
SENATE COMMITTEE ON ENVIRONMENTAL QUALITY

Senator Allen, Chair

2021 - 2022 Regular

Bill No: SB 38
Author: Wieckowski
Version: 8/15/2022
Urgency: No
Consultant: Genevieve M. Wong

Hearing Date: 8/29/2022
Fiscal: Yes

SUBJECT: Beverage containers

- 1) **DIGEST:** Requires CalRecycle to study and develop a system or process to address the issue of glass contamination and requires, for purposes of the California Beverage Container Recycling and Litter Reduction Act (Bottle Bill program) a processor to pay certified recycling centers, curbside programs, and dropoff or collection programs electronically or by check.

ANALYSIS:

Existing law:

- 1) Under the California Integrated Waste Management Act of 1989, requires each city or county source reduction and recycling element to divert 50% of solid waste on and after January 1, 2000. (Public Resources Code §41780). It is a policy goal of the state that not less than 75% of solid waste be source reduced, recycled, or composted by 2020, and annually thereafter. (Public Resources Code (PRC) §41780.01)
- 2) Under the Bottle Bill program, requires beverage containers, as defined, sold in-state to have a California redemption value (CRV) of 5 cents for containers that hold fewer than 24 ounces and 10 cents for containers that hold 24 ounces or more, and requires distributors to pay a redemption payment to the Department of Resources Recycling and Recovery (CalRecycle) for every beverage container sold in the state. These funds are continuously appropriated to CalRecycle for the payment of refund values and processing fees. (PRC §14500 et seq.)
- 3) Requires glass beverage containers to contain a minimum of 35% postfilled (recycled) glass, as specified.
- 4) Requires CalRecycle to pay processors the CRV, two and one-half percent of the CRV for administrative costs, and the processing payment for every container received by the processor from a certified recycling center, curbside

program, or dropoff or collection program. (PRC §14573)

- 5) Requires processors to pay certified recycling centers, curbside programs, or dropoff or collection programs, the CRV, three-fourths of one-percent of the CRV for administrative costs, and the processing payment for every container. (PRC §14573.5)

This bill:

- 1) Requires CalRecycle to study and develop a system or process to address the issue of glass contamination to improve the quality of glass material collected.
- 2) Requires a processor to pay certified recycling centers, curbside programs, and dropoff or collection programs electronically or by check.

Background

- 1) *Background on the Bottle Bill program.* The Bottle Bill was established by AB 2020 (Margolin, Chapter 1290, Statutes of 1986). The purpose of the program is to be a self-funded program that encourages consumers to recycle beverage containers to prevent littering. The program accomplishes this goal by requiring consumers to pay a deposit for each eligible container purchased. Then the program guarantees consumers repayment of that deposit, the California Redemption Value (CRV), for each eligible container returned to a certified recycler. Statute includes two main goals for the program: (1) reducing litter; and, (2) achieving a recycling rate of 80% for eligible containers.
- 2) *Eligible beverage containers.* Only certain beverage containers containing certain beverages are part of the Bottle Bill program. Most containers made from glass, plastic, aluminum, and bimetals (consisting of one or more metals) are eligible. Wine, spirits, milk, fruit juices (over 46 ounces), vegetable juice (over 16 ounces), and soy drinks are not eligible for CRV. Container types that are not included in the Bottle Bill program are cartons and pouches.

Comments

- 1) *Purpose of Bill.* According to the author, “California is an outlier in comparison to other states and countries that operate deposit return programs. No other programs deal with issues like closure of centers, lack of consumer convenience, or our levels [of] fraud. California has set high minimum content

standards and the beverage industry is also pushing toward higher recycled content, but having an issue with getting quality uncontaminated materials.

“SB 38 addresses some of these issues by directing CalRecycle to study and develop a process to address our ongoing issue of glass contamination and taking an important step toward combating fraud in the system by prohibiting processors from making payments to recyclers with cash. Cash payments between processors and recyclers do not exist in other programs. Moving away from this modernizes our program and provides both a paper trail and better oversight capabilities for CalRecycle.”

- 2) *Glass contamination.* Contamination in the state’s recycling stream is an ongoing problem that increases processing costs and lowers the value of the recycled materials. This issue is particularly vexing with glass, because it is prone to breakage. Broken glass is difficult, or impossible, to recycle, and the shards contaminate other materials. This bill directs CalRecycle to study and develop a system or process to address the issue of glass contamination and improve the quality of recycled glass.
- 3) *Fraud in the Bottle Bill program.* California’s Bottle Bill program has faced significant fraud. The Legislature and CalRecycle have taken action to reduce fraud in a number of ways, and CalRecycle has successfully shut down several large-scale fraud operations in the state. This bill attempts to close one more loophole in the program by prohibiting cash payments from processors to recyclers.
- 4) *Referral to the Committee pursuant to Senate Rule 29.10.* SB 38 was originally introduced by Senator Wieckowski on December 7, 2020, as a measure establishing an industry-run bottle and can recycling program, to replace the current Bottle Bill program.

Assembly amendments deleted its contents and inserted the current provisions of the bill. The measure passed the Assembly Floor on August 23, 2022 by a vote of 74 - 0.

Consistent with Senate Rule 29.10 the Senate Rules Committee has referred the amended bill to the Senate Environmental Quality Committee for a hearing of the Assembly amendments.

Related/Prior Legislation

SB 1013 (Atkins) adds wine and distilled spirits to the Bottle Bill program and passed out of this committee with a vote of 6 – 0. Assembly amendments include various grant programs to address glass contamination and recycling issues. SB 1013 is currently on the Assembly Floor.

SOURCE: Author

SUPPORT:

None received

OPPOSITION:

None received

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