


[Home](#)
[Bill Information](#)
[California Law](#)
[Publications](#)
[Other Resources](#)
[My Subscriptions](#)
[My Favorites](#)

### SB-38 Beverage containers. (2021-2022)

SHARE THIS:



Date Published: 05/26/2021 09:00 PM

AMENDED IN SENATE MAY 26, 2021

AMENDED IN SENATE MAY 20, 2021

AMENDED IN SENATE MARCH 17, 2021

AMENDED IN SENATE MARCH 01, 2021

AMENDED IN SENATE FEBRUARY 12, 2021

CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

## SENATE BILL

## NO. 38

**Introduced by Senator Wieckowski**

**December 07, 2020**

An act to amend, repeal, and add Sections 12024.13, 21608.5, and 23671 of the Business and Professions Code, to amend, repeal, and add Sections 186.2 and 186.8 of the Penal Code, to amend Section 12165 of the Public Contract Code, to amend Section 14571.6 of, to amend and repeal Section 17002 of, to amend, repeal, and add Sections 615, 14315, 17001, 19535, 40003, 42476, 42889, and 48653 of, to add Chapter 9 (commencing with Section 14600) to Division 12.1 of, to add Chapter 20.5 (commencing with Section 42984) to Part 3 of Division 30 of, to repeal Section 40511 of, and to repeal and add Division 12.1 (commencing with Section 14500) of, the Public Resources Code, and to amend Sections 17153.5 and 24315 of the Revenue and Taxation Code, relating to solid waste.

### LEGISLATIVE COUNSEL'S DIGEST

SB 38, as amended, Wieckowski. Beverage containers.

(1) Existing law, the Used Mattress Recovery and Recycling Act, requires a mattress recycling organization, comprised of manufacturers of mattresses sold in the state, to develop and submit to the Department of Resources Recycling and Recovery for approval a plan, including a budget to implement the plan, for the recovery and recycling of used mattresses. The act requires the organization to submit annual reports to the department and subjects the organization to audits, if necessary. The act requires the organization to reimburse the department for costs for implementing and enforcing the act. Under the act, a retailer is prohibited from selling, distributing, or offering for sale a mattress in the state unless the retailer is in compliance with the act, and a manufacturer, renovator, or distributor is prohibited from selling, offering for sale, or importing a mattress, or selling or distributing a mattress to a distributor or retailer, unless the manufacturer, renovator, or distributor is in compliance with the act. A violation of the act may be subject to an administrative civil penalty.

This bill would require distributors of beverage containers in the state to form a beverage container stewardship organization. The organization would be required to develop and submit to the department a plan, annual report, and budget for the recovery and recycling of empty beverage containers in the state similar to that described in the Used Mattress Recovery and Recycling Act. The bill would require the organization to establish a stewardship fee, to be paid by distributor members of the organization, to assist in covering the costs of implementing the beverage container stewardship program. The bill would require the organization to reimburse the department for the department's costs of enforcing the program. The bill would require the department to deposit all moneys submitted for reimbursement into the Beverage Container Stewardship Fund, which the bill would create in the State Treasury. The bill would require moneys in the fund to be expended, upon appropriation by the Legislature, by the department to administer and enforce the program and reimburse any outstanding loans, as specified. The bill would impose similar administrative civil penalties for a violation of these provisions. The bill would require the department to deposit all collected penalties into the Beverage Container Stewardship Penalty Account, which the bill would create in the Beverage Container Stewardship Fund. The bill would provide that moneys in the account shall be expended by the department, upon appropriation by the Legislature, to administer and enforce the program.

(2) The California Beverage Container Recycling and Litter Reduction Act, which is administered by the Department of Resources Recycling and Recovery, is established to promote beverage container recycling, and provides for the payment, collection, and distribution of certain payments and fees based on minimum refund values established for beverage containers. The act requires the department to annually designate convenience zones statewide and requires at least one certified recycling center or location within every convenience zone, as defined, that accepts all types of empty beverage containers and pays the refund value, if any, at one location.

The act requires dealers within a convenience zone where no recycling location has been established, or within a convenience zone that is unserved for 60 days and not exempt from convenience zone requirements, to alternatively (A) submit an affidavit to the department stating that the dealer has met specified standards for empty beverage container redemption or (B) pay \$100 per day to the department, for deposit into the continuously appropriated California Beverage Container Recycling Fund, until a recycling location is established or until the dealer meets the standards for redemption specified in the affidavit provisions.

A violation of the act is an infraction.

This bill would revise that alternative requirement for dealers in unserved convenience zones, including repealing the \$100 daily payment and instead requiring those dealers to submit that affidavit to the department unconditionally.

The bill, commencing July 1, 2024, would revise and recast the provisions of the California Beverage Container Recycling and Litter Reduction Act, which would be renamed the Beverage Container Recycling Program. The bill would specify a refund value for beverage containers that would increase for certain beverage containers if the department determines the redemption rate drops below a certain threshold. The bill would require the beverage container stewardship organization, as a part of its stewardship plan described above, to establish processes for the payment and collection of minimum refund values by the organization. The bill would require the organization to, among other things, establish a handling fee to be paid by the organization to redemption centers for each empty beverage container redeemed by the redemption center and establish a payment to be paid by the organization to a processor to help ensure the processor is not operating at a loss. The bill would require the beverage container stewardship organization to retain refund values not redeemed and to use those moneys to administer the beverage container stewardship program and for specified purposes relating to the recycling of beverage containers. The bill would repeal certain annual disbursements that are made by the department under the act and would limit moneys received by the department under the program to penalties for violating these provisions and charges to fund the department's administration of the program. The bill would require charges to fund the department's administration of the program to be deposited into the Beverage Container Recycling Program Fund, which the bill would create in the State Treasury, and would require penalties for violating these provisions to be deposited into the Penalty Account, which the bill would create in the Beverage Container Recycling Program Fund. The bill would provide that moneys in the account and the fund would be available to the department upon appropriation by the Legislature for purposes of the act, as specified.

By increasing the scope of various crimes relating to beverage containers, this bill would impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** This act shall be known, and may be cited, as the Beverage Container Recycling Act of 2021.

**SEC. 2.** Section 12024.13 of the Business and Professions Code is amended to read:

**12024.13.** (a) A dealer of a beverage in a container subject to Division 12.1 (commencing with Section 14500) of the Public Resources Code shall not charge an amount for a redemption payment for a beverage container that is greater than the amount set forth in Section 14560 of the Public Resources Code.

(b) For purposes of this section, "dealer" has the same meaning as in Section 14510 of the Public Resources Code.

(c) A violation of this section is an infraction punishable by a fine of not more than one hundred dollars (\$100) when the overcharge is one dollar (\$1) or less.

(d) In the written report required pursuant to Section 12209, a sealer shall separately report any action taken to enforce this section that results in a penalty being levied for a violation of this section.

(e) Nothing in this section is intended to limit or alter the authority of the Department of Resources Recycling and Recovery under the California Beverage Container Recycling and Litter Reduction Act (Division 12.1 (commencing with Section 14500) of the Public Resources Code).

(f) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 3.** Section 12024.13 is added to the Business and Professions Code, to read:

**12024.13.** (a) A dealer of a beverage in a container subject to Division 12.1 (commencing with Section 14500) of the Public Resources Code shall not charge an amount for a refund value for a beverage container that is greater than the amount set forth in Section 14560 of the Public Resources Code.

(b) For purposes of this section, "dealer" has the same meaning as in Section 14510 of the Public Resources Code.

(c) A violation of this section is an infraction punishable by a fine of not more than one hundred dollars (\$100) when the overcharge is one dollar (\$1) or less.

(d) In the written report required pursuant to Section 12209, a sealer shall separately report any action taken to enforce this section that results in a penalty being levied for a violation of this section.

(e) Nothing in this section is intended to limit or alter the authority of the Department of Resources Recycling and Recovery under the Beverage Container Recycling Program (Division 12.1 (commencing with Section 14500) of the Public Resources Code).

(f) This section shall become operative on July 1, 2024.

**SEC. 4.** Section 21608.5 of the Business and Professions Code is amended to read:

**21608.5.** (a) A junk dealer or recycler in this state shall not provide payment for nonferrous material unless, in addition to meeting the written record requirements of Sections 21605 and 21606, all of the following requirements are met:

(1) (A) The payment for the material is made by cash, general use prepaid card, or check. The check may be mailed to the seller at the address provided pursuant to paragraph (3), or the cash or check may be collected by the seller from the junk dealer or recycler on or after the third business day after the date of sale. If the buyer offers, and the seller agrees, to have the payment made by general use prepaid card, the card may be provided to the seller at the time of sale, but funds shall not be available to the seller until the third business day after the date of sale.

(B) If payment is made by general use prepaid card, a junk dealer or recycler shall pay any one-time initial issuance fee.

(C) A general use prepaid card used pursuant to this section shall allow for reasonably convenient access to a surcharge-free cash access network location, and the junk dealer or recycler shall inform the seller as to the location of a designated surcharge-free cash access network location upon issuance of the card.

(D) Nothing in this section shall prevent or regulate the fees or surcharges charged by a bank or credit union that is not a party to the contract that requires payment to be made by a general use prepaid card.

(2) At the time of sale, the junk dealer or recycler obtains a clear photograph or video of the seller.

(3) (A) Except as provided in subparagraph (B), the junk dealer or recycler obtains a copy of the valid driver's license of the seller containing a photograph and an address of the seller, a copy of a state or federal government-issued identification card containing a photograph and an address of the seller, a passport from any other country in addition to another item of identification bearing an address of the seller, or a Matricula Consular in addition to another item of identification bearing an address of the seller.

(B) If the seller prefers to have the check or general use prepaid card with payment for the material mailed to an alternative address, other than a post office box, the junk dealer or recycler shall obtain a copy of a driver's license or identification card described in subparagraph (A), and a gas or electric utility bill addressed to the seller at that alternative address with a payment due date no more than two months prior to the date of sale. For purposes of this paragraph, "alternative address" means an address that is different from the address appearing on the seller's driver's license or identification card.

(4) The junk dealer or recycler obtains a clear photograph or video of the nonferrous material being purchased.

(5) The junk dealer or recycler shall preserve the information obtained pursuant to this subdivision for a period of two years after the date of sale.

(6) (A) The junk dealer or recycler obtains a thumbprint of the seller, as prescribed by the Department of Justice. The junk dealer or recycler shall keep this thumbprint with the information obtained under this subdivision and shall preserve the thumbprint in either hardcopy or electronic format for a period of two years after the date of sale.

(B) Inspection or seizure of the thumbprint shall only be performed by a peace officer acting within the scope of the peace officer's authority in response to a criminal search warrant signed by a magistrate and served on the junk dealer or recycler by the peace officer. Probable cause for the issuance of that warrant shall be based upon a theft specifically involving the transaction for which the thumbprint was given.

(b) Paragraph (1) of subdivision (a) shall not apply if, during any three-month period commencing on or after the effective date of this section, the junk dealer or recycler completes five or more separate transactions per month, on five or more separate days per month, with the seller and, in order for paragraph (1) of subdivision (a) to continue to be inapplicable, the seller shall continue to complete five or more separate transactions per month with the junk dealer or recycler.

(c) This section shall not apply if, on the date of sale, the junk dealer or recycler has on file or receives all of the following information:

(1) The name, physical business address, and business telephone number of the seller's business.

(2) The business license number or tax identification number of the seller's business.

(3) A copy of the valid driver's license of the person delivering the nonferrous material on behalf of the seller to the junk dealer or the recycler.

(d) (1) This section shall not apply to the purchase of nonferrous material having a value of not more than twenty dollars (\$20) in a single transaction, when the majority of the transaction is for the redemption of beverage containers under the California Beverage Container Recycling and Litter Reduction Act, as set forth in Division 12.1 (commencing with Section 14500) of the Public Resources Code.

(2) Materials made of copper or copper alloys shall not be purchased under this subdivision.

(e) This section shall not apply to coin dealers or to automobile dismantlers, as defined in Section 220 of the Vehicle Code.

(f) For purposes of this section, "designated surcharge-free cash access network location" means a location designated, in a contract between a junk dealer or recycler and a card issuer, as a location where a general use prepaid card holder can withdraw cash without paying a surcharge.

(g) For purposes of this section, "general use prepaid card" has the same meaning as "prepaid account" in Section 1005.2 of Title 12 of the Code of Federal Regulations as it read on April 1, 2019, except that a general use prepaid card does not include a card for which any of the following fees are charged by the card issuer to the card user:

- (1) A fee or surcharge to make a purchase with the card.
- (2) A fee or surcharge to make a balance inquiry.
- (3) A fee or surcharge to withdraw funds at a designated surcharge-free cash access network location.
- (4) A fee or surcharge to lodge a dispute regarding the balance of funds on the card.
- (5) A fee or surcharge for account inactivity.

(h) For the purposes of this section, "nonferrous material" means copper, copper alloys, stainless steel, or aluminum, but does not include beverage containers, as defined in Section 14505 of the Public Resources Code, that are subject to a redemption payment pursuant to Section 14560 of the Public Resources Code.

(i) This section is intended to occupy the entire field of law related to junk dealer or recycler transactions involving nonferrous material. However, a city or county ordinance, or a city and county ordinance, relating to the subject matter of this section is not in conflict with this section if the ordinance is passed by a two-thirds vote and it can be demonstrated by clear and convincing evidence that the ordinance is both necessary and addresses a unique problem within and specific to the jurisdiction of the ordinance that cannot effectively be addressed under this section.

(j) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 5.** Section 21608.5 is added to the Business and Professions Code, to read:

**21608.5.** (a) A junk dealer or recycler in this state shall not provide payment for nonferrous material unless, in addition to meeting the written record requirements of Sections 21605 and 21606, all of the following requirements are met:

(1) (A) The payment for the material is made by cash, general use prepaid card, or check. The check may be mailed to the seller at the address provided pursuant to paragraph (3), or the cash or check may be collected by the seller from the junk dealer or recycler on or after the third business day after the date of sale. If the buyer offers, and the seller agrees, to have the payment made by general use prepaid card, the card may be provided to the seller at the time of sale, but funds shall not be available to the seller until the third business day after the date of sale.

(B) If payment is made by general use prepaid card, a junk dealer or recycler shall pay any one-time initial issuance fee.

(C) A general use prepaid card used pursuant to this section shall allow for reasonably convenient access to a surcharge-free cash access network location, and the junk dealer or recycler shall inform the seller as to the location of a designated surcharge-free cash access network location upon issuance of the card.

(D) Nothing in this section shall prevent or regulate the fees or surcharges charged by a bank or credit union that is not a party to the contract that requires payment to be made by a general use prepaid card.

(2) At the time of sale, the junk dealer or recycler obtains a clear photograph or video of the seller.

(3) (A) Except as provided in subparagraph (B), the junk dealer or recycler obtains a copy of the valid driver's license of the seller containing a photograph and an address of the seller, a copy of a state or federal government-issued identification card containing a photograph and an address of the seller, a passport from any other country in addition to another item of identification bearing an address of the seller, or a Matricula Consular in addition to another item of identification bearing an address of the seller.

(B) If the seller prefers to have the check or general use prepaid card with payment for the material mailed to an alternative address, other than a post office box, the junk dealer or recycler shall obtain a copy of a driver's

license or identification card described in subparagraph (A), and a gas or electric utility bill addressed to the seller at that alternative address with a payment due date no more than two months prior to the date of sale. For purposes of this paragraph, "alternative address" means an address that is different from the address appearing on the seller's driver's license or identification card.

(4) The junk dealer or recycler obtains a clear photograph or video of the nonferrous material being purchased.

(5) The junk dealer or recycler shall preserve the information obtained pursuant to this subdivision for a period of two years after the date of sale.

(6) (A) The junk dealer or recycler obtains a thumbprint of the seller, as prescribed by the Department of Justice. The junk dealer or recycler shall keep this thumbprint with the information obtained under this subdivision and shall preserve the thumbprint in either hardcopy or electronic format for a period of two years after the date of sale.

(B) Inspection or seizure of the thumbprint shall only be performed by a peace officer acting within the scope of the peace officer's authority in response to a criminal search warrant signed by a magistrate and served on the junk dealer or recycler by the peace officer. Probable cause for the issuance of that warrant shall be based upon a theft specifically involving the transaction for which the thumbprint was given.

(b) Paragraph (1) of subdivision (a) shall not apply if, during any three-month period commencing on or after the effective date of this section, the junk dealer or recycler completes five or more separate transactions per month, on five or more separate days per month, with the seller and, in order for paragraph (1) of subdivision (a) to continue to be inapplicable, the seller shall continue to complete five or more separate transactions per month with the junk dealer or recycler.

(c) This section shall not apply if, on the date of sale, the junk dealer or recycler has on file or receives all of the following information:

(1) The name, physical business address, and business telephone number of the seller's business.

(2) The business license number or tax identification number of the seller's business.

(3) A copy of the valid driver's license of the person delivering the nonferrous material on behalf of the seller to the junk dealer or the recycler.

(d) (1) This section shall not apply to the purchase of nonferrous material having a value of not more than twenty dollars (\$20) in a single transaction, when the majority of the transaction is for the redemption of beverage containers under the Beverage Container Recycling Program, as set forth in Division 12.1 (commencing with Section 14500) of the Public Resources Code.

(2) Materials made of copper or copper alloys shall not be purchased under this subdivision.

(e) This section shall not apply to coin dealers or to automobile dismantlers, as defined in Section 220 of the Vehicle Code.

(f) For purposes of this section, "designated surcharge-free cash access network location" means a location designated, in a contract between a junk dealer or recycler and a card issuer, as a location where a general use prepaid card holder can withdraw cash without paying a surcharge.

(g) For purposes of this section, "general use prepaid card" has the same meaning as "prepaid account" in Section 1005.2 of Title 12 of the Code of Federal Regulations as it read on April 1, 2019, except that a general use prepaid card does not include a card for which any of the following fees are charged by the card issuer to the card user:

(1) A fee or surcharge to make a purchase with the card.

(2) A fee or surcharge to make a balance inquiry.

(3) A fee or surcharge to withdraw funds at a designated surcharge-free cash access network location.

(4) A fee or surcharge to lodge a dispute regarding the balance of funds on the card.

(5) A fee or surcharge for account inactivity.

(h) For the purposes of this section, "nonferrous material" means copper, copper alloys, stainless steel, or aluminum, but does not include beverage containers, as defined in Section 14505 of the Public Resources Code, that are subject to a refund value pursuant to Section 14560 of the Public Resources Code.

(i) This section is intended to occupy the entire field of law related to junk dealer or recycler transactions involving nonferrous material. However, a city or county ordinance, or a city and county ordinance, relating to the subject matter of this section is not in conflict with this section if the ordinance is passed by a two-thirds vote and it can be demonstrated by clear and convincing evidence that the ordinance is both necessary and addresses a unique problem within and specific to the jurisdiction of the ordinance that cannot effectively be addressed under this section.

(j) This section shall become operative on July 1, 2024.

**SEC. 6.** Section 23671 of the Business and Professions Code is amended to read:

**23671.** (a) A beer importer shall not purchase any beer not manufactured within the state or cause any beer to be transported into the state for sale in the state, unless the out-of-state vendor making shipment of the beer into the state holds a certificate of compliance issued by the department. A certificate of compliance shall be granted when the out-of-state vendor makes a written agreement with the department to furnish to the board, on or before the 10th day of each month, a report on a form prescribed by the board, showing the quantity of beer shipped by the out-of-state vendor to each licensed beer importer in this state during the preceding month. The out-of-state vendor shall further agree that it and its agents and all agencies within this state controlled by it will comply with all laws of this state and all rules of the department with respect to the sale of alcoholic beverages, including, but not limited to, Chapter 12 (commencing with Section 25000) of Division 9, and Section 25509, to the same extent as licensees.

(b) If any out-of-state vendor, after obtaining the certificate, fails to submit the report or to comply with Section 14575 of the Public Resources Code, the department may suspend or revoke the certificate of compliance in the manner provided for the suspension or revocation of licenses, and after a hearing that shall be held in the City of Sacramento or in any other county seat in this state that the department determines to be convenient to the holder of the certificate. A fee shall not be charged for the certificate of compliance, which shall remain in effect until revoked by the department.

(c) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 7.** Section 23671 is added to the Business and Professions Code, to read:

**23671.** (a) A beer importer shall not purchase any beer not manufactured within the state or cause any beer to be transported into the state for sale in the state, unless the out-of-state vendor making shipment of the beer into the state holds a certificate of compliance issued by the department. A certificate of compliance shall be granted when the out-of-state vendor makes a written agreement with the department to furnish to the board, on or before the 10th day of each month, a report on a form prescribed by the board, showing the quantity of beer shipped by the out-of-state vendor to each licensed beer importer in this state during the preceding month. The out-of-state vendor shall further agree that it and its agents and all agencies within this state controlled by it will comply with all laws of this state and all rules of the department with respect to the sale of alcoholic beverages, including, but not limited to, Chapter 12 (commencing with Section 25000) of Division 9, and Section 25509, to the same extent as licensees.

(b) If any out-of-state vendor, after obtaining the certificate, fails to submit the report, the department may suspend or revoke the certificate of compliance in the manner provided for the suspension or revocation of licenses, and after a hearing that shall be held in the City of Sacramento or in any other county seat in this state that the department determines to be convenient to the holder of the certificate. A fee shall not be charged for the certificate of compliance, which shall remain in effect until revoked by the department.

(c) This section shall become operative on July 1, 2024.

**SEC. 8.** Section 186.2 of the Penal Code is amended to read:

**186.2.** For purposes of this chapter, the following definitions apply:

(a) "Criminal profiteering activity" means an act committed or attempted or a threat made for financial gain or advantage, which act or threat may be charged as a crime under any of the following sections:

- (1) Arson, as defined in Section 451.
- (2) Bribery, as defined in Sections 67, 67.5, and 68.
- (3) Child pornography or exploitation, as defined in subdivision (b) of Section 311.2, or Section 311.3 or 311.4, which may be prosecuted as a felony.
- (4) Felonious assault, as defined in Section 245.
- (5) Embezzlement, as defined in Sections 424 and 503.
- (6) Extortion, as defined in Section 518.
- (7) Forgery, as defined in Section 470.
- (8) Gambling, as defined in Sections 320, 321, 322, 323, 326, 330a, 330b, 330c, 330.1, 330.4, 337a to 337f, inclusive, and Section 337i, except the activities of a person who participates solely as an individual bettor.
- (9) Kidnapping, as defined in Section 207.
- (10) Mayhem, as defined in Section 203.
- (11) Murder, as defined in Section 187.
- (12) Pimping and pandering, as defined in Section 266.
- (13) Receiving stolen property, as defined in Section 496.
- (14) Robbery, as defined in Section 211.
- (15) Solicitation of crimes, as defined in Section 653f.
- (16) Grand theft, as defined in Section 487 or subdivision (a) of Section 487a.
- (17) Trafficking in controlled substances, as defined in Sections 11351, 11352, and 11353 of the Health and Safety Code.
- (18) Violation of the laws governing corporate securities, as defined in Section 25541 of the Corporations Code.
- (19) Offenses contained in Chapter 7.5 (commencing with Section 311) of Title 9, relating to obscene matter, or in Chapter 7.6 (commencing with Section 313) of Title 9, relating to harmful matter that may be prosecuted as a felony.
- (20) Presentation of a false or fraudulent claim, as defined in Section 550.
- (21) False or fraudulent activities, schemes, or artifices, as described in Section 14107 of the Welfare and Institutions Code.
- (22) Money laundering, as defined in Section 186.10.
- (23) Offenses relating to the counterfeit of a registered mark, as specified in Section 350, or offenses relating to piracy, as specified in Section 653w.
- (24) Offenses relating to the unauthorized access to computers, computer systems, and computer data, as specified in Section 502.
- (25) Conspiracy to commit any of the crimes listed above, as defined in Section 182.
- (26) Subdivision (a) of Section 186.22, or a felony subject to enhancement as specified in subdivision (b) of Section 186.22.
- (27) Offenses related to fraud or theft against the state's beverage container recycling program, including, but not limited to, those offenses specified in this subdivision and those criminal offenses specified in the California Beverage Container Recycling and Litter Reduction Act (Division 12.1 (commencing with Section 14500) of the Public Resources Code).
- (28) Human trafficking, as defined in Section 236.1.



(29) A crime in which the perpetrator induces, encourages, or persuades a person under 18 years of age to engage in a commercial sex act. For purposes of this paragraph, a commercial sex act means any sexual conduct on account of which anything of value is given or received by any person.

(30) A crime in which the perpetrator, through force, fear, coercion, deceit, violence, duress, menace, or threat of unlawful injury to the victim or to another person, causes a person under 18 years of age to engage in a commercial sex act. For purposes of this paragraph, a commercial sex act means any sexual conduct on account of which anything of value is given or received by any person.

(31) Theft of personal identifying information, as defined in Section 530.5.

(32) Offenses involving the theft of a motor vehicle, as specified in Section 10851 of the Vehicle Code.

(33) Abduction or procurement by fraudulent inducement for prostitution, as defined in Section 266a.

(34) Offenses relating to insurance fraud, as specified in Sections 2106, 2108, 2109, 2110, 2110.3, 2110.5, 2110.7, and 2117 of the Unemployment Insurance Code.

(b) (1) "Pattern of criminal profiteering activity" means engaging in at least two incidents of criminal profiteering, as defined by this chapter, that meet the following requirements:

(A) Have the same or a similar purpose, result, principals, victims, or methods of commission, or are otherwise interrelated by distinguishing characteristics.

(B) Are not isolated events.

(C) Were committed as a criminal activity of organized crime.

(2) Acts that would constitute a "pattern of criminal profiteering activity" shall not be used by a prosecuting agency to seek the remedies provided by this chapter unless the underlying offense occurred after the effective date of this chapter and the prior act occurred within 10 years, excluding any period of imprisonment, of the commission of the underlying offense. A prior act shall not be used by a prosecuting agency to seek remedies provided by this chapter if a prosecution for that act resulted in an acquittal.

(c) "Prosecuting agency" means the Attorney General or the district attorney of any county.

(d) "Organized crime" means crime that is of a conspiratorial nature and that is either of an organized nature and seeks to supply illegal goods or services such as narcotics, prostitution, pimping and pandering, loan-sharking, counterfeiting of a registered mark in violation of Section 350, the piracy of a recording or audiovisual work in violation of Section 653w, gambling, and pornography, or that, through planning and coordination of individual efforts, seeks to conduct the illegal activities of arson for profit, hijacking, insurance fraud, smuggling, operating vehicle theft rings, fraud against the beverage container recycling program, embezzlement, securities fraud, insurance fraud in violation of the provisions listed in paragraph (34) of subdivision (a), grand theft, money laundering, forgery, or systematically encumbering the assets of a business for the purpose of defrauding creditors. "Organized crime" also means crime committed by a criminal street gang, as defined in subdivision (f) of Section 186.22. "Organized crime" also means false or fraudulent activities, schemes, or artifices, as described in Section 14107 of the Welfare and Institutions Code, and the theft of personal identifying information, as defined in Section 530.5.

(e) "Underlying offense" means an offense enumerated in subdivision (a) for which the defendant is being prosecuted.

(f) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 9.** Section 186.2 is added to the Penal Code, to read:

**186.2.** For purposes of this chapter, the following definitions apply:

(a) "Criminal profiteering activity" means an act committed or attempted or a threat made for financial gain or advantage, which act or threat may be charged as a crime under any of the following sections:

(1) Arson, as defined in Section 451.

(2) Bribery, as defined in Sections 67, 67.5, and 68.

- (3) Child pornography or exploitation, as defined in subdivision (b) of Section 311.2, or Section 311.3 or 311.4, which may be prosecuted as a felony.
- (4) Felonious assault, as defined in Section 245.
- (5) Embezzlement, as defined in Sections 424 and 503.
- (6) Extortion, as defined in Section 518.
- (7) Forgery, as defined in Section 470.
- (8) Gambling, as defined in Sections 320, 321, 322, 323, 326, 330a, 330b, 330c, 330.1, 330.4, 337a to 337f, inclusive, and Section 337i, except the activities of a person who participates solely as an individual bettor.
- (9) Kidnapping, as defined in Section 207.
- (10) Mayhem, as defined in Section 203.
- (11) Murder, as defined in Section 187.
- (12) Pimping and pandering, as defined in Section 266.
- (13) Receiving stolen property, as defined in Section 496.
- (14) Robbery, as defined in Section 211.
- (15) Solicitation of crimes, as defined in Section 653f.
- (16) Grand theft, as defined in Section 487 or subdivision (a) of Section 487a.
- (17) Trafficking in controlled substances, as defined in Sections 11351, 11352, and 11353 of the Health and Safety Code.
- (18) Violation of the laws governing corporate securities, as defined in Section 25541 of the Corporations Code.
- (19) Offenses contained in Chapter 7.5 (commencing with Section 311) of Title 9, relating to obscene matter, or in Chapter 7.6 (commencing with Section 313) of Title 9, relating to harmful matter that may be prosecuted as a felony.
- (20) Presentation of a false or fraudulent claim, as defined in Section 550.
- (21) False or fraudulent activities, schemes, or artifices, as described in Section 14107 of the Welfare and Institutions Code.
- (22) Money laundering, as defined in Section 186.10.
- (23) Offenses relating to the counterfeit of a registered mark, as specified in Section 350, or offenses relating to piracy, as specified in Section 653w.
- (24) Offenses relating to the unauthorized access to computers, computer systems, and computer data, as specified in Section 502.
- (25) Conspiracy to commit any of the crimes listed above, as defined in Section 182.
- (26) Subdivision (a) of Section 186.22, or a felony subject to enhancement as specified in subdivision (b) of Section 186.22.
- (27) Offenses related to fraud or theft against the state's beverage container recycling program, including, but not limited to, those offenses specified in this subdivision and those criminal offenses specified in the Beverage Container Recycling Program (Division 12.1 (commencing with Section 14500) of the Public Resources Code).
- (28) Human trafficking, as defined in Section 236.1.
- (29) A crime in which the perpetrator induces, encourages, or persuades a person under 18 years of age to engage in a commercial sex act. For purposes of this paragraph, a commercial sex act means any sexual conduct on account of which anything of value is given or received by any person.

(30) A crime in which the perpetrator, through force, fear, coercion, deceit, violence, duress, menace, or threat of unlawful injury to the victim or to another person, causes a person under 18 years of age to engage in a commercial sex act. For purposes of this paragraph, a commercial sex act means any sexual conduct on account of which anything of value is given or received by any person.

(31) Theft of personal identifying information, as defined in Section 530.5.

(32) Offenses involving the theft of a motor vehicle, as specified in Section 10851 of the Vehicle Code.

(33) Abduction or procurement by fraudulent inducement for prostitution, as defined in Section 266a.

(34) Offenses relating to insurance fraud, as specified in Sections 2106, 2108, 2109, 2110, 2110.3, 2110.5, 2110.7, and 2117 of the Unemployment Insurance Code.

(b) (1) "Pattern of criminal profiteering activity" means engaging in at least two incidents of criminal profiteering, as defined by this chapter, that meet the following requirements:

(A) Have the same or a similar purpose, result, principals, victims, or methods of commission, or are otherwise interrelated by distinguishing characteristics.

(B) Are not isolated events.

(C) Were committed as a criminal activity of organized crime.

(2) Acts that would constitute a "pattern of criminal profiteering activity" shall not be used by a prosecuting agency to seek the remedies provided by this chapter unless the underlying offense occurred after the effective date of this chapter and the prior act occurred within 10 years, excluding any period of imprisonment, of the commission of the underlying offense. A prior act shall not be used by a prosecuting agency to seek remedies provided by this chapter if a prosecution for that act resulted in an acquittal.

(c) "Prosecuting agency" means the Attorney General or the district attorney of any county.

(d) "Organized crime" means crime that is of a conspiratorial nature and that is either of an organized nature and seeks to supply illegal goods or services such as narcotics, prostitution, pimping and pandering, loan-sharking, counterfeiting of a registered mark in violation of Section 350, the piracy of a recording or audiovisual work in violation of Section 653w, gambling, and pornography, or that, through planning and coordination of individual efforts, seeks to conduct the illegal activities of arson for profit, hijacking, insurance fraud, smuggling, operating vehicle theft rings, fraud against the beverage container recycling program, embezzlement, securities fraud, insurance fraud in violation of the provisions listed in paragraph (34) of subdivision (a), grand theft, money laundering, forgery, or systematically encumbering the assets of a business for the purpose of defrauding creditors. "Organized crime" also means crime committed by a criminal street gang, as defined in subdivision (f) of Section 186.22. "Organized crime" also means false or fraudulent activities, schemes, or artifices, as described in Section 14107 of the Welfare and Institutions Code, and the theft of personal identifying information, as defined in Section 530.5.

(e) "Underlying offense" means an offense enumerated in subdivision (a) for which the defendant is being prosecuted.

(f) This section shall become operative on July 1, 2024.

**SEC. 10.** Section 186.8 of the Penal Code is amended to read:

**186.8.** Notwithstanding that no response or claim has been filed pursuant to Section 186.5, in all cases where property is forfeited pursuant to this chapter and, if necessary, sold by the Department of General Services or local governmental entity, the money forfeited or the proceeds of sale shall be distributed by the state or local governmental entity as follows:

(a) To the bona fide or innocent purchaser, conditional sales vendor, or holder of a valid lien, mortgage, or security interest, if any, up to the amount of their interest in the property or proceeds, when the court declaring the forfeiture orders a distribution to that person. The court shall endeavor to discover all those lienholders and protect their interests and may, at its discretion, order the proceeds placed in escrow for up to an additional 60 days to ensure that all valid claims are received and processed.

(b) To the Department of General Services or local governmental entity for all expenditures made or incurred by it in connection with the sale of the property, including expenditures for any necessary repairs, storage, or transportation of any property seized under this chapter.

(c) To the General Fund of the state or a general fund of a local governmental entity, whichever prosecutes.

(d) In any case involving a violation of subdivision (b) of Section 311.2, or Section 311.3 or 311.4, in lieu of the distribution of the proceeds provided for by subdivisions (b) and (c), the proceeds shall be deposited in the county children's trust fund, established pursuant to Section 18966 of the Welfare and Institutions Code, of the county that filed the petition of forfeiture. If the county does not have a children's trust fund, the funds shall be deposited in the State Children's Trust Fund, established pursuant to Section 18969 of the Welfare and Institutions Code.

(e) In any case involving crimes against the state beverage container recycling program, in lieu of the distribution of proceeds provided in subdivision (c), the proceeds shall be deposited in the Penalty Account established pursuant to subdivision (d) of Section 14580 of the Public Resources Code, except that a portion of the proceeds equivalent to the cost of prosecution in the case shall be distributed to the local prosecuting entity that filed the petition of forfeiture.

(f) (1) In any case described in paragraph (29) or (30) of subdivision (a) of Section 186.2, or paragraph (33) of subdivision (a) of Section 186.2 where the victim is a minor, in lieu of the distribution provided for in subdivision (c), the proceeds shall be deposited in the Victim-Witness Assistance Fund to be available for appropriation to fund child sexual exploitation and child sexual abuse victim counseling centers and prevention programs under Section 13837. Fifty percent of the funds deposited in the Victim-Witness Assistance Fund pursuant to this subdivision shall be granted to community-based organizations that serve minor victims of human trafficking.

(2) Notwithstanding paragraph (1), any proceeds specified in paragraph (1) that would otherwise be distributed to the General Fund of the state under subdivision (c) pursuant to a paragraph in subdivision (a) of Section 186.2 other than paragraph (29) or (30) of subdivision (a) of Section 186.2, or paragraph (33) of subdivision (a) of Section 186.2 where the victim is a minor, shall, except as otherwise required by law, continue to be distributed to the General Fund of the state as specified in subdivision (c).

(g) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 11.** Section 186.8 is added to the Penal Code, to read:

**186.8.** Notwithstanding that no response or claim has been filed pursuant to Section 186.5, in all cases where property is forfeited pursuant to this chapter and, if necessary, sold by the Department of General Services or local governmental entity, the money forfeited or the proceeds of sale shall be distributed by the state or local governmental entity as follows:

(a) To the bona fide or innocent purchaser, conditional sales vendor, or holder of a valid lien, mortgage, or security interest, if any, up to the amount of their interest in the property or proceeds, when the court declaring the forfeiture orders a distribution to that person. The court shall endeavor to discover all those lienholders and protect their interests and may, at its discretion, order the proceeds placed in escrow for up to an additional 60 days to ensure that all valid claims are received and processed.

(b) To the Department of General Services or local governmental entity for all expenditures made or incurred by it in connection with the sale of the property, including expenditures for any necessary repairs, storage, or transportation of any property seized under this chapter.

(c) To the General Fund of the state or a general fund of a local governmental entity, whichever prosecutes.

(d) In any case involving a violation of subdivision (b) of Section 311.2, or Section 311.3 or 311.4, in lieu of the distribution of the proceeds provided for by subdivisions (b) and (c), the proceeds shall be deposited in the county children's trust fund, established pursuant to Section 18966 of the Welfare and Institutions Code, of the county that filed the petition of forfeiture. If the county does not have a children's trust fund, the funds shall be deposited in the State Children's Trust Fund, established pursuant to Section 18969 of the Welfare and Institutions Code.

(e) In any case involving crimes against the state beverage container recycling program, in lieu of the distribution of proceeds provided in subdivision (c), the proceeds shall be deposited in the Penalty Account established pursuant to subdivision (c) of Section 14580 of the Public Resources Code, except that a portion of

the proceeds equivalent to the cost of prosecution in the case shall be distributed to the local prosecuting entity that filed the petition of forfeiture.

(f) (1) In any case described in paragraph (29) or (30) of subdivision (a) of Section 186.2, or paragraph (33) of subdivision (a) of Section 186.2 where the victim is a minor, in lieu of the distribution provided for in subdivision (c), the proceeds shall be deposited in the Victim-Witness Assistance Fund to be available for appropriation to fund child sexual exploitation and child sexual abuse victim counseling centers and prevention programs under Section 13837. Fifty percent of the funds deposited in the Victim-Witness Assistance Fund pursuant to this subdivision shall be granted to community-based organizations that serve minor victims of human trafficking.

(2) Notwithstanding paragraph (1), any proceeds specified in paragraph (1) that would otherwise be distributed to the General Fund of the state under subdivision (c) pursuant to a paragraph in subdivision (a) of Section 186.2 other than paragraph (29) or (30) of subdivision (a) of Section 186.2, or paragraph (33) of subdivision (a) of Section 186.2 where the victim is a minor, shall, except as otherwise required by law, continue to be distributed to the General Fund of the state as specified in subdivision (c).

(g) This section shall become operative on July 1, 2024.

**SEC. 12.** Section 12165 of the Public Contract Code is amended to read:

**12165.** (a) After implementing a recycling plan pursuant to subdivision (c) of Section 12164.5, the Department of Resources Recycling and Recovery shall establish, implement, and maintain a recycling plan for the Legislature, which may include all legislative offices and individual members' district offices; all state offices whether in state-owned buildings or leased facilities in Sacramento, Los Angeles, and San Francisco Counties; and in any other areas that the Department of Resources Recycling and Recovery determines to be feasible. The plan shall include the provisions for the recycling of office paper, corrugated cardboard, newsprint, beverage containers, as defined in Section 14505 of the Public Resources Code, waste oil, and any other material at the discretion of the Department of Resources Recycling and Recovery.

(b) The collection program for each product and each location shall be reevaluated by the Department of Resources Recycling and Recovery on or before January 1, 1994. Subsequently, the Department of Resources Recycling and Recovery, upon the determination that inclusion of any particular material type would result in a net revenue loss to the state, shall have the discretion to exclude that material from the program, and shall report its conclusions and recommendations to the Legislature. In determining the net revenue loss for the collection of a specified waste material, the Department of Resources Recycling and Recovery shall include the avoided cost to dispose of the waste material. The plan shall provide either for the collection and sale of materials to private brokers, recycling plants, or nonprofit organizations, or the operation of these entities by the state, or a combination thereof. The plan shall be implemented at the earliest possible date.

(c) The Department of Resources Recycling and Recovery shall provide participating locations with public awareness information and training to state and legislative employees, including, but not limited to, the proper separation and disposal of recyclable resources. Additionally, the Department of Resources Recycling and Recovery shall provide training for personnel, including, but not limited to, state buildings and grounds personnel, responsible for the collection of waste materials. This training shall include, but is not limited to, educating and training the personnel concerning the separation and collection of recyclable materials.

**SEC. 13.** Section 615 of the Public Resources Code is amended to read:

**615.** (a) Grants administered by the department, including, but not limited to, those awarded pursuant to Division 9 (commencing with Section 9001), Division 10.2 (commencing with Section 10200), and Division 12.1 (commencing with Section 14500), are not subject to the State Contract Act (Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code) or Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code.

(b) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 14.** Section 615 is added to the Public Resources Code, to read:

**615.** (a) Grants administered by the department, including, but not limited to, those awarded pursuant to Division 9 (commencing with Section 9001) and Division 10.2 (commencing with Section 10200), are not subject

to the State Contract Act (Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code) or Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code.

(b) This section shall become operative on July 1, 2024.

**SEC. 15.** Section 14315 of the Public Resources Code is amended to read:

**14315.** (a) Subject to the availability of assistance from the corps, a state agency that is considering the use of contracted labor shall give priority to the corps when the mission of the corps and the nature of the state agency's project are substantially consistent.

(b) State agencies shall notify the corps of potential contracts for services that fit within the parameters of the legislative intent set forth in Section 14000 and shall use the corps to the maximum extent feasible to carry out projects that promote the legislative intent as set forth in Section 14000. Because of the corps' commitment to the state's youth, in the exercise of a state agency's discretion when considering contracts for services, strong consideration shall be given to the use of corpsmembers over the use of other contracted labor.

(c) The corps may contract with any state agency for the performance of activities consistent with this division.

(d) Upon appropriation by the Legislature and execution of a contract pursuant to subdivision (b), the Controller may transfer money to the Collins-Dugan California Conservation Corps Reimbursement Account from other funds under the control of the contracting state agency, including, but not limited to, the following funds and accounts:

(1) Hazardous Waste Control Account in the General Fund.

(2) State Highway Account in the State Transportation Fund.

(3) Public Transportation Account in the State Transportation Fund.

(4) California Environmental License Plate Fund.

(5) Fish and Game Preservation Fund.

(6) Public Resources Account in the Cigarette and Tobacco Products Surtax Fund.

(7) Unallocated Account in the Cigarette and Tobacco Products Surtax Fund.

(8) Habitat Conservation Fund.

(9) Motor Vehicle Fuel Account in the Transportation Tax Fund pursuant to Section 8352.6 of the Revenue and Taxation Code.

(10) Oil Spill Prevention and Administration Fund.

(11) Integrated Waste Management Account in the Integrated Waste Management Fund.

(12) State Parks and Recreation Fund.

(13) Employment Training Fund.

(14) Harbors and Watercraft Revolving Fund.

(15) California Beverage Container Recycling Fund.

(e) Expenditures from the Collins-Dugan California Conservation Corps Reimbursement Account of amounts transferred pursuant to subdivision (d) shall be limited to purposes that are consistent with the requirements of each fund or account contributing each amount to the Collins-Dugan California Conservation Corps Reimbursement Account.

(f) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 16.** Section 14315 is added to the Public Resources Code, to read:

**14315.** (a) Subject to the availability of assistance from the corps, a state agency that is considering the use of contracted labor shall give priority to the corps when the mission of the corps and the nature of the state

agency's project are substantially consistent.

(b) State agencies shall notify the corps of potential contracts for services that fit within the parameters of the legislative intent set forth in Section 14000 and shall use the corps to the maximum extent feasible to carry out projects that promote the legislative intent as set forth in Section 14000. Because of the corps' commitment to the state's youth, in the exercise of a state agency's discretion when considering contracts for services, strong consideration shall be given to the use of corpsmembers over the use of other contracted labor.

(c) The corps may contract with any state agency for the performance of activities consistent with this division.

(d) Upon appropriation by the Legislature and execution of a contract pursuant to subdivision (b), the Controller may transfer money to the Collins-Dugan California Conservation Corps Reimbursement Account from other funds under the control of the contracting state agency, including, but not limited to, the following funds and accounts:

(1) Hazardous Waste Control Account in the General Fund.

(2) State Highway Account in the State Transportation Fund.

(3) Public Transportation Account in the State Transportation Fund.

(4) California Environmental License Plate Fund.

(5) Fish and Game Preservation Fund.

(6) Public Resources Account in the Cigarette and Tobacco Products Surtax Fund.

(7) Unallocated Account in the Cigarette and Tobacco Products Surtax Fund.

(8) Habitat Conservation Fund.

(9) Motor Vehicle Fuel Account in the Transportation Tax Fund pursuant to Section 8352.6 of the Revenue and Taxation Code.

(10) Oil Spill Prevention and Administration Fund.

(11) Integrated Waste Management Account in the Integrated Waste Management Fund.

(12) State Parks and Recreation Fund.

(13) Employment Training Fund.

(14) Harbors and Watercraft Revolving Fund.

(e) Expenditures from the Collins-Dugan California Conservation Corps Reimbursement Account of amounts transferred pursuant to subdivision (d) shall be limited to purposes that are consistent with the requirements of each fund or account contributing each amount to the Collins-Dugan California Conservation Corps Reimbursement Account.

(f) This section shall become operative on July 1, 2024.

**SEC. 17.** Division 12.1 (commencing with Section 14500) is added to the Public Resources Code, to read:

**DIVISION 12.1. Beverage Container Recycling**  
**CHAPTER 1. General Provisions**

**14500.** This division shall be known, and may be cited, as the Beverage Container Recycling Program.

**14501.** This division does not apply to a beverage container that is sold and delivered to a railroad, sleeping car, or steamship company, or common carrier operating vessels, as defined in Section 238 of the Public Utilities Code, operating under a certificate of public convenience and necessity, or an air common carrier, for use and consumption on trains, vessels, or airplanes.

**14501.4.** This division is a matter of statewide interest and concern and is applicable uniformly throughout the state. Accordingly, this division and Chapter 20.5 (commencing with Section 42984) of Part 3 of Division 30 occupy the whole field of regulation of redemption-related refund values, deposits, and similar fees relating to

beverage containers, as provided in this division and Chapter 20.5 (commencing with Section 42984) of Part 3 of Division 30. A city, county, or other public agency shall not enforce or implement any existing or new ordinance, resolution, regulation, or rule establishing redemption-related refund values, deposits, or similar fees relating to beverage containers in the state unless expressly authorized by this division or Chapter 20.5 (commencing with Section 42984) of Part 3 of Division 30. This section does not prohibit the implementation or enforcement of any ordinance or regulation governing dropoff recycling programs operated by, or pursuant to a contract with, a city, county, or other public agency, including actions relating to fees, or establishing fees, for these programs.

**14501.6.** An action to increase redemption taken by the department, the beverage container stewardship organization, or a person or entity affecting the scrap values, quantities of materials being redeemed, or the method of invoicing the sale of deposit beverages pursuant to this division is not a violation of the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code) and the Unfair Practices Act (Chapter 4 (commencing with Section 17000) of Part 2 of Division 7 of the Business and Professions Code). This section does not apply to an action taken by a redemption center to increase the redemption of beverage containers.

**14501.8.** (a) To the extent permitted by federal law, this division, including, but not limited to, Section 14560.5, applies to a national park or monument, military installation, or any other property owned by, and under the jurisdiction of, the United States, with regard to a beverage container not otherwise subject to a program involving the collection and payment of deposits for beverage containers.

(b) For purposes of this section, "a program involving the collection and payment of deposits" means a program, other than one imposed pursuant to this division, at a national park or monument, military installation, or any other property owned by, and under the jurisdiction of, the United States, that imposes a deposit on a beverage container at the time of sale and provides an opportunity for the beverage container purchaser to redeem the deposit at the national park or monument, military installation, or other property owned by, and under the jurisdiction of, the United States.

## **CHAPTER 2. Definitions**

**14502.** Unless the context otherwise requires, the definitions in this chapter govern the construction of this division.

**14503.** "Aluminum beverage container" means a beverage container that consists primarily of aluminum.

**14504.** (a) (1) Subject to paragraph (2) and except as provided in subdivision (b), "deposit beverage" means any of the following products if those products are in liquid, ready-to-drink form, and are intended for human consumption:

(A) Beer and other malt beverages.

(B) Wine and distilled spirit coolers.

(C) Carbonated water, including soda and carbonated mineral water.

(D) Noncarbonated water, including noncarbonated mineral water.

(E) Carbonated soft drinks.

(F) Noncarbonated soft drinks and "sport" drinks.

(G) Except as provided in paragraph (4) of subdivision (b), noncarbonated fruit drinks that contain any percentage of fruit juice.

(H) Coffee and tea drinks.

(I) Carbonated fruit drinks.

(J) Vegetable juice in beverage containers of 16 ounces or less.

(2) "Deposit beverage" only includes carbonated beverages between 100 milliliters and 3 liters, inclusive, in volume and noncarbonated beverages between 100 milliliters and 2.5 liters, inclusive, in volume.

(b) "Deposit beverage" does not include any of the following:



(1) Wine, or wine from which alcohol has been removed, in whole or in part, whether or not sparkling or carbonated.

(2) Distilled spirits.

(3) Milk, medical food, or infant formula.

(4) One hundred percent fruit juice in containers that are 46 ounces or more in volume.

(c) For purposes of this section, the following definitions apply:

(1) "Infant formula" means any liquid food described or sold as an alternative for human milk for the feeding of infants.

(2) (A) "Medical food" means a food or beverage that is formulated to be consumed, or administered enterally under the supervision of a physician, and that is intended for specific dietary management of diseases or health conditions for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation.

(B) A "medical food" is a specially formulated and processed product, for the partial or exclusive feeding of a patient by means of oral intake or enteral feeding by tube, and is not a naturally occurring foodstuff used in its natural state.

(C) "Medical food" includes any product that meets the definition of "medical food" in the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 360ee(b)(3)).

(3) "Noncarbonated soft drink" means a nonalcoholic, noncarbonated naturally or artificially flavored water containing sugar or sweetener or trace amounts of various elements from both natural and synthetic sources.

**14505.** "Beverage container" means the individual, separate bottle, can, jar, carton, or other receptacle, however denominated, that holds a deposit beverage, and that is constructed of metal, glass, plastic, other material, or any combination of these materials. "Beverage container" does not include cups or other similar open or loosely sealed receptacles.

**14505.1.** "Beverage container stewardship organization" or "organization" has the same meaning as defined in Section 42984.06.

**14505.2.** "Beverage container stewardship plan" has the same meaning as defined in Section 42984.06.

**14506.** "Beverage manufacturer" means a person who bottles, cans, or otherwise fills beverage containers, or imports filled beverage containers, for sale to distributors, dealers, or consumers.

**14506.3.** "Bimetal container" means a beverage container that consists of one or more metals and that is composed primarily of steel.

**14507.5.** (a) "Community conservation corps" means a nonprofit public benefit corporation formed or operating pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, or an agency operated by a city, county, or city and county, that is certified by the California Conservation Corps as meeting all of the following criteria:

(1) The community conservation corps is organized in the form of supervised work crews and selects young people for participation on the basis of motivation for hard work, personal development, and public service, without regard to their prior employment or educational background, and consistent with Section 14402. Participation shall be for a period of one year, and may be extended.

(2) The community conservation corps' program is based upon a highly disciplined work experience, includes an educational component, and is designed to develop corpsmembers' character and civic consciousness through rigorous work on public projects. The educational component of the community conservation corps' program includes enrollment in a vocational education program, public or charter high school, or postsecondary community college.

(3) The community conservation corps compensates corpsmembers at not less than the federal minimum wage, and provides corpsmembers assistance in obtaining permanent employment following their participation in the

community conservation corps program.

(4) The community conservation corps engages in recycling and litter abatement projects and projects that accomplish the conservationist and other purposes described in subdivisions (a) to (h), inclusive, of Section 14300, and that assist agencies of local government and other nonprofit community organizations in developing, rehabilitating, and restoring parklands, recreational facilities, and other community resources.

(5) The community conservation corps consists of an average annual enrollment of not less than 50 corpsmembers from 18 to 25 years of age, inclusive.

(b) The California Conservation Corps shall evaluate a community conservation corps for the purpose of determining its eligibility for certification, pursuant to this section, after it has completed 12 months of continuous operation, and annually thereafter.

**14508.** "Consumer" means a person who, for their use or consumption, purchases a deposit beverage in a beverage container from a dealer. "Consumer" includes, but is not limited to, a lodging, eating, or drinking establishment, and soft drink vending machines.

**14509.** "Container manufacturer" means a person who produces beverage containers for filling by beverage manufacturers, including a person who imports beverage containers from outside of the state for filling by beverage manufacturers.

**14509.3.** "Cullet" means scrap glass that is derived from postfilled food, drink, or beverage container glass produced or imported for sale in the state.

**14509.5.** "Curbside program" means a recycling program that meets all of the following criteria:

(a) The program picks up empty beverage containers from individual or multiple family residences, or both, and the empty beverage containers are separated from waste materials before being picked up.

(b) The program is operated by, or pursuant to a contract with, a city, county, or other public agency, or is acknowledged, in writing, by a city, county, or other public agency.

(c) The program accepts empty beverage containers from consumers with the intent to recycle them, but does not pay the refund value.

**14510.** "Dealer" means a retail establishment or online retailer that offers the sale of deposit beverages in beverage containers to consumers. However, any lodging, eating, or drinking establishment or soft drink vending machine operator that engages in the sale of deposit beverages in beverage containers to consumers shall not be deemed a dealer for purposes of this division, except that these sales are subject to Section 14560.

**14510.5.** "Department" means the Division of Recycling in the Department of Resources Recycling and Recovery.

**14510.6.** "Director" means the Director of Resources Recycling and Recovery.

**14510.7.** "Distilled spirit" means an alcoholic beverage that is obtained by distillation from wine or other fermented fruit or plant juice or from a starchy material that has first been brewed.

**14511.** "Distributor" means a person who engages in the sale of deposit beverages in beverage containers to a dealer in the state, including a manufacturer who engages in these sales. "Distributor" includes a person who imports deposit beverages from outside of the state for sale to dealers or consumers in the state.

**14511.5.** "Drink" means fruit juice or any other noncarbonated drink.

**14511.7.** "Dropoff or collection program" means a person, association, nonprofit corporation, church, club, or other organization that is certified by the beverage container stewardship organization and that accepts or collects empty beverage containers from consumers with the intention to recycle them, or any waste reduction facility that separates beverage containers from the waste stream with the intent to recycle them. "Dropoff or collection program" does not include a redemption center.

**14512.** "Empty beverage container" means a beverage container that meets all of the following requirements:

- (a) Has the seal or closure installed by the manufacturer broken or removed.
- (b) Does not contain foreign materials other than the residue of the deposit beverage originally packaged in the beverage container by the manufacturer.
- (c) Bears the message and barcode required by Section 14561, or is a refillable beverage container.
- (d) Has a refund value established pursuant to Section 14560.

**14512.5.** "Food or drink packaging material" means any material that is not a beverage container in which a food or drink is sold in a retail establishment and the food or drink is not intended for consumption on the seller's premises.

**14512.7.** "Fund" means the Beverage Container Recycling Program Fund created pursuant to subdivision (a) of Section 14580.

**14513.** "Glass beverage container" means a beverage container that has a body consisting primarily of glass.

**14513.2.** (a) "Glass container manufacturer" means a person who manufactures commercial containers with a principal component part or parts consisting of virgin glass, postfilled glass, or any combination of that glass, for sale in the state or for export to other states or countries.

(b) "Glass container manufacturer" includes, but is not limited to, all commercial manufacturing operations that produce beverage containers, food or drink packaging material made primarily of glass, or any combination of both of those items. For beer or other malt beverages manufactured outside the state, the container manufacturer shall be deemed to be the person or entity named on the certificate of compliance issued pursuant to Section 23671 of the Business and Professions Code.

**14513.3.** "Glass food or drink container" means a nonbeverage container with a principal component part or parts consisting of virgin glass, postfilled glass, or any combination of that glass, in which food or drink is sold or offered for sale in the state.

**14513.4.** "Handling fee" means the amount paid by the beverage container stewardship organization to a redemption center for every beverage container redeemed by that redemption center.

**14514.** "Managing employee" includes, but is not limited to, a person who manages the operation of a facility or is authorized by the certified operator to sign shipping reports.

**14514.5.** "Noncertified recycler" means a person, entity, or operation that is not certified and that purchases empty beverage containers from consumers or from dropoff or collection programs.

**14515.** "Other beverage container" means a beverage container that has a body consisting of metal, glass, plastic, other materials, or a combination of these, but that is not an aluminum, bimetal, glass, or plastic beverage container.

**14515.1.** "Out-of-state container" means a used beverage container or used beverage container component that is not subject to Section 14560, and that is brought into the state.

**14515.2.** "Person" means an individual, corporation, operation, or entity, whether or not certified or registered pursuant to this division.

**14517.** "Plastic beverage container" means a beverage container that has a body consisting primarily of plastic.

**14517.5.** "Postfilled container" means a container that had been previously filled with a beverage or food.

**14518.** "Processor" means a person, including a scrap dealer, certified by the beverage container stewardship organization who purchases empty beverage containers that have a refund value established pursuant to this division, from redemption centers in the state for redemption, and who cancels, or who certifies to the department in a form prescribed by the department the cancellation of, the refund value of these empty beverage containers by processing empty beverage containers, in any manner that the department may

prescribe. However, the department shall not take any action regulating scrap dealers or redemption centers who are processors unless authorized by and pursuant to the goals of this division.

**14519.** "Recycle," "recycled," "recycling," or "recyclable" refers to the reuse or refilling of empty beverage containers, or the process of sorting, cleansing, treating, and reconstituting empty postfilled beverage containers for the purpose of using the altered form. "Recycle," "recycled," "recycling," or "recyclable" does not refer to processes for merely sorting, shredding, stripping, compressing, storing, landfilling with, or disposing of an empty beverage container.

**14520.** "Recycler" means a redemption center or dropoff or collection program.

**14521.** To "redeem" means to return to a redemption center an empty beverage container for a refund value, and "redemption" is the act of redeeming.

**14522.** "Redemption center" means an operation that is certified by the beverage container stewardship organization and that accepts from consumers, and ~~immediately~~ pays or provides the refund value pursuant to Section 14570.2 for, empty beverage containers. "Redemption center" includes a dealer with an annual volume of sales of grocery goods of ~~one~~ *four* million dollars ~~(\$1,000,000)~~ *(\$4,000,000)* or more.

**14523.** "Redemption rate" means the proportion of empty beverage containers measured in the manner prescribed in Section 14551.

**14524.** "Refillable beverage container" means a beverage container holding 150 fluid ounces or less of deposit beverage, that has a minimum deposit of three cents (\$0.03) and that ordinarily would be returned to the manufacturer to be refilled and resold.

**14525.** "Refund value" means the amount established for beverage containers pursuant to Section 14560 that is paid by the following:

(a) A redemption center to the consumer or dropoff or collection program for each beverage container redeemed by the consumer or dropoff or collection program. For consumers returning containers to redemption centers, the refund value shall not be subject to tax under the Personal Income Tax Law (Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code) or the Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code).

(b) The beverage container stewardship organization to a redemption center, for each beverage container redeemed by the redemption center from a consumer or dropoff or collection program.

(c) A dealer to a distributor for each beverage container sold or transferred to a dealer.

**14525.5.** "Reverse vending machine" means an automated device that does both of the following:

(a) Uses a laser scanner, microprocessor, or other technology to accurately recognize the *Universal Product Code (UPC)* barcode on beverage containers to determine if the beverage container is redeemable.

(b) Accumulates information regarding beverage containers redeemed, including the number of beverage containers redeemed, thereby enabling the reverse vending machine to accept beverage containers from redeemers and immediately issue a receipt ~~or for cash or online payment~~ *payment, or a credit slip*, for the refund value of the beverage ~~containers;~~ *containers, and transmit data online for reconciliation, and sort and compact containers.*

**14525.6.** "Rural region" means a nonurban area identified by the department on an annual basis using the loan eligibility criteria of the Rural Housing Service of the United States Department of Agriculture, Rural Development, or its successor agency. Those criteria include, but are not limited to, places, open country, cities, towns, or census designated places with populations that are less than 10,000 persons. The department may designate an area with a population of between 10,000 and 50,000 persons as a rural region, unless the area is identified as part of, or associated with, an urban area, as determined by the department on an individual basis.

**14525.7.** "Rural region recycler" means a recycler that is certified for a rural region and that accepts or collects empty beverage containers from consumers pursuant to Section 14570.2 with the intention to recycle them.

**14526.** "Scrap value" means the value of the material that an empty beverage container is composed of.

**14527.** "Use or consumption" includes the exercise of any right or power over a deposit beverage incidental to the deposit beverage's ownership, including, but not limited to, drinking the deposit beverage. "Use or consumption" does not include the sale, or the keeping or retention, of a deposit beverage for purposes of sale.

**14528.5.** "Wine and distilled spirit cooler" means a deposit beverage containing wine or distilled spirits to which is added concentrated or unconcentrated juice or flavoring material and containing not more than 7 percent alcohol by volume.

### **CHAPTER 3. Administration**

**14530.** (a) This division shall be administered by the department and the beverage container stewardship organization, as provided in this division.

(b) The department shall be administered by an assistant director who is appointed by the Governor. The appointment shall be exempt from civil service.

**14530.5.** (a) For purposes of entering into contracts for consulting, promotional, or advisory services necessary to implement this division, the requirements of Sections 11042 and 14615 of the Government Code and Sections 10295 and 10318 of the Public Contract Code do not apply to the activities of the department pursuant to this division, except that any sole source contract awarded by the department shall be reviewed and approved by the Department of General Services.

(b) The department may prepare, publish, and issue in print, or make available electronically, pamphlets, promotional materials, and bulletins that the director determines to be necessary for the dissemination of information to the public concerning the activities of the department pursuant to this division.

**14530.6.** Upon the request of the department, the Attorney General shall represent the department and the state in litigation concerning affairs of the department.

*14531. (a) Subject to subdivision (b), a payment made pursuant to this division, including, but not limited to, a handling fee payment, refund value payment, processing fee payment, or processing payment, may be made electronically.*

*(b) Except as provided in Section 14570.7, a payment made to a consumer of the refund value for beverage container material pursuant to this division may be made within five days of receipt of the materials.*

**14536.** (a) The department may adopt any rules or regulations that the department determines necessary or useful to carry out this division in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The director shall adopt, amend, or repeal all rules and regulations in accordance with those provisions. The department shall consult with the beverage container stewardship organization regarding the adoption of rules and regulations pursuant to this section.

(b) The director shall adopt regulations for purposes of implementing Sections 14550, 14561, and 14591.

**14536.5.** (a) In carrying out this division, the department may solicit and use all expertise available in other state agencies and, where an existing state agency performs functions of a similar nature to the department's functions, the department may contract with, or cooperate with, the agency in carrying out this division.

(b) The Department of Food and Agriculture may, as requested by the department, collect, compile, and report information regarding the importation of filled or postfilled beverage containers. Plant quarantine inspection stations and any other appropriate information gathering focal points may be used and the plant quarantine officers and supervisors of the Department of Food and Agriculture shall collect, compile, and report information requested by the department pursuant to this subdivision. Recovery of costs incurred by the Department of Food and Agriculture shall be accomplished through an interagency agreement with the department.

**14536.7.** For purposes of Section 12024.13 of the Business and Professions Code, the department shall notify the Department of Food and Agriculture of any changes to this division, or regulations issued pursuant to this division, that affect refund values or the responsibilities of a dealer.

**CHAPTER 3.5. Certifications and Registrations**

**14538.** (a) (1) The beverage container stewardship organization shall certify an operator of a redemption center pursuant to this section.

(2) The beverage container stewardship organization shall review whether an application for certification or renewal is complete within 15 working days of receipt, including compliance with subdivision (c). If the beverage container stewardship organization deems an application complete, the beverage container stewardship organization shall approve or deny the application no later than 30 calendar days after the date when the application was deemed complete.

(3) The beverage container stewardship organization shall certify redemption centers that were in good standing with the state beverage container recycling program as of December 31, 2021. The beverage container stewardship organization may terminate the certification of a redemption center if the redemption center does not meet the standards or requirements for certification, as determined by the beverage container stewardship organization.

(b) The beverage container stewardship organization shall adopt procedures for the certification of redemption centers, including standards and requirements for certification. These procedures shall require that all information be submitted to the beverage container stewardship organization under penalty of perjury. A redemption center shall meet all of the standards and requirements contained in the procedures for certification. The procedures, in addition to any other appropriate provisions, shall require that all of the following conditions be met for certification:

(1) The operator of the redemption center demonstrates, to the satisfaction of the beverage container stewardship organization, that the operator will operate in accordance with this division.

(2) If one or more certified entities have operated at the same location within the past five years, the operations at the location of the redemption center exhibit, to the satisfaction of the beverage container stewardship organization, a pattern of operation in compliance with the requirements of this division and regulations adopted pursuant to this division.

(3) The operator of the redemption center notifies the beverage container stewardship organization promptly of any material change in the nature of the operator's operations that conflicts with information submitted in the operator's application for certification.

(c) (1) An applicant for certification as a redemption center, and a redemption center applying for renewal of a certification, shall complete the precertification training program required by this subdivision and meet all other qualification requirements prescribed by the beverage container stewardship organization, which may include, but are not limited to, a requirement that the applicant obtain a passing score on an examination administered by the beverage container stewardship organization.

(2) The beverage container stewardship organization may use staff or industry experts, or may seek expertise available in state agencies, to provide the training program required by this subdivision, which shall include providing technical assistance to better prepare redemption centers for successful participation in this division, thereby reducing the potential for errors, fraud, or other activities that compromise the integrity of the implementation of this division.

(d) The beverage container stewardship organization may establish a redemption center pursuant to this section.

(e) A redemption center shall comply with all of the following requirements for operation:

(1) The operator of the redemption center shall not pay a refund value for, or receive a refund value from the beverage container stewardship organization for, any food or drink packaging material, or any beverage container or other product that does not have a refund value established pursuant to Section 14560.

(2) The operator of a redemption center shall take actions that satisfy the beverage container stewardship organization to prevent the payment of a refund value for any food or drink packaging material or any beverage container or other product that does not have a refund value established pursuant to Section 14560.

(3) Unless exempted pursuant to subdivision (b) of Section 14570.2, a redemption center shall accept, and **immediately** pay the refund value for, all empty beverage containers, regardless of type.

(4) A redemption center shall not pay any refund values for empty beverage containers or other containers that the redemption center knew, or should have known, were coming into the state from out of the state, or are otherwise ineligible for redemption.

(5) A redemption center shall collect and electronically transfer data relating to the redemption of containers to the beverage container stewardship organization, as required by the beverage container stewardship organization.

(6) A redemption center shall comply with any operational requirements established by the beverage container stewardship organization in its plan under Section 42984.13.

(f) A redemption center may use reverse vending machines and bulk redemption machines as approved by the beverage container stewardship organization.

(g) The beverage container stewardship organization shall inform the department when it certifies a redemption center.

(h) The beverage container stewardship organization shall conduct regular, unannounced inspections of redemption centers for the purpose of determining that the requirements of this division are satisfied. The department shall assess civil penalties pursuant to Section 14591.1 for violations at redemption centers.

(i) Notwithstanding any other provision of this section, redemption centers that are also dealers shall only be required to register with the department and shall not be subject to certification as a redemption center.

**14539.** (a) (1) The beverage container stewardship organization shall certify processors pursuant to this section.

(2) The beverage container stewardship organization shall review whether an application for certification or renewal is complete within 30 working days of receipt, including compliance with subdivision (c). If the beverage container stewardship organization deems an application complete, the beverage container stewardship organization shall approve or deny the application no later than 60 calendar days after the date when the application was deemed complete.

(3) The beverage container stewardship organization shall certify processors that were in good standing with the state beverage container recycling program as of December 31, 2021. The beverage container stewardship organization may terminate the certification of a processor if the processor does not meet the standards or requirements for certification, as determined by the beverage container stewardship organization.

(b) The beverage container stewardship organization shall adopt requirements and standards for certification. The standards, in addition to any other appropriate provisions, shall require that all of the following conditions be met for certification:

(1) The processor demonstrates to the satisfaction of the beverage container stewardship organization that the processor will operate in accordance with this division.

(2) If one or more certified entities have operated at the same location within the past five years, the operations at the location of the processor exhibit, to the satisfaction of the beverage container stewardship organization, a pattern of operation in compliance with the requirements of this division and regulations adopted pursuant to this division.

(3) The processor notifies the beverage container stewardship organization promptly of any material change in the nature of the processor's operations that conflicts with the information submitted in the operator's application for certification.

(c) (1) An applicant for certification as a processor and a processor applying for renewal of a certification shall complete the precertification training program required by this subdivision and meet all other qualification requirements prescribed by the beverage container stewardship organization, which may include, but are not limited to, a requirement that the applicant obtain a passing score on an examination administered by the beverage container stewardship organization.

(2) The beverage container stewardship organization may use staff or industry experts, or may seek expertise available in state agencies, to provide the training program required by this subdivision, which shall include providing technical assistance to better prepare processors for successful participation in this division, thereby reducing the potential for errors, fraud, or other activities that compromise the integrity of the implementation of this division.

(d) A processor shall comply with all of the following requirements for operation:

(1) Unless exempted pursuant to subdivision (b) of Section 14570.2, a processor shall accept all empty beverage containers, regardless of type, for which the processor is certified.

(2) A processor shall take the actions necessary and approved by the department to cancel containers to render them unfit for redemption.

(3) A processor shall prepare or maintain the following documents involving empty beverage containers, as specified by the department by regulation:

(A) Shipping reports that are required to be prepared by the processor or that are required to be obtained from redemption centers.

(B) Processor reports regarding empty beverage containers received.

(C) Cancellation verification documents.

(D) Documents authorizing redemption centers to cancel empty beverage containers.

(E) Processor-to-processor transaction receipts.

(F) Rejected container receipts on materials subject to this division.

(G) Receipts for transactions with beverage manufacturers on materials subject to this division.

(H) Receipts for transactions with distributors on materials subject to this division.

(I) Weight tickets.

(4) In addition to the requirements of paragraph (2), a processor shall cooperate with the beverage container stewardship organization or department and make available its records of scrap transactions when the review of these records is necessary for an audit or investigation by the beverage container stewardship organization or department.

**14539.1.** (a) A beverage manufacturer shall register all of its products and labels with the beverage container stewardship organization.

(b) Using the information submitted pursuant to subdivision (a), the beverage container stewardship organization shall create a statewide beverage container clearinghouse capable of exchanging data, acting as a central depository to reimburse redemption centers for redemption payments paid to consumers and to settle fees electronically by unit count upon validation, administering logistics, evaluating data for quality assurance and fraud prevention, and providing performance reports.

**14539.5.** (a) The beverage container stewardship organization shall certify dropoff and collection programs pursuant to this section. The beverage container stewardship organization shall adopt requirements and standards for certification, and a dropoff or collection program shall meet all of the standards and requirements for certification. The standards shall require that all information be submitted to the beverage container stewardship organization under penalty of perjury. The standards shall require, in addition to any other conditions that may be imposed by the beverage container stewardship organization, that both of the following conditions be met for certification:

(1) The dropoff or collection program demonstrates, to the satisfaction of the beverage container stewardship organization, that the dropoff or collection program will operate in accordance with this division.

(2) The dropoff or collection program notifies the beverage container stewardship organization promptly of any material change in the nature of its operations that conflicts with the information submitted in the application for certification.

(b) A dropoff or collection program shall not receive a refund value on an empty beverage container that the certified dropoff or collection program knew, or should have known, was received from a noncertified recycler, on any beverage container that the certified dropoff or collection program knew or should have known came from out of the state, or any other beverage container or other product that does not have a refund value established pursuant to Section 14560.



(c) The beverage container stewardship organization shall certify dropoff and collection programs that were in good standing with the state beverage container recycling program as of December 31, 2021. The beverage container stewardship organization may terminate the certification of a dropoff or collection program if the dropoff or collection program does not meet the standards or requirements for certification, as determined by the beverage container stewardship organization.

**14540.** The beverage container stewardship organization may review and verify all applications for certification of redemption centers and processors, and may conduct a comprehensive field investigation of any applicant in any manner that the beverage container stewardship organization deems necessary to promote the purposes of this division. This division does not prohibit the certification of the same location or entity as both a processor and a redemption center.

**14541.** (a) The beverage container stewardship organization may issue a certificate pursuant to an initial or renewal application for certification as probationary, and the beverage container stewardship organization may issue any other certificate as probationary pursuant to an enforcement action.

(b) A probationary certificate issued pursuant to this section shall be issued for a limited period of not more than one year. Before the end of the probationary period, the beverage container stewardship organization shall issue a nonprobationary certificate, extend the probationary period for not more than one year, or, after notice to the probationary certificate holder, revoke the probationary certificate. Subsequent to the revocation, the former probationary certificate holder may request a hearing, which shall be conducted in the same form as a hearing for an applicant whose original application for certification is denied.

(c) If a hearing is requested pursuant to subdivision (b) and the party requesting the hearing fails to appear on the date scheduled, and does not notify the beverage container stewardship organization at least five days before the hearing date that the party will not appear, the beverage container stewardship organization may recover from the party all costs and fees incurred by the beverage container stewardship organization, including attorney's and expert's fees, and any other cost associated with preparing for, or conducting, the hearing.

(d) If conditions are imposed on the certificate holder as part of a disciplinary proceeding conducted pursuant to Section 14591.2, the certificate shall be considered probationary. If, at any time, the certificate holder violates any term or condition of the probationary certificate, the certificate may be revoked or suspended, after three days' notice, without any further hearing by the beverage container stewardship organization.

**14541.2.** The beverage container stewardship organization may charge a fee for a certification, or renewal thereof, issued pursuant to this chapter. The fee shall not exceed the reasonable costs of the beverage container stewardship organization to certify, register, or renew the certification or registration.

**14541.4.** Any certification or registration granted under this chapter is a privilege and not a vested right or interest.

#### **CHAPTER 4. Reporting**

**14550.** (a) (1) A processor shall report to the department for each month the amount of empty beverage containers, by material type and weight of container or material, excluding refillable beverage containers, received from a recycler. A processor shall also report to the department for each month the amount of other postfilled aluminum, glass, and plastic food and drink packaging materials sold filled to consumers in the state and returned for redemption.

(2) The department shall treat all information reported pursuant to this section by a processor as commercial or financial information subject to the procedures established pursuant to Section 14554.

(b) A distributor who sells or offers for sale in the state deposit beverages in beverage containers, including refillable beverage containers, shall report to the department for each month the number of beverages sold in these beverage containers in the state that are labeled pursuant to Section 14561, by material type and size and weight of container or any other method as the department may prescribe.

(c) A distributor who sells or offers for sale in the state beverages in refillable beverage containers and who pays a refund value to distributors, dealers, or consumers who return these containers for refilling, shall report to the department for each month the number of these beverage containers returned empty to be refilled, by material type and size of container or any other method that the department may prescribe.

(d) The reports required by this section shall be submitted within 10 days after each month, in the form and manner that the department may prescribe. However, a distributor may, upon the approval of the department, submit these reports annually to the department.

**14550.1.** On or before July 1, 2025, and on or before July 1 of each year thereafter, the beverage container stewardship organization shall post on its internet website and provide to the department a report on the previous calendar year that includes all of the following:

(a) The total amount of beverage containers produced and collected, by material type, the overall program redemption rate, the redemption rate for each material type, and the effective rate of recycling, by material type, after reducing for contamination. Redemption and recycling rates shall be reported by number of units and by weight.

(b) Independently audited financial statements detailing all deposits received and refund values paid under the beverage container stewardship plan.

(c) A reasonable assurance report prepared by a third party that reviews and confirms nonfinancial information presented in the report, such as number and location of redemption centers and weight of materials collected for redemption.

(d) A comparison of the redemption rate for the year, by material type, with the previous year.

(e) A description of any improvements made in the reporting year to increase ease and convenience for consumers to redeem beverage containers.

(f) A description of how the collected beverage containers were managed in accordance with the waste management hierarchy established in Section 40051, by material type.

(g) Efforts taken by or on behalf of the beverage container stewardship organization to reduce environmental impacts throughout the product life cycle and to increase reusability or recyclability at the end of the life cycle, by material type.

(h) (1) The location of redemption centers and sorting and processing facilities, and any changes from the previous year in redemption centers, including the number and location of redemption centers.

(2) Identification of regions of the state with the lowest number of redemption centers and plans by the stewardship organization to improve the availability of redemption centers in underserved areas.

(i) A description of educational materials and educational strategies used for purposes of this division and Chapter 20.5 (commencing with Section 42984) of Part 3 of Division 30.

(j) Any other information specified by the director.

**14551.** (a) The department shall establish reporting periods for the reporting of redemption rates. Each reporting period shall be six months. The department shall determine all of the following for each reporting period and shall issue a report on its determinations, within 130 days of the end of each reporting period:

(1) Sales of deposit beverages in aluminum beverage containers, bimetal beverage containers, glass beverage containers, plastic beverage containers, and other beverage containers in the state, including refillable beverage containers.

(2) The redemption of empty aluminum beverage containers, bimetal beverage containers, glass beverage containers, plastic beverage containers, and other beverage containers in the state, including refillable beverage containers returned to distributors pursuant to Section 14570.3. These numbers shall be calculated using the average current weights of beverage containers, as determined and reported by the department.

(3) An aluminum beverage container redemption rate, the numerator of which shall be the number of empty aluminum beverage containers returned, including refillable aluminum beverage containers and empty postfilled aluminum food or drink packaging material included in paragraph (2), and the denominator of which shall be the number of aluminum beverage containers sold in the state.

(4) A bimetal beverage container redemption rate, the numerator of which shall be the number of empty bimetal beverage containers returned, and the denominator of which shall be the number of bimetal beverage containers sold in the state.

(5) A glass beverage container redemption rate, the numerator of which shall be the number of empty glass beverage containers returned, including refillable glass beverage containers and empty postfilled food or drink packaging materials included in paragraph (2), and the denominator of which shall be the number of glass beverage containers sold in the state.

(6) A plastic beverage container redemption rate, the numerator of which shall be the number of empty plastic beverage containers returned, including refillable plastic beverage containers and empty postfilled food or drink packaging materials included in paragraph (2), and the denominator of which shall be the number of plastic beverage containers sold in the state.

(7) A redemption rate for other beverage containers, the numerator of which shall be the number of empty beverage containers other than those containers specified in paragraphs (1) to (6), inclusive, returned, and the denominator of which shall be the number of beverage containers, other than those containers specified in paragraphs (1) to (6), inclusive, sold in the state.

(8) The department may define categories of other beverage containers, and report a redemption rate for each such category of other beverage containers.

(9) The volumes of materials collected from redemption centers, by city or county, as requested by the city or county, if the reporting is consistent with the procedures established pursuant to Section 14554 to protect proprietary information.

(b) The department shall determine the manner of collecting the information for the reports specified in subdivision (a), including establishing procedures, to protect any proprietary information concerning the sales and purchases.

**14551.4.** The department shall make available the information collected pursuant to subdivision (a) of Section 14551 concerning the volumes of materials collected from redemption centers only to a governmental agency that requests the information, including a city or county, or an entity specifically designated by the city or county to receive the information if the entity requests the information, if all of the following conditions are met:

(a) The request is made in writing.

(b) All information provided by the department is provided using the aggregate amounts collected in the city or county unless the city or county, or an entity specifically designated by the city or county to receive the information, requests the information provided by each individual redemption center.

(c) All information provided to the governmental agency, including a city or county, or an entity specifically designated by the city or county to receive the information, is considered proprietary and confidential in nature and protected in accordance with the requirements of subdivision (b) of Section 14551 of the Public Resources Code, Section 14554 of the Public Resources Code, and subdivision (e) of Section 6254.5 of the Government Code.

**14551.5.** (a) On or before March 1 of each year, a manufacturer of a deposit beverage sold in a plastic beverage container subject to the refund value shall report to the department the amount of virgin plastic and postconsumer recycled plastic used by the manufacturer for plastic beverage containers subject to the refund value for sale in the state in the previous calendar year. The manufacturer shall submit this information to the department under penalty of perjury.

(b) The department shall post the information reported pursuant to subdivision (a) on the department's internet website.

(c) This section does not apply to a refillable plastic beverage container.

**14551.6.** A glass container manufacturer shall report to the department each month, by a method as determined by the department, the amount of total tons of new glass food, drink, and beverage containers made in the state by that glass container manufacturer and the tons of California postfilled glass used in the manufacturing of those new containers.

**14552.** (a) The department shall establish and implement an auditing system to ensure that the information collected complies with the purposes of this division.

(b) (1) The department may audit or investigate any action taken up to five years before the onset of the audit or investigation and may determine if there was compliance with this division and the regulations adopted pursuant to this division, during that period.

(2) Notwithstanding any other law establishing a shorter statute of limitation, the department may take an enforcement action, including, but not limited to, an action to impose penalties, at any time within five years after the department discovers, or with reasonable diligence, should have discovered, a violation of this division or the regulations adopted pursuant to this division.

(c) (1) During the duration of an inspection, including, but not limited to, an inspection conducted as part of an audit or investigation, the entity that is the subject of the inspection shall, during its normal business hours, provide the department with immediate access to its facilities, operations, and any relevant record that, in the department's judgment, is necessary to carry out this section to verify compliance with this division and the regulations adopted pursuant to this division.

(2) The department may take disciplinary action pursuant to Section 14591.2 against a person who fails to provide the department with access pursuant to this subdivision, including, but not limited to, imposing penalties and the immediate suspension or termination of any certificate or registration held by the operator.

(3) The department shall protect any information obtained pursuant to this section in accordance with Section 14554, except that this section does not prohibit the department from releasing any information for which the department determines release to be necessary in the course of an enforcement action.

(d) The auditing system adopted by the department shall allow for reasonable shrinkage in material due to moisture, dirt, and foreign material. The department, after an audit by a qualified auditing firm and a hearing, shall adopt a standard to be used to account for shrinkage and shall incorporate this standard in the audit process.

**14553.** (a) Except as provided in subdivision (b), all reports, claims, and other information required pursuant to this division and submitted to the department shall be complete, legible, and accurate, as determined by the department by regulation, and shall be signed by an officer, director, managing employee, or owner of the redemption center, processor, distributor, beverage manufacturer, container manufacturer, or other entity.

(b) Notwithstanding subdivision (a), a person submitting the reports, claims, and other information specified in subdivision (a) shall use the Division of Recycling Integrated Information System (DORIIS) or other system designated by the department for providing information required pursuant to this division.

(c) The department may inspect the operations, processes, and records of an entity required to submit a report pursuant to this division to determine the accuracy of the report and compliance with the requirements of this division.

(d) (1) A violation of this section is subject to the penalties specified in Section 14591.1.

(2) The department may take an enforcement action against a redemption center or processor that fails to comply with this section, including, but not limited to, imposing penalties or terminating the certification of a redemption center or processor.

**14554.** The department shall establish procedures to protect any privileged, confidential, commercial, or financial information obtained while collecting information for carrying out the requirements of this division. Any privileged, confidential, commercial, or financial information obtained in confidence by the department is not a public record for purposes of Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

**14556.** (a) The department shall annually provide to the Legislature, pursuant to subdivision (b), at least the following information, based on information provided by the beverage container stewardship organization, if applicable, for the current fiscal year and budget year:

(1) An updated fund condition statement that includes the revenues, transfers, and expenditures into and out of the fund.

(2) The redemption rate, by beverage container material type.

(3) An explanation of significant changes to the fund condition statement from the prior report and significant changes to the methodology used for forecasting the fund condition statement.

(4) Projected sales, which include all actual data available since the last reporting period, by beverage container material type and size, and actual or projected returns, which include all actual data available since the last reporting period, by beverage container material type, including an explanation in any case where the actual returns are more than 100 percent of actual sales.

(b) Notwithstanding Section 9795 of the Government Code, the department shall annually provide a written copy of the information required pursuant to subdivision (a) to the Joint Legislative Budget Committee and to the appropriate policy and fiscal committees of both houses of the Legislature and shall also post the most recent information required pursuant to subdivision (a) on the department's internet website.

#### **CHAPTER 5. Minimum Refund Value and Labeling**

**14560.** (a) Except as provided in subdivision (b), a beverage container with a capacity under 24 fluid ounces sold or offered for sale in the state shall have a refund value of five cents (\$0.05). A beverage container with a capacity of 24 fluid ounces or more shall have a refund value of ten cents (\$0.10).

(b) (1) If the department determines that, in calendar year 2025, the redemption rate for beverage containers subject to this chapter is less than 85 percent for any beverage container type subject to subdivision (a), that beverage container type shall have a refund value of ten cents (\$0.10) commencing January 1, 2027.

(2) The department shall make the determination under paragraph (1) publicly available on or before October 31, 2026.

(c) If the department determines under subdivision (b) that the aggregate redemption rate for all beverage containers subject to this chapter equals or exceeds 90 percent in calendar year 2025, the department shall continue to annually determine the aggregate recycling rate for each calendar year thereafter, with all specified dates pushed back one year each consecutive year. The department is no longer required to determine the aggregate redemption rate under this subdivision after the refund value increases under paragraph (1) of subdivision (b).

(d) The refund value established pursuant to this section does not apply to a refillable beverage container.

**14560.5.** (a) In accordance with the methodology established pursuant to Section 42984.13, a dealer shall forward to the distributor any refund values for beverage containers filled with a beverage sold by the distributor to the dealer, and the distributor shall forward those moneys to the beverage container stewardship organization.

(b) To the extent technically and economically feasible, a dealer may separately identify the amount of any refund value that is applied to the purchase of a beverage container on the customer cash register receipt provided to the consumer by the dealer.

(c) (1) A dealer at a dealer location with a sales and storage area totaling more than 4,000 square feet shall separately identify the amount of any refund values imposed on a beverage container in all advertising of beverage products and on the shelf labels of the dealer's establishment. The separate identification shall be accomplished by stating one of the following:

(A) The price of the beverage product plus a descriptive term, as described in paragraph (2).

(B) The price of the beverage product plus the amount of the applicable refund value and a descriptive term, as described in paragraph (2).

(C) The price of the beverage product plus the amount of the applicable refund value, a descriptive term, as described in paragraph (2), and the total of these two amounts.

(2) For purposes of paragraph (1), the refund value shall be identified by one of the following descriptive terms: "California Redemption Value," "CA Redemption Value," "California Refund Value," "CA Refund Value," "CRV," "California Cash Refund," "CA Cash Refund," or any other message specified in Section 14561.

(3) A dealer shall not include the refund value in the total price of a beverage container in any advertising or on the shelf of the dealer's establishment.

(4) The penalties specified in Sections 14591 and 14591.1 shall not apply to a person who violates this subdivision.

(d) With regard to the sale of beer and other malt beverages or wine and distilled spirits cooler beverages, any amount of refund value imposed by this division is subject to Section 25509 of the Business and Professions Code.

**14561.** (a) A beverage manufacturer shall clearly indicate on all beverage containers sold or offered for sale by that beverage manufacturer in the state the message "CA Redemption Value," "California Redemption Value," "California Refund Value," "CA Refund Value," "CA Cash Refund," "California Cash Refund," or "CA CRV," by either printing or embossing the beverage container or by securely affixing a clear and prominent stamp, label, or other device to the beverage container.

(b) A refillable beverage container sold or offered for sale is exempt from the labeling requirements of subdivision (a). However, a beverage manufacturer or container manufacturer may place upon, or affix to, a refillable beverage container, any message that the manufacturer determines to be appropriate relating to the refund value of the beverage container.

(c) A person shall not offer to sell or sell to a consumer a beverage container subject to subdivision (a) that has not been labeled pursuant to this section, except for a refillable beverage container that is exempt from labeling pursuant to subdivision (b).

(d) A beverage container intended for sale in the state shall have a printed barcode that allows for product registration and redemption.

(e) A beverage container labeled with the message specified in subdivision (a) shall have the minimum refund value established pursuant to Section 14560.

#### **CHAPTER 6. Redemption**

**14570.** Unless otherwise specified by this chapter, the methods and processes for the redemption of empty beverage containers described in the beverage container stewardship plan developed under Section 42984.13 shall apply.

**14570.1.** (a) A dealer shall post the toll-free telephone number and internet website established by the department for the purpose of disseminating information regarding beverage container redemption opportunities.

(b) In addition to the requirements specified in subdivision (a), a dealer that is required to redeem empty beverage containers shall also post a sign, in a form and manner prescribed by the plan described in Section 42984.13, informing consumers that a consumer may redeem their empty beverage containers at the dealer's location.

**14570.2.** (a) (1) Except as provided in subdivision (b), a redemption center shall accept from a consumer or dropoff or collection program any empty beverage container, and shall ~~immediately~~ pay to the consumer or dropoff or collection program the refund value of the beverage container.

(2) A redemption center not located on a dealer premises shall ~~immediately~~ pay the refund value on a per-container basis of the total number of returned containers or on a weight basis. A redemption center located on a dealer premises shall ~~immediately~~ pay the refund value on a per-container basis of the total number of returned containers.

(b) A redemption center or processor that was in existence on January 1, 1986, and that refused, as of January 1, 1986, to accept at a particular location a certain type of empty beverage container may continue to refuse to accept at the location the type or types of empty beverage containers that the redemption center or processor refused to accept as of January 1, 1986.

(c) The department shall develop procedures by which redemption centers and processors that meet the criteria specified in subdivision (b) may recertify to change the material types accepted.

(d) (1) Only a redemption center may pay the refund value to consumers or dropoff or collection programs.

(2) A person shall not receive or retain, for empty beverage containers that come from out of state, any refund values.

**14570.3.** A redemption center, other than a reverse vending machine, shall accept from any consumer or any dropoff or collection program and pay the applicable deposit for any refillable empty beer and other malt beverage container. The redemption center shall return, or cause to be returned, the refillable beer and other malt beverage container to the beer and other malt beverage distributor or any willing purchaser, who shall then pay the deposit to the redemption center. The beer and other malt beverage distributor or other purchaser shall also negotiate an incentive payment with the redemption center for the return of these containers.

**14570.4.** A processor shall make a payment to a redemption center or dropoff or collection program, for all types of empty beverage containers, by type of beverage container, received by the processor from the redemption center or dropoff or collection program, upon receipt by the processor of a shipping report from the supplier of the material, in a form and an amount determined in accordance with the methodology established under Section 42984.13.

**14570.5.** The beverage container stewardship organization may authorize a processor to pay to the operator of a curbside program the refund value for segregated beverage containers received by the processor from the curbside program if economic or other circumstances warrant, as determined by the beverage container stewardship organization.

**14570.6.** A dropoff or collection program shall not pay any refund value to the consumer.

**14570.7.** (a) A dealer with an annual volume of sales of grocery goods of four million dollars (\$4,000,000) or more shall accept all empty beverage containers for payment of the refund value.

(b) (1) A dealer shall accept empty beverage containers for immediate payment of the refund value either inside the store or at the premises through a reverse vending machine, a manual collection process, or another process authorized by the beverage container stewardship ~~organization~~ *organization that complies with this subdivision*.

~~(c)~~

(2) A dealer shall ~~immediately~~ pay the refund value on a per-container basis of the total number of returned containers.

~~(d)~~

(c) A dealer subject to this section that is an online retailer shall annually provide a compliance plan to the beverage container stewardship organization for how it will comply with this section.

**14571.8.** A lease entered into by a dealer after January 1, 1987, shall not contain a leasehold restriction that prohibits or results in the prohibition of the establishment of a redemption center.

**14572.** (a) The department shall supply all processors with a standardized rejection form that shall include, but not be limited to, the names of the parties rejecting the postfilled beverage container material, the date of the rejections, the reasons for the rejections, the amount of rejected material, and a detailed accounting of the steps taken by the processor and container manufacturer to avert landfilling or disposal of the material, as required by subdivision (c) of Section 14573.

(b) A container manufacturer shall fill out the standardized rejection form specified in subdivision (a) whenever that container manufacturer rejects a load of redeemed beverage container materials physically delivered to the manufacturer's place of business and offered for sale by a processor. The rejection form shall be filled out by the container manufacturer at the time of the rejection and immediately given to the processor for submission to the department. A container manufacturer who refuses to fill out the standardized rejection form required by this subdivision is in violation of this division and is subject to the fines and penalties in Sections 14591 and 14591.1.

(c) If a processor has made a good faith effort, as determined by the department, to locate a willing purchaser and is unsuccessful, the processor may fill out the standardized rejection form specified in subdivision (a) and submit it to the department. The processor rejection form shall include, but is not limited to, the name of the processor, the container manufacturers, and other potential purchasers contacted, a detailed accounting of the methods used to contact the potential buyers, the date of the rejections, the reasons given for the rejections, the amount of postfilled beverage container material rejected, and any other steps taken to avert landfilling or disposal of the material.

(d) If a container manufacturer rejects a load of postfilled containers by telephone, written correspondence of any kind, or other similar method, the container manufacturer shall, in a manner prescribed by the department, keep accurate logbooks of the offer of loads by the processor, and make that logbook available for inspection by the department upon demand. The logbook shall contain, in addition to any other information, the same information required in the rejection form pursuant to subdivision (a).

(e) The standardized rejection form specified in subdivision (a) shall be submitted to the department by the processor with the written request to dispose of the redeemed material submitted pursuant to Section 14573. This material shall not be disposed of without a written authorization to do so by the department pursuant to Section 14573. The department shall provide a copy of the rejection form to the beverage container stewardship organization.

(f) This section does not lessen processors' and container manufacturers' responsibilities relating to beverage container redemption, and does not diminish in any way the department's authority to carry out the intent and goals of this division.

**14573.** (a) (1) A processor seeking to dispose of rejected postfilled containers shall not dispose of rejected postfilled containers unless the processor first submits to the department, in writing, a request to dispose of the rejected material. A processor shall not dispose of the rejected material before obtaining written permission from the department, except that if the department fails to respond to a written request to dispose of rejected postfilled beverage container materials within 10 days of receipt of the request, the processor's request for disposal shall be deemed approved by the department.

(2) If the department approves a request for disposal, or a request is deemed approved pursuant to paragraph (1), the processor shall notify the beverage container stewardship organization.

(b) All rejected loads of postfilled containers shall be made available to, and shall be subject to inspection by, the department.

(c) All possible steps to avert the disposal of the loads of postfilled containers, as determined by the department, shall be taken by all container manufacturers and processors. All transactions or attempted transactions involving rejecting postfilled containers shall be thoroughly documented on the standardized rejection form pursuant to Section 14572. The container manufacturer and the processor are jointly and severally responsible for this effort.

#### **CHAPTER 6.5. Minimum Content Requirements**

**14576.** (a) Each glass container manufacturer in the state shall use a minimum percentage of 35 percent of postfilled glass in the manufacturing of its glass food, drink, or beverage containers measured in the aggregate, on an annual basis, except that if a glass container manufacturer demonstrates to the satisfaction of the department that its use of postfilled glass during the annual period is made up of at least 50-percent mixed-color cullet, that manufacturer shall use a minimum percentage of 25-percent postfilled glass in the manufacturing of its glass food, drink, or beverage containers, measured in the aggregate, on an annual basis.

(b) A glass container manufacturer may seek a reduction or waiver of the minimum postfilled glass percentage required to be used in the manufacture of glass food, drink, or beverage containers pursuant to subdivision (a). The department may grant a reduction or waiver of the percentage requirement if it finds and determines that it is technologically infeasible for the glass container manufacturer to achieve the percentage requirement or if the department determines that a glass container manufacturer cannot achieve the minimum percentage because of a lack of available glass cullet.

(c) For purposes of this section, "mixed-color cullet" means cullet that does not meet the ASTM standard specifications for color mix of color sorted postfilled glass as raw material for the manufacture of glass containers.

**14577.** (a) (1) Between January 1, 2022, and December 31, 2024, inclusive, the total number of plastic beverage containers filled with a deposit beverage sold by a beverage manufacturer subject to the California Redemption Value, pursuant to Chapter 5 (commencing with Section 14560), for sale in the state shall, on average, contain no less than 15 percent postconsumer recycled plastic per year.

(2) Between January 1, 2025, and December 31, 2029, inclusive, the total number of plastic beverage containers filled with a deposit beverage sold by a beverage manufacturer subject to the California Redemption Value,



pursuant to Chapter 5 (commencing with Section 14560), for sale in the state shall, on average, contain no less than 25 percent postconsumer recycled plastic per year.

(3) On and after January 1, 2030, the total number of plastic beverage containers filled with a deposit beverage sold by a beverage manufacturer subject to the California Redemption Value, pursuant to Chapter 5 (commencing with Section 14560), for sale in the state shall, on average, contain no less than 50 percent postconsumer recycled plastic per year.

(4) (A) Beginning January 1, 2025, the director may, on an annual basis, review and determine to adjust the minimum postconsumer recycled content percentage required pursuant to paragraphs (2) and (3). The director's review may be initiated by the director or at the petition of the beverage manufacturing industry not more than annually. The department shall adopt regulations to establish the petition process and requirements. The director shall not adjust the minimum postconsumer recycled content requirements above the minimum postconsumer recycled plastic content percentages required pursuant to paragraphs (2) and (3). In making a determination pursuant to this paragraph, the director shall consider, at a minimum, all of the following factors:

(i) Changes in market conditions, including supply and demand for postconsumer recycled plastics, collection rates, and bale availability both domestically and globally.

(ii) Recycling rates.

(iii) The availability of recycled plastic suitable to meet the minimum recycled content requirements pursuant to paragraphs (2) and (3), including the availability of high-quality recycled plastic, and food-grade recycled plastic from the state's and other beverage container recycling programs.

(iv) The capacity of recycling or processing infrastructure.

(v) The progress made by beverage manufacturers in achieving the goals of this subdivision.

(B) The department may enter into a contract for the services required to implement this section and related regulations developed by the department.

(C) For purposes of this paragraph, "beverage manufacturing industry" means an association that represents companies that manufacture beverages.

(b) (1) Beginning January 1, 2023, a beverage manufacturer that does not meet the minimum recycled plastic content requirements pursuant to subdivision (a) shall be subject to an annual administrative penalty pursuant to this subdivision. Beginning March 1, 2024, the administrative penalty shall be collected annually, if a reduction has not been approved pursuant to subdivision (e), and calculated in accordance with subdivision (c).

(2) A beverage manufacturer that is assessed penalties pursuant to this subdivision may pay those penalties to the department in quarterly installments or arrange an alternative payment schedule subject to the approval of the department, not to exceed a 12-month payment plan unless an extension is needed due to unforeseen circumstances, such as a public health emergency, state of emergency, or natural disaster.

(c) Beginning March 1, 2024, and annually thereafter, the department shall invoice any assessed administrative penalties for the previous calendar year based on the postconsumer recycled plastic content requirement of the previous calendar year. The department shall calculate the amount of the penalty based upon the amount in pounds in the aggregate of virgin and postconsumer recycled plastic material used by the beverage manufacturer to produce beverage containers sold or offered for sale in the state, in accordance with the following:

(1) The annual administrative penalty amount assessed to a beverage manufacturer shall equal the product of both of the following:

(A) The total pounds of plastic used multiplied by the relevant minimum postconsumer recycled plastic percentage, less the pounds of postconsumer recycled plastic used.

(B) Twenty cents (\$0.20).

(2) For purposes of paragraph (1), both of the following shall apply:

(A) The total pounds of plastic used shall equal the sum of the amount of virgin plastic and postconsumer recycled plastic used by the beverage manufacturer, as reported pursuant to subdivision (a) of Section 14551.5.

(B) If the product calculated pursuant to paragraph (1) is equal to or less than zero, an administrative penalty shall not be assessed.

(d) (1) The department may conduct audits and investigations and take an enforcement action against a beverage manufacturer for the purpose of ensuring compliance with this section and the information reported pursuant to Section 14551.5. The department may take an enforcement action against a beverage manufacturer that fails to pay or underpays the assessed or audited administrative penalty only after notice and hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) The department shall keep confidential all business trade secrets and proprietary information about manufacturing processes and equipment that the department gathers or becomes aware of through the course of conducting audits or investigations pursuant to paragraph (1). Business trade secrets and proprietary information obtained pursuant to this subdivision shall not be subject to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(3) A beverage manufacturer may obtain a copy of the department's audit of that beverage manufacturer conducted pursuant to paragraph (1).

(e) (1) The department shall consider granting a reduction of the administrative penalties assessed pursuant to subdivision (b) for the purpose of meeting the minimum recycled content requirements required pursuant to paragraphs (1) to (3), inclusive, of subdivision (a).

(2) In determining whether to grant the reduction pursuant to paragraph (1), the department shall consider, at a minimum, all of the following factors:

(A) Anomalous market conditions.

(B) Disruption in, or lack of supply of, recycled plastics.

(C) Other factors that have prevented a beverage manufacturer from meeting the requirements.

(3) In order to receive a reduction of the administrative penalty, a beverage manufacturer shall submit to the department a corrective action plan detailing the reasons why the beverage manufacturer will fail to meet or has failed to meet the minimum postconsumer recycled content standard and the steps the beverage manufacturer will take to comply with the minimum postconsumer recycled content standard within the next reporting year. The department may approve the corrective action plan, and may reduce the administrative penalties once it approves the corrective action plan and the beverage manufacturer implements the plan. Administrative penalties shall accrue from the point of noncompliance with the minimum postconsumer recycled content standard if the department disapproves the corrective action plan or if the beverage manufacturer fails to implement the plan.

(f) The Recycling Enhancement Penalty Account is hereby created in the State Treasury. Administrative penalties collected pursuant to this section shall be deposited into the Recycling Enhancement Penalty Account. Moneys in the Recycling Enhancement Penalty Account shall be expended upon appropriation by the Legislature in the annual Budget Act for the sole purpose of supporting the recycling, infrastructure, collection, and processing of plastic beverage containers in the state.

(g) (1) If the Legislature makes an appropriation in the annual Budget Act before June 15, 2027, for this purpose, the department may contract with a research university to study the polyethylene terephthalate and high-density polyethylene markets for all of the following:

(A) Analyzing market conditions and opportunities in the state's recycling industry for meeting the minimum recycled plastic content requirements for plastic beverage containers required pursuant to subdivision (a).

(B) Determining the data needs and tracking opportunities to increase the transparency and support of a more effective, fact-based public understanding of the recycling industry.

(C) Recommending further policy modifications and measures to achieve the state's recycling targets with the least cost and optimal efficiency.

(2) If the Legislature makes the appropriation specified in paragraph (1) and the department undertakes the study, the study shall be completed no later than May 1, 2028.

(h) A city, county, or other local government jurisdiction shall not adopt an ordinance regulating the minimum recycled plastic content requirements for plastic beverage containers.

(i) This section does not apply to either of the following:

(1) A refillable plastic beverage container.

(2) A beverage manufacturer that meets the requirements of subparagraph (A) of paragraph (3) of subdivision (g) of Section 14575, as that section read on January 1, 2020.

(j) The Legislature encourages beverage manufacturers to use plastic beverage containers that contain 100 percent recycled plastic content.

#### **CHAPTER 7. Financial Provisions**

**14580.** (a) Except as provided in subdivision (c), the department shall deposit all fees received into the Beverage Container Recycling Program Fund, which is hereby created in the State Treasury.

(b) The moneys in the fund may be expended by the department, upon appropriation by the Legislature in the annual Budget Act, only for the administration of this division.

(c) The department shall deposit all civil penalties or fines collected pursuant to this division into the Penalty Account, which is hereby created in the fund. The moneys in the Penalty Account may be expended by the department, upon appropriation by the Legislature, only for purposes of this division.

**14586.** Refund values not redeemed pursuant to Chapter 6 (commencing with Section 14570) shall be retained by the beverage container stewardship organization and shall be used for the following purposes, in the following priority:

(a) The implementation of this division and the implementation and administration of the beverage container stewardship program, as described in Chapter 20.5 (commencing with Section 42984) of Part 3 of Division 30. The beverage container stewardship organization's administrative costs that are funded by the unredeemed refund values shall not exceed 2 percent of the projected unredeemed refund values for the calendar year.

(b) Activities to improve the quality of postconsumer beverage container material that is used for recycling purposes.

(c) Activities that encourage the remanufacturing of beverage containers.

(d) Activities to encourage in-state manufacturing of recycled beverage containers.

#### **CHAPTER 8. Severability and Enforcement**

**14590.** If any provision of this division or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of this division that can be given effect without the invalid provision or application, and to this end the provisions of this division are severable.

**14591.** (a) Except as provided in subdivision (b), in addition to any other applicable civil or criminal penalties, a person convicted of a violation of this division, or a regulation adopted pursuant to this division, is guilty of an infraction, which is punishable by a fine of one hundred dollars (\$100) for each initial separate violation and not more than one thousand dollars (\$1,000) for each subsequent separate violation per day.

(b) (1) A person who, with intent to defraud, knowingly takes any of the following actions is guilty of a crime:

(A) Fails to accurately report the number of beverage containers sold, as required by subdivision (b) of Section 14550.

(B) Redeems out-of-state containers, rejected containers, line breakage, or containers that have already been redeemed.

(C) Returns redeemed containers to the California marketplace for redemption.

(D) Brings out-of-state containers, rejected containers, or line breakage to the California marketplace for redemption.

(E) Submits a false or fraudulent claim for handling fees.

(2) If the money obtained or withheld pursuant to paragraph (1) exceeds nine hundred fifty dollars (\$950), a person convicted of a crime pursuant to paragraph (1) is subject to punishment by imprisonment in a county jail for not more than one year, by a fine not exceeding ten thousand dollars (\$10,000), or by both that fine and imprisonment, or by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code for 16 months, two years, or three years, by a fine not exceeding twenty-five thousand dollars (\$25,000) or twice the late or unmade payments plus interest, whichever is greater, or by both that fine and imprisonment. If the money obtained or withheld pursuant to paragraph (1) equals, or is less than, nine hundred fifty dollars (\$950), the person is subject to punishment by imprisonment in a county jail for not more than six months, by a fine not exceeding one thousand dollars (\$1,000), or by both that fine and imprisonment.

(c) For purposes of this section and Chapter 8.5 (commencing with Section 14595), "line breakage" and "rejected container" have the same meanings as defined in the regulations adopted or amended by the department pursuant to this division.

**14591.1.** (a) (1) The department may assess a civil penalty upon a person who violates this division in an amount greater than one thousand dollars (\$1,000) pursuant to this division and any regulations adopted pursuant to this division only after notice and hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) The department may assess a civil penalty upon a person who violates this division in an amount equal to, or less than, one thousand dollars (\$1,000), using a notice of violation process established by regulation and may use an informal hearing process pursuant to Article 10 (commencing with Section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code.

(3) Each violation of this division is a separate violation and each day of the violation is a separate violation. The department shall deposit all revenues from civil penalties into the Penalty Account created pursuant to subdivision (c) of Section 14580.

(b) A person who intentionally or negligently violates this division may be assessed a civil penalty by the department pursuant to subdivision (a) of up to five thousand dollars (\$5,000) for each separate violation, or for continuing violations, for each day that violation occurs.

(c) A person who violates this division by an action not subject to subdivision (b) may be assessed a civil penalty by the department pursuant to subdivision (a) of up to one thousand dollars (\$1,000) for each separate violation, or for continuing violations, for each day that violation occurs.

(d) A person shall not be liable for a civil penalty imposed under subdivision (b) and for a civil penalty imposed under subdivision (c) for the same act or failure to act.

(e) In determining the amount of penalties to be imposed pursuant to this division, the department shall take into consideration the nature, circumstances, extent, and gravity of the violation, the costs associated with bringing the action and, with respect to the violator, the ability to pay, the degree of culpability, compliance history, and any other matters that justice may require.

**14591.2.** (a) The department may take disciplinary action against any party responsible for directing, contributing to, participating in, or otherwise influencing the operations of an entity certified under this division. A responsible party includes, but is not limited to, the certificate holder, registrant, officer, director, or managing employee. Except as otherwise provided in this division, the department shall provide notice and hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code before taking any disciplinary action against a certificate holder.

(b) All of the following are grounds for disciplinary action, in the form determined by the department in accordance with subdivision (c):

(1) The responsible party engaged in fraud or deceit to obtain a certificate or registration.

(2) The responsible party engaged in dishonesty, incompetence, negligence, or fraud in performing the functions and duties of a certificate holder or registrant.

(3) The responsible party violated this division or any regulation adopted pursuant to this division.

(4) The responsible party is convicted of any crime of moral turpitude or fraud, any crime involving dishonesty, or any crime substantially related to the qualifications, functions, or duties of a certificate holder.

(c) The department may take disciplinary action pursuant to this section by taking any one of, or any combination of, the following:

(1) Immediate revocation of the certificate or registration, or revocation of a certificate or registration as of a specific date in the future.

(2) Immediate suspension of the certificate or registration for a specified period of time, or suspension of the certificate or registration as of a specific date in the future. Notwithstanding subdivision (a), the department may impose a suspension of five days or less through an informal notice, if the action is subject to a stay on appeal, pending an informal hearing convened in accordance with Article 10 (commencing with Section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code.

(3) Imposition on the certificate or registration of any condition that the department determines would further the goals of this division.

(4) Issuance of a probationary certificate or registration with conditions determined by the department.

(5) Imposition of civil penalties pursuant to Section 14591.1.

(6) Suspension for a specified period of time or permanent revocation of eligibility of a rural region recycler to receive handling fees at one or more of the certificate holder's redemption centers.

(d) The department may do any of the following in taking disciplinary action pursuant to this section:

(1) If a certificate holder or registrant holds certificates or is registered to operate at more than one site or to operate in more than one capacity at one location, such as an entity certified as both a processor and a redemption center, the department may simultaneously revoke, suspend, or impose conditions upon some, or all, of the certificates held by the responsible party.

(2) If the responsible party is an officer, a director, a partner, a manager, an employee, or the owner of a controlling ownership interest of another certificate holder or registrant, that other operator's certificate or registration may also be revoked, suspended, or conditioned by the department in the same proceeding, if the other certificate holder or registrant is given notice of that proceeding, or in a subsequent proceeding.

(e) The department shall inform the beverage container stewardship organization when it suspends or revokes the certification of a redemption center.

**14591.3.** In any civil or administrative action brought pursuant to this division in which the department prevails, the department may assess against the defendant or respondent any costs and fees, including attorney's and expert's fees, and the cost of the investigation and hearing, that are a result of bringing the civil or administrative action against the defendant or respondent. In the same action, the defendant or respondent may claim from the department any costs and fees incurred in defending or responding to any action brought by the department in which the defendant or respondent prevails, upon a finding that the department's action was clearly frivolous or lacking in significant merit.

**14591.5.** After the time for judicial review under Section 11523 of the Government Code has expired, the department may apply to the small claims court or superior court, depending on the jurisdictional amount and any other remedy sought, in the county where the penalties or other remedy was imposed by the department, for a judgment to collect any unpaid civil penalties or to enforce any other remedy provided by this division. The application, which shall include a certified copy of the final agency order or decision, shall constitute a sufficient showing to warrant the issuance of the judgment. The court clerk shall enter the judgment immediately in conformity with the application. The judgment so entered shall have the same force and effect as, and shall be subject to all the laws relating to, a judgment in a civil action, and may be enforced in the same manner as any other judgment of the court. The court shall make enforcement of the judgment a priority.

**14591.6.** (a) When a person is engaged in redemption activity that violates this division, any regulation adopted pursuant to this division, or an order issued under this division, the department may issue an order to that person to cease and desist from that activity.

(b) If a request for a hearing is filed in writing within 10 days of the date of service of the order described in subdivision (a), a hearing shall be held in accordance with Article 10 (commencing with Section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code. The director or the director's designee shall determine whether to sustain or reverse the cease and desist order. If sustained, the order shall become effective and final upon the issuance and service of the order.

(c) If no written request for a hearing is filed within 10 days of the date of service of the order described in subdivision (a), or if a party requesting the hearing does not appear at the hearing, the order shall be deemed the final order of the department and is not subject to review by any court or agency. This order shall become effective and final after the expiration of the 10-day period within which a hearing may be requested.

(d) If a hearing is requested pursuant to subdivision (b) and the party requesting the hearing does not appear on the date scheduled, and fails to notify the department at least five days before the hearing date that the party will not appear, the department may recover from the party all costs and fees incurred by the department, including attorney's and expert's fees, and any other costs associated with preparing for, or conducting, the hearing.

(e) Upon the failure of any person or persons to comply with a cease and desist order issued by the department, the Attorney General, upon request of the department, shall petition the superior court for the issuance of a preliminary or permanent injunction, or both, as may be appropriate, restraining the person from continuing the activity in violation of the cease and desist order.

(f) The court shall issue an order directing defendants to appear before the court at a certain time and place and show cause why the injunction should not be issued. The court may grant the prohibitory or mandatory relief that may be warranted.

**14594.** (a) Notwithstanding Section 14591.1, the department may assess upon a person, entity, or operation that redeems, attempts to redeem, or aids in the redemption of, empty beverage containers that have already been redeemed, or redeems, attempts to redeem, or aids in the redemption of, otherwise ineligible beverage containers, including, but not limited to, out-of-state containers or empty beverage container materials imported from out of state, a civil penalty of up to ten thousand dollars (\$10,000) per transaction, or an amount equal to three times the damage or potential damage, whichever is greater, plus costs as provided in Section 14591.3, pursuant to notice and hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) For purposes of this section, the act of labeling a beverage container pursuant to subdivision (a) of Section 14561 shall not, in and of itself, be deemed to aid in the redemption of ineligible beverage containers.

#### **CHAPTER 8.5. Reporting Requirements and Payment Prohibitions Related to Out-of-State and Other Ineligible Containers**

**14595.** The Legislature finds and declares that the redemption of beverage container material imported from out of state, previously redeemed containers, rejected containers, and line breakage presents a significant threat to the integrity of the Beverage Container Recycling Program. It is therefore the intent of the Legislature that no refund value or other redemption program payments be paid to any person for this material. It is further the intent of the Legislature that any person participating in conduct intended to defraud the Beverage Container Recycling Program be held accountable for that conduct.

**14595.4.** For purposes of this chapter, "refund value" means, in addition to the definition in Section 14525, any payment by a recycler for beverage container material that is at least 15 percent more than the statewide average scrap value for that material type.

**14595.5.** (a) A person shall not pay, claim, or receive any refund value or handling fee for either of the following:

- (1) Beverage container material that the person knew, or should have known, was imported from out of state.
- (2) A previously redeemed container, rejected container, line breakage, or other ineligible material.

(b) A person shall not, with intent to defraud, do any of the following:

- (1) Redeem or attempt to redeem an out-of-state container, rejected container, line breakage, previously redeemed container, or other ineligible material.

(2) Return a previously redeemed container to the marketplace for redemption.

(3) Bring an out-of-state container, rejected container, line breakage, or other ineligible material to the marketplace for redemption.

(4) Receive, store, transport, distribute, or otherwise facilitate or aid in the redemption of a previously redeemed container, out-of-state container, rejected container, line breakage, or other ineligible material.

**14596.** (a) A person importing more than 25 pounds of empty beverage container material other than empty glass beverage container material, or more than 250 pounds of empty glass beverage container material, into the state, shall report the material to the department and provide the department with all of the following:

(1) Documentation on the source of the material.

(2) Documentation on the destination of the material.

(3) Any other information deemed necessary by the department as it relates to the importation of empty beverage container material.

(4) An opportunity for inspection, in accordance with the regulations adopted by the department.

(b) (1) (A) In addition to inspections required by the regulations adopted by the department pursuant to subdivision (a), a vehicle entering the state that contains more than 25 pounds of empty beverage container material shall pass through the nearest plant quarantine inspection station maintained pursuant to Section 5341 of the Food and Agricultural Code, and shall obtain proof of inspection from the department.

(B) The department may enter into an interagency agreement with the Department of Food and Agriculture to implement the requirements of this subdivision.

(2) The operator of a vehicle that contains more than 25 pounds of empty beverage container material is in violation of this chapter if the operator does any of the following:

(A) Fails to stop the vehicle at a plant quarantine inspection station.

(B) Willfully avoids a plant quarantine inspection station.

(C) Fails to stop upon demand of a clearly identified plant quarantine officer, an officer of the Department of the California Highway Patrol, or an officer of a state or local law enforcement agency, when the officer orders the operator to stop for the purpose of determining if this operator is in violation of this section.

(c) The department may impose civil penalties pursuant to Section 14591.1 or take disciplinary action pursuant to Section 14591.2 for a violation of this section.

(d) Subdivision (c) does not prohibit the imposition of a criminal penalty pursuant to subdivision (a) of Section 14591 for a violation of subdivision (b). A second or subsequent violation of subdivision (b) within three years of a prior conviction of a violation of subdivision (b) shall be punishable as a misdemeanor.

**14597.** (a) A person shall not falsify documents required pursuant to this division or pursuant to regulations adopted by the department. The falsification of these documents is evidence of intent to defraud and, for purposes of subdivision (b) of Section 14591.1, constitutes intentional misconduct. The department may also take disciplinary action pursuant to Section 14591.2 against a person who engages in falsification including, but not limited to, revocation of a certificate or registration.

(b) A person shall not submit, or cause to be submitted, a fraudulent claim pursuant to this division. For purposes of this subdivision, a fraudulent claim is a claim based in whole or in part on false information or falsified documents. A person who submits a fraudulent claim is subject to the assessment of penalties pursuant to subdivision (b) of Section 14591.1. The department may take disciplinary action pursuant to Section 14591.2, including, but not limited to, revocation of a certificate or registration.

## **CHAPTER 9. Miscellaneous Provisions**

**14600.** Corporations, companies, or individuals may apply for loan and grant funds from the Energy Technologies Research, Development, and Demonstration Account specified in Section 25226 by applying to the State Energy

Resources Conservation and Development Commission for the purpose of demonstrating equipment for enhancing redemption opportunities.

#### **CHAPTER 10. Operative Date**

**14601.** This division shall become operative on July 1, 2024.

**SEC. 18.** Section 14571.6 of the Public Resources Code is amended to read:

**14571.6.** In any convenience zone where no recycling location has been established that satisfies the requirements of Section 14571, and in any convenience zone that has exceeded the 60-day period for the establishment of a recycling center pursuant to Section 14571.7, all dealers within that zone shall, until a recycling location has been established in that zone, submit to the department an affidavit form provided by the department stating that all of the following standards are being met by the dealer:

(a) The dealer redeems all empty beverage container types at all open cash registers during all hours that the dealer is open for business or through a reverse vending machine at a designated location on the dealer's premises during all hours that the dealer is open for business.

(b) The dealer has posted signs that meet the size and location requirements specified in subdivision (b) of Section 14570, and that conform to paragraph (2) of that subdivision.

(c) The dealer is delivering, or having delivered, all empty beverage containers received from the public to a certified recycling center or processor for recycling.

**SEC. 19.** Chapter 9 (commencing with Section 14600) is added to Division 12.1 of the Public Resources Code, as added by Chapter 1290 of the Statutes of 1986, to read:

#### **CHAPTER 9. Repeal**

**14600.** (a) On or before July 1, 2023, the department, in consultation with the beverage container stewardship organization established pursuant to Section 42984.12 and other interested stakeholders, shall adopt regulations for the orderly transition from the requirements relating to the collection and recycling of beverage containers imposed under this division to those requirements under the Beverage Container Recycling Program pursuant to Division 12.1 (commencing with Section 14500), as added by the act that enacted this chapter, and to the requirements imposed by the Beverage Container Stewardship Program (Chapter 20.5 (commencing with Section 42984) of Part 3 of Division 30).

(b) Commencing July 1, 2023, the department shall begin its transition from the collection and recycling of beverage containers under this division to the collection and recycling of beverage containers pursuant to Division 12.1 (commencing with Section 14500), as added by the act that enacted this chapter, and to the requirements imposed by the Beverage Container Stewardship Program (Chapter 20.5 (commencing with Section 42984) of Part 3 of Division 30), with full implementation of that chapter no later than July 1, 2024.

(c) If, on or before January 1, 2023, the department finds that it is unable to develop regulations to make an orderly transition of the collection and recycling of beverage containers in accordance with this section, the department shall report that finding to the appropriate policy committees of the Legislature.

**14601.** This division shall become inoperative on July 1, 2024, and, as of January 1, 2025, is repealed.

**SEC. 20.** Section 17001 of the Public Resources Code is amended to read:

**17001.** (a) For purposes of the 2014–15 fiscal year only, subject to Section 17002, the department shall expend funds from the following sources, for issuing grants to certified community conservation corps and community conservation corps, in accordance with, and for the purposes specified in, this subdivision:

(1) The department shall expend the amount made available for expenditure during the 2014–15 fiscal year pursuant to Section 14581.1 in the form of grants for implementing beverage container litter reduction programs and beverage container recycling programs, including education and outreach, pursuant to Division 12.1 (commencing with Section 14500).



(2) The department shall expend four million dollars (\$4,000,000) from the funds in the Electronic Waste Recovery and Recycling Account, upon appropriation by the Legislature, for grants to implement programs relating to the collection and recovery of covered electronic waste, including education and outreach, in accordance with Chapter 8.5 (commencing with Section 42460) of Part 3 of Division 30.

(3) The department shall expend two million five hundred thousand dollars (\$2,500,000) from the funds in the California Tire Recycling Management Fund, upon appropriation by the Legislature, for grants relating to implementing programs to clean up and abate waste tires and to reuse and recycle waste tires, including, but not limited to, the tire recycling program authorized by Section 42872, and including education and outreach, in accordance with Chapter 17 (commencing with Section 42860) of Part 3 of Division 30.

(4) The department shall expend one million dollars (\$1,000,000) from the funds in the California Used Oil Recycling Fund, upon appropriation by the Legislature, for grants to implement programs relating to the collection of used oil, including education and outreach, in accordance with Chapter 4 (commencing with Section 48600) of Part 7 of Division 30.

(b) On and after July 1, 2015, subject to Section 17002, the department shall expend funds from the following sources, for issuing grants to certified community conservation corps and community conservation corps, in accordance with, and for the purposes specified in, this subdivision:

(1) The department shall expend in each fiscal year the amount made available pursuant to Section 14581.1 for grants to implement beverage container litter reduction programs and beverage container recycling programs, including education and outreach, pursuant to Division 12.1 (commencing with Section 14500).

(2) The department shall expend eight million dollars (\$8,000,000) each fiscal year from the funds in the Electronic Waste Recovery and Recycling Account, upon appropriation by the Legislature, for grants to implement programs relating to the collection and recovery of covered electronic waste, including education and outreach, in accordance with Chapter 8.5 (commencing with Section 42460) of Part 3 of Division 30.

(3) The department shall expend five million dollars (\$5,000,000) each fiscal year from the funds in the California Tire Recycling Management Fund, upon appropriation by the Legislature, for grants to implement programs relating to clean up and abate waste tires and to reuse and recycle waste tires, including, but not limited to, the tire recycling program authorized by Section 42872, and including education and outreach, in accordance with Chapter 17 (commencing with Section 42860) of Part 3 of Division 30.

(4) The department shall expend two million dollars (\$2,000,000) each fiscal year from the funds in the California Used Oil Recycling Fund, upon appropriation by the Legislature, for grants to implement programs relating to the collection of used oil, including education and outreach, in accordance with Chapter 4 (commencing with Section 48600) of Part 7 of Division 30.

(c) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 21.** Section 17001 is added to the Public Resources Code, to read:

**17001.** (a) The department shall expend funds from the following sources, for issuing grants to certified community conservation corps and community conservation corps, in accordance with, and for the purposes specified in, this subdivision:

(1) The department shall expend eight million dollars (\$8,000,000) each fiscal year from the funds in the Electronic Waste Recovery and Recycling Account, upon appropriation by the Legislature, for grants to implement programs relating to the collection and recovery of covered electronic waste, including education and outreach, in accordance with Chapter 8.5 (commencing with Section 42460) of Part 3 of Division 30.

(2) The department shall expend five million dollars (\$5,000,000) each fiscal year from the funds in the California Tire Recycling Management Fund, upon appropriation by the Legislature, for grants to implement programs relating to clean up and abate waste tires and to reuse and recycle waste tires, including, but not limited to, the tire recycling program authorized by Section 42872, and including education and outreach, in accordance with Chapter 17 (commencing with Section 42860) of Part 3 of Division 30.

(3) The department shall expend two million dollars (\$2,000,000) each fiscal year from the funds in the California Used Oil Recycling Fund, upon appropriation by the Legislature, for grants to implement programs relating to the collection of used oil, including education and outreach, in accordance with Chapter 4 (commencing with Section 48600) of Part 7 of Division 30.

(b) This section shall become operative on July 1, 2024.

**SEC. 22.** Section 17002 of the Public Resources Code is amended to read:

**17002.** (a) The amount the department may expend for a fiscal year pursuant to Section 17001 shall not exceed the amount determined for that fiscal year pursuant to subdivision (c) of Section 14581.1.

(b) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 23.** Section 19535 of the Public Resources Code is amended to read:

**19535.** (a) Any person who violates Chapter 2 (commencing with Section 19510) or this section is guilty of an infraction punishable by a fine of not more than one thousand dollars (\$1,000).

(b) In addition to subdivision (a), any person who violates this division may be assessed a civil penalty by the department of not more than one thousand dollars (\$1,000) for each violation, pursuant to a notice and a hearing conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. Any civil penalties and fines received pursuant to this section shall be deposited in the Fiberglass Recycled Content Account, which is hereby established in the California Beverage Container Recycling Fund, and the funds in that account may be expended by the department for the administration of this division upon appropriation by the Legislature.

(c) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 24.** Section 19535 is added to the Public Resources Code, to read:

**19535.** (a) Any person who violates Chapter 2 (commencing with Section 19510) or this section is guilty of an infraction punishable by a fine of not more than one thousand dollars (\$1,000).

(b) In addition to subdivision (a), any person who violates this division may be assessed a civil penalty by the department of not more than one thousand dollars (\$1,000) for each violation, pursuant to a notice and a hearing conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. Any civil penalties and fines received pursuant to this section shall be deposited in the Fiberglass Recycled Content Account, which is hereby established in the Beverage Container Recycling Program Fund as successor to the account of the same name in the former California Beverage Container Recycling Fund, and the funds in that account may be expended by the department for the administration of this division upon appropriation by the Legislature.

(c) This section shall become operative on July 1, 2024.

**SEC. 25.** Section 40003 of the Public Resources Code is amended to read:

**40003.** (a) Nothing in this division abrogates, limits, or otherwise affects the duties of the Department of Resources Recycling and Recovery under the California Beverage Container Recycling and Litter Reduction Act, Division 12.1 (commencing with Section 14500).

(b) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 26.** Section 40003 is added to the Public Resources Code, to read:

**40003.** (a) Nothing in this division abrogates, limits, or otherwise affects the duties of the Department of Resources Recycling and Recovery under the Beverage Container Recycling Program (Division 12.1 (commencing with Section 14500)).

(b) This section shall become operative on July 1, 2024.

**SEC. 27.** Section 40511 of the Public Resources Code is repealed.

**SEC. 28.** Section 42476 of the Public Resources Code is amended to read:

**42476.** (a) The Electronic Waste Recovery and Recycling Account is hereby established in the Integrated Waste Management Fund. All fees collected pursuant to this chapter shall be deposited in the account. Notwithstanding

Section 13340 of the Government Code, the funds in the account are hereby continuously appropriated, without regard to fiscal year, for the following purposes:

(1) To pay refunds of the covered electronic waste recycling fee imposed under Section 42464.

(2) To make electronic waste recovery payments to an authorized collector of covered electronic waste pursuant to Section 42479.

(3) To make electronic waste recycling payments to covered electronic waste recyclers pursuant to Section 42479.

(4) To make payments to manufacturers pursuant to subdivision (h).

(b) (1) The money in the account may be expended for the following purposes only upon appropriation by the Legislature in the annual Budget Act:

(A) For the administration of this chapter by the Department of Resources Recycling and Recovery and the department.

(B) To reimburse the California Department of Tax and Fee Administration for its administrative costs of registering, collecting, making refunds, and auditing retailers and consumers in connection with the covered electronic waste recycling fee imposed under Section 42464.

(C) To provide funding to the department to implement and enforce Chapter 6.5 (commencing with Section 25100) of Division 20 of the Health and Safety Code, as that chapter relates to covered electronic devices, and any regulations adopted by the department pursuant to that chapter.

(D) To establish the public information program specified in subdivision (d).

(E) For expenditure pursuant to paragraph (2) of subdivision (a) of, and paragraph (2) of subdivision (b) of, Section 17001.

(2) Any fines or penalties collected pursuant to this chapter shall be deposited in the Electronic Waste Penalty Subaccount, which is hereby established in the account. The funds in the Electronic Waste Penalty Subaccount may be expended by the Department of Resources Recycling and Recovery or the department only upon appropriation by the Legislature.

(c) Notwithstanding Section 16475 of the Government Code, any interest earned upon funds in the Electronic Waste Recovery and Recycling Account shall be deposited in that account for expenditure pursuant to this chapter.

(d) Not more than 1 percent of the funds annually deposited in the Electronic Waste Recovery and Recycling Account shall be expended for the purposes of establishing the public information program to educate the public in the hazards of improper covered electronic device storage and disposal and on the opportunities to recycle covered electronic devices.

(e) The Department of Resources Recycling and Recovery shall adopt regulations specifying cancellation methods for the recovery, processing, or recycling of covered electronic waste.

(f) The Department of Resources Recycling and Recovery may pay an electronic waste recycling payment or electronic waste recovery payment only for covered electronic waste that meets all of the following conditions:

(1) (A) The covered electronic waste is demonstrated to have been generated by a person who used the covered electronic device while located in this state.

(B) Covered electronic waste generated outside of the state and subsequently brought into the state is not eligible for payment.

(C) The Department of Resources Recycling and Recovery shall establish documentation requirements for purposes of this paragraph that are necessary to demonstrate that the covered electronic waste was generated in the state and eligible for payment.

(2) The covered electronic waste, including any residuals from the processing of the waste, is handled in compliance with all applicable statutes and regulations.

(3) The manufacturer or the authorized collector or recycler of the electronic waste provides a cost-free and convenient opportunity to recycle electronic waste, in accordance with the legislative intent specified in subdivision (b) of Section 42461.

(4) If the covered electronic waste is processed, the covered electronic waste is processed in this state according to the cancellation method authorized by the Department of Resources Recycling and Recovery.

(g) The Legislature hereby declares that the state is a market participant in the business of the recycling of covered electronic waste for all of the following reasons:

(1) The fee is collected from the state's consumers for covered electronic devices sold for use in the state.

(2) The purpose of the fee and subsequent payments is to prevent damage to the public health and the environment from waste generated in the state.

(3) The recycling system funded by the fee ensures that economically viable and sustainable markets are developed and supported for recovered materials and components in order to conserve resources and maximize business and employment opportunities within the state.

(h) (1) The Department of Resources Recycling and Recovery may make a payment to a manufacturer that takes back a covered electronic device from a consumer in this state for purposes of recycling the device at a processing facility. The amount of the payment made by the Department of Resources Recycling and Recovery shall equal the value of the covered electronic waste recycling fee paid for that device. To qualify for a payment pursuant to this subdivision, the manufacturer shall demonstrate both of the following to the Department of Resources Recycling and Recovery:

(A) The covered electronic device for which payment is claimed was used in this state.

(B) The covered electronic waste for which a payment is claimed, including any residuals from the processing of the waste, has been, and will be, handled in compliance with all applicable statutes and regulations.

(2) A covered electronic device for which a payment is made under this subdivision is not eligible for an electronic waste recovery payment or an electronic waste recycling payment under Section 42479.

(i) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 29.** Section 42476 is added to the Public Resources Code, to read:

**42476.** (a) The Electronic Waste Recovery and Recycling Account is hereby established in the Integrated Waste Management Fund. All fees collected pursuant to this chapter shall be deposited in the account. Notwithstanding Section 13340 of the Government Code, the funds in the account are hereby continuously appropriated, without regard to fiscal year, for the following purposes:

(1) To pay refunds of the covered electronic waste recycling fee imposed under Section 42464.

(2) To make electronic waste recovery payments to an authorized collector of covered electronic waste pursuant to Section 42479.

(3) To make electronic waste recycling payments to covered electronic waste recyclers pursuant to Section 42479.

(4) To make payments to manufacturers pursuant to subdivision (h).

(b) (1) The money in the account may be expended for the following purposes only upon appropriation by the Legislature in the annual Budget Act:

(A) For the administration of this chapter by the Department of Resources Recycling and Recovery and the department.

(B) To reimburse the California Department of Tax and Fee Administration for its administrative costs of registering, collecting, making refunds, and auditing retailers and consumers in connection with the covered electronic waste recycling fee imposed under Section 42464.

(C) To provide funding to the department to implement and enforce Chapter 6.5 (commencing with Section 25100) of Division 20 of the Health and Safety Code, as that chapter relates to covered electronic devices, and

any regulations adopted by the department pursuant to that chapter.

(D) To establish the public information program specified in subdivision (d).

(E) For expenditure pursuant to paragraph (1) of subdivision (a) of Section 17001.

(2) Any fines or penalties collected pursuant to this chapter shall be deposited in the Electronic Waste Penalty Subaccount, which is hereby established in the account. The funds in the Electronic Waste Penalty Subaccount may be expended by the Department of Resources Recycling and Recovery or the department only upon appropriation by the Legislature.

(c) Notwithstanding Section 16475 of the Government Code, any interest earned upon funds in the Electronic Waste Recovery and Recycling Account shall be deposited in that account for expenditure pursuant to this chapter.

(d) Not more than 1 percent of the funds annually deposited in the Electronic Waste Recovery and Recycling Account shall be expended for the purposes of establishing the public information program to educate the public in the hazards of improper covered electronic device storage and disposal and on the opportunities to recycle covered electronic devices.

(e) The Department of Resources Recycling and Recovery shall adopt regulations specifying cancellation methods for the recovery, processing, or recycling of covered electronic waste.

(f) The Department of Resources Recycling and Recovery may pay an electronic waste recycling payment or electronic waste recovery payment only for covered electronic waste that meets all of the following conditions:

(1) (A) The covered electronic waste is demonstrated to have been generated by a person who used the covered electronic device while located in this state.

(B) Covered electronic waste generated outside of the state and subsequently brought into the state is not eligible for payment.

(C) The Department of Resources Recycling and Recovery shall establish documentation requirements for purposes of this paragraph that are necessary to demonstrate that the covered electronic waste was generated in the state and eligible for payment.

(2) The covered electronic waste, including any residuals from the processing of the waste, is handled in compliance with all applicable statutes and regulations.

(3) The manufacturer or the authorized collector or recycler of the electronic waste provides a cost-free and convenient opportunity to recycle electronic waste, in accordance with the legislative intent specified in subdivision (b) of Section 42461.

(4) If the covered electronic waste is processed, the covered electronic waste is processed in this state according to the cancellation method authorized by the Department of Resources Recycling and Recovery.

(g) The Legislature hereby declares that the state is a market participant in the business of the recycling of covered electronic waste for all of the following reasons:

(1) The fee is collected from the state's consumers for covered electronic devices sold for use in the state.

(2) The purpose of the fee and subsequent payments is to prevent damage to the public health and the environment from waste generated in the state.

(3) The recycling system funded by the fee ensures that economically viable and sustainable markets are developed and supported for recovered materials and components in order to conserve resources and maximize business and employment opportunities within the state.

(h) (1) The Department of Resources Recycling and Recovery may make a payment to a manufacturer that takes back a covered electronic device from a consumer in this state for purposes of recycling the device at a processing facility. The amount of the payment made by the Department of Resources Recycling and Recovery shall equal the value of the covered electronic waste recycling fee paid for that device. To qualify for a payment pursuant to this subdivision, the manufacturer shall demonstrate both of the following to the Department of Resources Recycling and Recovery:

(A) The covered electronic device for which payment is claimed was used in this state.

(B) The covered electronic waste for which a payment is claimed, including any residuals from the processing of the waste, has been, and will be, handled in compliance with all applicable statutes and regulations.

(2) A covered electronic device for which a payment is made under this subdivision is not eligible for an electronic waste recovery payment or an electronic waste recycling payment under Section 42479.

(i) This section shall become operative on July 1, 2024.

**SEC. 30.** Section 42889 of the Public Resources Code, as amended by Section 153 of Chapter 35 of the Statutes of 2014, is amended to read:

**42889.** Funding for the waste tire program shall be appropriated to the department in the annual Budget Act. The moneys in the fund shall be expended for the payment of refunds under this chapter and for the following purposes:

(a) To pay the administrative overhead cost of this chapter, not to exceed 5 percent of the total revenue deposited in the fund annually, or an amount otherwise specified in the annual Budget Act.

(b) To pay the costs of administration associated with collection, making refunds, and auditing revenues in the fund, not to exceed 3 percent of the total revenue deposited in the fund, as provided in subdivision (b) of Section 42885.

(c) To pay the costs associated with operating the tire recycling program specified in Article 3 (commencing with Section 42870).

(d) To pay the costs associated with the development and enforcement of regulations relating to the storage of waste tires and used tires. The department shall consider designating a city, county, or city and county as the enforcement authority of regulations relating to the storage of waste tires and used tires, as provided in subdivision (c) of Section 42850, and regulations relating to the hauling of waste and used tires, as provided in subdivision (b) of Section 42963. If the department designates a local entity for that purpose, the department shall provide sufficient, stable, and noncompetitive funding to that entity for that purpose, based on available resources, as provided in the five-year plan adopted and updated as provided in subdivision (a) of Section 42885.5. The department may consider and create, as appropriate, financial incentives for citizens who report the illegal hauling or disposal of waste tires as a means of enhancing local and statewide waste tire and used tire enforcement programs.

(e) To pay the costs of cleanup, abatement, removal, or other remedial action related to waste tire stockpiles throughout the state, including all approved costs incurred by other public agencies involved in these activities by contract with the department. Not less than six million five hundred thousand dollars (\$6,500,000) shall be expended by the department during each of the following fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

(f) To fund border region activities specified in paragraph (8) of subdivision (b) of Section 42885.5.

(g) For expenditure pursuant to paragraph (3) of subdivision (a) of, and paragraph (3) of subdivision (b) of, Section 17001.

(h) This section shall become operative on January 1, 2024.

(i) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 31.** Section 42889 is added to the Public Resources Code, to read:

**42889.** Funding for the waste tire program shall be appropriated to the department in the annual Budget Act. The moneys in the fund shall be expended for the payment of refunds under this chapter and for the following purposes:

(a) To pay the administrative overhead cost of this chapter, not to exceed 5 percent of the total revenue deposited in the fund annually, or an amount otherwise specified in the annual Budget Act.

(b) To pay the costs of administration associated with collection, making refunds, and auditing revenues in the fund, not to exceed 3 percent of the total revenue deposited in the fund, as provided in subdivision (b) of Section 42885.

(c) To pay the costs associated with operating the tire recycling program specified in Article 3 (commencing with Section 42870).

(d) To pay the costs associated with the development and enforcement of regulations relating to the storage of waste tires and used tires. The department shall consider designating a city, county, or city and county as the enforcement authority of regulations relating to the storage of waste tires and used tires, as provided in subdivision (c) of Section 42850, and regulations relating to the hauling of waste and used tires, as provided in subdivision (b) of Section 42963. If the department designates a local entity for that purpose, the department shall provide sufficient, stable, and noncompetitive funding to that entity for that purpose, based on available resources, as provided in the five-year plan adopted and updated as provided in subdivision (a) of Section 42885.5. The department may consider and create, as appropriate, financial incentives for citizens who report the illegal hauling or disposal of waste tires as a means of enhancing local and statewide waste tire and used tire enforcement programs.

(e) To pay the costs of cleanup, abatement, removal, or other remedial action related to waste tire stockpiles throughout the state, including all approved costs incurred by other public agencies involved in these activities by contract with the department. Not less than six million five hundred thousand dollars (\$6,500,000) shall be expended by the department during each of the following fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

(f) To fund border region activities specified in paragraph (8) of subdivision (b) of Section 42885.5.

(g) For expenditure pursuant to paragraph (2) of subdivision (a) of Section 17001.

(h) This section shall become operative on July 1, 2024.

**SEC. 32.** Chapter 20.5 (commencing with Section 42984) is added to Part 3 of Division 30 of the Public Resources Code, to read:

**CHAPTER 20.5. Beverage Container Stewardship Program**  
**Article 1. General Provisions and Definitions**

**42984.** This chapter shall be known, and may be cited, as the Beverage Container Stewardship Program.

**42984.02.** Unless otherwise specified in this article, the definitions of Division 12.1 (commencing with Section 14500), as added by the act that enacted this chapter, shall apply.

**42984.06.** For purposes of this chapter, the following definitions apply:

(a) "Beverage container stewardship organization" or "organization" means an organization exempt from taxation under Section 501(c)(3) or Section 501(c)(6) of the federal Internal Revenue Code of 1986, which is established pursuant to Section 42984.12, composed of distributors, to develop, implement, and administer the beverage container stewardship program established pursuant to this chapter.

(b) "Beverage container stewardship plan" or "plan" means the plan for recycling empty beverage containers that is developed by the beverage container stewardship organization pursuant to this chapter.

(c) "Good faith effort" means all reasonable and economically practical efforts by a beverage container stewardship organization to implement the components identified in its approved plan consistent with its budget.

(d) "Program" or "beverage container stewardship program" means the program implemented by the beverage container stewardship organization pursuant to a plan approved by the department.

(e) "Stewardship fee" or "beverage container stewardship fee" means the amount imposed on distributors and collected by the organization to supplement unredeemed deposits to fund the implementation of the beverage container stewardship program.

**Article 2. Beverage Container Stewardship Organization and Beverage Container Stewardship Plan**

**42984.10.** (a) On or before April 1, 2022, the department shall appoint an advisory committee for purposes of Sections 42984.12, 42984.13, 42984.20, and 42984.41.

(b) The advisory committee shall comprise members of the environmental community, container manufacturers, beverage manufacturers, distributors, dealers, processors, redemption centers, end users or purchasers of the

beverage container material, local government, public and private representatives involved in the collection, processing, and recycling of empty beverage containers, representatives of the department, and other interested parties.

(c) The beverage container stewardship organization established pursuant to Section 42984.12 shall consult the advisory committee at least once during the development and implementation of the plan required pursuant to Section 42984.13, and annually before the submission of both an annual report required pursuant to Section 42984.41 and a budget required pursuant to Section 42984.20.

**42984.11.** On or before July 1, 2022, each distributor in the state shall register with the department. The department shall charge a distributor a reasonable fee to cover the cost of registering that distributor.

**42984.12.** (a) (1) On or before October 1, 2022, distributors registered with the department pursuant to Section 42984.11 shall, in consultation with the advisory committee, form a beverage container stewardship organization for purposes of this chapter and be certified pursuant to this section to develop, implement, and administer the beverage container stewardship program established pursuant to this chapter.

(2) Within 60 days of receipt of a request for certification, the department shall notify the distributors of the department's decision whether to certify that a beverage container stewardship organization has been established by the distributors and is composed of distributors for purposes of establishing the beverage container stewardship plan.

(b) After certification of the beverage container stewardship organization, each distributor shall register with the beverage container stewardship organization.

(c) On and after October 1, 2022, a dealer shall not sell, distribute, or offer for sale a deposit beverage in a beverage container in the state unless the dealer is in compliance with this chapter and the distributor of the deposit beverage in the beverage container sold by the dealer is in compliance with this chapter, as indicated in the list posted pursuant to Section 42984.50.

(d) On and after October 1, 2022, a distributor of a deposit beverage in a beverage container shall not sell, offer for sale, or import a deposit beverage in a beverage container in this state, or sell or distribute a deposit beverage in a beverage container to a dealer, unless the distributor is in compliance with this chapter.

**42984.13.** On or before April 1, 2023, the beverage container stewardship organization shall develop and submit to the department a plan for the redemption of empty beverage containers in the state in an environmentally beneficial, economically efficient, and practical manner, which shall be known as the beverage container stewardship plan and that shall include all of the following goals and elements:

(a) Establishing as a state goal an 85-percent redemption rate per beverage container type.

(b) The names of distributors covered under the plan.

(c) A process to seek input from affected stakeholders, including members of the environmental community, container manufacturers, beverage manufacturers, distributors, dealers, processors, redemption centers, end users or purchasers of the beverage container material, local government representatives, public and private representatives involved in the collection, processing, and recycling of empty beverage containers, and other interested parties.

(d) Methods to increase the number of empty beverage containers diverted from landfills, reduce the amount of litter produced by empty beverage containers, and increase the quantity and quality of empty beverage containers recovered through this process and recycled or remanufactured for other uses.

(e) (1) The establishment and administration of an equitable means for funding the plan. This shall include the expenditure of unredeemed refund values retained by the organization pursuant to Section 14586 supplemented by the stewardship fee.

(2) The funding mechanism shall provide sufficient funding for the beverage container stewardship organization to carry out the plan.

(f) The publishing of an annual report for each calendar year of operation.

(g) Conducting research, as needed, related to improving empty beverage container collection and recycling operations, including pilot programs to test new processes, methods, or equipment on a local, regional, or



otherwise limited basis.

(h) A program performance measurement that shall collect program data for the purpose of the annual report. The information shall include a methodology for estimating the amount of deposit beverages in beverage containers sold in the state and empty beverage containers available for collection in the state, and for quantifying the number of empty beverage containers collected and recycled in the state.

(i) A description of methods used to coordinate activities with existing empty beverage container redemption programs and with other relevant parties as appropriate, with regard to the proper management or recycling of beverage containers.

(j) Entering into contracts or agreements, which may include contracts and agreements with existing nonprofit or for-profit recyclers, that are necessary and proper for the beverage container stewardship organization to carry out these duties consistent with the terms of this chapter.

(k) A report from the advisory committee, established pursuant to subdivision (a) of Section 42984.10, that includes a summary of the consultative process between the advisory committee and the beverage container stewardship organization during the development of the plan, and any other information deemed pertinent by the advisory committee to maximizing the recovery and recycling of empty beverage containers in the state.

(l) Proposed methods to encourage manufacturers to purchase empty beverage containers from the California recycling market.

(m) The following methods and components for the redemption of empty beverage containers pursuant to Division 12.1 (commencing with Section 14500), as added by the act that enacted this chapter:

(1) Invoicing or otherwise accounting for refund values received by members of the organization, including procedures for the members to forward moneys received as refund values from dealers to the beverage container stewardship organization.

(2) Operation requirements for redemption centers, including minimum hours of operation, that provide a consumer or dropoff or collection program with convenient redemption opportunities and meet the needs of the community in which a redemption center is located. This shall include procedures for a consumer to redeem a credit slip issued by a reverse vending machine.

(3) A handling fee to be paid by the organization to a redemption center for every empty beverage container collected by the redemption center, and procedures for payment of that fee. When determining the handling fee, the organization shall consider all of the following:

(A) Customer convenience and accessibility.

(B) Cost of operation of the redemption center, including rent and transportation of materials to processors.

(C) A tiered payment structure to address economies of scale due to volume of empty beverage containers collected at a redemption center and the average cost of recycling per empty beverage container.

(4) Procedures for processors to pay a redemption center or dropoff or collection program for all types of empty beverage containers, by type of beverage container, received by the processor from the redemption center or dropoff or collection program.

(5) A payment to be paid by the organization to processors. When determining the payment, the organization shall consider both of the following:

(A) A tiered payment structure based on the volume and quality of recyclable materials in the empty beverage containers.

(B) A payment amount to help ensure that the recycler is not operating at a loss attributable to the difference between scrap value and recycling costs of empty beverage containers.

(6) Recommendations for operations and other processes of participants in the recycling of beverage containers to improve the collection, processing, and recycling of empty beverage containers in an environmentally beneficial, economically efficient, and practical manner.

(7) The form and manner in which dealers will be required to post the signage described in Section 14570.1.

(n) A plan for the beverage container stewardship organization to do all of the following:

- (1) Monitor, report, and minimize fraudulent redemptions.
- (2) Establish a customer service process.
- (3) Establish recommended best practices for worker health and safety.
- (o) Other information requested by the department that is reasonably related to compliance with the plan and that the organization can reasonably compile.

**42984.15.** (a) The department shall review the plan for compliance with this chapter and shall approve, disapprove, or conditionally approve the plan within 90 days of receipt of the plan. If the department fails to act within 90 days of the receipt of the plan, the plan shall be deemed approved.

(b) If the department disapproves the plan pursuant to subdivision (a), the department shall explain, in writing, how the plan does not comply with this chapter, and the beverage container stewardship organization shall resubmit a plan to the department. If the department finds that the plan resubmitted by the organization does not comply with the requirements of this chapter, the beverage container stewardship organization shall not be deemed in compliance with this chapter until the organization submits a plan that the department finds complies with the requirements of this chapter.

(c) The beverage container stewardship organization shall update the plan on or before April 1 of each year and shall submit all proposed modifications or revisions to the plan to the department. The department shall review the updated plan for compliance with this chapter and shall approve, disapprove, or conditionally approve the updated plan in accordance with subdivisions (a) and (b).

(d) The approved plan shall be a public record, except that financial, production, or sales data reported to the department by the beverage container stewardship organization is not public record for purposes of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and shall not be open to public inspection. The department may release financial, production, or sales data in summary form only so the information cannot be attributable to a specific distributor or to any other entity.

**42984.16.** Within 90 days after approval or conditional approval by the department of the plan, the beverage container stewardship organization shall implement the approved plan, with full implementation of the elements described in subdivision (m) of Section 42984.13 on and after July 1, 2024.

**42984.17.** The state beverage container redemption goal shall be 85 percent per beverage container type.

### **Article 3. Budget**

**42984.20.** On or before July 1, 2023, and on or before July 1 annually thereafter, the beverage container stewardship organization shall prepare and submit to the department a proposed beverage container stewardship program budget for the following calendar year that includes all of the following:

- (a) Anticipated revenues and costs of implementing the program, including related programs, projects, contracts, and administrative expenses.
- (b) A recommended funding level sufficient to cover the plan's budgeted costs and to operate the beverage container stewardship program over a multiyear period in a prudent and responsible manner.
- (c) The amount of the beverage container stewardship fee established pursuant to Section 42984.30 and an itemization of the costs that fee covers.
- (d) An amount that would give the beverage container stewardship organization a prudent reserve.

**42984.21.** (a) On or before October 1, 2023, and on or before October 1 annually thereafter, the department shall approve or disapprove a final beverage container stewardship program budget. If the department fails to act or does not disapprove a final beverage container stewardship program budget, the budget shall be deemed approved.

(b) (1) If the department disapproves the budget, the beverage container stewardship organization shall submit a revised budget addressing the department's written reasons for its decision within 30 days of the disapproval.

(2) The department, within 30 days from the date the beverage container stewardship organization submits a revised budget, shall approve or disapprove a beverage container stewardship program budget. If the department fails to act or does not disapprove a final program budget within those 30 days, the budget shall be deemed approved.

**42984.22.** (a) The department shall notify the beverage container stewardship organization of the department's costs that are directly related to implementing and enforcing this chapter relating to the beverage container stewardship organization's activities. This may include the direct costs associated with the development of regulations and regulatory structures before submission of the plan required pursuant to Section 42984.13.

(b) On or before July 1, 2024, and once every three months thereafter, and within the fiscal year ending June 30, the beverage container stewardship organization shall reimburse the department for costs the department incurs pursuant to subdivision (a). The reimbursement shall not exceed the department's direct costs to implement and enforce this chapter.

(c) The department shall deposit all moneys submitted for the reimbursement of costs by the beverage container stewardship organization pursuant to this section into the Beverage Container Stewardship Fund, which is hereby created in the State Treasury. Upon appropriation by the Legislature, moneys in the Beverage Container Stewardship Fund shall be expended by the department to administer and enforce this chapter and to reimburse any outstanding loans made from other funds used to finance startup costs of the department's activities pursuant to this chapter. The funds collected pursuant to this section shall not be expended for any other purpose.

#### **Article 4. Beverage Container Stewardship Fee**

**42984.30.** (a) The beverage container stewardship organization shall establish a stewardship fee to be paid by the distributor members of the organization. The organization shall determine rules and procedures that are necessary and proper to implement the collection of the charge in a fair, efficient, and lawful manner.

(b) The beverage container stewardship organization shall deposit the stewardship fee in accounts maintained by the organization. Moneys in the accounts shall be disbursed by the organization to fund the program.

(c) The beverage container stewardship organization may enter into a joint venture, agreements, or contracts with third parties, including, but not limited to, corporations, partnerships, nonprofit entities, and governmental agencies, to undertake activities on the beverage container stewardship organization's behalf that are consistent with this chapter.

#### **Article 5. Records, Audits, and Annual Reports**

**42984.40.** (a) The beverage container stewardship organization shall keep minutes, books, and records that clearly reflect the activities and transactions of the beverage container stewardship organization.

(b) The accounting books of the beverage container stewardship organization shall be audited at the organization's expense by an independent certified public accountant retained by the organization at least once each calendar year.

(c) The beverage container stewardship organization shall arrange for the audit to be delivered to the department with the annual report required pursuant to Section 42984.41. The department shall review the audit for compliance with this chapter and consistency with the plan developed pursuant to this chapter. The department shall notify the beverage container stewardship organization of any compliance issues or inconsistencies. The department shall not disclose any confidential proprietary information in the audit.

(d) The department may conduct its own audit if it determines that an audit is necessary to enforce the requirements of this chapter and that the audit conducted pursuant to subdivision (b) is not adequate for this purpose. The beverage container stewardship organization may obtain copies of the audit upon request. The department shall not disclose any confidential proprietary information in the audit.

**42984.41.** On or before March 1, 2025, and on or before March 1 annually thereafter, the beverage container stewardship organization shall submit to the department and make publicly available on its internet website a report that includes, for the preceding calendar year, all of the following:

(a) The beverage container stewardship organization's costs and revenues.

- (b) The quantity of beverage containers disposed of in solid waste landfills.
- (c) The quantity of beverage containers collected under the plan.
- (d) The quantity of beverage containers collected of each type of material.
- (e) A description of methods used to collect, transport, and process beverage containers in the state and the amount of redeemed empty beverage containers collected, transported, and processed by each method.
- (f) The total volume, number, and weight of collected beverage containers that are redeemed in the state during the preceding calendar year, including any conversion factor used to determine the number of beverage containers recovered.
- (g) A report by the advisory committee established pursuant to Section 42984.10 that includes a summary of the consultative process between the advisory committee and the beverage container stewardship organization relating to the ongoing implementation of the plan, and any other information deemed pertinent by the advisory committee to maximizing the recovery and recycling of empty beverage containers in the state.
- (h) For reports submitted on and after March 1, 2028, a demonstration of good faith effort to comply with the state beverage container recycling goal established pursuant to Section 42984.17.
- (i) Any proposed modifications or revisions to the beverage container stewardship plan, including those required pursuant to Section 42984.13, necessary to achieve the statewide beverage container recycling goal established pursuant to Section 42984.17 or necessary to improve the recycling of empty beverage containers in the state in an environmentally beneficial, economically efficient, and practical manner.
- (j) Other information relevant to compliance with the plan.

**42984.42.** No later than 60 days after the date the department receives the annual report, the department shall notify the beverage container stewardship organization of any deficiencies in the report. No later than 60 days after receiving this notice from the department, the beverage container stewardship organization shall provide additional information, modification, or corrections in response to the department's notification.

**42984.43.** Based on a completed report submitted by the beverage container stewardship organization, the department may provide recommended updates to the plan.

**42984.44.** The beverage container stewardship organization shall develop and maintain a publicly accessible internet website that includes both of the following:

- (a) A searchable database that contains the locations of redemption centers in the state.
- (b) Options available to a consumer to redeem empty beverage containers, by county.

## **Article 6. Enforcement**

**42984.50.** (a) On or before November 1, 2022, and at least annually thereafter, the department shall post on its internet website a list of distributors in the state and shall indicate whether each distributor is in compliance or not in compliance with this chapter.

(b) A distributor that is not listed as in compliance pursuant to this section, but demonstrates compliance with this chapter before the next notice is required to be posted pursuant to this section, may request a certification letter from the department stating the distributor is in compliance. A distributor that receives the letter shall be deemed to be in compliance with this chapter.

(c) (1) A dealer that distributes or sells deposit beverages in beverage containers shall monitor the department's internet website to determine if a distributor is in compliance or not in compliance with this chapter.

(2) A dealer otherwise in compliance with this chapter shall be deemed in compliance with this chapter if, on the date the dealer ordered or purchased a deposit beverage in a beverage container, or within 120 calendar days before or after that date, the distributor was listed as in compliance on the department's internet website.

(d) A dealer may sell or distribute the existing stock of its inventory through sales to the public if the existing stock was purchased when the distributor was in compliance with the requirements of this chapter at the time

when the dealer initially purchased that stock or the dealer ordered or purchased the stock in compliance with this chapter pursuant to paragraph (2) of subdivision (c).

(e) If the department determines a distributor is not in compliance with this chapter, the department shall update the distributor's compliance status on the department's internet website and the distributor shall not offer for sale, sell, or import a deposit beverage in a beverage container in the state until the department determines the distributor is in compliance with this chapter.

**42984.51.** (a) The department may impose an administrative civil penalty on a distributor, the beverage container stewardship organization, or a dealer that is in violation of this chapter. The amount of the administrative civil penalty shall not exceed five hundred dollars (\$500) per day, but, if the violation is intentional, knowing, or reckless, the department may impose an administrative civil penalty of not more than five thousand dollars (\$5,000) per day.

(b) The department shall not impose a penalty on the beverage container stewardship organization pursuant to this section for a failure to comply with this chapter if the organization demonstrates it received false or misleading information from a member of the organization or other party that was the direct cause of its failure to comply.

(c) The department shall deposit all penalties collected pursuant to this section into the Beverage Container Stewardship Penalty Account, which is hereby created in the Beverage Container Stewardship Fund. Upon appropriation by the Legislature, moneys deposited into the Beverage Container Stewardship Penalty Account shall be expended by the department to administer and enforce this chapter.

**42984.52.** Upon a written finding that a distributor, the beverage container stewardship organization, or a dealer has not met a material requirement of this chapter, in addition to any other penalties authorized under this chapter, the department may take any of the following actions, after affording the distributor, beverage container stewardship organization, or dealer a reasonable opportunity to respond to, or rebut, the finding, to ensure compliance with the requirements of this chapter:

(a) If the failure to meet the requirement is by the beverage container stewardship organization, revoke the beverage container stewardship organization's plan approval or require the beverage container stewardship organization to resubmit the plan.

(b) If the failure to meet the requirement is by a distributor, update the distributor's compliance status on the department's internet website, as specified in Section 42984.50.

(c) Require additional reporting requirements relating to compliance with the material requirement identified by the department.

**42984.53.** (a) A distributor, a dealer, and the beverage container stewardship organization shall do both of the following:

(1) Upon request, provide the department with reasonable and timely access, as determined by the department and as authorized pursuant to Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure, to its facilities and operations, as necessary to determine compliance with this chapter.

(2) Upon request, provide the department with relevant records necessary to determine compliance with this chapter.

(b) The records required by this chapter shall be maintained and accessible for three years. All reports and records provided to the department pursuant to this chapter shall be provided under penalty of perjury.

(c) The department may take disciplinary action against a distributor, a dealer, or the beverage container stewardship organization if the distributor, dealer, or beverage container stewardship organization fails to provide the department with the access required pursuant to this section, including, but not limited to, imposing penalties pursuant to Section 42984.51 and posting an immediate notice on the department's internet website pursuant to Section 42984.50 that the distributor is no longer in compliance with this chapter.

*(d) The stewardship organization shall not use the unredeemed refund values retained by the organization pursuant to Section 14586 to pay a civil penalty imposed on the stewardship organization pursuant to the department's enforcement of this chapter or to pay costs associated with litigation between the stewardship organization and the state.*

**Article 7. Antitrust Immunity**

**42984.60.** (a) Except as provided in subdivision (c), an action specified in subdivision (b) that is taken by the beverage container stewardship organization or its members is not a violation of the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), the Unfair Practices Act (Chapter 4 (commencing with Section 17000) of Part 2 of Division 7 of the Business and Professions Code), or the Unfair Competition Law (Chapter 5 (commencing with Section 17200) of Part 2 of Division 7 of the Business and Professions Code).

(b) Subdivision (a) shall apply to all of the following actions taken by the beverage container stewardship organization or distributor:

(1) The development, implementation, or management of a plan approved by the department pursuant to Article 2 (commencing with Section 42984.10).

(2) The cost and structure of an approved plan.

(3) The establishment, administration, collection, or disbursement of the refund values, handling fees, and other proper charges associated with funding the implementation of this chapter.

(c) Subdivision (a) shall not apply to an agreement that does any of the following:

(1) Fixes a price of or for beverage containers, except for an agreement related to costs or charges associated with participation in a plan approved or conditionally approved by the department and otherwise in accordance with this chapter.

(2) Fixes the output or production of beverage containers.

(3) Restricts the geographic area in which, or customers to whom, beverage containers will be sold.

**SEC. 33.** Section 48653 of the Public Resources Code is amended to read:

**48653.** The board shall deposit all amounts paid pursuant to Section 48650 by manufacturers, civil penalties, and fines paid pursuant to this chapter, and all other revenues received pursuant to this chapter, into the California Used Oil Recycling Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the money in the fund is to be appropriated solely as follows:

(a) Continuously appropriated to the board for expenditure for the following purposes:

(1) To pay recycling incentives pursuant to Section 48651.

(2) To provide a reserve for contingencies, as may be available after making other payments required by this section, in an amount not to exceed one million dollars (\$1,000,000).

(3) (A) To make payments for the implementation of local used oil collection programs adopted pursuant to Article 10 (commencing with Section 48690) to cities, based on the city's population, and counties, based on the population of the unincorporated area of the county. Payment shall be determined by multiplying the total annual amount by the fraction equal to the population of cities and counties that are eligible for payments pursuant to Section 48690, divided by the population of the state. The board shall use the latest population estimates of the state generated by the Demographic Research Unit of the Department of Finance in making the calculations required by this paragraph. Notwithstanding subdivision (b) of Section 48656, the total annual amount shall equal eleven million dollars (\$11,000,000), subject to subparagraph (B).

(B) If sufficient funds are not available to initially issue full funding pursuant to subparagraph (A), the board shall provide funding as follows:

(i) For the purposes set forth in this paragraph, one-half of the amount that remains in the fund after the expenditures are made pursuant to paragraphs (1) and (2) and subdivision (b). The board may utilize additional amounts from the fund, up to, but not exceeding, eleven million dollars (\$11,000,000).

(ii) As the board finds is fiscally appropriate, for the purposes set forth in Section 48656. The board shall give priority to the distribution of funding in clause (i) for the purposes of this paragraph.

(C) Pursuant to paragraph (2) of subdivision (d) of Section 48691, it is the intent of this paragraph that at least one million dollars (\$1,000,000) be made available specifically for used oil filter collection and recycling

programs.

(4) To implement Section 48660.5, in an amount not to exceed two hundred thousand dollars (\$200,000) annually.

(5) For expenditures pursuant to Section 48656.

(b) The money in the fund may be expended by the board for the administration of this chapter and by the department for inspections and reports pursuant to Section 48661, only upon appropriation by the Legislature in the annual Budget Act.

(c) (1) Except as provided in paragraph (2), the money in the fund may be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account in the General Fund, upon appropriation by the Legislature in the annual Budget Act, to pay the costs associated with implementing and operating the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program established pursuant to Chapter 2.5 (commencing with Section 48100).

(2) The money in the fund attributable to a charge increase or adjustment made or authorized in an amendment to subdivision (a) of Section 48650 by Chapter 353 of the Statutes of 2009 shall not be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account.

(d) The money in the fund may be expended by the Department of Resources Recycling and Recovery, upon appropriation by the Legislature, pursuant to paragraph (4) of subdivision (a) of, and paragraph (4) of subdivision (b) of, Section 17001.

(e) Appropriations to the board to pay the costs necessary to administer this chapter shall not exceed three million dollars (\$3,000,000) annually.

(f) The Legislature hereby finds and declares its intent that three hundred fifty thousand dollars (\$350,000) should be annually appropriated from the California Used Oil Recycling Fund in the annual Budget Act to the board, commencing with the 2010–11 fiscal year, for the purposes of Section 48655 and to conduct those investigations and enforcement actions necessary to ensure a used oil storage facility or used oil transfer facility causes the used lubricating oil to be transported, as required by subdivision (a) of Section 48651.

(g) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 34.** Section 48653 is added to the Public Resources Code, to read:

**48653.** The board shall deposit all amounts paid pursuant to Section 48650 by manufacturers, civil penalties, and fines paid pursuant to this chapter, and all other revenues received pursuant to this chapter, into the California Used Oil Recycling Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the money in the fund is to be appropriated solely as follows:

(a) Continuously appropriated to the board for expenditure for the following purposes:

(1) To pay recycling incentives pursuant to Section 48651.

(2) To provide a reserve for contingencies, as may be available after making other payments required by this section, in an amount not to exceed one million dollars (\$1,000,000).

(3) (A) To make payments for the implementation of local used oil collection programs adopted pursuant to Article 10 (commencing with Section 48690) to cities, based on the city's population, and counties, based on the population of the unincorporated area of the county. Payment shall be determined by multiplying the total annual amount by the fraction equal to the population of cities and counties that are eligible for payments pursuant to Section 48690, divided by the population of the state. The board shall use the latest population estimates of the state generated by the Demographic Research Unit of the Department of Finance in making the calculations required by this paragraph. Notwithstanding subdivision (b) of Section 48656, the total annual amount shall equal eleven million dollars (\$11,000,000), subject to subparagraph (B).

(B) If sufficient funds are not available to initially issue full funding pursuant to subparagraph (A), the board shall provide funding as follows:

(i) For the purposes set forth in this paragraph, one-half of the amount that remains in the fund after the expenditures are made pursuant to paragraphs (1) and (2) and subdivision (b). The board may utilize additional amounts from the fund, up to, but not exceeding, eleven million dollars (\$11,000,000).

(ii) As the board finds is fiscally appropriate, for the purposes set forth in Section 48656. The board shall give priority to the distribution of funding in clause (i) for the purposes of this paragraph.

(C) Pursuant to paragraph (2) of subdivision (d) of Section 48691, it is the intent of this paragraph that at least one million dollars (\$1,000,000) be made available specifically for used oil filter collection and recycling programs.

(4) To implement Section 48660.5, in an amount not to exceed two hundred thousand dollars (\$200,000) annually.

(5) For expenditures pursuant to Section 48656.

(b) The money in the fund may be expended by the board for the administration of this chapter and by the department for inspections and reports pursuant to Section 48661, only upon appropriation by the Legislature in the annual Budget Act.

(c) (1) Except as provided in paragraph (2), the money in the fund may be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account in the General Fund, upon appropriation by the Legislature in the annual Budget Act, to pay the costs associated with implementing and operating the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program established pursuant to Chapter 2.5 (commencing with Section 48100).

(2) The money in the fund attributable to a charge increase or adjustment made or authorized in an amendment to subdivision (a) of Section 48650 by Chapter 353 of the Statutes of 2009 shall not be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account.

(d) The money in the fund may be expended by the Department of Resources Recycling and Recovery, upon appropriation by the Legislature, pursuant to paragraph (3) of subdivision (a) of Section 17001.

(e) Appropriations to the board to pay the costs necessary to administer this chapter shall not exceed three million dollars (\$3,000,000) annually.

(f) The Legislature hereby finds and declares its intent that three hundred fifty thousand dollars (\$350,000) should be annually appropriated from the California Used Oil Recycling Fund in the annual Budget Act to the board, commencing with the 2010–11 fiscal year, for the purposes of Section 48655 and to conduct those investigations and enforcement actions necessary to ensure a used oil storage facility or used oil transfer facility causes the used lubricating oil to be transported, as required by subdivision (a) of Section 48651.

(g) This section shall become operative on July 1, 2024.

**SEC. 35.** Section 17153.5 of the Revenue and Taxation Code is amended to read:

**17153.5.** Gross income does not include any amount received for empty beverage containers by a consumer from a recycling center or recycling location as the refund value, as defined in Chapter 2 (commencing with Section 14502) of Division 12.1 of the Public Resources Code.

**SEC. 36.** Section 24315 of the Revenue and Taxation Code is amended to read:

**24315.** Gross income does not include any amount received for empty beverage containers by a consumer from a recycling center or recycling location as the refund value, as defined in Chapter 2 (commencing with Section 14502) of Division 12.1 of the Public Resources Code.

**SEC. 37.** The Legislature finds and declares that Section 17 of this act, which adds Division 12.1 (commencing with Section 14500) to the Public Resources Code, and Section 32, which adds Chapter 20.5 (commencing with Section 42984) to Part 3 of Division 30 of the Public Resources Code, do not affect, within the meaning of paragraph (3) of subdivision (b) of Section 3 of Article I of the California Constitution, the right to privacy because the only information protected from disclosure is valuable proprietary business and personal information collected under this act to ensure accurate recycling data for regulatory purposes.

**SEC. 38.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.



