

Date of Hearing: May 19, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1311 (Wood) – As Amended April 7, 2021

Policy Committee: Natural Resources

Vote: 11 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

**SUMMARY:**

This bill expands beverage container redemption opportunities under the California Beverage Container Recycling and Litter Reduction Act (Bottle Bill). Specifically, this bill:

- 1) Requires bag drop recycling centers to pay the cash redemption value (CRV) for containers within three business days, and allows electronic payment.
- 2) Authorizes CalRecycle to certify a recycling center that operates less than 30 hours a week if the center operates in a rural area or if it best serves the needs of the community and the goals of the Bottle BCalill.
- 3) Requires CalRecycle, on or before July 1, 2022, to develop and implement a process, with specified components, for certified recycling centers to apply to operate with an alternative schedule.
- 4) Requires CalRecycle to allow a certified recycling center to operate with an appointment system if the department determines it is warranted due to high customer demand, health and safety or weather.

**FISCAL EFFECT:**

- 1) CalRecycle first year costs of \$1,123,000 to for staff analysts, managers, and legal to process request for alternative schedules, register dealers and combat fraud related to changes in the daily load limits (special fund).
- 2) CalRecycle second year costs of \$1,577,000, which includes first year costs and the additional of 2.5 program analysts; and ongoing annual costs of \$1,570,000 (special fund).

**COMMENTS:**

**Rationale.** The Bottle Bill was established in 1986 to be a self-funded program to encourage consumers to recycle beverage containers and to prevent littering. The program accomplishes this goal by requiring consumers to pay a deposit for each eligible container purchased. The program guarantees consumers repayment of that deposit, the cash redemption value (CRV), for each eligible container returned to a certified recycler. Statute includes two main goals for the program: (1) reducing litter; and, (2) achieving a recycling rate of 80% for eligible containers.

Containers recycled through the Bottle Bill's certified recycling centers also provide a consistent, clean, uncontaminated stream of recycled materials with minimal processing.

This bill addresses statutory barriers to providing redemption opportunities, especially in rural areas. The intent is to create new opportunities for consumers to redeem their CRV and preserve the core functions of the program.

Bag drop recycling programs allow consumers to use specific bags with a unique label to collect their empty beverage containers and drop off the bag when it's full at a bag drop recycling center. The bags are then collected by the operator, counted or weighed and the redemption value is returned to the consumer electronically. The Bottle Bill does not currently allow for bag drop programs. This bill updates the program to allow bag drop programs..

Certified recycling centers are open for a minimum of 30 hours per week, including at least five hours outside of 9:00 a.m.to 5:00 p.m. Many smaller, especially family-owned centers, do not need to be open for a full 30 hours per week. Additionally, centers are unable to close for any reason, including for illness or vacation, without risking decertification. This bill authorizes CalRecycle to allow alternative schedules based on criteria it develops, taking into consideration providing flexibility for small and family-owned centers.

Many certified recycling centers closed when the state shut down due to the pandemic. In Humboldt County, the closures resulted in only one center remaining open to serve the entire county. This resulted in excessively long lines and crowds that made it impossible to ensure social distancing to protect the health of employees and the public. As a result, the only remaining center also closed its doors. This bill authorizes CalRecycle to allow certified recycling centers to operate using an appointment system through July 1, 2022, to prevent overcrowding while allowing consumers to redeem the containers they accumulated while redemption centers were closed.

Currently, dealers that redeem beverage containers from consumers can recoup the CRV if they take the containers to a certified recycler. However, they are subject to the state's daily load limits of 100 pounds of plastic or aluminum and 1,000 pounds of glass. This bill exempts dealers from the daily load limits to ensure they can be reimbursed for the CRV paid to consumers.