

House File 809 - Introduced

HOUSE FILE 809
BY RINKER

A BILL FOR

1 An Act providing for the repeal of the beverage containers
2 control program, and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

BEVERAGE CONTAINER DEPOSIT REPEAL

1
2
3 Section 1. Section 123.26, Code 2025, is amended to read as
4 follows:

5 **123.26 Restrictions on sales — seals — labeling.**

6 Alcoholic liquor shall not be sold by a class "E" retail
7 alcohol licensee except in a sealed container with identifying
8 markers as prescribed by the director and affixed in the manner
9 prescribed by the director, and no such container shall be
10 opened upon the premises of a state warehouse. ~~The department~~
11 ~~shall cooperate with the department of natural resources so that~~
12 ~~only one identifying marker or mark is needed to satisfy the~~
13 ~~requirements of this section and section 455C.5, subsection 1.~~
14 Possession of alcoholic liquors ~~which~~ that do not carry the
15 prescribed identifying markers is a violation of this chapter
16 except as provided in section 123.22.

17 Sec. 2. Section 123.187, subsection 3, paragraph e, Code
18 2025, is amended by striking the paragraph.

19 Sec. 3. Section 455C.2, subsection 1, Code 2025, is amended
20 to read as follows:

21 1. ~~A refund value of five cents shall be paid by the consumer~~
22 ~~on each beverage container sold in this state by a dealer for~~
23 ~~consumption off the premises. Upon return of the an empty~~
24 beverage container upon which a refund value has been paid to
25 a participating dealer or redemption center and acceptance of
26 the empty beverage container by the participating dealer or
27 redemption center, the participating dealer or redemption center
28 shall return the amount of the refund value to the consumer
29 within a reasonable time not to exceed ten days.

30 Sec. 4. Section 455C.4, subsection 1, Code 2025, is amended
31 to read as follows:

32 1. ~~Except as provided in section 455C.5, subsection 3, a A~~
33 dealer, a redemption center, a distributor, or a manufacturer may
34 refuse to accept any empty beverage container that does not have
35 stated on it a refund value as provided under section 455C.2.

1 Sec. 5. Section 455C.12, subsection 1, Code 2025, is amended
2 to read as follows:

3 1. Any person violating the provisions of section 455C.2, or
4 455C.3, ~~or 455C.5,~~ or a rule adopted under this chapter, shall be
5 guilty of a simple misdemeanor.

6 Sec. 6. Section 455C.14, subsection 1, Code 2025, is amended
7 to read as follows:

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

25 Sec. 7. REPEAL. Sections 455C.5, 455C.6, 455C.7, and
26 455C.10, Code 2025, are repealed.

27 Sec. 8. EFFECTIVE DATE. This division of this Act, being
28 deemed of immediate importance, takes effect upon enactment.

29 DIVISION II

30 BEVERAGE CONTAINER REDEMPTION REPEAL

31 Sec. 9. Section 22.7, subsection 75, Code 2025, is amended by
32 striking the subsection.

33 Sec. 10. Section 123.24, subsection 2, paragraph d, Code
34 2025, is amended to read as follows:

35 d. A bottle surcharge in an amount sufficient, ~~when added to~~

1 ~~the amount not refunded to class "E" retail alcohol licensees~~
2 ~~pursuant to section 455C.2,~~ to pay the costs incurred by the
3 department for collecting and properly disposing of the liquor
4 containers. The amount collected pursuant to this paragraph, ~~in~~
5 ~~addition to any amounts not refunded to class "E" retail alcohol~~
6 ~~licensees pursuant to section 455C.2,~~ shall be deposited in the
7 beer and liquor control fund established under section 123.17.

8 Sec. 11. Section 423.6, subsection 3, paragraph a, Code 2025,
9 is amended to read as follows:

10 a. Any tangible personal property including containers for
11 which it is intended shall, by means of fabrication, compounding,
12 manufacturing, or germination, become an integral part of other
13 tangible personal property intended to be sold ultimately at
14 retail, ~~and containers used in the collection, recovery, or~~
15 ~~return of empty beverage containers subject to chapter 455C.~~

16 Sec. 12. Section 455A.6, subsection 6, paragraph d, Code
17 2025, is amended to read as follows:

18 d. Provide advice and make recommendations regarding the
19 budget request prepared by the director for the programs
20 authorized by chapters 455B, ~~455C,~~ 455E, 455F, 455H, and 459,
21 subchapters II and III.

22 Sec. 13. Section 455C.1, subsection 15, Code 2025, is amended
23 to read as follows:

24 15. "Redemption center" means a facility at which consumers
25 may return empty beverage containers and ~~receive payment for the~~
26 ~~refund value of the empty beverage containers.~~

27 Sec. 14. Section 455C.1, subsections 3, 6, 7, 8, 10, 12, and
28 13, Code 2025, are amended by striking the subsections.

29 Sec. 15. REPEAL. Sections 455C.2, 455C.3, 455C.4, 455C.9,
30 455C.12, 455C.12A, 455C.12B, 455C.12C, 455C.12D, 455C.13,
31 455C.14, and 455C.18, Code 2025, are repealed.

32 Sec. 16. UNCLAIMED REFUND VALUE AND HANDLING FEES. Claims
33 for unpaid refund values or handling fees shall be settled
34 within thirty days of the enactment of this division of this
35 Act. Thirty days after enactment of this division of this

1 Act, any amount of refund value or handling fees possessed by
2 a distributor after the distributor has made payments required
3 pursuant to chapter 455C, Code 2025, shall be considered the
4 property of the distributor.

5 Sec. 17. BARREL TAX REFUND. For a thirty-day period after
6 enactment of this division of this Act, a distributor who pays
7 a handling fee for a beverage container that was sold for
8 consumption off the premises and that used to contain beer,
9 including high alcoholic content beer, may claim a refund of the
10 barrel tax established in section 123.136, Code 2025, paid by
11 the distributor in the amount of one cent for each such beverage
12 container accepted by the distributor. The department of revenue
13 shall prescribe forms for a distributor to use to claim a
14 refund under this section. Identifying information collected
15 by the department of revenue pursuant to this section that can
16 be used to identify a specific distributor shall be considered
17 confidential information pursuant to section 22.7, subsection 75,
18 Code 2025.

19 Sec. 18. TRANSFER OF MONEYS. Upon enactment of this division
20 of this Act, any unencumbered and unobligated moneys remaining in
21 the bottle bill fund created in section 455C.12D are transferred
22 to the general fund of the state.

23 Sec. 19. EFFECTIVE DATE. This division of this Act takes
24 effect six months after enactment of division I of this Act.

25 EXPLANATION

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

28 This bill provides for the repeal of the beverage containers
29 control program, commonly referred to as the "bottle bill".

30 Under current law, when a distributor sells beverages in
31 eligible containers to a dealer, the distributor adds 5 cents
32 per eligible container to the sale price. When a dealer sells
33 beverages in eligible containers to a consumer, the dealer
34 adds the 5-cent deposit to the sale price of each beverage
35 container. A consumer can take eligible beverage containers to

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

9 Upon enactment, the bill strikes the provision of the
10 beverage containers control program that requires a dealer to
11 charge a consumer the refund value for each beverage container,
12 repeals the requirement that the refund value be stated on
13 containers, and repeals provisions relating to redemption center
14 approval. Six months thereafter, the bill repeals the remaining
15 provisions of the program, including provisions allowing a
16 consumer to return beverage containers in exchange for the refund
17 value, allowing a participating dealer or a person operating a
18 redemption center to return beverage containers to a distributor
19 in exchange for the refund value and handling fee, allowing
20 refusal of beverage containers, and providing for enforcement and
21 associated penalties. Any unencumbered and unobligated moneys
22 remaining in the bottle bill fund are transferred to the general
23 fund of the state. Thirty days later, any amount of refund value
24 or handling fees possessed by a distributor after the distributor
25 has made payments and fees required pursuant to current Code
26 chapter 455C shall be considered the property of the distributor.
27 During the 30-day period, a distributor who pays a handling fee
28 for a beverage container that was sold for consumption off the
29 premises and that used to contain beer, including high alcoholic
30 content beer, may continue to claim a refund of the barrel tax as
31 provided by current law.

32 The bill does not repeal Code section 455C.16, which prohibits
33 disposal of beverage containers in a sanitary landfill by a
34 participating dealer, distributor, manufacturer, or a redemption
35 center, or strike the associated definitions in Code section

1 455C.1.

2 The bill amends various Code provisions to conform with
3 changes to the beverage containers control program as changes to
4 the program become effective.

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