

9 ~~5.~~ 4. A manufacturer or distributor may refuse to accept  
10 and to pay the refund value and reimbursement as provided in  
11 section 455C.2 on any empty beverage container that was picked  
12 up by a dealer agent ~~from a dealer~~ outside the geographic  
13 territory served by the manufacturer or distributor.

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

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

25 Sec. 7. Section 455C.6, subsections 1, 2, and 5, Code 2022,  
26 are amended to read as follows:

27 1. To facilitate the return of empty beverage containers  
28 and to serve dealers of beverages, 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~~ A person operating a  
34 redemption center shall file written notice of the operation  
35 of the redemption center shall be filed with the department.

1 The ~~application~~ notice shall state the name and address of the  
2 person responsible for the establishment and operation of the  
3 redemption center, ~~the kind and brand names of the beverage~~  
4 ~~containers which will be accepted at the redemption center,~~  
5 and the names and addresses of the dealers to be served by the  
6 redemption center. The ~~application~~ notice shall contain such  
7 other information as the director may reasonably require.

8 5. All ~~approved~~ redemption centers shall meet applicable  
9 health standards.

10 Sec. 8. Section 455C.6, subsections 3 and 4, Code 2022, are  
11 amended by striking the subsections.

12 Sec. 9. Section 455C.12, subsections 2 and 3, Code 2022, are  
13 amended to read as follows:

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

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

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

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

29 c. Collects or attempts to collect a refund value on  
30 a container with the use of a false or counterfeit label  
31 or indication showing a refund value, knowing the label or  
32 indication to be false or counterfeit.

33 Sec. 10. Section 455C.12, Code 2022, is amended by adding  
34 the following new subsection:

35 NEW SUBSECTION. 6. Except as provided in section 455C.12C,

1 a person who violates any provision of this chapter shall be  
2 subject to a civil penalty of two thousand five hundred dollars  
3 per violation, which shall be assessed and collected in the  
4 same manner as provided in section 455B.109. Any civil penalty  
5 collected under this subsection or section 455C.12C shall be  
6 deposited in the general fund of the state.

7 Sec. 11. NEW SECTION. **455C.12A Administrative enforcement**  
8 **— compliance orders.**

9 The director may issue any order necessary to secure  
10 compliance with or prevent a violation of the provisions of  
11 this chapter or any rule adopted or permit or order issued  
12 pursuant to this chapter. The person to whom such compliance  
13 order is issued may cause to be commenced a contested case  
14 within the meaning of chapter 17A by filing within thirty  
15 days a notice of appeal to the commission. On appeal, the  
16 commission may affirm, modify, or vacate the order of the  
17 director.

18 Sec. 12. NEW SECTION. **455C.12B Judicial review.**

19 Judicial review of any order or other action of the  
20 commission or director may be sought in accordance with the  
21 terms of chapter 17A. Notwithstanding the terms of chapter  
22 17A, petitions for judicial review may be filed in the district  
23 court of the county in which the alleged offense was committed.

24 Sec. 13. NEW SECTION. **455C.12C Civil actions for compliance**  
25 **— penalties.**

26 1. The attorney general, on request of the department, shall  
27 institute any legal proceedings necessary to obtain compliance  
28 with an order of the commission or the director, including  
29 proceedings for a temporary injunction, or prosecuting any  
30 person for a violation of an order of the commission or the  
31 director, the provisions of this chapter, or any rules adopted  
32 or permit or order issued pursuant to this chapter.

33 2. Any person who violates any order issued pursuant to  
34 section 455C.12A shall be subject to a civil penalty not to  
35 exceed ten thousand dollars for each day of such violation.





1 containers to a dealer, dealer agent, or redemption center and  
2 receive a 5-cent refund for every eligible beverage container  
3 that the consumer returns. A distributor collects eligible  
4 containers from a dealer, dealer agent, or redemption center,  
5 at which time the distributor pays the dealer, dealer agent,  
6 or redemption center 5 cents per eligible container plus a  
7 handling fee of an additional 1 cent per eligible container.

8 The bill adds high alcoholic content beer and canned  
9 cocktails to the definition of "beverage". The bill defines  
10 the term "participating dealer". The bill requires a dealer to  
11 pay a .5-cent handling fee to a distributor upon delivery of  
12 beverages prior to January 1, 2032, and increases the handling  
13 fee that a participating dealer, dealer agent, or redemption  
14 center will collect from a distributor from 1 cent to 2 cents.  
15 The handling fee will decrease to 1.5 cents on January 1, 2032.

16 The bill requires a participating dealer to accept and pay  
17 the refund value of any empty beverage container, except as  
18 currently provided by law. The bill requires a participating  
19 dealer or a redemption center to immediately return the refund  
20 value to a consumer upon the return and acceptance of an  
21 empty beverage container for which the refund value has been  
22 paid. However, a dealer agent must return the refund value  
23 to a consumer within a reasonable time of the return of an  
24 empty beverage container for which the refund value has been  
25 paid, rather than immediately. A dealer can choose to not be  
26 a participating dealer if the dealer provides notice to the  
27 department of natural resources (DNR) and the place of business  
28 of the dealer is within a 15-mile radius of a redemption center  
29 or dealer agent.

30 The bill requires the registration of the universal product  
31 code for each beverage container in a format determined by DNR.

32 The bill requires a redemption center to file a notice with  
33 DNR but does not require DNR's approval to operate a redemption  
34 center. The bill removes provisions of Code chapter 455C  
35 that relate to DNR's authority to approve redemption centers

1 and that relate to the redemption of refused nonrefillable  
2 metal beverage containers. The bill also allows a dealer or  
3 person operating a redemption center to enter into contracts  
4 or agreements for the collection or disposal of beverage  
5 containers.

6 The bill authorizes DNR to establish a civil penalty of  
7 \$2,500 for a violation of any provision of Code chapter 455C,  
8 except for a violation of a compliance order. The bill allows  
9 DNR to issue compliance orders, subject to judicial review,  
10 that may be enforced by the attorney general. A violation of a  
11 compliance order is subject to a civil penalty of not more than  
12 \$10,000 per day per violation.

13 The bill provides that any amount of refund value or handling  
14 fees possessed by a distributor after the distributor has made  
15 required payments shall be considered the property of the  
16 distributor.