

SUMMARY OF SB 1357 AND SB 1625

Los Angeles County Integrated Waste Management Task Force

BACKGROUND

California Beverage Container Recycling and Litter Reduction Act

In 1986, California passed the Beverage Container Recycling and Litter Reduction Act (AB 2020), which established a recycling program that targets beverage containers for recycling with a goal to recycle 80 percent of all aluminum, glass, plastic, and bimetal beverage containers in the State.

The California recycling program is funded through redemption payments made to the Department of Conservation (DOC) by beverage distributors on each beverage container sold in the State. Redemption payment revenues are deposited in the California Beverage Container Recycling Fund (Fund). Payments are made out of the Fund to consumers in the form of California Refund Value (CRV) when they return empty beverage containers to certified recycling centers. Effective January 1, 2007, CRV paid to consumers when they recycle containers at recycling centers increased to 5¢ for each beverage container less than 24 ounces and 10¢ for each container 24 ounces or greater. Redemption payments paid by distributors increased to 5¢ and 10¢ effective July 1, 2007.

The unredeemed CRV refund amount remains with the DOC and is used to fund the following programs annually:

- Program Administration – Approx. \$35 million for support of the Division of Recycling
- Handling Fees – Approx. \$33 million to supermarket-sited recycling centers
- Curbside Supplemental Payments – Approx. \$15 million to curbside recycling programs
- Payments to Cities and Counties – \$10.5 million for beverage container recycling and litter cleanup activities, provided in block grants
- Grants to Local Conservation Corps – \$15 million plus a cost-of-living adjustment
- Competitive Grants, including Community Conservation Corps – \$21.5 million annually
- Quality Incentive Payments – \$15 million to curbside recycling programs and dropoff or collection programs to promote the recycling of glass, plastic and aluminum beverage containers that meet specified quality standards

Per recently adopted legislation, the fund also pays for the following limited time programs:

- Local Government/Non-Profit Agency Grants – \$5 million from 1/1/07-1/1/08 for the placement of recycling receptacles in multifamily housing in low-income communities
- Recycling Receptacles at State Parks – \$5 million on a one-time basis, effective 1/1/07
- Statewide Public Education and Information Campaign - \$5 million until 1/1/08

- Market Development Grants – Increases annual appropriation from \$10 million to \$20 million and extends sunset date from 1/1/07 until 1/1/12
- Market Development Payment Program for Plastics – \$5 million annually until 1/1/12 to certified entities or plastic manufacturers
- Recycling Incentive Payments – \$10 million annually until 1/1/10 to recycling centers or dropoff or collection programs that increase their volume of recycled beverage containers

Currently, the surplus of unredeemed consumer CRV fund hovers between \$85 and \$90 million annually.

Senate Bill 1357 – Limited Time Beverage Container Recycling Grants

SB 1357 would authorize the Department of Conservation expend up to \$20 million in additional funds, from January 1, 2009 through January 1, 2012, for either grants for beverage container recycling and litter reduction programs or focused, regional community beverage container recycling and litter reduction programs that meet specified requirements.

SB 1357 would also require the Department of Conservation, on or after January 1, 2010, to use the actual cost of recycling determined in the most recently conducted survey on processing payments of specific beverage material types if the recycling rate of that beverage container material type is less than five percent, in determining the amount of processing payments.

Senate Bill 1625 – Expansion and Revision of the Beverage Container Recycling and Litter Reduction Act

SB 1625 would significantly expand and revise the California Beverage Container Recycling and Litter Reduction Act. These revisions include:

- Adding **all plastic bottles** of one gallon or less to California's Bottle and Can Recycling Law, including nut, grain, or soy drinks, food product bottles, cosmetic product bottles and cleaning product bottles.
- Deleting the provision that allows calculating a potentially inflated "redemption rate" and instead relies upon the more accurate "recycling rate" for the purposes of calculating container recycling rates.
- For calendar years 2009 and 2010, requiring the Department of Conservation to suspend the requirement of manufacturers to pay the processing fee for any container type that meets specified recycling rates if the balance of the fund is more than \$150 million.
- Deletes obsolete provisions of the Act.