

Senate File 470 - Introduced

SENATE FILE 470
BY COMMITTEE ON NATURAL
RESOURCES AND ENVIRONMENT

(SUCCESSOR TO SF 368)

A BILL FOR

1 An Act relating to the redemption of and payment of refund
2 value on beverage containers, making appropriations,
3 providing penalties, and including effective date
4 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 2021, 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 2021, 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 2021, 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 2021,
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 2021, 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 2021, 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 2021, 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 2021, 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 2021, 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 2021, 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 2021, 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, 2022.

9 DIVISION II

10 REPEAL OF CURRENT BEVERAGE CONTAINER CONTROL LAW

11 Sec. 13. Section 123.24, subsection 2, paragraph d, Code
12 2021, is amended by striking the paragraph.

13 Sec. 14. Section 123.26, Code 2021, 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 2021, is amended by striking the paragraph.

29 Sec. 16. Section 423.6, subsection 3, paragraph a, Code
30 2021, 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 2021, 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 2021, 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 455B.313, subsection 1, Code 2021, is
27 amended to read as follows:

28 1. A distributor ~~as defined in section 455C.1, subsection~~
29 ~~9~~, shall not sell or offer to sell any beverage container
30 if the beverage container is connected to another beverage
31 container by a device constructed of a material ~~which~~ that is
32 not biodegradable or photodegradable.

33 Sec. 20. Section 455B.313, Code 2021, is amended by adding
34 the following new subsection:

35 NEW SUBSECTION. 3. For purposes of this section,

1 *"distributor"* means any person who engages in the sale of
2 beverages in beverage containers to a dealer in this state,
3 as those terms are defined in section 123B.1, including any
4 manufacturer who engages in such sales.

5 Sec. 21. REPEAL. Chapter 455C, Code 2021, is repealed.

6 Sec. 22. EFFECTIVE DATE. This division of this Act takes
7 effect January 1, 2023.

8 DIVISION III

9 NEW BEVERAGE CONTAINER CONTROL LAW

10 Sec. 23. NEW SECTION. 123B.1 Definitions.

11 As used in this chapter, unless the context otherwise
12 requires:

13 1. *"Beverage"* means wine as defined in section 123.3,
14 subsection 54, alcoholic liquor as defined in section 123.3,
15 subsection 5, beer as defined in section 123.3, subsection
16 7, high alcoholic content beer as defined in section 123.3,
17 subsection 22, canned cocktail as defined in section 123.3,
18 subsection 11, and mineral water, soda water, and similar
19 carbonated soft drinks in liquid form and intended for human
20 consumption.

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

23 3. *"Commission"* means the alcoholic beverages commission
24 established in chapter 123.

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

27 5. *"Dealer"* means any person who engages in the sale of
28 beverages in beverage containers to a consumer.

29 6. *"Division"* means the alcoholic beverages division of the
30 department of commerce established in chapter 123.

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

34 Sec. 24. NEW SECTION. 123B.2 Refund values — recycling
35 — reimbursement.

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

4 *b.* On a monthly basis, a dealer shall submit to the
5 department of revenue, in a form and manner determined by
6 the department, receipts indicating the number of beverage
7 containers sold by the dealer and the five-cent refund value
8 collected for each beverage container sold by the dealer
9 pursuant to paragraph "*a*". The department of revenue shall
10 credit monthly to the treasurer of state for deposit in the
11 bottle bill deposit fund established in section 123B.11 the
12 refund value collected from dealers under this paragraph.

13 2. A consumer may redeem the refund value by returning
14 a beverage container to a redemption center. Upon return of
15 the empty beverage container, upon which a refund value has
16 been paid, to a redemption center and acceptance of the empty
17 beverage container by the redemption center, the redemption
18 center shall pay the amount of the refund value to the consumer
19 within a reasonable time.

20 3. A redemption center shall dispose of beverage containers
21 by transporting or causing the transport of the beverage
22 containers to a recycling site.

23 4. On a monthly basis, a redemption center shall be
24 reimbursed by the division from the bottle bill deposit fund
25 established in section 123B.11 the amount of refund value that
26 the redemption center has paid to consumers and the handling
27 fee. The division shall establish the handling fee by rule
28 in an amount that is one and one-half cents per beverage
29 container, but the division may establish accuracy standards to
30 account for discrepancies in the weight of recycled material
31 and the number of beverage containers the redemption center
32 claims to have been recycled.

33 **Sec. 25. NEW SECTION. 123B.3 Refusal to accept containers.**

34 A redemption center may refuse to accept any empty beverage
35 container that does not have stated on it a refund value as

1 provided under section 123B.4.

2 Sec. 26. NEW SECTION. 123B.4 Refund value stated on
3 container — exceptions.

4 1. Each beverage container sold or offered for sale in
5 this state by a dealer shall clearly indicate the refund
6 value of the container by embossing or by a stamp, label, or
7 other method securely affixed to the container. The division
8 shall specify, by rule, the minimum size of the refund value
9 indication on the beverage containers and require registration
10 of the universal product code for each beverage container in a
11 format required by the division.

12 2. A person, except a distributor, shall not import
13 into this state a beverage container that does not have
14 securely affixed to the container the refund value indication.
15 This subsection does not apply under any of the following
16 circumstances:

17 *a.* For beverage containers containing alcoholic liquor as
18 defined in section 123.3, subsection 5, the total capacity of
19 the containers is not more than one quart or, in the case of
20 alcoholic liquor personally obtained outside the United States,
21 one gallon.

22 *b.* For beverage containers containing beer as defined
23 in section 123.3, subsection 7, the total capacity of the
24 containers is not more than two hundred eighty-eight fluid
25 ounces.

26 *c.* For all other beverage containers, the total capacity of
27 the containers is not more than five hundred seventy-six fluid
28 ounces.

29 3. Subsections 1 and 2 do not apply to a refillable glass
30 beverage container that has a brand name permanently marked
31 on it and that has a refund value of five cents, to any other
32 refillable beverage container that has a refund value of five
33 cents and that is exempted by rules adopted by the commission,
34 or to a beverage container sold aboard a commercial airliner or
35 passenger train for consumption on the premises.

1 Sec. 27. NEW SECTION. 123B.5 **Redemption centers.**

2 To facilitate the return of empty beverage containers, any
3 person may establish a redemption center at which consumers may
4 return empty beverage containers and receive payment of the
5 refund value of such beverage containers.

6 Sec. 28. NEW SECTION. 123B.6 **Rules.**

7 The commission shall adopt, upon recommendation of the
8 division, rules necessary to carry out the provisions of this
9 chapter, subject to the provisions of chapter 17A.

10 Sec. 29. NEW SECTION. 123B.7 **Penalties.**

11 1. Except as provided in subsection 2, any person violating
12 the provisions of section 123B.2 or 123B.4, or a rule adopted
13 under this chapter, shall be guilty of a simple misdemeanor.

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

16 *a.* Collects or attempts to collect the refund value on a
17 beverage container a second time, with the knowledge that the
18 refund value has once been paid by the redemption center to a
19 consumer.

20 *b.* Manufactures, sells, possesses, or applies a false or
21 counterfeit label or indication that shows or purports to show
22 a refund value for a beverage container, with intent to use the
23 false or counterfeit label or indication.

24 *c.* Collects or attempts to collect a refund value on
25 a container with the use of a false or counterfeit label
26 or indication showing a refund value, knowing the label or
27 indication to be false or counterfeit.

28 *d.* Intentionally submits to the division a request for
29 reimbursement of refund value that does not accurately reflect
30 the number of beverage containers collected and recycled by a
31 redemption center for the period that the redemption center
32 seeks reimbursement.

33 3. As used in this section, "*a false or counterfeit label*
34 *or indication*" means a label or indication purporting to show
35 a valid refund value that has not been initially applied as

1 authorized by a distributor.

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

6 5. A person who violates any provision of this chapter
7 shall be subject to a civil penalty that shall be established,
8 assessed, and collected by the division by rule, but shall not
9 exceed two thousand dollars per violation. Any civil penalty
10 collected under this chapter shall be deposited in the general
11 fund of the state.

12 Sec. 30. NEW SECTION. 123B.8 **Administrative enforcement —**
13 **compliance orders.**

14 The administrator of the division may issue any order
15 necessary to secure compliance with or prevent a violation of
16 the provisions of this chapter or any rule adopted or permit
17 or order issued pursuant to this chapter. The person to whom
18 the compliance order is issued may cause to be commenced a
19 contested case within the meaning of chapter 17A by filing
20 within thirty days a notice of appeal to the commission. On
21 appeal, the commission may affirm, modify, or vacate the order
22 of the administrator of the division.

23 Sec. 31. NEW SECTION. 123B.9 **Judicial review.**

24 Judicial review of any order or other action of the
25 commission or administrator of the division may be sought in
26 accordance with the terms of chapter 17A. Notwithstanding the
27 terms of chapter 17A, petitions for judicial review may be
28 filed in the district court of the county in which the alleged
29 offense was committed.

30 Sec. 32. NEW SECTION. 123B.10 **Civil actions for compliance**
31 **— penalties.**

32 1. The attorney general, on request of the division, shall
33 institute any legal proceedings necessary to obtain compliance
34 with an order of the commission or the administrator of the
35 division, including proceedings for a temporary injunction,

1 or prosecuting any person for a violation of an order of
2 the commission or the administrator of the division or the
3 provisions of this chapter or any rules adopted or permit or
4 order issued pursuant to this chapter.

5 2. Any person who violates an order issued pursuant to
6 section 123B.8 shall be subject to a civil penalty, not to
7 exceed two thousand dollars for each day of such violation.

8 Sec. 33. NEW SECTION. 123B.11 Refund value payment program
9 — fund created.

10 1. The division shall establish and administer a refund
11 value payment program. The purpose of the program shall be
12 to administer payments of refund value and handling fees to
13 redemption centers after the redemption centers accept empty
14 beverage containers from consumers. The program shall be
15 administered in accordance with rules adopted by the commission
16 pursuant to chapter 17A.

17 2. A bottle bill deposit fund is established in the state
18 treasury under the control of the division. The fund shall
19 consist of moneys deposited in the fund pursuant to section
20 123B.2. Moneys in the fund are appropriated to the division
21 for purposes designated in subsection 4. Notwithstanding
22 section 8.33, moneys in the fund that remain unencumbered or
23 unobligated at the close of a fiscal year shall not revert
24 but shall remain available for expenditure for the purposes
25 designated. Notwithstanding section 12C.7, subsection 2,
26 interest or earnings on moneys in the fund shall be credited
27 to the fund.

28 3. A bottle bill cash reserve account is established
29 within the bottle bill deposit fund. Moneys in the bottle
30 bill deposit fund on July 1, 2024, shall be deposited in the
31 account. The division shall use moneys in the account in the
32 event that the other moneys in the bottle bill deposit fund
33 are insufficient to issue reimbursement and handling fees
34 to redemption centers. At the end of each fiscal year, the
35 account shall be replenished to the original amount deposited

1 on July 1, 2024, from the other moneys in the bottle bill
2 deposit fund if such other moneys are available.

3 4. Moneys in the fund shall be used by the division for all
4 of the following purposes:

5 a. Issuing reimbursement of refund value to a redemption
6 center after the redemption center accepts empty beverage
7 containers from and pays the refund value to a consumer.

8 b. Issuing the handling fee to a redemption center for each
9 beverage container that a redemption center accepts from a
10 consumer.

11 c. Covering administrative costs to administer the refund
12 value payment program in an amount determined by the commission
13 by rule.

14 d. Annually transferring an amount of moneys to the taxpayer
15 relief fund established in section 8.57E that is equal to the
16 amount of unclaimed deposits at the end of the fiscal year
17 minus the amount necessary to cover administrative costs, the
18 amount necessary to replenish the bottle bill cash reserve
19 account, and the amount in the bottle bill cash reserve
20 account.

21 e. Replenishing the bottle bill cash reserve account when
22 necessary.

23 Sec. 34. NEW SECTION. **455D.9B Disposal of beverage**
24 **containers at sanitary landfill prohibited.**

25 The final disposal of beverage containers, as defined in
26 section 123B.1, including the final disposal of beverage
27 containers that used to contain alcoholic liquor as defined in
28 section 123.3, subsection 5, by a redemption center, as defined
29 in section 123B.1, in a sanitary landfill is prohibited.

30 Sec. 35. **EFFECTIVE DATE.** This division of this Act takes
31 effect January 1, 2023.

32 **EXPLANATION**

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

35 Under current law, a consumer may return an empty beverage

1 container upon which a 5-cent refund value has been paid to a
2 dealer or a redemption center. When a distributor collects
3 empty beverage containers from a dealer, dealer agent, or
4 redemption center, the distributor reimburses the dealer,
5 dealer agent, or redemption center the refund value plus a
6 1-cent handling fee for each empty beverage container. Current
7 law also allows any person to establish a redemption center
8 that serves a dealer if it is approved by the department of
9 natural resources. Any person may also establish an unapproved
10 redemption center.

11 DIVISION I. This bill increases the handling fee to 2 cents,
12 but only when paid to a redemption center. The bill provides
13 that a dealer may choose to not accept beverage containers
14 if a redemption center is located within a 20-mile radius of
15 the dealer. The bill makes numerous changes throughout Code
16 chapter 455C to change instances of "dealer" to "participating
17 dealer", remove obsolete language, and stylistically and
18 grammatically update the Code chapter.

19 This division of the bill takes effect July 1, 2022.

20 DIVISION II. The bill repeals the current beverage
21 container control law (Code chapter 455C) on January 1, 2023,
22 and makes corresponding changes.

23 DIVISION III. The bill creates a new Code chapter 123B
24 to place beverage container control provisions under the
25 authority of the alcoholic beverages division (ABD) within
26 the department of commerce. Under the new beverage container
27 control provisions, a dealer shall submit to the department
28 of revenue on a monthly basis receipts indicating the number
29 of beverage containers sold by the dealer and the 5-cent
30 refund value collected for each beverage container sold by
31 the dealer. The department of revenue shall credit monthly
32 to the treasurer of state for deposit in the bottle bill
33 deposit fund established in the bill the refund value collected
34 from dealers. A consumer may redeem the refund value by
35 returning an empty beverage container to a redemption center.

1 After payment of the refund value by a redemption center to
2 a consumer, the redemption center shall dispose of empty
3 beverage containers by transporting the beverage containers to
4 a recycling site. After a redemption center provides proof of
5 recycling, ABD shall reimburse the redemption center the refund
6 value paid to consumers and a handling fee provided by rule.
7 The reimbursement shall be paid from the bottle bill deposit
8 fund established in the bill. This division of the bill does
9 not require a distributor to pick up beverage containers and
10 reimburse redemption centers.

11 The bill requires ABD to establish and administer a refund
12 value payment program for the purpose of administering payments
13 of refund value and handling fees to redemption centers. The
14 bill establishes a bottle bill deposit fund in the state
15 treasury under the control of the division. Moneys in the
16 bottle bill deposit fund may be used for purposes of issuing
17 refund value and the handling fee to a redemption center,
18 covering administrative costs to administer the program,
19 annually transferring moneys to the taxpayer relief fund, and
20 replenishing the bottle bill cash reserve account established
21 within the fund.

22 The bill requires ABD to require by rule registration of the
23 universal product code for each beverage container in a format
24 required by ABD. The bill requires the alcoholic beverages
25 commission, at the recommendation of ABD, to adopt rules to
26 carry out this division of the bill.

27 The bill provides penalty provisions primarily based on
28 simple misdemeanors and fraudulent practices in current Code
29 chapter 455C, but also creates the fraudulent practice of
30 intentionally submitting to ABD a request for reimbursement
31 of refund value that does not accurately reflect the number
32 of beverage containers collected and recycled by a redemption
33 center for the period that the redemption center seeks
34 reimbursement. The bill also provides for civil enforcement by
35 ABD, including the imposition of civil penalties not to exceed

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1 \$2,000.

2 This division of the bill takes effect January 1, 2023.