

**Introduced by Senator Wieckowski**

December 7, 2020

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An act to amend Sections 14571 and 14571.6 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, and to repeal and add Division 12.1 (commencing with Section 14500) of, the Public Resources Code, relating to solid waste.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 38, as introduced, 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 beverage manufacturers 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 beverage manufacturer 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. The act provides that a recycling center that is a

reverse vending machine that accepts all types of empty beverage containers, except as specified, is open for business if it provides an attendant to accept all types of empty beverage containers for no less than 10 hours per week, as provided, and is operable and properly functioning for no less than 70 hours per week.

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 would repeal the requirement that a reverse vending machine provide an attendant and would instead require that a reverse vending machine is operational and functioning properly for no less than the nearest dealer's operating hours in order to be considered open for business.

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 aggregate 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.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known, and may be cited, as the  
2 California Opportunity to Recycle Act of 2021.

3 SEC. 2. Division 12.1 (commencing with Section 14500) is  
4 added to the Public Resources Code, to read:

5

6 DIVISION 12.1. BEVERAGE CONTAINER RECYCLING

7

8 CHAPTER 1. GENERAL PROVISIONS

9

10 14500. This division shall be known, and may be cited, as the  
11 Beverage Container Recycling Program.

12 14501. This division does not apply to a beverage container  
13 that is sold and delivered to a railroad, sleeping car, or steamship  
14 company, or common carrier operating vessels, as defined in  
15 Section 238 of the Public Utilities Code, operating under a  
16 certificate of public convenience and necessity, or an air common  
17 carrier, for use and consumption on trains, vessels, or airplanes.

18 14501.4. This division is a matter of statewide interest and  
19 concern and is applicable uniformly throughout the state.  
20 Accordingly, this division and Chapter 20.5 (commencing with  
21 Section 42984) of Part 3 of Division 30 occupy the whole field of  
22 regulation of redemption-related refund values, deposits, and  
23 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 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), “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 (5) 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) “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) “Beverage” does not include any of the following:

(1) A product sold in a container that is not an aluminum beverage container, a glass beverage container, a plastic beverage container, a bimetal container, or a container made of a combination of those materials.

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

(3) Distilled spirits.

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

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

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

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

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

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

20 14505. “Beverage container” means the individual, separate  
21 bottle, can, jar, carton, or other receptacle, however denominated,  
22 in which a beverage is sold, and that is constructed of metal, glass,  
23 or plastic, or other material, or any combination of these materials.  
24 “Beverage container” does not include cups or other similar open  
25 or loosely sealed receptacles.

26 14505.1. “Beverage container stewardship organization” or  
27 “organization” has the same meaning as defined in Section  
28 42984.06.

29 14505.2. “Beverage container stewardship plan” has the same  
30 meaning as defined in Section 42984.06.

31 14506. “Beverage manufacturer” means a person who bottles,  
32 cans, or otherwise fills beverage containers, or imports filled  
33 beverage containers, for sale to distributors, dealers, or consumers.

34 14506.3. “Bimetal container” means a beverage container that  
35 consists of one or more metals and that is composed primarily of  
36 steel.

37 14507.5. (a) “Community conservation corps” means a  
38 nonprofit public benefit corporation formed or operating pursuant  
39 to Part 2 (commencing with Section 5110) of Division 2 of Title  
40 1 of the Corporations Code, or an agency operated by a city,

1 county, or city and county, that is certified by the California  
2 Conservation Corps as meeting all of the following criteria:

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

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

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

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

29 (5) The community conservation corps consists of an average  
30 annual enrollment of not less than 50 corpsmembers from 18 to  
31 25 years of age, inclusive.

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

37 14508. "Consumer" means a person who, for their use or  
38 consumption, purchases a beverage in a beverage container from  
39 a dealer. "Consumer" includes, but is not limited to, a lodging,  
40 eating, or drinking establishment, and soft drink vending machines.

1 14509. “Container manufacturer” means a person who produces  
2 beverage containers for filling by beverage manufacturers,  
3 including a person who imports beverage containers from outside  
4 of the state for filling by beverage manufacturers.

5 14509.3. “Cullet” means scrap glass that is derived from  
6 postfilled food, drink, or beverage container glass produced or  
7 imported for sale in the state.

8 14510. “Dealer” means a retail establishment or online retailer  
9 that offers the sale of beverages in beverage containers to  
10 consumers. However, any lodging, eating, or drinking  
11 establishment or soft drink vending machine operator that engages  
12 in the sale of beverages in beverage containers to consumers shall  
13 not be deemed a dealer for purposes of this division, except that  
14 these sales are subject to Section 14560.

15 14510.5. “Department” means the Division of Recycling in  
16 the Department of Resources Recycling and Recovery.

17 14510.6. “Director” means the Director of Resources Recycling  
18 and Recovery.

19 14510.7. “Distilled spirit” means an alcoholic beverage that is  
20 obtained by distillation from wine or other fermented fruit or plant  
21 juice or from a starchy material that has first been brewed.

22 14511. “Distributor” means a person who engages in the sale  
23 of beverages in beverage containers to a dealer in the state,  
24 including a manufacturer who engages in these sales. “Distributor”  
25 includes a person who imports beverages from outside of the state  
26 for sale to dealers or consumers in the state.

27 14511.5. “Drink” means fruit juice or any other noncarbonated  
28 drink.

29 14511.7. “Dropoff or collection program” means a person,  
30 association, nonprofit corporation, church, club, or other  
31 organization that is certified by the beverage container stewardship  
32 organization and that accepts or collects empty beverage containers  
33 from consumers with the intention to recycle them, or any waste  
34 reduction facility that separates beverage containers from the waste  
35 stream with the intent to recycle them. “Dropoff or collection  
36 program” does not include a redemption center.

37 14512. “Empty beverage container” means a beverage container  
38 that meets all of the following requirements:

39 (a) Has the seal or closure installed by the manufacturer broken  
40 or removed.

1 (b) Does not contain foreign materials other than the residue of  
2 the beverage originally packaged in the beverage container by the  
3 manufacturer.

4 (c) Bears the message and barcode required by Section 14561,  
5 or is a refillable beverage container.

6 (d) Has a refund value established pursuant to Section 14560.

7 14512.5. “Food or drink packaging material” means any  
8 material that is not a beverage container in which a food or drink  
9 is sold in a retail establishment and the food or drink is not intended  
10 for consumption on the seller’s premises.

11 14512.7. “Fund” means the Beverage Container Recycling  
12 Program Fund created pursuant to subdivision (a) of Section 14580.

13 14513. “Glass beverage container” means a beverage container  
14 that has a body consisting primarily of glass.

15 14513.2. (a) “Glass container manufacturer” means a person  
16 who manufactures commercial containers with a principal  
17 component part or parts consisting of virgin glass, postfilled glass,  
18 or any combination of that glass, for sale in the state or for export  
19 to other states or countries.

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

28 14513.3. “Glass food or drink container” means a nonbeverage  
29 container with a principal component part or parts consisting of  
30 virgin glass, postfilled glass, or any combination of that glass, in  
31 which food or drink is sold or offered for sale in the state.

32 14513.4. “Handling fee” means the amount paid by the  
33 beverage container stewardship organization to a redemption center  
34 for every beverage container redeemed by that redemption center.

35 14514. “Managing employee” includes, but is not limited to,  
36 a person who manages the operation of a facility or is authorized  
37 by the certified operator to sign shipping reports.

38 14514.5. “Noncertified recycler” means a person, entity, or  
39 operation that is not certified and that purchases empty beverage  
40 containers from consumers or from dropoff or collection programs.

1 14515. “Other beverage container” means a beverage container  
2 that has a body consisting of metal, glass, plastic, other materials,  
3 or a combination of these, but that is not an aluminum, bimetal,  
4 glass, or plastic beverage container.

5 14515.1. “Out-of-state container” means a used beverage  
6 container or used beverage container component that is not subject  
7 to Section 14560, and that is brought into the state.

8 14515.2. “Person” means an individual, corporation, operation,  
9 or entity, whether or not certified or registered pursuant to this  
10 division.

11 14517. “Plastic beverage container” means a beverage container  
12 that has a body consisting primarily of plastic.

13 14517.5. “Postfilled container” means a container that had  
14 been previously filled with a beverage or food.

15 14518. “Processor” means a person, including a scrap dealer,  
16 certified by the beverage container stewardship organization who  
17 purchases empty aluminum beverage containers, bimetal beverage  
18 containers, glass beverage containers, plastic beverage containers,  
19 or any other beverage containers, including any one or more of  
20 those types of beverage containers, that have a refund value  
21 established pursuant to this division, from redemption centers in  
22 the state for redemption, and who cancels, or who certifies to the  
23 department in a form prescribed by the department the cancellation  
24 of, the refund value of these empty beverage containers by  
25 processing empty beverage containers, in any manner that the  
26 department may prescribe. However, the department shall not take  
27 any action regulating scrap dealers or redemption centers who are  
28 processors unless authorized by and pursuant to the goals of this  
29 division.

30 14519. “Recycle,” “recycled,” “recycling,” or “recyclable”  
31 refers to the reuse or refilling of empty beverage containers, or the  
32 process of sorting, cleansing, treating, and reconstituting empty  
33 postfilled beverage containers for the purpose of using the altered  
34 form. “Recycle,” “recycled,” “recycling,” or “recyclable” does not  
35 refer to processes for merely sorting, shredding, stripping,  
36 compressing, storing, landfilling with, or disposing of an empty  
37 beverage container.

38 14520. “Recycler” means a redemption center or dropoff or  
39 collection program.

1 14521. To “redeem” means to return to a redemption center  
2 an empty beverage container for a refund value, and “redemption”  
3 is the act of redeeming.

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

10 14523. “Redemption rate” means the proportion of empty  
11 beverage containers measured in the manner prescribed in Section  
12 14551.

13 14524. “Refillable beverage container” means an aluminum  
14 beverage container, bimetal beverage container, glass beverage  
15 container, plastic beverage container, or other beverage container,  
16 holding 150 fluid ounces or less of beverage, that has a minimum  
17 deposit of three cents (\$0.03) and that ordinarily would be returned  
18 to the manufacturer to be refilled and resold.

19 14525. “Refund value” means the amount established for each  
20 type of beverage container pursuant to Section 14560 that is paid  
21 by the following:

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

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

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

37 14525.5. “Reverse vending machine” means an automated  
38 device that does both of the following:

1 (a) Uses a laser scanner, microprocessor, or other technology  
2 to accurately recognize the barcode on beverage containers to  
3 determine if the beverage container is redeemable.

4 (b) Accumulates information regarding beverage containers  
5 redeemed, including the number of beverage containers redeemed,  
6 thereby enabling the reverse vending machine to accept beverage  
7 containers from redeemers and immediately issue a receipt or  
8 online payment for the refund value of the beverage containers.

9 14525.6. “Rural region” means a nonurban area identified by  
10 the department on an annual basis using the loan eligibility criteria  
11 of the Rural Housing Service of the United States Department of  
12 Agriculture, Rural Development, or its successor agency. Those  
13 criteria include, but are not limited to, places, open country, cities,  
14 towns, or census designated places with populations that are less  
15 than 10,000 persons. The department may designate an area with  
16 a population of between 10,000 and 50,000 persons as a rural  
17 region, unless the area is identified as part of, or associated with,  
18 an urban area, as determined by the department on an individual  
19 basis.

20 14525.7. “Rural region recycler” means a recycler that is  
21 certified for a rural region and that accepts or collects empty  
22 beverage containers from consumers pursuant to Section 14570.2  
23 with the intention to recycle them.

24 14526. “Scrap value” means the value of the material that an  
25 empty beverage container is composed of.

26 14527. “Use or consumption” includes the exercise of any right  
27 or power over a beverage incidental to the beverage’s ownership,  
28 including, but not limited to, drinking the beverage. “Use or  
29 consumption” does not include the sale, or the keeping or retention,  
30 of a beverage for purposes of sale.

31 14528.5. “Wine and distilled spirit cooler” means a beverage  
32 containing wine or distilled spirits to which is added concentrated  
33 or unconcentrated juice or flavoring material and containing not  
34 more than 7 percent alcohol by volume.

35  
36 CHAPTER 3. ADMINISTRATION  
37

38 14530. (a) This division shall be administered by the  
39 department and the beverage container stewardship organization,  
40 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.

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

1 quarantine officers and supervisors of the Department of Food and  
2 Agriculture shall collect, compile, and report information requested  
3 by the department pursuant to this subdivision. Recovery of costs  
4 incurred by the Department of Food and Agriculture shall be  
5 accomplished through an interagency agreement with the  
6 department.

7 14536.7. For purposes of Section 12024.13 of the Business  
8 and Professions Code, the department shall notify the Department  
9 of Food and Agriculture of any changes to this division, or  
10 regulations issued pursuant to this division, that affect refund values  
11 or the responsibilities of a dealer.

12  
13 CHAPTER 3.5. CERTIFICATIONS AND REGISTRATIONS  
14

15 14538. (a) (1) The beverage container stewardship  
16 organization shall certify an operator of a redemption center  
17 pursuant to this section.

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

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

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

38 (2) If one or more certified entities have operated at the same  
39 location within the past five years, the operations at the location  
40 of the redemption center exhibit, to the satisfaction of the beverage

1 container stewardship organization, a pattern of operation in  
2 compliance with the requirements of this division and regulations  
3 adopted pursuant to this division.

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

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

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

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

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

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

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

38 (3) Unless exempted pursuant to subdivision (b) of Section  
39 14570.2, a redemption center shall accept, and immediately pay

1 the refund value for, all empty beverage containers, regardless of  
2 type.

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

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

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

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

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

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

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

28 14539. (a) (1) The beverage container stewardship  
29 organization shall certify processors pursuant to this section.

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

38 (b) The beverage container stewardship organization shall adopt  
39 requirements and standards for certification. The standards, in

1 addition to any other appropriate provisions, shall require that all  
2 of the following conditions be met for certification:

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

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

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

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

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

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

34 (1) Unless exempted pursuant to subdivision (b) of Section  
35 14570.2, a processor shall accept all empty beverage containers,  
36 regardless of type, for which the processor is certified.

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

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

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

7 (B) Processor reports regarding empty beverage containers  
8 received.

9 (C) Cancellation verification documents.

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

12 (E) Processor-to-processor transaction receipts.

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

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

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

19 (I) Weight tickets.

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

26 14539.1. (a) A beverage manufacturer shall register all of its  
27 products and labels with the beverage container stewardship  
28 organization.

29 (b) Using the information submitted pursuant to subdivision  
30 (a), the beverage container stewardship organization shall create  
31 a statewide beverage container clearinghouse.

32 14539.5. (a) The beverage container stewardship organization  
33 shall certify dropoff and collection programs pursuant to this  
34 section. The beverage container stewardship organization shall  
35 adopt requirements and standards for certification, and a dropoff  
36 or collection program shall meet all of the standards and  
37 requirements for certification. The standards shall require that all  
38 information be submitted to the beverage container stewardship  
39 organization under penalty of perjury. The standards shall require,  
40 in addition to any other conditions that may be imposed by the

1 beverage container stewardship organization, that both of the  
2 following conditions be met for certification:

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

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

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

19 14540. The beverage container stewardship organization may  
20 review and verify all applications for certification of redemption  
21 centers and processors, and may conduct a comprehensive field  
22 investigation of any applicant in any manner that the beverage  
23 container stewardship organization deems necessary to promote  
24 the purposes of this division. This division does not prohibit the  
25 certification of the same location or entity as both a processor and  
26 a redemption center.

27 14541. (a) The beverage container stewardship organization  
28 may issue a certificate pursuant to an initial or renewal application  
29 for certification as probationary, and the beverage container  
30 stewardship organization may issue any other certificate as  
31 probationary pursuant to an enforcement action.

32 (b) A probationary certificate issued pursuant to this section  
33 shall be issued for a limited period of not more than two years.  
34 Before the end of the probationary period, the beverage container  
35 stewardship organization shall issue a nonprobationary certificate,  
36 extend the probationary period for not more than one year, or, after  
37 notice to the probationary certificate holder, revoke the  
38 probationary certificate. Subsequent to the revocation, the former  
39 probationary certificate holder may request a hearing, which shall

1 be conducted in the same form as a hearing for an applicant whose  
2 original application for certification is denied.

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

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

19 14541.2. The beverage container stewardship organization may  
20 charge a fee for a certification, or renewal thereof, issued pursuant  
21 to this chapter. The fee shall not exceed the reasonable costs of  
22 the beverage container stewardship organization to certify, register,  
23 or renew the certification or registration.

24 14541.4. Any certification or registration granted under this  
25 chapter is a privilege and not a vested right or interest.

#### 26 27 CHAPTER 4. REPORTING 28

29 14550. (a) (1) A processor shall report to the department for  
30 each month the amount of empty beverage containers, by material  
31 type and weight of container or material, excluding refillable  
32 beverage containers, received from a recycler. A processor shall  
33 also report to the department for each month the amount of other  
34 postfilled aluminum, glass, and plastic food and drink packaging  
35 materials sold filled to consumers in the state and returned for  
36 redemption.

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

(b) A distributor who sells or offers for sale in the state beverages in aluminum beverage containers, nonaluminum metal beverage containers, glass beverage containers, plastic beverage containers, or other beverage containers, including refillable beverage containers of these types, 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.

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

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

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

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

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

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

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

24 (j) Any other information specified by the director.

25 14551. (a) The department shall establish reporting periods  
26 for the reporting of redemption rates. Each reporting period shall  
27 be six months. The department shall determine all of the following  
28 for each reporting period and shall issue a report on its  
29 determinations, within 130 days of the end of each reporting period:

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

34 (2) The redemption of empty aluminum beverage containers,  
35 bimetal beverage containers, glass beverage containers, plastic  
36 beverage containers, and other beverage containers in the state,  
37 including refillable beverage containers returned to distributors  
38 pursuant to Section 14570.3. These numbers shall be calculated  
39 using the average current weights of beverage containers, as  
40 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.

1 14551.4. The department shall make available the information  
2 collected pursuant to subdivision (a) of Section 14551 concerning  
3 the volumes of materials collected from redemption centers only  
4 to a governmental agency that requests the information, including  
5 a city or county, or an entity specifically designated by the city or  
6 county to receive the information if the entity requests the  
7 information, if all of the following conditions are met:

8 (a) The request is made in writing.

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

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

22 14551.5. (a) On or before March 1 of each year, a manufacturer  
23 of a beverage sold in a plastic beverage container subject to the  
24 refund value shall report to the department the amount of virgin  
25 plastic and postconsumer recycled plastic used by the manufacturer  
26 for plastic beverage containers subject to the refund value for sale  
27 in the state in the previous calendar year. The manufacturer shall  
28 submit this information to the department under penalty of perjury.

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

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

33 14551.6. A glass container manufacturer shall report to the  
34 department each month, by a method as determined by the  
35 department, the amount of total tons of new glass food, drink, and  
36 beverage containers made in the state by that glass container  
37 manufacturer and the tons of California postfilled glass used in  
38 the manufacturing of those new containers.

1 14552. (a) The department shall establish and implement an  
2 auditing system to ensure that the information collected complies  
3 with the purposes of this division.

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

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

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

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

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

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

38 14553. (a) Except as provided in subdivision (b), all reports,  
39 claims, and other information required pursuant to this division  
40 and submitted to the department shall be complete, legible, and

1 accurate, as determined by the department by regulation, and shall  
2 be signed by an officer, director, managing employee, or owner  
3 of the redemption center, processor, distributor, beverage  
4 manufacturer, container manufacturer, or other entity.

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

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

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

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

20 14554. The department shall establish procedures to protect  
21 any privileged, confidential, commercial, or financial information  
22 obtained while collecting information for carrying out the  
23 requirements of this division. Any privileged, confidential,  
24 commercial, or financial information obtained in confidence by  
25 the department is not a public record for purposes of Chapter 3.5  
26 (commencing with Section 6250) of Division 7 of Title 1 of the  
27 Government Code.

28 14556. (a) The department shall annually provide to the  
29 Legislature, pursuant to subdivision (b), at least the following  
30 information, based on information provided by the beverage  
31 container stewardship organization, if applicable, for the current  
32 fiscal year and budget year:

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

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

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

39 (4) Projected sales, which include all actual data available since  
40 the last reporting period, by beverage container material type and

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

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

12  
13 CHAPTER 5. MINIMUM REFUND VALUE AND LABELING  
14

15 14560. (a) Except as provided in subdivision (b), a beverage  
16 container with a capacity under 24 fluid ounces sold or offered for  
17 sale in the state shall have a refund value of not less than five cents  
18 (\$0.05). A beverage container with a capacity of 24 fluid ounces  
19 or more shall have a refund value of not less than ten cents (\$0.10).

20 (b) (1) If the department determines that, in calendar year 2025,  
21 the aggregate redemption rate for all beverage containers subject  
22 to this chapter is less than 90 percent, all beverage containers  
23 subject to subdivision (a) shall have a refund value of not less than  
24 ten cents (\$0.10) commencing January 1, 2027.

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

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

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

38 14560.5. (a) In accordance with the methodology established  
39 pursuant to Section 42984.13, a dealer shall forward to the  
40 distributor any refund values for beverage containers filled with

1 a beverage sold by the distributor to the dealer, and the distributor  
2 shall forward those moneys to the beverage container stewardship  
3 organization.

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

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

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

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

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

22 (2) For purposes of paragraph (1), the refund value shall be  
23 identified by one of the following descriptive terms: "California  
24 Redemption Value," "CA Redemption Value," "California Refund  
25 Value," "CA Refund Value," "CRV," "California Cash Refund,"  
26 "CA Cash Refund," or any other message specified in Section  
27 14561.

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

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

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

37 14561. (a) A beverage manufacturer shall clearly indicate on  
38 all beverage containers sold or offered for sale by that beverage  
39 manufacturer in the state the message "CA Redemption Value,"  
40 "California Redemption Value," "California Refund Value," "CA

1 Refund Value,” “CA Cash Refund,” “California Cash Refund,”  
2 or “CA CRV,” by either printing or embossing the beverage  
3 container or by securely affixing a clear and prominent stamp,  
4 label, or other device to the beverage container.

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

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

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

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

## 21 CHAPTER 6. REDEMPTION

22  
23  
24 14570. Unless otherwise specified by this chapter, the methods  
25 and processes for the redemption of empty beverage containers  
26 described in the beverage container stewardship plan developed  
27 under Section 42984.13 shall apply.

28 14570.1. A dealer shall post the toll-free telephone number  
29 and internet website established by the department for the purpose  
30 of disseminating information regarding beverage container  
31 redemption opportunities.

32 14570.2. (a) (1) Except as provided in subdivision (b), a  
33 redemption center shall accept from a consumer or dropoff or  
34 collection program any empty beverage container, and shall  
35 immediately pay to the consumer or dropoff or collection program  
36 the refund value of the beverage container.

37 (2) A redemption center shall immediately pay the refund value  
38 on a per-container basis of the total number of returned containers.

39 (b) A redemption center or processor that was in existence on  
40 January 1, 1986, and that refused, as of January 1, 1986, to accept

1 at a particular location a certain type of empty beverage container  
2 may continue to refuse to accept at the location the type or types  
3 of empty beverage containers that the redemption center or  
4 processor refused to accept as of January 1, 1986.

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

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

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

13 14570.3. A redemption center, other than a reverse vending  
14 machine, shall accept from any consumer or any dropoff or  
15 collection program and pay the applicable deposit for any refillable  
16 empty beer and other malt beverage container. The redemption  
17 center shall return, or cause to be returned, the refillable beer and  
18 other malt beverage container to the beer and other malt beverage  
19 distributor or any willing purchaser, who shall then pay the deposit  
20 to the redemption center. The beer and other malt beverage  
21 distributor or other purchaser shall also negotiate an incentive  
22 payment with the redemption center for the return of these  
23 containers.

24 14570.4. A processor shall make a payment to a redemption  
25 center or dropoff or collection program, for all types of empty  
26 beverage containers, by type of beverage container, received by  
27 the processor from the redemption center or dropoff or collection  
28 program, upon receipt by the processor of a shipping report from  
29 the supplier of the material, in a form and an amount determined  
30 in accordance with the methodology established under Section  
31 42984.13.

32 14570.6. A dropoff or collection program shall not pay any  
33 refund value to the consumer.

34 14570.7. (a) A dealer with an annual volume of sales of  
35 grocery goods of one million dollars (\$1,000,000) or more shall  
36 accept all empty beverage containers for payment of the refund  
37 value.

38 (b) Notwithstanding subdivision (a), a dealer with an annual  
39 volume of sales of grocery goods between one million dollars  
40 (\$1,000,000) and four million dollars (\$4,000,000), inclusive, may

1 limit the amount of empty beverage containers accepted to 24  
2 empty beverage containers per person per day.

3 (c) A dealer shall accept empty beverage containers for  
4 immediate payment of the refund value either inside the store or  
5 at the premises through a reverse vending machine, a manual  
6 collection process, or another process authorized by the beverage  
7 container stewardship organization.

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

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

13 14571.8. A lease entered into by a dealer after January 1, 1987,  
14 shall not contain a leasehold restriction that prohibits or results in  
15 the prohibition of the establishment of a redemption center.

16 14572. (a) The department shall supply all processors with a  
17 standardized rejection form that shall include, but not be limited  
18 to, the names of the parties rejecting the postfilled beverage  
19 container material, the date of the rejections, the reasons for the  
20 rejections, the amount of rejected material, and a detailed  
21 accounting of the steps taken by the processor and container  
22 manufacturer to avert landfilling or disposal of the material, as  
23 required by subdivision (c) of Section 14573.

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

35 (c) If a processor has made a good faith effort, as determined  
36 by the department, to locate a willing purchaser and is unsuccessful,  
37 the processor may fill out the standardized rejection form specified  
38 in subdivision (a) and submit it to the department. The processor  
39 rejection form shall include, but is not limited to, the name of the  
40 processor, the container manufacturers, and other potential

1 purchasers contacted, a detailed accounting of the methods used  
2 to contact the potential buyers, the date of the rejections, the  
3 reasons given for the rejections, the amount of postfilled beverage  
4 container material rejected, and any other steps taken to avert  
5 landfilling or disposal of the material.

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

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

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

25 14573. (a) (1) A processor seeking to dispose of rejected  
26 postfilled containers shall not dispose of rejected postfilled  
27 containers unless the processor first submits to the department, in  
28 writing, a request to dispose of the rejected material. A processor  
29 shall not dispose of the rejected material before obtaining written  
30 permission from the department, except that if the department fails  
31 to respond to a written request to dispose of rejected postfilled  
32 beverage container materials within 10 days of receipt of the  
33 request, the processor's request for disposal shall be deemed  
34 approved by the department.

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

38 (b) All rejected loads of postfilled containers shall be made  
39 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 FOR GLASS  
BEVERAGE CONTAINER MANUFACTURING

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.

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.

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

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

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

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

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

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

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

19 (2) If the money obtained or withheld pursuant to paragraph (1)  
20 exceeds nine hundred fifty dollars (\$950), a person convicted of  
21 a crime pursuant to paragraph (1) is subject to punishment by  
22 imprisonment in a county jail for not more than one year, by a fine  
23 not exceeding ten thousand dollars (\$10,000), or by both that fine  
24 and imprisonment, or by imprisonment pursuant to subdivision  
25 (h) of Section 1170 of the Penal Code for 16 months, two years,  
26 or three years, by a fine not exceeding twenty-five thousand dollars  
27 (\$25,000) or twice the late or unmade payments plus interest,  
28 whichever is greater, or by both that fine and imprisonment. If the  
29 money obtained or withheld pursuant to paragraph (1) equals, or  
30 is less than, nine hundred fifty dollars (\$950), the person is subject  
31 to punishment by imprisonment in a county jail for not more than  
32 six months, by a fine not exceeding one thousand dollars (\$1,000),  
33 or by both that fine and imprisonment.

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

38 14591.1. (a) (1) The department may assess a civil penalty  
39 upon a person who violates this division in an amount greater than  
40 one thousand dollars (\$1,000) pursuant to this division and any

1 regulations adopted pursuant to this division only after notice and  
2 hearing in accordance with Chapter 5 (commencing with Section  
3 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

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

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

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

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

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

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

34 14591.2. (a) The department may take disciplinary action  
35 against any party responsible for directing, contributing to,  
36 participating in, or otherwise influencing the operations of an entity  
37 certified under this division. A responsible party includes, but is  
38 not limited to, the certificate holder, registrant, officer, director,  
39 or managing employee. Except as otherwise provided in this  
40 division, the department shall provide notice and hearing in

1 accordance with Chapter 5 (commencing with Section 11500) of  
2 Part 1 of Division 3 of Title 2 of the Government Code before  
3 taking any disciplinary action against a certificate holder.

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

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

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

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

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

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

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

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

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

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

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

38 (6) Suspension for a specified period of time or permanent  
39 revocation of eligibility of a rural region recycler to receive

1 handling fees at one or more of the certificate holder's redemption  
2 centers.

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

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

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

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

21 14591.3. In any civil or administrative action brought pursuant  
22 to this division in which the department prevails, the department  
23 may assess against the defendant or respondent any costs and fees,  
24 including attorney's and expert's fees, and the cost of the  
25 investigation and hearing, that are a result of bringing the civil or  
26 administrative action against the defendant or respondent. In the  
27 same action, the defendant or respondent may claim from the  
28 department any costs and fees incurred in defending or responding  
29 to any action brought by the department in which the defendant  
30 or respondent prevails, upon a finding that the department's action  
31 was clearly frivolous or lacking in significant merit.

32 14591.5. After the time for judicial review under Section 11523  
33 of the Government Code has expired, the department may apply  
34 to the small claims court or superior court, depending on the  
35 jurisdictional amount and any other remedy sought, in the county  
36 where the penalties or other remedy was imposed by the  
37 department, for a judgment to collect any unpaid civil penalties or  
38 to enforce any other remedy provided by this division. The  
39 application, which shall include a certified copy of the final agency  
40 order or decision, shall constitute a sufficient showing to warrant

1 the issuance of the judgment. The court clerk shall enter the  
2 judgment immediately in conformity with the application. The  
3 judgment so entered shall have the same force and effect as, and  
4 shall be subject to all the laws relating to, a judgment in a civil  
5 action, and may be enforced in the same manner as any other  
6 judgment of the court. The court shall make enforcement of the  
7 judgment a priority.

8 14591.6. (a) When a person is engaged in redemption activity  
9 that violates this division, any regulation adopted pursuant to this  
10 division, or an order issued under this division, the department  
11 may issue an order to that person to cease and desist from that  
12 activity.

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

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

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

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

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

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

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

22  
23 CHAPTER 8.5. REPORTING REQUIREMENTS AND PAYMENT  
24 PROHIBITIONS RELATED TO OUT-OF-STATE AND OTHER INELIGIBLE  
25 CONTAINERS  
26

27 14595. (a) The Legislature finds and declares that the  
28 redemption of beverage container material imported from out of  
29 state, previously redeemed containers, rejected containers, and  
30 line breakage presents a significant threat to the integrity of the  
31 Beverage Container Recycling Program. It is therefore the intent  
32 of the Legislature that no refund value or other redemption program  
33 payments be paid to any person for this material. It is further the  
34 intent of the Legislature that any person participating in conduct  
35 intended to defraud the Beverage Container Recycling Program  
36 be held accountable for that conduct.

37 (b) The beverage container stewardship organization shall  
38 annually submit to the department a plan for ensuring compliance  
39 with this chapter.

1 14595.4. For purposes of this chapter, “refund value” means,  
2 in addition to the definition in Section 14525, any payment by a  
3 recycler for beverage container material that is at least 15 percent  
4 more than the statewide average scrap value for that material type.

5 14595.5. (a) A person shall not pay, claim, or receive any  
6 refund value or handling fee for either of the following:

7 (1) Beverage container material that the person knew, or should  
8 have known, was imported from out of state.

9 (2) A previously redeemed container, rejected container, line  
10 breakage, or other ineligible material.

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

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

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

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

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

25 14596. (a) A person importing more than 25 pounds of empty  
26 aluminum, bimetal, or plastic beverage container material, or more  
27 than 250 pounds of empty glass beverage container material, into  
28 the state, shall report the material to the department and provide  
29 the department with all of the following:

30 (1) Documentation on the source of the material.

31 (2) Documentation on the destination of the material.

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

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

37 (b) (1) (A) In addition to inspections required by the regulations  
38 adopted by the department pursuant to subdivision (a), a vehicle  
39 entering the state that contains more than 25 pounds of empty  
40 beverage container material shall pass through the nearest plant

1 quarantine inspection station maintained pursuant to Section 5341  
2 of the Food and Agricultural Code, and shall obtain proof of  
3 inspection from the department.

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

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

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

12 (B) Willfully avoids a plant quarantine inspection station.

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

18 (c) The department may impose civil penalties pursuant to  
19 Section 14591.1 or take disciplinary action pursuant to Section  
20 14591.2 for a violation of this section.

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

26 14597. (a) A person shall not falsify documents required  
27 pursuant to this division or pursuant to regulations adopted by the  
28 department. The falsification of these documents is evidence of  
29 intent to defraud and, for purposes of subdivision (b) of Section  
30 14591.1, constitutes intentional misconduct. The department may  
31 also take disciplinary action pursuant to Section 14591.2 against  
32 a person who engages in falsification including, but not limited  
33 to, revocation of a certificate or registration.

34 (b) A person shall not submit, or cause to be submitted, a  
35 fraudulent claim pursuant to this division. For purposes of this  
36 subdivision, a fraudulent claim is a claim based in whole or in part  
37 on false information or falsified documents. A person who submits  
38 a fraudulent claim is subject to the assessment of penalties pursuant  
39 to subdivision (b) of Section 14591.1. The department may take

1 disciplinary action pursuant to Section 14591.2, including, but not  
2 limited to, revocation of a certificate or registration.

3  
4 CHAPTER 9. MISCELLANEOUS PROVISIONS  
5

6 14600. Corporations, companies, or individuals may apply for  
7 loan and grant funds from the Energy Technologies Research,  
8 Development, and Demonstration Account specified in Section  
9 25226 by applying to the State Energy Resources Conservation  
10 and Development Commission for the purpose of demonstrating  
11 equipment for enhancing redemption opportunities.  
12

13 CHAPTER 10. OPERATIVE DATE  
14

15 14601. This division shall become operative on July 1, 2024.

16 SEC. 3. Section 14571 of the Public Resources Code is  
17 amended to read:

18 14571. (a) Except as otherwise provided in this chapter, there  
19 shall be at least one certified recycling center or location within  
20 every convenience zone that accepts and pays the refund value, if  
21 any, at one location for all types of empty beverage containers and  
22 is open for business during at least 30 hours per week with a  
23 minimum of five hours of operation occurring during periods other  
24 than from Monday to Friday, from 9 a.m. to 5 p.m.

25 (b) (1) Notwithstanding subdivision (a), the department may  
26 require a certified recycling center to operate 15 of its 30 hours of  
27 operation other than during 9 a.m. to 5 p.m.

28 (2) Notwithstanding subdivision (a) and paragraph (1), the  
29 department may certify a recycling center that will operate less  
30 than 30 hours per week, if all of the following conditions are met:

31 (A) The recycling center is in a rural region. For purposes of  
32 this subparagraph, “rural region” means a nonurban area identified  
33 by the department on an annual basis using the loan eligibility  
34 criteria of the Rural Housing Service of the United States  
35 Department of Agriculture, Rural Development Administration,  
36 or its successor agency. Those criteria include, but are not limited  
37 to, places, open country, cities, towns, or census designated places  
38 with populations that are less than 10,000 persons. The department  
39 may designate an area with a population of between 10,000 and  
40 50,000 persons as a rural region, unless the area is identified as

1 part of, or associated with, an urban area, as determined by the  
2 department on an individual basis.

3 (B) The recycling center agrees to post a sign indicating the  
4 location of the nearest recycling center that is open at least 30  
5 hours per week and that will accept all material types.

6 (C) The needs of the community and the goals of this division  
7 will be best served by certification of the operation as a recycling  
8 center.

9 (c) Before establishing operating hours for a certified recycling  
10 center pursuant to subdivision (b), the department shall make a  
11 determination that this action is necessary to further the goals of  
12 this division and that the proposed operating hours will not  
13 significantly decrease the ability of consumers to conveniently  
14 return beverage containers for the refund value to a certified  
15 recycling center redeeming all material types.

16 (d) For purposes of this section, if the recycling center is staffed  
17 and is not a reverse vending machine, a center is “open for  
18 business” if all of the following requirements are met:

19 (1) An employee of the certified recycling center or location is  
20 present during the hours of operation and available to the public  
21 to accept containers and to pay the refund values.

22 (2) In addition to the sign specified in subdivision (i), a sign  
23 having a minimum size of two feet by two feet is posted at the  
24 certified recycling center or location indicating that the center or  
25 location is open. Where allowed by local zoning requirements or  
26 where zoning restrictions apply, the sign shall be of the maximum  
27 allowable size.

28 (3) The prices paid, by weight or per container, are posted at  
29 the location.

30 (e) (1) Except as provided in subdivisions (f) and (h), for the  
31 purpose of this section, if the recycling center consists of reverse  
32 vending machines or other unmanned automated equipment, the  
33 center is “open for business” if the equipment is properly  
34 functioning, accepting all types of empty beverage containers at  
35 the recycling location, and paying posted refund values no less  
36 than the minimums required by this division.

37 (2) A recycling center that meets the requirements in paragraph  
38 (1) shall not be required to have an employee present during the  
39 hours of operation in order to be “open for business.”

1 (f) If a recycling center consists of reverse vending machines  
2 or other automated equipment, the recycling center is “open for  
3 business” if the equipment is properly functioning, and accepting  
4 all types of empty beverage containers at one physical recycling  
5 location within the recycling location.

6 (g) Whenever a recycling center that is a reverse vending  
7 machine is not “open for business” during the hours of operation  
8 required and posted pursuant to this section and Section 14570,  
9 the dealer that is hosting the reverse vending machine at its place  
10 of business shall redeem all empty beverage container types at all  
11 open cash registers or one designated location in the store, as  
12 specified on the sign required pursuant to subdivision (i).

13 (h) (1) A recycling center that is a reverse vending machine  
14 that accepts all types of empty beverage containers except those  
15 that are three or more liters in volume and those that are pouches  
16 is open for business if it does both of the following:

17 ~~(A) Provides an attendant to accept all types of empty beverage~~  
18 ~~containers for no less than 10 hours per week, with no less than~~  
19 ~~five of those hours on a weekend day between the hours of 9 a.m.~~  
20 ~~and 5 p.m.~~

21 ~~(B) Is it is operational and functioning properly for no less than~~  
22 ~~70 hours per week; the nearest dealer’s operating hours.~~

23 (2) A handling fee shall not be paid to a recycling center  
24 described in paragraph (1) if the recycling center is located in a  
25 convenience zone in which a preexisting certified recycling center  
26 is located. Notwithstanding paragraph (1) of subdivision (c) of  
27 Section 14585, a preexisting certified recycling center located in  
28 the same convenience zone as a recycling center described in  
29 paragraph (1) shall continue to be eligible to receive handling fee  
30 payments.

31 (3) The department shall pay handling fees to a recycling center  
32 described in paragraph (1), and the recycling center shall pay refund  
33 values, on the basis of the number of beverage containers redeemed  
34 through the reverse vending machine, and not on the basis of  
35 weight. The department shall determine the method of certifying  
36 the validity of the number of beverage containers counted by the  
37 reverse vending machine.

38 (i) In addition to the sign specified in paragraph (2) of  
39 subdivision (d), each reverse vending machine shall be posted with  
40 a clear and conspicuous sign on or near the reverse vending

1 machine that states that beverage containers may be redeemed by  
2 the host dealer if the machine is nonoperational at any time during  
3 the required hours of operation, pursuant to subdivision (g). The  
4 department shall determine the size and location of the sign and  
5 the message required to be printed on the sign.

6 SEC. 4. Section 14571.6 of the Public Resources Code is  
7 amended to read:

8 14571.6. In any convenience zone where no recycling location  
9 has been established ~~which that~~ satisfies the requirements of  
10 Section 14571, and in any convenience zone ~~which that~~ has  
11 exceeded the 60-day period for the establishment of a recycling  
12 center pursuant to Section 14571.7, all dealers within that zone  
13 shall, until a recycling location has been established in that ~~zone~~;  
14 ~~do one of the following:~~

15 (a) ~~Submit zone~~, submit to the department an affidavit form  
16 provided by the department stating that all of the following  
17 standards are being met by the dealer:

18 (1)

19 (a) The dealer redeems all empty beverage container types at  
20 all open cash registers *during all hours that the dealer is open for*  
21 *business* ~~or one through a reverse vending machine at a designated~~  
22 ~~location on the dealer's premises; premises~~ during all hours that  
23 the dealer is open for business.

24 (2)

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

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

31 (b) ~~Pay to the department for deposit in the fund the sum of one~~  
32 ~~hundred dollars (\$100) per day until a recycling location is~~  
33 ~~established or until the standards for redemption specified in~~  
34 ~~subdivision (a) are met.~~

35 (e) (1) (A) ~~A dealer located in an unserved convenience zone~~  
36 ~~is exempt from the requirements of subdivisions (a) and (b) if a~~  
37 ~~completed application for a recycling center located anywhere in~~  
38 ~~the convenience zone is pending before the department and the~~  
39 ~~dealer and the recycling center submit a letter to the department~~

1 ~~stating that the recycling center intends to serve that convenience~~  
2 ~~zone.~~

3 ~~(B) The exemption specified in this paragraph no longer applies~~  
4 ~~if the applicant recycling center withdraws the application or if~~  
5 ~~the department denies the application. In either of these instances,~~  
6 ~~the dealer in the convenience zone shall immediately comply with~~  
7 ~~the requirements of subdivision (a) or (b) upon notification by the~~  
8 ~~department.~~

9 ~~(2) Notwithstanding Section 14513.4, a recycling center~~  
10 ~~described in paragraph (1) shall be eligible as an operator to receive~~  
11 ~~handling fees for redeemed beverage containers once its application~~  
12 ~~is approved.~~

13 ~~(3) This subdivision shall become inoperative on July 1, 2020.~~

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

17 SEC. 5. Chapter 9 (commencing with Section 14600) is added  
18 to Division 12.1 of the Public Resources Code, as added by Chapter  
19 1290 of the Statutes of 1986, to read:

20  
21 CHAPTER 9. REPEAL  
22

23 14600. (a) On or before January 1, 2023, the department, in  
24 consultation with the beverage container stewardship organization  
25 established pursuant to Section 42984.12 and other interested  
26 stakeholders, shall adopt regulations for the orderly transition from  
27 the requirements relating to the collection and recycling of beverage  
28 containers imposed under this division to those requirements under  
29 the Beverage Container Recycling Program pursuant to Division  
30 12.1 (commencing with Section 14500), as added by the act that  
31 enacted this chapter, and to the requirements imposed by the  
32 Beverage Container Stewardship Program (Chapter 20.5  
33 (commencing with Section 42984) of Part 3 of Division 30).

34 (b) Commencing January 1, 2023, the department shall begin  
35 its transition from the collection and recycling of beverage  
36 containers under this division to the collection and recycling of  
37 beverage containers pursuant to Division 12.1 (commencing with  
38 Section 14500), as added by the act that enacted this chapter, and  
39 to the requirements imposed by the Beverage Container  
40 Stewardship Program (Chapter 20.5 (commencing with Section

1 42984) of Part 3 of Division 30), with full implementation of that  
2 chapter no later than July 1, 2024.

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

8 14601. This division shall become inoperative on July 1, 2024,  
9 and, as of January 1, 2025, is repealed.

10 SEC. 6. Chapter 20.5 (commencing with Section 42984) is  
11 added to Part 3 of Division 30 of the Public Resources Code, to  
12 read:

13  
14 CHAPTER 20.5. BEVERAGE CONTAINER STEWARDSHIP PROGRAM

15  
16 Article 1. General Provisions and Definitions

17  
18 42984. This chapter shall be known, and may be cited, as the  
19 Beverage Container Stewardship Program.

20 42984.02. Unless otherwise specified in this article, the  
21 definitions of Division 12.1 (commencing with Section 14500),  
22 as added by the act that enacted this chapter, shall apply.

23 42984.06. For purposes of this chapter, the following  
24 definitions apply:

25 (a) “Beverage container stewardship organization” or  
26 “organization” means an organization exempt from taxation under  
27 Section 501(c)(3) or Section 501(c)(6) of the federal Internal  
28 Revenue Code of 1986, which is established pursuant to Section  
29 42984.12, composed of beverage manufacturers, to develop,  
30 implement, and administer the beverage container stewardship  
31 program established pursuant to this chapter.

32 (b) “Beverage container stewardship plan” or “plan” means the  
33 plan for recycling empty beverage containers that is developed by  
34 the beverage container stewardship organization pursuant to this  
35 chapter.

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

1 (d) “Program” or “beverage container stewardship program”  
2 means the program implemented by the beverage container  
3 stewardship organization pursuant to a plan approved by the  
4 department.

5 (e) “Stewardship fee” or “beverage container stewardship fee”  
6 means the amount imposed on beverage manufacturers and  
7 collected by the organization to supplement unredeemed deposits  
8 to fund the implementation of the beverage container stewardship  
9 program.

10  
11 Article 2. Beverage Container Stewardship Organization and  
12 Beverage Container Stewardship Plan  
13

14 42984.10. (a) On or before April 1, 2022, the department shall  
15 appoint an advisory committee for purposes of Sections 42984.12,  
16 42984.13, 42984.20, and 42984.41.

17 (b) The advisory committee shall comprise members of the  
18 environmental community, container manufacturers, beverage  
19 manufacturers, distributors, dealers, processors, redemption centers,  
20 end users or purchasers of the beverage container material, local  
21 government, public and private representatives involved in the  
22 collection, processing, and recycling of empty beverage containers,  
23 representatives of the department, and other interested parties.

24 (c) The beverage container stewardship organization established  
25 pursuant to Section 42984.12 shall consult the advisory committee  
26 at least once during the development and implementation of the  
27 plan required pursuant to Section 42984.13, and annually before  
28 the submission of both an annual report required pursuant to  
29 Section 42984.41 and a budget required pursuant to Section  
30 42984.20.

31 42984.11. On or before July 1, 2022, each beverage  
32 manufacturer in the state shall register with the department. The  
33 department shall charge a beverage manufacturer a reasonable fee  
34 to cover the cost of registering that beverage manufacturer.

35 42984.12. (a) (1) On or before October 1, 2022, beverage  
36 manufacturers registered with the department pursuant to Section  
37 42984.11 shall, in consultation with the advisory committee, form  
38 a beverage container stewardship organization for purposes of this  
39 chapter and be certified pursuant to this section to develop,

1 implement, and administer the beverage container stewardship  
2 program established pursuant to this chapter.

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

9 (b) After certification of the beverage container stewardship  
10 organization, each beverage manufacturer shall register with the  
11 beverage container stewardship organization.

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

18 42984.13. On or before April 1, 2023, the beverage container  
19 stewardship organization shall develop and submit to the  
20 department a plan for the redemption of empty beverage containers  
21 in the state in an environmentally beneficial, economically efficient,  
22 and practical manner, which shall be known as the beverage  
23 container stewardship plan and that shall include all of the  
24 following goals and elements:

25 (a) Establishing as a state goal a 90 percent redemption rate for  
26 beverage containers.

27 (b) The names of beverage manufacturers covered under the  
28 plan.

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

37 (d) Methods to increase the number of empty beverage  
38 containers diverted from landfills, reduce the amount of litter  
39 produced by empty beverage containers, and increase the quantity

1 and quality of empty beverage containers recovered through this  
2 process and recycled or remanufactured for other uses.

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

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

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

12 (g) Conducting research, as needed, related to improving empty  
13 beverage container collection and recycling operations, including  
14 pilot programs to test new processes, methods, or equipment on a  
15 local, regional, or otherwise limited basis.

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

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

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

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

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

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

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

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

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

20 (A) Customer convenience and accessibility.

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

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

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

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

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

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

39 (6) Recommendations for operations and other processes of  
40 participants in the recycling of beverage containers to improve the

1 collection, processing, and recycling of empty beverage containers  
2 in an environmentally beneficial, economically efficient, and  
3 practical manner.

4 (n) Other information requested by the department that is  
5 reasonably related to compliance with the plan and that the  
6 organization can reasonably compile.

7 42984.15. (a) The department shall review the plan for  
8 compliance with this chapter and shall approve, disapprove, or  
9 conditionally approve the plan within 90 days of receipt of the  
10 plan. If the department fails to act within 90 days of the receipt of  
11 the plan, the plan shall be deemed approved.

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

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

28 (d) The approved plan shall be a public record, except that  
29 financial, production, or sales data reported to the department by  
30 the beverage container stewardship organization is not public  
31 record for purposes of the California Public Records Act (Chapter  
32 3.5 (commencing with Section 6250) of Division 7 of Title 1 of  
33 the Government Code) and shall not be open to public inspection.  
34 The department may release financial, production, or sales data in  
35 summary form only so the information cannot be attributable to a  
36 specific beverage manufacturer or to any other entity.

37 42984.16. Within 90 days after approval or conditional approval  
38 by the department of the plan, the beverage container stewardship  
39 organization shall implement the approved plan, with full

1 implementation of the elements described in subdivision (m) of  
2 Section 42984.13 on and after July 1, 2024.

3 42984.17. The state beverage container recycling goal shall be  
4 90 percent.

5  
6 Article 3. Budget  
7

8 42984.20. On or before July 1, 2023, and on or before July 1  
9 annually thereafter, the beverage container stewardship  
10 organization shall prepare and submit to the department a proposed  
11 beverage container stewardship program budget for the following  
12 calendar year that includes all of the following:

13 (a) Anticipated revenues and costs of implementing the program,  
14 including related programs, projects, contracts, and administrative  
15 expenses.

16 (b) A recommended funding level sufficient to cover the plan's  
17 budgeted costs and to operate the beverage container stewardship  
18 program over a multiyear period in a prudent and responsible  
19 manner.

20 (c) The amount of the beverage container stewardship fee  
21 established pursuant to Section 42984.30 and an itemization of the  
22 costs that fee covers.

23 (d) An amount that would give the beverage container  
24 stewardship organization a prudent reserve.

25 42984.21. (a) On or before October 1, 2023, and on or before  
26 October 1 annually thereafter, the department shall approve or  
27 disapprove a final beverage container stewardship program budget.  
28 If the department fails to act or does not disapprove a final beverage  
29 container stewardship program budget, the budget shall be deemed  
30 approved.

31 (b) (1) If the department disapproves the budget, the beverage  
32 container stewardship organization shall submit a revised budget  
33 addressing the department's written reasons for its decision within  
34 30 days of the disapproval.

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

1 42984.22. (a) The department shall notify the beverage  
2 container stewardship organization of the department's costs that  
3 are directly related to implementing and enforcing this chapter  
4 relating to the beverage container stewardship organization's  
5 activities. This may include the direct costs associated with the  
6 development of regulations and regulatory structures before  
7 submission of the plan required pursuant to Section 42984.13.

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

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

#### 24 25 Article 4. Beverage Container Stewardship Fee

26  
27 42984.30. (a) The beverage container stewardship organization  
28 shall establish a stewardship fee to be paid by the beverage  
29 manufacturer members of the organization. The organization shall  
30 determine rules and procedures that are necessary and proper to  
31 implement the collection of the charge in a fair, efficient, and  
32 lawful manner.

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

37 (c) The beverage container stewardship organization may enter  
38 into a joint venture, agreements, or contracts with third parties,  
39 including, but not limited to, corporations, partnerships, nonprofit  
40 entities, and governmental agencies, to undertake activities on the

1 beverage container stewardship organization's behalf that are  
2 consistent with this chapter.

3  
4 Article 5. Records, Audits, and Annual Reports  
5

6 42984.40. (a) The beverage container stewardship organization  
7 shall keep minutes, books, and records that clearly reflect the  
8 activities and transactions of the beverage container stewardship  
9 organization.

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

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

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

30 42984.41. On or before March 1, 2025, and each year thereafter,  
31 the beverage container stewardship organization shall submit to  
32 the department and make publicly available on its internet website  
33 a report that includes, for the preceding calendar year, all of the  
34 following:

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

37 (b) The quantity of beverage containers disposed of in solid  
38 waste landfills.

39 (c) The quantity of beverage containers collected under the plan.

1 (d) The quantity of beverage containers collected of each type  
2 of material.

3 (e) A description of methods used to collect, transport, and  
4 process beverage containers in the state and the amount of  
5 redeemed empty beverage containers collected, transported, and  
6 processed by each method.

7 (f) The total volume, number, and weight of collected beverage  
8 containers that are redeemed in the state during the preceding  
9 calendar year, including any conversion factor used to determine  
10 the number of beverage containers recovered.

11 (g) A report by the advisory committee established pursuant to  
12 Section 42984.10 that includes a summary of the consultative  
13 process between the advisory committee and the beverage container  
14 stewardship organization relating to the ongoing implementation  
15 of the plan, and any other information deemed pertinent by the  
16 advisory committee to maximizing the recovery and recycling of  
17 empty beverage containers in the state.

18 (h) For reports submitted on and after March 1, 2028, a  
19 demonstration of good faith effort to comply with the state  
20 beverage container recycling goal established pursuant to Section  
21 42984.17.

22 (i) Any proposed modifications or revisions to the beverage  
23 container stewardship plan, including those required pursuant to  
24 Section 42984.13, necessary to achieve the statewide beverage  
25 container recycling goal established pursuant to Section 42984.17  
26 or necessary to improve the recycling of empty beverage containers  
27 in the state in an environmentally beneficial, economically efficient,  
28 and practical manner.

29 (j) Other information relevant to compliance with the plan.

30 42984.42. No later than 60 days after the date the department  
31 receives the annual report, the department shall notify the beverage  
32 container stewardship organization of any deficiencies in the report.  
33 No later than 60 days after receiving this notice from the  
34 department, the beverage container stewardship organization shall  
35 provide additional information, modification, or corrections in  
36 response to the department's notification.

37 42984.43. Based on a completed report submitted by the  
38 beverage container stewardship organization, the department may  
39 provide recommended updates to the plan.

1 42984.44. The beverage container stewardship organization  
2 shall develop and maintain a publicly accessible internet website  
3 that includes both of the following:

4 (a) A searchable database that contains the locations of  
5 redemption centers in the state.

6 (b) Options available to a consumer to redeem empty beverage  
7 containers, by county.

8  
9 Article 6. Enforcement

10  
11 42984.50. (a) On or before November 1, 2022, and at least  
12 annually thereafter, the department shall post on its internet website  
13 a list of beverage manufacturers in the state and shall indicate  
14 whether each beverage manufacturer is in compliance or not in  
15 compliance with this chapter.

16 (b) A beverage manufacturer that is not listed as in compliance  
17 pursuant to this section, but demonstrates compliance with this  
18 chapter before the next notice is required to be posted pursuant to  
19 this section, may request a certification letter from the department  
20 stating the beverage manufacturer is in compliance. A beverage  
21 manufacturer that receives the letter shall be deemed to be in  
22 compliance with this chapter.

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

27 (2) A dealer otherwise in compliance with this chapter shall be  
28 deemed in compliance with this chapter if, on the date the dealer  
29 ordered or purchased a beverage in a beverage container, or within  
30 120 calendar days before or after that date, the beverage  
31 manufacturer was listed as in compliance on the department's  
32 internet website.

33 (d) A dealer may sell or distribute the existing stock of its  
34 inventory through sales to the public if the existing stock was  
35 purchased when the beverage manufacturer was in compliance  
36 with the requirements of this chapter at the time when the dealer  
37 initially purchased that stock or the dealer ordered or purchased  
38 the stock in compliance with this chapter pursuant to paragraph  
39 (2) of subdivision (c).

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

42984.51. (a) The department may impose an administrative civil penalty on a beverage manufacturer, 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 beverage manufacturer, 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 beverage manufacturer, 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 beverage manufacturer, update the beverage manufacturer'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 beverage manufacturer, 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 beverage manufacturer, a dealer, or the beverage container stewardship organization if the beverage manufacturer, 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 beverage manufacturer is no longer in compliance with this chapter.

#### 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

1 the Unfair Competition Law (Chapter 5 (commencing with Section  
2 17200) of Part 2 of Division 7 of the Business and Professions  
3 Code).

4 (b) Subdivision (a) shall apply to all of the following actions  
5 taken by the beverage container stewardship organization or  
6 beverage manufacturer:

7 (1) The development, implementation, or management of a plan  
8 approved by the department pursuant to Article 2 (commencing  
9 with Section 42984.10).

10 (2) The cost and structure of an approved plan.

11 (3) The establishment, administration, collection, or  
12 disbursement of the refund values, handling fees, and other proper  
13 charges associated with funding the implementation of this chapter.

14 (c) Subdivision (a) shall not apply to an agreement that does  
15 any of the following:

16 (1) Fixes a price of or for beverage containers, except for an  
17 agreement related to costs or charges associated with participation  
18 in a plan approved or conditionally approved by the department  
19 and otherwise in accordance with this chapter.

20 (2) Fixes the output or production of beverage containers.

21 (3) Restricts the geographic area in which, or customers to  
22 whom, beverage containers will be sold.

23 SEC. 7. The Legislature finds and declares that Section 2 of  
24 this act, which adds Division 12.1 (commencing with Section  
25 14500) to the Public Resources Code, and Section 6, which adds  
26 Chapter 20.5 (commencing with Section 42984) to Part 3 of  
27 Division 30 of the Public Resources Code, do not affect, within  
28 the meaning of paragraph (3) of subdivision (b) of Section 3 of  
29 Article I of the California Constitution, the right to privacy because  
30 the only information protected from disclosure is valuable  
31 proprietary business and personal information collected under this  
32 act to ensure accurate recycling data for regulatory purposes.

33 SEC. 8. No reimbursement is required by this act pursuant to  
34 Section 6 of Article XIII B of the California Constitution because  
35 the only costs that may be incurred by a local agency or school  
36 district will be incurred because this act creates a new crime or  
37 infraction, eliminates a crime or infraction, or changes the penalty  
38 for a crime or infraction, within the meaning of Section 17556 of  
39 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California  
2 Constitution.

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