

Booting the Bottle Bill?: Iowa Container Deposit Laws¹

This IPRO report presents an overview of container deposit laws in Iowa and across the United States.

Background

The 1950s and 1960s witnessed a gradual shift in the beverage industry from refillable beer and soft-drink glass bottles to no-deposit cans and bottles. The deposit refund system was originally created by the beverage industry to ensure the return of glass bottles to be washed, refilled, and resold. When cans proved to be convenient and disposable many consumers simply tossed their empty cans outside.² Beginning in the 1970s, states began enacting beverage container laws, otherwise known as “bottle bills.”³ These bills were intended to reduce litter, conserve resources through recycling, and reduce the waste going to landfills.

Definitions

Bottle Bill: A law requiring a minimum refundable deposit on beer, soft drink and other beverage containers in order to ensure a high rate of recycling or reuse.⁴

Distributor: A wholesaler that buys and owns products prior to reselling them to its customers.⁵

Unredeemed deposits: The money that results from beverage containers that consumers fail to return for the refund. In some states this money is retained by the distributors and in other states this money becomes property of the state.

Retailer: The retailer purchases beverages from a distributor and a deposit is paid to the distributor for each can or bottle purchased.

Costs and Benefits of State Bottle Bills

Benefits to a Bottle Bill

Environmental Benefits

- In Iowa, beverage container litter was reduced 76 percent after the introduction of the Bottle Bill and total litter was reduced by 39 percent. Similar findings have been reported in fellow Bottle Bill states such as Maine, Massachusetts, Michigan, New York, Oregon,

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² “What is a Bottle Bill?” *Container Recycling Institute*. Web. 26 Mar. 2011.
<<http://www.bottlebill.org/about/whatis.htm>>.

³ “State Beverage Container Laws.” *National Conference of State Legislatures*. 3 Mar. 2011. Web. 27 Mar. 2011
<<http://www.ncsl.org/default.aspx?tabid=13232>>.

⁴ “What is a Bottle Bill?” *Container Recycling Institute*. Web. 26 Mar. 2011.
<<http://www.bottlebill.org/about/whatis.htm>>.

⁵ “Monthly & Annual Whole Sale Trade.” *U.S. Census Bureau*. Web. 15 Apr. 2011.
<www.census.gov/wholesale/definitions.html>.

and Vermont.⁶ Since 1988, it is estimated the amount of garbage sent to landfills per capita has decreased by 33 percent.⁷

- The current deposit law recycles 82,352 tons of plastic, aluminum, and glass material per year.⁸ In the 11 states with bottle bills, however, recycling rates range between 65 and 95 percent.⁹ Iowans recycle 91 percent of the beverage containers included in the container deposit law. In 2006, only 33 percent of containers were recycled nationwide.¹⁰

Financial incentives

- The collection of bottle containers creates new jobs in retail, distribution, and recycling. A redemption industry has evolved to redeem empty containers. The Iowa Bottle Bill has created over 2,000 jobs.¹¹ These are jobs that employ local drivers, plant and equipment construction, technicians, low-skilled labor, and administrative and management positions.
- The deposit offers incentives for individuals to return cans and bottles and redeem money or for others to scavenge used containers and return them for profit. Container deposit laws allow for many fundraising opportunities and offer a means of revenue for low-income citizens. The materials that are currently recovered in Iowa each year have scrap value of over \$36 million.¹²

Costs to a Bottle Bill

Public Health Concerns

- Many grocers oppose the Bottle Bill for reasons of public health. Grocery stores are common sites for bottles to be deposited and the locations often are unclean, unappealing, and produce undesirable working conditions.¹³

Program Duplication

- Bottle container deposits can create dual systems for collection recyclables in areas that have existing curbside recycling programs. This can negatively impact curbside programs because they also depend on containers for income.
- Curbside recycling may be more efficient and beneficial for the elderly and those without transportation. Some have argued for single-stream recycling, where all materials are mixed together instead of separated, instead of the more costly deposit system, which

⁶ "Litter Studies in Seven Bottle Bill States." *Container Recycling Institute*. Web. 27 Mar. 2011. <<http://www.bottlebill.org/about/benefits/litter/7bbstates.htm>>.

⁷ "Iowa's Bottle Bill Turning Thirty: Should We Celebrate It- and Improve It?" *Iowa Policy Project*, March 2008. Web. 12 May 2011. <<http://www.iowarecycles.org/content.asp?ID=4831>>.

⁸ "Bottles and Cans: Iowa Container Deposit System." *Iowa Recycling Association*. Web. 12 May 2011. <<http://www.iowarecycles.org/content.asp?ID=4831>>.

⁹ *Ibid*.

¹⁰ "Iowa's Bottle Bill Turning Thirty: Should We Celebrate It- and Improve It?" *Iowa Policy Project*, March 2008. Web. 12 May 2011. <<http://www.iowarecycles.org/content.asp?ID=4831>>.

¹¹ Johnson, Dewayne. "I! Recycle: Another Bottle Battle." *Iowa Recycling Association*, January 2005. Web 13 May 2011. <www.iowarecycles.org>.

¹² "Iowa Briefing Note." Bottles and Cans: Iowa Container Deposit System. *Iowa Recycling Association*, Feb. 2011. Web. 1 May 2011. <<http://www.iowarecycles.org/content.asp?ID=4831>>.

¹³ "Lawmakers Discuss Repealing Iowa's Bottle Bill." *IowaPolitics.com*. 12 Feb. 2011. Web 27 Mar. 2011. <<http://www.iowapolitics.com/index.html?Article=226661>>.

requires separate infrastructure. Curbside programs average \$125 for each ton of material recovered compared to \$500 for each ton of forced deposits.¹⁴

State Action

Ten states and one U.S. territory have bottle deposit statutes. Oregon became the first state to enact such a policy in 1971.

*Iowa Action*¹⁵

The Beverage Container Deposit Law was enacted in 1978 in Iowa and provides a 5-cent deposit for any sealed glass, plastic, or metal bottle, can, jar, or carton containing a beverage. In a 2003 survey by the University of Northern Iowa, 91% of Iowans support the present deposit law.¹⁶ Distributors and bottlers retain unredeemed deposits. The Bottle Bill has come to debate in the Iowa General Assembly in 2007, 2008, 2009, and most recently 2011. In 2011, two bills were filed in the Iowa General Assembly to repeal the deposit system and a third bill was proposed to exempt wine bottles from displaying the refund value.

¹⁴ "Container Deposit Legislation: Some Pros and Cons." *Colorado Association for Recycling*. 25 Feb. 2010. Web 27 Mar. 2011 <www.cafr.org/pdf/ResourcesBottleBillProsCons.pdf>.

¹⁵ "Iowa Proposed Legislation." *Center Recycling Institute*. 3 Mar. 2011. Web 27 Mar 2011. <<http://www.bottlebill.org/legislation/usa/iowa.htm>>.

¹⁶ Johnson, Dewayne. "I! Recycle: Another Bottle Battle." *Iowa Recycling Association*, January 2005. Web 13 May 2011. <www.iowarecycles.org>.

Table 1¹⁷
Bottle Bill by State

State Date Enacted	Deposit Amount	Unredeemed Deposits
California 9/29/1986	10¢, 24 oz. and larger 5¢, under 24 oz.	Property of state
Connecticut 4/12/1978	5¢	Property of state
Hawaii 6/25/2002	5¢	Property of state
Iowa 4/1/1978	5¢	Retained by distributers/bottlers
Maine 11/2/1976	15¢, wine & liquor; 5¢, all other beverage containers	Property of state
Massachusetts 6/4/1981	5¢	Property of state general fund
Michigan 11/2/1976	10¢	75% to state for environmental programs; 25% to retailers
New York 6/15/1982	5¢	80% to state general fund; 20% retained by distributor
Oregon 7/2/1971	2¢, standard-sized refillables; 5¢, all other beverage containers	Retained by distributor/bottlers
Vermont 4/7/1972	15¢, Liquor; 5¢, All other beverage containers	Retained by distributor/bottlers
Guam (U.S Territory) 12/30/2010	5¢	Retained by EPA

This report was prepared in May 2011 by the Iowa Policy Research Organization (IPRO), a nonpartisan public policy undergraduate research group at the University of Iowa. For additional research on this or other issues, please visit our website at <http://www.uiowa.edu/~ipro/> or contact us at rene-rocha@uiowa.edu.

¹⁷ "State Beverage Container Laws." *National Conference of State Legislatures*. 3 Mar. 2011. Web. 27 Mar. 2011 < <http://www.ncsl.org/default.aspx?tabid=13232>>.