

CHAPTER 272**WASTE MANAGEMENT AND RECYCLING***H.F. 753*

AN ACT relating to the establishment of a waste volume reduction and recycling network, prohibiting the disposal of certain products at sanitary landfills, promoting the use of certain recyclable products and certain recycling or reprocessing equipment, prohibiting the use of certain other products, requiring city or county solid waste management programs and plans, establishing fees and taxes, providing for appropriation and expenditure of the fee receipts and certain other moneys, providing penalties, providing an effective date, and providing for other properly related matters.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. 455D.1 DEFINITIONS.

As used in this chapter unless the context otherwise requires:

1. "Commission" means the environmental protection commission.
2. "Department" means the department of natural resources created pursuant to section 455A.2.
3. "Deposit" means the amount paid by the consumer to the retailer at the time of initial purchase that is intended to encourage the return of materials or containers and which is returned in full to the consumer when the used material or container is redeemed.
4. "Director" means the director of the department.
5. "Rebate" means the portion of the amount paid by the consumer to the retailer at the time of initial purchase that is returned to the consumer when the used material or container is returned for disposal.
6. "Recycling" means any process by which waste, or materials which would otherwise become waste, are collected, separated, or processed and revised or returned to use in the form of raw materials or products. "Recycling" includes but is not limited to the composting of yard waste which has been previously separated from other waste, but does not include any form of energy recovery.
7. "Waste abatement fee" means the amount paid by the consumer to the retailer at the time of initial purchase of a product that is intended to support the cost of proper disposal.
8. "Waste reduction" means practices which reduce, avoid, or eliminate both the generation of solid waste and the use of toxic materials so as to reduce risks to health and the environment and to avoid, reduce, or eliminate the generation of wastes or environmental pollution at the source and not merely achieved by shifting a waste output or waste stream from one environmental medium to another environmental medium.

Sec. 2. NEW SECTION. 455D.2 FINDINGS.

The general assembly finds that:

1. Iowa's environment is precious and no person has the right to pollute Iowa's air, water, or soil. The environment is vulnerable and irreplaceable, and all Iowans have an ongoing responsibility to conserve, preserve, and enhance the state's natural resources to guarantee their continued existence and use by the present and future generations.
2. The land itself is the source of Iowa's livelihood not only for the purposes of an agricultural economy, but for the establishment of manufacturing plants, business offices, and residences. While zoning establishes restrictions on the use of land for social order, a similar system has not been established to maintain environmental order below the ground. Protection of the environment includes not only visible but invisible threats as well.
3. The rapidly rising volume of waste deposited by society threatens the capacity of existing and future landfills. The nature of waste disposal today means that unknown quantities of potentially toxic and hazardous materials are being buried and pose a constant threat to the groundwater supply. In addition, the nature of the waste and disposal methods utilized allow the waste to remain basically inert for decades, if not centuries, without decomposition.
4. Wastes filling Iowa's landfills may, at best, represent a potential resource. However, without proper management, wastes are hazards to the environment and life itself.

5. The reduction of solid waste at the source and the recycling of reusable waste materials will reduce the flow of waste to sanitary landfills and increase the supply of reusable materials for the use of the public.

Sec. 3. NEW SECTION. 455D.3 GOAL.

The goal of the state is to reduce the amount of materials in the waste stream, existing as of July 1, 1988, twenty-five percent by July 1, 1994, and fifty percent by July 1, 2000, through the practice of waste volume reduction at the source and through recycling. For the purposes of this section, "waste stream" means the disposal of solid waste as "solid waste" is defined in section 455B.301. In determination of the reduction level of the waste stream, it shall be considered that each person currently generates three and one-half pounds of waste per day, and that this amount shall be reduced by the percentages indicated in order to preserve the health and safety of all Iowans.

Sec. 4. NEW SECTION. 455D.4 WASTE VOLUME REDUCTION POLICIES.

1. It is the policy of this state to encourage the development of waste volume reduction programs and education at the local government level through incentives, technical assistance, grants, and other practical measures.

2. It is the policy of this state to support and encourage the development of new uses and markets for recycled goods, placing emphasis on the development, in Iowa, of businesses relating to waste reduction and recycling.

3. The provision of education concerning waste volume reduction at the elementary through high school levels and through community organizations will enhance the success of local programs requiring public involvement.

4. This state supports and encourages manufacturing methods which are environmentally sustainable, technologically safe, and ecologically sound. The state shall encourage manufacturing methods which enhance waste reduction by creating products with longer usage life, and by creating products which are adaptable to secondary uses, require less input material, and decrease resource consumption.

5. The people of this state recognize that a variety of benefits result from a comprehensive waste reduction policy including the following environmental, economic, governmental, and public benefits:

a. Not producing waste in the first instance is the most certain means for avoiding the widely recognized health and environmental damage associated with waste. Although waste reduction will never eliminate all wastes, to the extent that waste reduction is achieved it results in the most certain form of direct risk reduction.

b. Waste reduction may result in reduced pollution control costs for industry by stimulating and promoting beneficial technological and management reorganization within industry in place of pollution control strategies which channel capital into nonproductive pollution control expenditures.

c. The government is better able to administer programs which offer a variety of benefits to industry and which reduce the overall cost of government involvement than it is to administer programs which offer few benefits to industry and require increasingly extensive, complex, and costly governmental actions.

d. Public confidence in environmental policies of the government is important for the effectiveness of these policies. Waste reduction poses no adverse environmental and public health effects and does not, therefore, lead to increased public concern. Waste reduction also increases the public confidence that the government and industry are doing all that is possible to protect human health and the environment.

Sec. 5. NEW SECTION. 455D.5 STATEWIDE WASTE REDUCTION AND RECYCLING NETWORK — ESTABLISHED.

1. The department shall establish a statewide waste reduction and recycling network to promote the waste management policy contained in section 455B.481 and the waste management hierarchy contained in section 455B.301A. Programs established shall encourage waste

generators to reduce the volume of waste generated and to recycle or properly dispose of the waste that is generated. The network shall utilize existing recycling companies when possible. The programs may utilize financial and legal incentives, education, technical assistance, regulation, and other methods as appropriate to implement the programs. The programs may involve the development of public and private sector initiatives, the development of markets and other opportunities for waste reduction and recycling, and other related efforts.

2. The elements of the network shall include but are not limited to all of the following:
 - a. Promotion of efforts to increase the amount of recyclable materials used by the public.
 - b. Promotion of efforts to recover recyclable materials from the waste stream.
 - c. Promotion of local efforts to implement recycling collection centers located at disposal sites or other convenient local sites.
 - d. Promotion of local efforts of curbside collection of separated recyclable waste materials.
 - e. Provision of public education programs which promote public awareness of waste volume reduction and the use of recyclable materials.
 - f. Promotion of the creation of markets for recyclable materials.
 - g. Promotion of research, manufacturing processes, and product development, which provide for waste reduction through decreased material input, and resource consumption.
 - h. Promotion of the concentration of the efforts of the business and industry resource search service by the small business assistance center for the safe and economic management of solid waste and hazardous substances at the university of northern Iowa, to locate existing waste streams and materials from businesses and industries which generate small amounts of waste and to catalyze the reuse of these materials in the production of goods and services.
3. The department, in cooperation with businesses involved in the manufacturing and use of polystyrene packaging products or food service items, shall establish and implement a recycling demonstration project utilizing these items by July 1, 1991. The department shall submit a report of the results of the project to the general assembly by January 1, 1992.

Sec. 6. NEW SECTION. 455D.6 DUTIES OF THE DIRECTOR.

The director shall:

1. Unless otherwise specified in this chapter, recommend rules to the commission which are necessary to implement this chapter. Initial recommendations shall be made to the commission no later than July 1, 1991.
2. Seek, receive, and accept funds in the form of appropriations, grants, awards, wills, bequests, endowments, and gifts for deposit in the waste reduction and recycling trust fund to be used for programs relating to the duties of the department under this chapter.
3. Administer and coordinate the waste volume reduction and recycling fund created under section 455D.15.
4. Enter into contracts and agreements, with the approval of the commission, for contracts in excess of twenty-five thousand dollars, with local units of government, other state agencies, governments of other states, governmental agencies of the United States, other public and private contractors, and other persons as may be necessary or beneficial in carrying out the department's duties under this chapter.
5. Submit a report to the general assembly on or before July 1, 1990, that characterizes the solid waste stream in Iowa and that contains a strategy for managing each major component of the waste stream. The strategy shall describe the actions necessary to assure that each segment of the waste stream is managed according to the highest appropriate priority of the waste management hierarchy.
6. Develop a strategy and recommend to the commission the adoption of rules necessary to implement a strategy for white goods and waste oil by January 1, 1990.
7. Provide financial assistance through expenditure of the waste volume reduction and recycling fund to public and private entities to promote and enable the development and implementation of markets and industries in Iowa that will support and complement the state's waste reduction and recycling programs.

8. Study the technology available for the reclamation and recycling of refrigerant, including the findings of nationwide industry surveys, and make recommendations concerning whether or not all persons providing refrigerator or air conditioner repair services should own or have access to refrigerant reclamation or recycling machinery.

9. Identify products made from recycled or recovered materials and provide a list of these products to the department of general services and to all other state agencies to assist in the development and review of procurement specifications. The director shall also develop, in cooperation with the director of the department of general services, a program to promote the procurement of listed products and seek information from state agencies using products containing recycled or recovered materials to evaluate their performance. The program shall also provide that the director seek information from suppliers regarding product performance and recovered material content of products offered for sale. Based on the above evaluation, and information regarding the recyclability of the components of products and their longevity, and, where applicable, the energy efficiency of such products, the department shall publish information on recommended products for procurement. This information shall be provided to all state agencies as well as city and county purchasing agencies.

Sec. 7. NEW SECTION. 455D.7 DUTIES OF THE COMMISSION.

The commission shall:

1. Unless otherwise specified in this chapter, adopt rules necessary to implement this chapter pursuant to chapter 17A. Initial rules shall be adopted no later than April 1, 1992.

2. Prohibit land disposal of specific components of the waste stream for which the department has developed and implemented a strategy for alternative disposal according to the waste management hierarchy.

3. Establish by rule standards for the acceptance of recyclable or rebatable products at redemption centers. The standards may address matters of public health and handling by the redemption center.

4. Recommend to the general assembly, annually, the imposition of waste abatement fees, rebates, and deposits.

Sec. 8. NEW SECTION. 455D.8 DEPOSITS, REBATES, AND WASTE ABATEMENT FEES.

The commission shall recommend to the general assembly, annually, deposits, rebates, and waste abatement fees on elements of the waste stream when necessary to encourage waste reduction, and the recycling and recovery of useful components of that waste stream element, or to encourage proper management and disposal of components that cannot be recycled or recovered. In making these recommendations, the commission shall not recommend the imposition of a deposit, rebate, or waste abatement fee on an element that is being properly managed through a market-driven or publicly supported recycling, recovery, or source separation program. The commission shall recommend to the general assembly that a deposit, rebate, or waste abatement fee is removed from an element of the waste stream when the commission determines that market forces will ensure that the element is recycled, recovered, or properly managed and disposed.

Sec. 9. NEW SECTION. 455D.9 LAND DISPOSAL OF YARD WASTE — PROHIBITED.

1. Beginning January 1, 1991, land disposal of yard waste as defined by the department is prohibited. However, yard waste which has been separated at its source from other solid waste may be accepted by a sanitary landfill for the purposes of soil conditioning or composting.

2. The department shall assist local communities in the development of collection systems for yard waste generated from residences and shall assist in the establishment of local composting facilities. By July 1, 1990, each city and county shall, by ordinance, require persons within the city or county to separate yard waste from other solid waste generated. Municipalities which provide a collection system for solid waste shall provide for a collection system for yard waste which is not composted.

3. The department shall develop rules which define yard waste and provide for the safe and proper method of composting.

4. State and local agencies responsible for the maintenance of public lands in the state shall give preference to the use of composted materials in all land maintenance activities.

5. This section does not prohibit the use of yard waste as land cover or as soil conditioning material.

6. This section prohibits the incineration of yard waste at a sanitary disposal project.

Sec. 10. NEW SECTION. 455D.10 LAND DISPOSAL OF LEAD ACID BATTERIES – PROHIBITED – COLLECTION FOR RECYCLING.

1. Beginning July 1, 1990, land disposal of lead acid batteries is prohibited.

2. A person offering for sale or selling lead acid batteries at retail in the state shall do all of the following:

a. Accept used lead acid batteries from customers who purchase new lead acid batteries, at the point of sale.

b. Post written notice that land disposal of lead acid batteries is prohibited and that state law requires the retailer to accept lead acid batteries for recycling when new lead acid batteries are purchased.

3. A person offering for sale or selling lead acid batteries at wholesale shall accept used lead acid batteries from retailers who purchase new lead acid batteries for resale to consumers, or from wholesale customers.

Sec. 11. NEW SECTION. 455D.11 WASTE TIRES – LAND DISPOSAL PROHIBITED – FEE REQUIRED.

1. As used in this section, unless the context otherwise requires:

a. "Permit" means a permit issued by the department to establish, construct, modify, own, or operate a tire stockpiling facility.

b. "Processing" means producing or manufacturing usable materials from waste tires.

c. "Processing site" means a site which is used for the processing of waste tires and which is owned or operated by a tire processor who has a permit for the site.

d. "Tire collector" means a person who owns or operates a site used for the storage, collection, or deposit of more than fifty waste tires.

e. "Tire processor" means a person engaged in the processing of waste tires.

f. "Waste tire" means a tire that is no longer suitable for its originally intended purpose due to wear, damage, or defect.

g. "Waste tire collection site" means a site which is used for the storage, collection, or deposit of waste tires.

*2. *Beginning January 1, 1990, at the time a vehicle is subject to registration pursuant to chapter 321 or 326, except for official vehicles, the owner shall pay an environmental assessment fee of one dollar. Payment of the environmental assessment fee shall be made in addition to any other fees, to the county treasurer. The county treasurer shall remit the environmental assessment fees to the treasurer of state and a monthly report to the department of revenue and finance. The state treasurer shall deposit the environmental assessment fees remitted in the road use tax fund. The director of the state department of transportation, through the distributed teleprocessing network, shall provide assistance to each county treasurer in the collection, receipt, accounting, and reporting of the environmental assessment fees.*

3. *Notwithstanding section 423.24, there is transferred to the waste volume reduction and recycling fund from revenues collected under chapter 423, during each month beginning on or after January 1, 1990, from the use tax imposed on motor vehicles, trailers, and motor vehicle accessories and equipment under section 423.7, the amount deposited into the road use tax fund under subsection 2 during the same month. One-half of the funds deposited in the waste volume reduction and recycling fund during each quarter beginning January 1, 1990, shall be allocated to each county based on the amount of the registration fees collected pursuant to this subsection and reported to the department of revenue and finance by that county. The allocation shall be deposited in the county's general fund to be used for waste*

volume reduction and recycling projects which projects may be done in cooperation with the efforts of other local units of government. The use of the moneys by the county for these projects may demonstrate an intent to comply with the requirements of section 455B.306 which would enable the county to be eligible for grants from the waste volume reduction and recycling fund under section 455D.15. In order for the county to ensure that the department will be aware of these projects, the county shall file an annual report with the department delineating the uses for which the moneys retained from the environmental assessment fee were spent.

4. *The department of revenue and finance shall prescribe the type and form of records required for the reporting of fees and shall prescribe the manner and means of payment of the fees imposed.**

5. Land disposal of waste tires is prohibited beginning July 1, 1991, unless the tire has been processed in a manner established by the department. A sanitary landfill shall not refuse to accept a waste tire which has been properly processed.

6. The department shall conduct a study and make recommendations to the general assembly by January 1, 1991, concerning a waste tire abatement program which includes but is not limited to the following:

a. The number and geographic distribution of waste tires generated and existing in the state.

b. The development of markets for the recycling and processing of waste tires, in the mid-western states.

c. The methods to establish reliable sources of waste tires for users of waste tires.

d. The permitting of waste tire collection sites, waste tire processing facilities, and waste tire haulers.

e. The methods for the cleanup of existing stockpiles of waste tires.

7. Upon completion of the study pursuant to subsection 6, the department shall determine the number of stockpiling facilities which are necessary and shall develop rules for stockpiling facilities which include but are not limited to the following:

a. The prohibition of burning within one hundred yards of a tire stockpile.

b. The maximum height, width, and length of a tire stockpile.

c. Plans to control mosquitos and rodents.

d. A facility closure plan.

e. Specifications for fire lanes between stockpiles.

f. Limitations of the total number of tires allowed at a single stockpile site.

8. The department shall develop criteria for the issuance of permits and shall issue permits to qualified stockpiling facilities.

9. The department shall provide financial assistance to persons who establish recycling and processing sites for waste tires, subject to the rules established by the department for the establishment of such sites and subject to the conditions prescribed by the department for application for and awarding of such financial assistance.

10. Financial assistance shall not be awarded for incineration facilities.

Sec. 12. NEW SECTION. 455D.12 PLASTIC CONTAINER LABELING.

1. In this section unless the context otherwise requires:

a. "Label" means a molded imprint or raised symbol on or near the bottom of a plastic product.

b. "Plastic" means any material made of polymeric organic compounds and additives that can be shaped by flow.

c. "Plastic bottle" means a plastic container that has a neck that is smaller than the body of the container, accepts a screw-type, snap cap, or other closure, and has a capacity of sixteen fluid ounces or more, but less than five gallons.

d. "Rigid plastic container" means any formed or molded container, other than a bottle, intended for single use, composed predominantly of plastic resin, and having a relatively inflexible infinite shape or form with a capacity of eight ounces or more, but less than five gallons.

2. Beginning July 1, 1992, a person shall not distribute, sell, or offer for sale in this state a plastic bottle or rigid plastic container unless the product is labeled with a code indicating the plastic resin used to produce the bottle or container. Rigid plastic bottles or rigid plastic containers with labels and basecups of a different material shall be coded by their basic

material. The code shall consist of a number placed within a triangle of arrows and letters placed below the triangle of arrows. The triangle shall be equilateral, formed by three arrows with the apex of each point of the triangle at the midpoint of each arrow, rounded with a short radius. The arrowhead of each arrow shall be at the midpoint of each side of the triangle with a short gap separating the pointer from the base of the adjacent arrow. The triangle, formed by the three arrows curved at their midpoints, shall depict a clockwise path around the code number. The numbers and letters used shall be as follows:

- a. 1. -PETE (polyethylene terephthalate)
- b. 2. -HDPE (high density polyethylene)
- c. 3. -V (vinyl)
- d. 4. -LDPE (low density polyethylene)
- e. 5. -PP (polypropylene)
- f. 6. -PS (polystyrene)
- g. 7. -OTHER (includes multi-layer)

3. The department shall maintain a list of the label codes provided in subsection 2 and shall provide a copy of that list to any person upon request.

4. A container manufacturer or distributor who violates this section is subject to a civil penalty of not more than five hundred dollars for each violation.

Sec. 13. NEW SECTION. 455D.13 LAND DISPOSAL OF WASTE OIL PROHIBITED — COLLECTION.

1. A sanitary landfill shall not accept waste oil for final disposal beginning July 1, 1990.

2. A person offering for sale or selling oil at retail in the state shall do the following:

a. Accept at the point of sale, waste oil from customers, or post notice of locations where a customer may dispose of waste oil.

b. Post written notice that it is unlawful to dispose of waste oil in a sanitary landfill.

Sec. 14. NEW SECTION. 455D.14 PRODUCTS MANUFACTURED WITH CHLOROFLUOROCARBONS PROHIBITED.

Beginning January 1, 1990, a person shall not sell, offer for sale, purchase, or use plastic foam packaging products or food service items manufactured with chlorofluorocarbons. Beginning January 1, 1998, a person shall not sell, offer for sale, purchase, or use plastic foam products, not previously prohibited, which are manufactured with fully halogenated chlorofluorocarbons. A person violating this section is guilty of a serious misdemeanor.

Sec. 15. NEW SECTION. 455D.15 WASTE VOLUME REDUCTION AND RECYCLING FUND.

1. A waste volume reduction and recycling fund is created within the state treasury. Moneys received by the authority from fees, including general revenue, federal funds, awards, wills, bequests, gifts, or other moneys designated shall be deposited in the state treasury to the credit of the fund. Notwithstanding section 8.33, any unexpended balance in the fund at the end of each fiscal year shall be retained in the fund. Any interest and earnings on investments from money in the fund shall be credited to the fund, section 453.7 notwithstanding.

2. The department shall award grants based upon the solid waste management hierarchy set forth in section 455B.301A, subsection 1. A grant shall not be awarded to a county, city, or central planning agency which has not complied with the requirements of a comprehensive solid waste management program and which has not complied with or demonstrated an intent to comply with the requirements of section 455B.306.

3. The fund shall be utilized for the following purposes:

a. The initial thirty-five thousand dollars collected for deposit in the fund shall be appropriated to the department for establishment of the pollution hotline program established pursuant to section 455B.116, and for the salary and support of not more than one full-time equivalent position.

- b. To provide financial assistance to public and private entities to develop and implement waste reduction and minimization programs for Iowa industries.
- c. To provide financial assistance to public and private entities and to develop and implement programs to create and enhance markets for recyclable and other waste products.
- d. To develop and implement educational and technical assistance programs that support and encourage waste reduction and recycling efforts by Iowans.
- e. To administer the provisions of chapter 455B, division IV, part 1.
- f. The department may utilize up to ten percent of the fund to administer the provisions of chapter 455D.
- g. To provide grants to local communities or private individuals for projects which establish recycling collection centers, establish local curbside collection of separated recyclable waste materials, promote public awareness regarding waste volume reduction and the use of recyclable materials, and create markets for recyclable materials. Grants shall not be awarded for incineration.
- h. To provide technical assistance to local communities in establishing collection systems and composting facilities for yard waste.
- i. To fund the study required pursuant to section 455D.11, subsection 6, and to provide loans and grants for waste tire recycling and reprocessing projects.
- j. To carry out the functions of the department of natural resources concerning recycling.
- k. To promote the recycling of chlorofluorocarbons used as refrigerant.

Sec. 16. NEW SECTION. 455D.16 PACKAGING PRODUCTS – RECYCLING – PROHIBITION OF POLYSTYRENE PRODUCTS.

The department, in cooperation with businesses involved in the manufacturing and use of packaging products or food service items, shall establish a recycling program to increase the recycling of packaging products or food service items by twenty-five percent by January 1, 1992, and by fifty percent by January 1, 1993. If the recycling goals are not reached, beginning January 1, 1994, a person shall not manufacture, offer for sale, sell, or use any polystyrene packing products or food service items in this state.

Sec. 17. NEW SECTION. 455D.17 PLASTIC BAG AND PACKAGE LABELING.

1. Effective July 1, 1992, a person shall not sell or offer for sale a disposable plastic bag or packaging material that does not comply with the labeling requirements of this section.
2. The commission shall adopt rules to establish the labeling requirements for disposable plastic bags and packaging materials. The labeling shall be designed to inform consumers and users of the products about the degradability of the bag or packaging material.

Sec. 18. NEW SECTION. 455D.18 NONDEGRADABLE GROCERY BAGS AND TRASH BAGS.

Effective July 1, 1992, a person shall not land dispose of nondegradable plastic grocery bags or trash bags in this state unless the department determines that degradable plastic bags pose an environmental hazard.

Sec. 19. Section 18.6, Code 1989, is amended by adding the following new subsections:

NEW SUBSECTION. 11. The director shall adopt rules which require that each bid received for the purchase of items purchased by the department includes a product content statement which provides the percentage of the content of the item which is reclaimed material.

NEW SUBSECTION. 12. The director shall require that as a condition of a contract for the purchase of items by the department, the person submitting the proposed contract for purchase of items shall receive information regarding the availability of an on-site, nonregulatory, review of waste management of the facility of the person submitting the proposed contract by the small business assistance center for the safe and economic management of solid waste and hazardous substances at the university of northern Iowa.

NEW SUBSECTION. 13. The director shall review and, where necessary, revise specifications used by state agencies to procure products including but not limited to lubricating oils,

retread tires, building insulation materials, and recovered materials from waste tires to ensure that the specifications allow the procurement of items containing recovered materials. Specifications shall be revised if they restrict the use of alternative materials, exclude recovered materials, or require performance standards which exclude items containing recovered materials unless the agency seeking the item can document that the use of recovered materials will hamper the intended use of the item.

Sec. 20. Section 18.18, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. a. As used in this subsection, unless the context otherwise requires:

(1) "Recycled paper" means a paper product with not less than forty percent of its total weight consisting of postconsumer material and recovered paper material. At least ten percent of the total weight of recycled paper shall be postconsumer materials.

(2) "Postconsumer material" means only those products generated by a business or consumer which have served their intended end uses, and which have been separated or diverted from solid waste for the purposes of collection, recycling, and disposition.

(3) "Recovered paper material" means paper waste generated after the completion of the papermaking process, such as postconsumer material, envelope cuttings, bindery trimmings, printing waste, cutting and other converting waste, butt rolls and mill wrappers, obsolete inventories, and rejected unused stock. "Recovered paper material" does not mean fibrous waste generated during the manufacturing process such as fibers recovered from waste water, or trimmings of paper machine rolls; or fibrous by-products of harvesting, extractive, or wood-cutting processes; or forest residue such as bark.

b. The department, in conjunction with recommendations made by the department of natural resources, shall purchase and use recycled printing and writing paper so that twenty-five percent by January 1, 1990, fifty percent by January 1, 1992, seventy-five percent by January 1, 1996, and ninety percent by January 1, 2000, of the volume of printing and writing paper purchased is recycled paper.

Sec. 21. NEW SECTION. 18.20 WASTEPAPER RECYCLING PROGRAM.

The department in accordance with recommendations made by the department of natural resources shall require all state agencies to establish an agency wastepaper recycling program by January 1, 1990. The director shall adopt rules which require a state agency to develop a program to ensure the recycling of the wastepaper generated by the agency. Each agency shall submit a report to the general assembly meeting in January 1990, which includes a description of the program plan and the agency's efforts to use recycled products. All state employees shall practice conservation of paper materials.

For the purposes of this section, "agency waste paper" means wastepaper or wastepaper products generated by the agency.

The rules adopted by the director shall provide for the continuation of existing state agency contracts which provide for alternative waste management not including incineration or land burial of agency waste paper.

Sec. 22. NEW SECTION. 18.21 CERTAIN POLYSTYRENE PRODUCTS – RECYCLING – PROHIBITION.

The department of general services shall comply with the recycling goal, recycling schedule, and ultimate termination, of the purchase and use of polystyrene products for the purpose of storing, packaging, or serving food for immediate consumption pursuant to section 455D.16.

Sec. 23. Section 262.9, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. In conjunction with the recommendations made by the department of natural resources, purchase and use recycled printing and writing paper, with the exception of specialized paper when no recyclable product is available, in accordance with the schedule established in section 18.18; establish a wastepaper recycling program by January 1, 1990, for

all institutions governed by the board in accordance with recommendations made by the department of natural resources and the requirements of section 18.20; comply with, and the institutions governed by the board shall also comply with the recycling goal, recycling schedule, and ultimate termination of purchase and use of polystyrene products for the purpose of storing, packaging, or serving food for immediate consumption pursuant to section 455D.16; and shall, in accordance with the requirements of section 18.6, require product content statements, the provision of information regarding on-site review of waste management in product bidding and contract procedures, and compliance with requirements regarding procurement specifications.

Sec. 24. Section 307.21, subsection 4, Code 1989, is amended to read as follows:

4. Provide centralized purchasing services for the department, in co-operation with the department of general services. The administrator shall, whenever the price is reasonably competitive and the quality intended, purchase soybean-based inks and starch-based plastics, including but not limited to starch-based garbage can liners, and shall purchase these items in accordance with the schedule established in section 18.18. The administrator shall also, in conjunction with recommendations made by the department of natural resources, purchase and use recycled printing and writing paper in accordance with the schedule established in section 18.18; shall establish a wastepaper recycling program by January 1, 1990, in accordance with recommendations made by the department of natural resources and the requirements of section 18.20; shall comply with the recycling goal, recycling schedule, and ultimate termination of purchase and use of polystyrene products for the purpose of storing, packaging, or serving food for immediate consumption pursuant to section 455D.16; and shall, in accordance with section 18.6, require product content statements, the provision of information regarding on-site review of waste management in product bidding and contract procedures, and compliance with requirements regarding procurement specifications.

**Sec. 25. Section 321.20, Code 1989, is amended by adding the following new subsection:
NEW SUBSECTION. 6. The amount of the environmental assessment fee to be paid pursuant to section 455D.11.**

Sec. 26. Section 422.45, subsection 27, Code 1989, is amended to read as follows:

27. The gross receipts from the sale or rental, on or after July 1, 1987 or on or after July 1, 1985, in the case of an industry which has entered into an agreement under chapter 280B prior to the sale or lease, of industrial machinery, equipment and computers, including replacement parts which are depreciable for state and federal income tax purposes, if the following conditions are met:

a. The industrial machinery, equipment and computers shall be directly and primarily used in the manner described in section 428.20 in processing tangible personal property or in research and development of new products or processes of manufacturing, refining, purifying, combining of different materials or packing of meats to be used for the purpose of adding value to products, or in processing or storage of data or information by an insurance company, financial institution or commercial enterprise, or in the recycling or reprocessing of waste products. As used in this paragraph:

(1) "Insurance company" means an insurer organized or operating under chapters 508, 514, 515, 518, 519, 520 or authorized to do business in Iowa as an insurer and having fifty or more persons employed in this state excluding licensed insurance agents.

(2) "Financial institutions" means as defined in section 527.2, subsection 5.

(3) "Commercial enterprise" includes businesses and manufacturers conducted for profit and includes centers for data processing services to insurance companies, financial institutions, businesses and manufacturers but excludes professions and occupations and nonprofit organizations.

b. The industrial machinery, equipment and computers must be real property within the scope of section 427A.1, subsection 1, paragraphs "e" or "j", and must be subject to taxation as real property. This paragraph does not apply to machinery and equipment used in the recycling or reprocessing of waste products qualifying for an exemption under paragraph "a".

However, the provisions of chapters 404 and 427B which result in the exemption from taxation of property for property tax purposes do not preclude the property from receiving this exemption if the property otherwise qualifies.

The gross receipts from the sale or rental of hand tools are not exempt. The gross receipts from the sale or rental of pollution control equipment qualifying under paragraph "a" shall be exempt.

The gross receipts from the sale or rental of industrial machinery, equipment, and computers, including pollution control equipment, within the scope of section 427A.1, subsection 1, paragraphs "h" and "i", shall not be exempt.

Sec. 27. NEW SECTION. 455B.116 POLLUTION HOTLINE PROGRAM.

The department shall establish a toll-free telephone number to allow citizens to report incidents resulting in pollution of the environment or damage to natural resources. The department shall receive and evaluate the reports and refer them to the appropriate state or local jurisdiction for initial investigation. The agency receiving a referral shall investigate the complaint, attempt to resolve the problem, and upon completion of the investigation, report to the department on the disposition of each complaint indicating how the problem was resolved.

The department shall use moneys appropriated to the waste volume reduction and recycling fund for the purpose of implementation of the program and shall use the moneys appropriated under section 455E.11 for the program to provide financial assistance to counties for investigation of complaints.

Sec. 28. Section 455B.302, Code 1989, is amended to read as follows:

455B.302 DUTY OF CITIES AND COUNTIES.

Every city and county of this state shall provide for the establishment and operation of a comprehensive solid waste reduction program consistent with the waste management hierarchy under section 455B.301A, and a sanitary disposal project for final disposal of solid waste by its residents not later than July 1, 1975. Sanitary Comprehensive programs and sanitary disposal projects may be established either separately or through co-operative efforts for the joint use of the participating public agencies as provided by law.

Cities and counties may execute with public and private agencies contracts, leases, or other necessary instruments, purchase land and do all things necessary not prohibited by law for the implementation of waste management programs, collection of solid waste, establishment and operation of sanitary disposal projects, and general administration of the same. Any agreement executed with a private agency for the operation of a sanitary disposal project shall provide for the posting of a sufficient surety bond by the private agency conditioned upon the faithful performance of the agreement. A city or county may at any time during regular working hours enter upon the premises of a sanitary disposal project, including the premises of a sanitary landfill, in order to inspect the premises and monitor the operations and general administration of the project to ensure compliance with the agreement and with state and federal laws. This includes the right of the city or county to enter upon the premises of a former sanitary disposal project which has been closed, including the premises of a former sanitary landfill, owned by a private agency, for the purpose of providing required postclosure care.

Sec. 29. Section 455B.304, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The commission shall adopt rules for the certification of operators of solid waste incinerators. The criteria for certification shall include, but is not limited to, an operator's technical competency and operation and maintenance of solid waste incinerators.

Sec. 30. Section 455B.305, subsections 2 through 5, Code 1989, are amended to read as follows:

2. Beginning July 1, 1988, the director shall not issue a permit for the construction or operation of a new sanitary ~~landfill~~ disposal project unless the permit applicant, in conjunction with

all local governments using the sanitary disposal project, has filed a plan as required by section 455B.306. For those sections for which the department has not developed rules, the permit shall contain conditions and a schedule for meeting all applicable requirements of section 455B.306.

3. Beginning July 1, 1988, the director shall not renew or reissue a permit which had been initially issued prior to that date for a sanitary ~~landfill disposal project~~, unless the permit applicant, in conjunction with all local governments using the sanitary disposal project, has filed a plan as required by section 455B.306. For those sections for which the department has not developed rules, the permit shall contain conditions and a schedule for meeting all applicable requirements of section 455B.306.

4. Beginning July 1, 1994, the director shall not renew or reissue a permit which had been initially issued or renewed prior to that date for a sanitary ~~landfill disposal project~~, unless and until the permit applicant, in conjunction with all local governments using the sanitary disposal project, documents that steps are being taken to begin implementing the plan filed pursuant to section 455B.306. For those sections for which the department has not developed rules, the permit shall contain conditions and a schedule for meeting all applicable requirements of section 455B.306. However, a permit may be issued for the construction and operation of a new sanitary ~~landfill disposal project~~ in accordance with subsection 2.

5. Beginning July 1, 1997, the director shall not renew or reissue a permit which had been renewed or reissued prior to that date for a sanitary landfill, unless and until the permit applicant, in conjunction with all local governments using the landfill, documents that alternative methods of solid waste disposal other than use of a sanitary landfill have been implemented as set forth in the plan filed pursuant to section 455B.306. However, the director may issue a permit for the construction and operation of a new sanitary landfill in accordance with subsection 2 and a permit may be renewed or reissued for a sanitary landfill which had received an initial permit but the permit had not been previously renewed or reissued prior to July 1, 1997 in accordance with subsection 3.

After July 1, 1997, however, no new landfill permits shall be issued unless the applicant, in conjunction with all local governments which will use the landfill, certifies that the landfill is needed as a part of an alternative disposal method, or unless the applicant provides documentation which satisfies the director that alternatives have been studied and are not either technically or economically feasible. The decision of the director is subject to review by the commission at its next meeting.

Sec. 31. Section 455B.306, subsections 1 through 4, Code 1989, are amended to read as follows:

1. A city, county, and a private agency operating or planning to operate a sanitary disposal project shall file with the director a comprehensive plan detailing the method by which the city, county, or private agency will comply with this part 1. All cities and counties shall also file with the director a comprehensive plan detailing the method by which the city or county will comply with the requirements of section 455B.302 to establish and implement a comprehensive solid waste reduction program for its residents. For the purposes of this section, a public agency managing the waste stream for cities or counties pursuant to chapter 28E, shall file one comprehensive plan on behalf of its members, which constitutes full compliance by the public agency's members with the filing requirements of this section. The director shall review each comprehensive plan submitted and may reject, suggest modification, or approve the proposed plan. The director shall aid in the development of comprehensive plans for compliance with this part. The director shall make available to a city, county, and private agency appropriate forms for the submission of comprehensive plans and may hold hearings for the purpose of implementing this part. The director and governmental agencies with primary responsibility for the development and conservation of energy resources shall provide research and assistance, when cities and counties operating or planning to operate sanitary disposal projects request aid in planning and implementing resource recovery systems. A comprehensive plan filed by a private agency operating or planning to operate a sanitary disposal project

required pursuant to section 455B.302 shall be developed in cooperation and consultation with the city or county responsible to provide for the establishment and operation of a sanitary disposal project.

2. The plan required by subsection 1 for sanitary disposal projects shall be filed with the department at the time of initial application for the construction and operation of a sanitary disposal project and at a minimum shall be updated and refiled with the department at the time of each subsequent application for renewal or reissuance of a previously issued permit. The department may, consistent with rules of the commission, require filing or updating of a plan at other times.

3. A comprehensive plan filed pursuant to this section ~~in conjunction with an application for issuance, renewal, or reissuance of a permit for a sanitary disposal project~~ shall incorporate and reflect the waste management hierarchy of the state solid waste management policy and shall at a minimum address the following general topics ~~to the extent appropriate to the technology employed by the applicant at the sanitary disposal project:~~

a. The extent to which solid waste is or can be recycled.

b. The economic and technical feasibility of using other existing sanitary disposal project facilities in lieu of initiating or continuing the sanitary landfill ~~for which the permit is being sought currently used.~~

c. The expected environmental impact of alternative solid waste disposal methods, including the use of sanitary landfills.

d. A specific plan and schedule for implementing technically and economically feasible solid waste disposal methods that will result in minimal environmental impact.

4. The comprehensive plan shall provide details of a local recycling program which shall contain a methodology for meeting the state volume reduction goal pursuant to section 455B.490A*, and a methodology for implementing a program of separation of wastes including but not limited to glass, plastic, paper, and metal.

4 5. In addition to the above requirements, the following specific areas must be addressed in detail in the a comprehensive plan filed in conjunction with the issuance, renewal, or reissuance of a permit for a sanitary disposal project:

Sec. 32. Section 455B.306, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 6. When a proposed plan is subject to review and approval by several state and local agencies, if the plan is substantially modified after approval by an agency, the plan shall be resubmitted as a new proposal to all other agencies to ensure that all agencies have approved the same plan.

Sec. 33. NEW SECTION. 455B.314 INCINERATION AT SANITARY DISPOSAL PROJECTS.

Beginning January 1, 1990, a sanitary disposal project that includes incineration as a part of its disposal process shall separate from the materials to be incinerated recyclable and reusable materials, materials which will result in uncontrolled toxic or hazardous air emissions when burned, and hazardous or toxic materials which are not rendered nonhazardous or non-toxic by incineration. The removed materials shall be recycled, reused, or treated and disposed in a manner approved by the department. Separation of waste includes magnetic separation.

Sec. 34. Section 455C.1, subsection 5, Code 1989, is amended to read as follows:

5. "Distributor" means any person who engages in the sale of beverages in beverage containers to a dealer in this state, including any manufacturer who engages in such sales. ~~The alcoholic beverages division of the department of commerce is not a distributor for the purpose of this chapter.~~

Sec. 35. Section 455C.2, subsection 1, Code 1989, is amended to read as follows:

1. Except purchases of alcoholic liquor as defined in section 123.3, subsection 8, by holders of class "A", "B", and "C"; ~~and "E"~~ liquor control licenses, 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

*Section 455D.3 probably intended

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

Sec. 36. Section 455C.3, Code 1989, is amended by adding the following new subsection:
NEW SUBSECTION. 5. The alcoholic beverages division of the department of commerce shall enter into an agreement with a private entity to meet the division's obligations under subsection 2. The agreement shall include the acceptance and picking up of the division's empty beverage containers and payment of the refund value and reimbursement of the agreement does not result in a net cost to the state. The agreement shall provide that the refund paid by the dealers to the division shall be assigned and transferred to the private entity. Any surplus refund values retained by the dealer shall be remitted to the waste volume reduction and recycling fund.

Sec. 37. NEW SECTION. 455C.16 BEVERAGE CONTAINERS – DISPOSAL AT SANITARY LANDFILL PROHIBITED.

Beginning July 1, 1990, the final disposal of beverage containers by a dealer, distributor, or manufacturer, or person operating a redemption center, in a sanitary landfill, is prohibited.

Sec. 38. Section 455E.11, subsection 2, paragraph c, Code 1989, is amended to read as follows:
c. A household hazardous waste account. The moneys collected pursuant to section 455F.7 shall be deposited in the household hazardous waste account. Except for the first one hundred thousand dollars received annually for deposit in the ~~general fund~~, waste volume reduction and recycling fund to be used by the department to provide financial assistance to counties in investigation of complaints; and the next one hundred thousand dollars received annually for deposit in the emergency response fund, the treasurer of state shall deposit moneys received from civil penalties and fines imposed by the court pursuant to sections 455B.146, 455B.191, 455B.386, 455B.417, 455B.454, 455B.466, and 455B.477, in the household hazardous waste account. Two thousand dollars is appropriated annually to the Iowa department of public health to carry out departmental duties under section 135.11, subsections 20 and 21, and section 139.35, eighty thousand dollars is appropriated to the department of natural resources for city, county, or service organization project grants relative to recycling and reclamation events, and eight thousand dollars is appropriated to the department of transportation for the period of October 1, 1987, through June 30, 1989, for the purpose of conducting the used oil collection pilot project. The remainder of the account shall be used to fund Toxic Cleanup Days programs, education programs, and other activities pursuant to chapter 455F, including the administration of the household hazardous materials permit program by the department of revenue and finance.

The department shall submit to the general assembly, annually on or before January 1, an itemized report which includes but is not limited to the total amount of moneys collected and the sources of the moneys collected, the amount of moneys expended for administration of the programs funded within the account, and an itemization of any other expenditures made within the previous fiscal year.

Sec. 39. Section 601L.3, Code 1989, is amended by adding the following new subsection:
NEW SUBSECTION. 13. In conjunction with the recommendations made by the department of natural resources, purchase and use recycled printing and writing paper in accordance with the schedule established in section 18.18; establish a wastepaper recycling program, by January 1, 1990, in accordance with the recommendations made by the department of natural resources and requirements of section 18.20; comply with the recycling goal, recycling schedule, and ultimate termination of purchase and use of polystyrene products for the purpose of storing, packaging, or serving food for immediate consumption pursuant to section 455D.16; and, in accordance with section 18.6, require product content statements, the provision of information regarding on-site review of waste management in product bidding and contract procedures, and compliance with requirements regarding contract bidding.

Sec. 40. ALCOHOLIC BEVERAGE CONTROL — CONTAINER COLLECTION — RECOMMENDATIONS. The alcoholic beverages division of the department of commerce shall develop a plan for the collection of empty beverage containers which contained alcoholic liquor. The plan, including the fiscal impact of the implementation of the plan, shall be presented in a report to the general assembly by January 1, 1990.

Sec. 41. Section 455B.489, Code 1989, is repealed.

Sec. 42. Sections 34, 35, and 36 of this Act are effective July 1, 1990.

Sec. 43. STATE AGENCIES — CONFLICTING RULES. It is the intent of the general assembly that the department of natural resources make recommendations to state agencies regarding agency policies which conflict with the purposes of this Act. All state agencies shall review rules which govern the state agency, and, in accordance with recommendations made by the department of natural resources, and when possible, shall amend rules which conflict with the purposes of this Act.

Sec. 44. CODIFICATION. The Code editor shall codify sections 455D.1 through 455D.16,* as enacted in this Act, as a new chapter and entitle the chapter "Waste Volume Reduction and Recycling", unless the Code editor determines that another codification arrangement is preferable.

Approved May 31, 1989, except the items which I hereby disapprove and which are designated as section 11, subsections 2, 3, and 4 in their entirety; section 25 in its entirety; and section 11, subsection 10. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the secretary of state this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, *Governor*

*Section 455D.18 probably intended

Dear Madam Secretary:

I hereby transmit House File 753, an Act relating to the establishment of a waste volume reduction and recycling network, prohibiting the disposal of certain products at sanitary landfills, promoting the use of certain recyclable products and certain recycling or reprocessing equipment, prohibiting the use of certain other products, requiring city or county solid waste management programs and plans, establishing fees and taxes, providing for appropriation and expenditure of the fee receipts and certain other moneys, providing penalties, providing an effective date, and providing for other properly related matters.

House File 753 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 11, subsections 2, 3 and 4, in their entirety; and Section 25 in its entirety. This item in House File 753 imposes a \$3 million per year tax on motor vehicles subject to registration in the state. Consistent with Chapter 423 of the Code of Iowa and Article VII, Section 8, the bill deposits those motor vehicle registration fees in the road use tax fund. However, this item in House File 753 then directs that the same fees be funneled into a waste volume reduction and recycling fund.

I cannot approve this substantial tax increase on Iowa motor vehicle operators. It is both unnecessary, inappropriate and very possibly an unconstitutional method of raising more state revenue.

First, without this tax increase, House File 753 will move Iowa to the forefront of the recycling and waste volume reduction efforts in the country. Solid waste handling is a critical problem throughout the country. Indeed, Iowa's problems are much less severe than those of this country's larger metropolitan areas where landfill space has largely been used up. Yet, Iowa cannot afford to face similar problems in the future and this bill ensures that we will not. It combines several of my priorities for the use of biodegradables, recycling and waste reduction with legislative priorities that will give our state national recognition for dealing with solid waste.

I am particularly pleased that this bill requires the use of degradable plastic bags in Iowa by 1992. We should set a similar goal for the exclusive use of degradable plastic foams by 1995.

However, House File 753 unnecessarily raises motor vehicle registration fees for a fund to be used by the state and local communities to fund solid waste projects. Iowa already has an existing \$2.5 million landfill alternative fund, financed through landfill fees. This fund currently provides grants to local entities for waste handling or minimization purposes. Indeed, the Department of Natural Resources is currently planning to award a grant to a tire shredding operation that will have the capacity to shred more than one-half of the waste tires generated in Iowa each year. And the handling of waste tires is said to be one of the primary purposes for the proceeds of this increase in motor vehicle registration fees.

Moreover, I am convinced that if we need to put more funds into the waste reduction and recycling effort, we can do so without raising taxes. I have retained that fund in the bill for future funding consideration.

Finally, the Constitution of our state clearly requires that all motor vehicle registration fees be used for highway purposes. The laundering of these fees through the road use tax fund before they are dumped into this solid waste is not likely to be sufficient to meet constitutional muster.

I am unable to approve the item designated as Section 11, subsection 10, which states that financial assistance shall not be awarded for waste incineration facilities. Europe and Japan make considerable use of incineration in their waste reduction efforts. While the jury is still out on the practicality and cost-effectiveness of widespread use of waste incineration, we should not rule out this waste reduction option. With proper safeguards, an incineration facility that will produce energy may well be an appropriate method of waste disposal while reducing Iowa's dependence on imported energy.

For the above reasons, I hereby respectfully disapprove of these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 753 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD, *Governor*