# Regulations

## Division of Recycling

### Department of Resources Recycling and Recovery

## California Code of Regulations

**Title 14. Natural Resources**
**Division 2. Department of Conservation**
**Chapter 5. Division of Recycling**

CalRecycle
California Department of Resources Recycling and Recovery
October 2026

**STATE OF CALIFORNIA**

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From its inception in 1986 through 2009, the Division of Recycling (DOR) was part of the Department of Conservation (DOC). (Stats. 1986, ch. 1290.) However, as of January 1, 2010, DOR was transferred from DOC to the new Department of Resources Recycling and Recovery (CalRecycle). (Stats. 2009, ch. 21 (SB 63) eff. Jan. 1, 2010.) CalRecycle succeeded to and is vested with all of the authority, duties, powers, purposes, responsibilities, and jurisdiction of the DOC in the performance of a function carrying out the California Beverage Container Recycling and Litter Reduction Act. (Div. 12.1 of the Public Resources Code (commencing with § 14500).) (See Pub. Res. Code § 40401).

This publication has been prepared by CalRecycle and contains regulations implementing programs administered by its Division of Recycling. This revised edition contains regulations in effect as of September 24, 2026, unless otherwise stated. While every effort has been made to ensure accuracy, any errors or omissions do not negate the rights and duties of program participants. In addition, this edition does not correct grammatical or typographical errors that appear in the regulations as adopted.


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# CALIFORNIA CODE OF REGULATIONS
# TITLE 14. NATURAL RESOURCES
# DIVISION 2. DEPARTMENT OF CONSERVATION
# CHAPTER 5. DIVISION OF RECYCLING

## SUBCHAPTER 1. DEFINITIONS

§ 2000. DEFINITIONS.

(a) In addition to the definitions provided in the California Beverage Container Recycling and Litter Reduction Act, except for subdivisions (a)(3.1), (10), (20), (21), (35), (37), (38), (40) and (42) below which modify definitions in the Act for purposes of these regulations, the following definitions shall apply whenever the terms are used in this chapter.

(1) "Act" means the California Beverage Container Recycling and Litter Reduction Act (Division 12.1 of the Public Resources Code).

(2) "Administrative Costs" means the cost of recordkeeping and accounting required of curbside programs, distributors, recycling centers and processors to comply with the requirements of the Act and these regulations.

(2.1) "Amended Processor Invoice" means an invoice submitted by a processor correcting an original report that has been processed and paid.

(2.2) "Amended Shipping Report" means a shipping report submitted by a processor correcting an original shipping report that has been processed and paid.

(2.5) "Alternative Methodology" means an individual commingled rate survey methodology, which either employs the Division's methodology with variations or creates a proposed methodology for the dropoff or collection, community service or curbside programs to arrive at an individual commingled rate.

(2.7) “Anchor recycling center” means a recycling center that has applied to operate one or more mobile units under section 2047.

(3) "Applicant" means the person(s) who has authority to legally bind the operator to a contract.

(3.01) “Bag” means a bag, box, or other empty beverage container holder. This definition does not apply to the term “bag in box” or to subchapter 9.5.

(3.02) “Bag drop receptacle” means a recycling mechanism at which consumers can drop off empty beverage containers for redemption in a sealed bag. For purposes of this paragraph, “sealed” means the bag is secured by the consumer in such a way that loose empty beverage containers will not fall out of the bag once the bag is deposited into the bag drop receptacle.

(3.05) “Bag in box” means a beverage container containing wine, distilled spirits, or wine and distilled spirit cooler that has both of the following:

(A) An interior flexible bag with a valve to dispense a beverage.

(B)(i) An exterior rigid box with the valve described in subparagraph (A) designed to extend through the box to dispense the beverage.

(ii) The box is not required to be rectangular in shape.

(iii) The box is composed primarily of cardboard.

(3.1) "Beneficiating Processor" means any processor certified by the department who sells cullet to another certified processor or to a glass container manufacturer during the three months preceding the month in which scrap value data is reported to the Division and who beneficiates purchased cullet so that the cullet either:

(A) meets the American Society for Testing and Materials (ASTM) standard specification for waste glass as a raw material for the manufacture of glass containers [E708-79 (Reapproved 1988) Standard Specification for Waste Glass As A Raw Material For The Manufacture of Glass Containers. Current Edition Approved Nov. 30, 1979: published January 1980, see appendix A]; or

(B) is free from nonglass contaminants and non-container glass compositions, cleansed, crushed to size, free-flowing with minimum water content, absent of hazardous material residue and passes furnace ready sampling and testing methods of a purchasing glass container manufacturer.

(C) Notwithstanding the other provisions of this section, any certified processor shall not be considered a beneficiating processor if fifty percent (50%) or more of the cullet purchased by that processor during the survey month in which the scrap value data is reported was purchased as beneficiated cullet.

(3.2) “Beverage manufacturer” shall have the same definition as provided in Public Resources Code section 14506, and “any person ... who imports”, as provided in that section, shall include, in the following order of preference:

(A) Any consignee of filled beverage containers brought into this State from without this State, when the filled beverage containers are for delivery, use, or sale within this State.

(B) Any person or entity to whom delivery is first made in this State of filled beverage containers brought into this State from without this State, when the filled beverage containers are for delivery, use, or sale within this State.

(C) Any person or entity bringing filled beverage containers into this State from without this State which are not consigned to any person, when the filled beverage containers are for delivery, use, or sale within this State.

(3.5) “Bottle-grade” means any food-grade material suitable for use as a beverage container by a beverage manufacturer.

(3.7)(A) “Bottle washer processor” means a person who accepts empty reusable beverage containers in this state and is responsible for cancelling empty reusable beverage containers in the manner prescribed in section 2000(a)(4)(B)(ii).

(B) A bottle washer processor shall be subject to the requirements applicable to processors, except as otherwise specified.

(4) "Cancellation" means the act of removing the refund value of an empty beverage container by any of the following actions:

(A) Aluminum empty beverage containers shall be deemed cancelled when such containers can no longer be physically reconstituted or distinguished as container units. Except as provided in section 2110(b), this may be accomplished by shredding or densification to thirty pounds per cubic foot or more.

(B) Glass empty beverage containers shall be deemed cancelled when such containers have been substantially cleaned of non-glass contaminants and they are:

(i) crushed in size in such a manner as to be acceptable without further processing by a willing user, or

(ii) washed by a bottle washer processor or a processor authorized by the department to wash bottles to remove the CRV marking and verifiable in accordance with section 2421(a) so the glass beverage container is ready for subsequent refill and sale by a beverage manufacturer. A glass beverage container cancelled pursuant to this clause shall be deemed a reusable beverage container for purposes of the Act and this chapter.

(C) Plastic empty beverage containers shall be deemed cancelled when the original form has been so altered as to make its reconstitution physically impossible.

(D) A bag in box, multi-layer pouch, or paperboard carton shall be deemed cancelled when the original form has been so altered as to make its reconstitution physically impossible.

(E) Bimetal empty beverage containers shall be deemed cancelled by densification sufficient to ensure that separation of a single container is no longer possible, or by shredding, milling, or nuggeting.

(F) Any empty beverage container shall be deemed cancelled when it is permanently exported from the State and export verified in accordance with sections 2420(d)(1), (2) and (3) provided that, if aluminum beverage containers, they are first densified to no less than 15 pounds per cubic foot, or shredded.

(G) Any empty beverage container shall be deemed cancelled when it is delivered to a location of end use and the delivery verified in accordance with sections 2420(d)(1), (2) and (3) provided that the following requirements are met:

1. aluminum beverage containers are first densified to not less than 15 pounds per cubic foot, or shredded.

2. glass beverage containers are delivered to a location of end use, which includes a beneficiating processor, as defined in Public Resources Code section 14503.6.

(5) “Category” means the classification of operation, i.e., processor, recycling center, dealer cooperative, grandfathered recycling center, dropoff or collection program, or community service program.

(6) "Certificate" means the official document issued by the Division which identifies an operator of a recycling center, dropoff or collection program, community service program or processing facility as meeting the requirements for certification by the Division.

(7) "Certified" means an operator of a recycling center, dropoff or collection program, community service program or processing facility has met the minimum requirements established by the Division to receive the certificate defined in (6) above.

(8) "Certification Sign" means a sign or decal issued by the Division for display which identifies the operator of a recycling center as meeting the requirements for certification by the Division.

(9) "Clearly and Prominently" means that the redemption message is displayed so that it is found and read by consumers and recyclers without difficulty both when the container is filled and when the container is empty. Each letter comprising the message is complete, legible, and cannot be readily obscured. Other factors include boldness, width, spacing, and location of lettering. The message must be distinguishable from refund messages of other states.

(9.5) "Close proximity" means the area within, or adjacent to, a convenience zone, as determined by the Division on a case-by-case basis considering geographic and demographic factors, and consumer convenience.

(10) "Commingled" means a mix of empty beverage containers and other containers of the same material type. Any broken glass empty beverage container(s) purchased from consumers, dropoff or collection programs, or community service programs shall be deemed commingled. Any broken or partial beverage container(s) or rejected, line breakage or out-of-state containers shall not be included when performing a survey methodology to arrive at an individual commingled rate or statewide average commingled rate. Dropoff or collection, curbside and community service programs' individual commingled rate shall be determined pursuant to subsection 2620 through 2645, 2660 through 2685, and 2720 through 2745, respectively. The statewide average commingled rates shall be determined by the Division pursuant to subsections 2900(a)(1)(B) and section 2930 of these regulations.

(11) "Community Service Program" means a program, certified by the Division, which does not pay a refund value and accepts or collects empty beverage containers at a specific location or locations and meets one of the following criteria:

(A) The program is organized under Section 501(c) or 501(d) of the Internal Revenue Code [26 U.S.C. 501(c) and 501(d)], or

(B) The program is a charitable group organized under Section 23701 of the California Revenue and Taxation Code, or

(C) The program is operated by, or caused to be operated by, a city, county or other public agency.

(12) "Contrasting Colors" as used in reference to the redemption message lettering means a clear differentiation in hue, value, and intensity with the background on which the redemption message appears, surrounding artwork, and other nearby printed information.

(13) "Days" means all calendar days unless provided otherwise.

(14) "Delivered" or "Delivery", as used in subchapters 5 & 6 of these regulations, means physically taking possession of the material.

(15) "Dual Certified Entity" means any person who is certified as a processor and also a recycling center at the same location as the processor.

(16) "Densification" means the process of compressing material for the purpose of increasing the weight to volume ratio.

(17) "Disposal Cost" means the transportation cost for hauling postfilled beverage container types to a state-permitted disposal site (landfill, incinerator, or other type of state-permitted site), plus the specified disposal fee.

(18) “Division” means the Division of Recycling which is within the Department of Resources Recycling and Recovery.

(19) (Reserved)

(20) "Dropoff or Collection Program" means a recycling program which does not pay refund value and accepts or collects empty beverage containers, and which cannot qualify as a curbside program as defined in Section 14509.5 of the Act. "Dropoff or Collection Program" also means a program which separates recyclables from mixed municipal waste. "Dropoff or Collection Program" does not mean a program which accepts or collects recyclable materials which have already been separated from mixed municipal waste. Dropoff or Collection Program includes a Neighborhood Dropoff Program which meets all of the criteria in Section 14514.4.1 of the Act.

(21) "Empty Beverage Container" means a beverage container which meets all the requirements in Section 14512 of the Act except that such term does not include refillable beverage containers.

(22) "Exemption" means an exclusion to the requirement that a recycling center must be established in a convenience zone.

(22.5) "Exempt convenience zone" or "Exempt zone" means a convenience zone which has been granted an exemption pursuant to Section 14571.8 of the Act.

(23) "Exporting" means the act of sending a filled or unfilled empty beverage container or empty beverage container component permanently out of this State.

(24) "Facility" means a recycling or processing operation that has been built, installed or established to serve as a collection or processing point for redeemable beverage containers.

(24.5) “Food-grade” means any material suitable for contact with consumable food or drink products and which complies with all applicable federal and state laws and regulations.

(25) "Grandfathered" is a term which refers to recycling centers that meet the requirements of section 2500(c) of these regulations.

(26) [Reserved]

(27) "Indelibly" means that the redemption message is permanently affixed on the beverage container from the point of purchase until the point of redemption and cannot be smeared or removed during regular use.

(27.1) "Individual Commingled Rate" means a commingled rate approved by the Division which is applicable to dropoff or collection, community service, or curbside programs, which have obtained prior approval from the Division.

(27.5) "Interested person" means a supermarket, dealer, certified recycling center, person with a pending certification application, located in or in close proximity to the zone under consideration for an exemption or revocation of an exemption, or a local government agency with jurisdiction over the area where the zone under consideration for an exemption or revocation is located.

(27.6) "Line Breakage," for purposes of these regulations, means preconsumer material that is recycled or disposed of by a container manufacturer, beverage manufacturer, distributor, or dealer.

(27.7) "Letter of Denial" (LED) means a notice sent to program participants denying requests to conduct an individual commingled rate survey or denying approval of an individual commingled rate, or revoking an individual commingled rate for reason(s) indicated in the LED.

(28) "Location" means the street address where the facility operates.

(29) "Location of End Use" means the place where beverage containers or materials are physically reconstituted for purposes other than sorting, shredding, stripping, compressing, storing, landfilling, disposing, or other activities which do not result in recycling.

(29.5) "Low volume" means an average monthly volume, as defined at Section 14503.5 of the Act, which is less than the statewide average monthly volume of recycling centers in convenience zones. Average monthly volumes shall be calculated annually and shall apply during the calendar year immediately following the calculation.

(29.9) “Manufacturer of Postconsumer Recycled Plastic” means any person(s) or entity that offers for sale in the state food-grade or bottle-grade flake, pellet, sheet, fines, or other precursor forms of plastic made from postconsumer recycled material.

(30) "Material" means the physical substance used to manufacture a beverage container or food and drink package including, but not limited to, aluminum, bimetal, glass, and plastic.

(30.7) “Milk” means the lacteal secretion which is obtained from the udder of a cow or goat.

(31) "Minimum Lettering Size" is applicable to the height of all the letters in the redemption message.

(31.5) “Mobile unit” means a recycling location or locations where empty beverage containers are collected for redemption using a vehicle or receptacle that is hosted by an anchor recycling center as approved by the department under section 2047.

(31.7) “Multi-layer pouch” means a beverage container containing wine, distilled spirits, or wine and distilled spirit cooler with a flexible body of multiple layers of material consisting of a combination of plastic, foil, paper, or other material. “Multilayer pouch” does not include a plastic #1-7 beverage container.

(32) "Nonaffiliated seller" means any person who sells scrap beverage container material types to a certified processor and is neither owned nor managed in common with such processor.

(32.4) "Notice of Denial" (NOD) means a notice sent to program participants denying requests for program payments, including handling fees, for reason(s) indicated on the notice. Handling fee notices will be sent for each denied site and will explain why the site was denied during a particular month.

(33) “Operator” means the person(s) or entity who has ultimate responsibility for a recycling center, dealer cooperative, processing facility, dropoff or collection program, or community service program.

(33.5) “Paperboard carton” means a beverage container containing wine, distilled spirits, or wine and distilled spirit cooler that is semi-rigid and that contains more than one layer of material, with at least one layer consisting of paperboard.

(34) "Person" means an individual, corporation, operation, or other entity, regardless of its form, subject to the Act.

(34.1) “Plastic Material Reclaimer” means any person(s) or entity that collects and sells or transfers cancelled plastic beverage containers to a manufacturer of postconsumer recycled plastic in the state.

(34.2) “Post-Industrial Recycled Material” means material diverted from the waste stream during a manufacturing process. Included as Post-Industrial Recycled Material and excluded as Postconsumer Recycled Material is reutilization of materials such as

rework, regrind or scrap generated in a process and capable of being reclaimed with the same process that generated it.

(34.3) “Postconsumer Recycled Material” means material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product which has been used for its intended use or can no longer be used for its intended purpose. This includes return of material from the distribution chain.

(34.8) “Pouch” means a beverage container with a flexible body.

(35) “Processor” means any person, including a scrap dealer, who purchases or offers to purchase empty beverage containers from more than one recycling center or dealer cooperative in this state and is responsible for cancelling empty beverage container(s) in a manner prescribed in section 2000(a)(4).

(35.1) "Processor Invoice" means the report required in section 2425 of these regulations which the Department uses to determine payment to a certified processor.

(36) "Public Agency" means the city, county, district or other government entity which operates a curbside program or which has the authority to approve or acknowledge the operation of a curbside program.

(36.5) “Recycling Center” means those operations defined in Section 14520 of the Act and includes “Nonprofit Convenience Zone Recycler” as defined in Section 14514.7 of the Act and “Rural Region Recycler” as defined in Section 14525.5.1 of the Act.

(37) "Redeem" means to return an empty beverage container to a certified recycling or processing facility and receive refund value for the container.

(38) "Redeemable Beverage Container" means a beverage container which has an established refund value.

(39) "Redemption Weight" is the weight of empty beverage containers.

(40) "Refund Value" means, in addition to the definition provided in Section 14524 of the Act, any amount paid by a noncertified recycler, dropoff or collection program, or community service program, or any payments received by a noncertified recycler, in excess of:

(A) For aluminum, the scrap price as listed in the American Metal Market publication.

(B) For glass, plastic and bimetal, the portion of the processing payment which are the costs for the recycler, as determined by the Division pursuant to Section 14575 of the Act.

(41) "Rejected Container" means a beverage container, which a container manufacturer or beverage manufacturer elects to recycle or dispose of without paying any applicable processing fee, or which a distributor elects to recycle or dispose of without paying the redemption payment. "Rejected containers" includes

container tops, lids, or other components which bear the message as specified in section 14561 of the Act.

(41.05) "Representation of Materials" means a typical collection of commingled container materials, of the same material type, representing a ratio of empty beverage containers and all other containers collected by the program and surveyed by the operator to determine an individual commingled rate for dropoff or collection, community service, or curbside programs.

(41.1) "Rural Region" means a non-urban area identified by the Division on an annual basis using Farmers Home Administration criteria. Such criteria for area include, but are not limited to, places, open country, cities, towns, or census designated places with populations less than 10,000. Areas with populations between 10,000 and 50,000 may be designated as rural unless identified as part of, or associated with, urban areas, as determined by the Department on a case by case basis.

(41.2) "Scrap", for purposes of these regulations, is any recyclable container, including food or drink packaging material, other beverage containers, other nonredeemable containers, out-of-state beverage containers, line breakage or rejected containers, of the same material composition as redeemable containers covered by the Act.

(42) “Scrap Value” is the total net payment per ton to any nonaffiliated sellers in each of the following categories: Certified recycling centers, registered dealer cooperatives, certified dropoff or collection programs, certified community service programs, registered curbside programs, and certified processors, for container material types.

(43) "Segregated" means divided by material type and that such divided load consists of 100% California Refund Value material.

(44) “Shipping Report” is the documentation of the receipt of material by a processor, or by a recycling center from another recycling center, dealer cooperative, dropoff or collection program, community service program, or curbside program. The shipping report is the basis for payments by the department pursuant to section 14573 of the Act.

(45) "Shrinkage" means the reduced value due to contamination of empty beverage containers by dirt, moisture, or other foreign substances.

(45.5) “Signature” or “signed” means either of the following:

(A) An original handwritten signature; or

(B) An electronic signature. An electronic signature includes an electronic sound, symbol, or process attached to or logically associated with an electronic record, executed or adopted by a party with the intent to represent an original handwritten signature.

1. An electronic signature shall consist of a unique username and password or other security measures as required by the Division.

2. An electronic signature may not be denied legal effect, validity, or enforceability solely on the ground that it is electronic.

3. An electronic signature shall be binding on all persons and for all purposes under the law, as if the signature had been handwritten on an equivalent paper document.

(46) "Size" means the capacity of the beverage container in fluid ounces.

(47) "Statistical Sample" means an estimate with an 85% confidence level.

(47.1) "Supplemental Processor Invoice" means:

(A) A report to correct any shipping report(s) denied on the original processor invoice and/or

(B) A report to add any shipping report(s) to the original processor invoice for transactions that occurred within the same specific reporting period.

(47.2) "Total Net Payment", as used in subparagraph (a)(42) of this section and section 2425, means the amount paid for the reported monthly weight after deductions (e.g., transportation service) and additions (e.g., freight allowance) pertinent to the specific sales transaction have been made. "Total net payment" includes positive, zero and negative dollar amounts, as applicable. This subsection is not intended to relieve a processor of its obligation to pay refund value, administrative and processing payments pursuant to Sections 14539(b)(3) of the Act and sections 2400 and 2430 of this chapter.

(47.3) "Urban Area" means an area identified by the Division on an annual basis using Farmers Home Administration criteria. Such criteria for area include, but are not limited to, densely settled areas of continuous residential development with minimum population of 50,000. Areas with populations less than 50,000 and greater than 10,000 may be designated as urban unless identified as part of, or associated with, rural areas, as determined by the Department on a case by case basis.

(47.5) “Vegetable juice” means one hundred percent vegetable juice as described in 21 CFR 102.33.

(48) "Working Days" means all days except Saturdays, Sundays, and official California State Holidays.

(49) "Zonemate" means a supermarket which lies within the boundaries of a convenience zone other than the one that it creates.

## SUBCHAPTER 2. GENERAL REQUIREMENTS

### Article 1. Certification Application Procedures

§ 2010. APPLICANT QUALIFICATIONS.

(a)(1) Any operator of a recycling center, dropoff or collection program, community service program, processing facility, or bottle washer processing facility shall be eligible to apply for certification in the respective category from the department.

(2) The department may authorize a processor that is not certified as a bottle washer processor to cancel reusable beverage containers in accordance with the requirements specified for bottle washer processors.

(b) A processor shall meet the requirements and be certified to operate a recycling center in order to receive any payments from the Division for beverage containers purchased by the processor directly from consumers.

(c) Operators certified by the Division must establish and maintain an office in California where records and reports meeting the requirements of Article 3 of subchapter 5 and Article 3 of subchapter 6 of these regulations will be stored and available for inspection at the request of the Division. The office shall be identified on the application for certification as the business address of the operator.

(d) For purposes of Articles 1 and 2 of this subchapter, a new applicant means an applicant, as defined in Section 2000(a)(3) of these regulations, who is not currently certified, and is applying for certification to operate a recycling center or processing facility.

(1) A new applicant shall complete the precertification training and obtain a passing score on the precertification examination as specified in Section 2012(h)(5) of these regulations.

(2) Meeting the requirements of this subsection qualifies a new applicant to apply for certification but does not guarantee certification will be granted by the Division.

(e) For purposes of Articles 1 and 2 of this subchapter, a renewal applicant means an applicant, as defined in Section 2000(a)(3) of these regulations, who is the operator of the recycling center or processing facility, applying for renewal of certification.

(1) A renewal applicant shall complete the precertification training and obtain a passing score on the precertification examination as specified in Section 2012(h)(5) of these regulations.

(2) Meeting the requirements of this subsection qualifies a renewal applicant to apply for certification but does not guarantee certification will be granted by the Division.

Authority: Sections 14530.5, 14536 and 14539, Public Resources Code. Reference: Sections 14511.7, 14538, 14539, 14540 and 14553, Public Resources Code.

TITLE 14. NATURAL RESOURCES
DIVISION 2. DEPARTMENT OF CONSERVATION
CHAPTER 5. DIVISION OF RECYCLING

SUBCHAPTER 2

§ 2012. PRECERTIFICATION TRAINING AND EXAMINATION.

(a) New applicants shall complete the precertification training and obtain a passing score on the precertification examination as specified in Section 2012(h)(5) of these regulations. New applicants shall complete the precertification training prior to taking the precertification examination.

(b) Renewal applicants who do not possess a valid application voucher, as described in subsections (l) and (m) of this section, shall complete the precertification training and obtain a passing score on the precertification examination as specified in Section 2012(h)(5) of these regulations.

Renewal applicants shall complete the precertification training prior to taking the precertification examination.

(c) Applicants must pre-register for the precertification training and examination no less than five (5) business days prior to the day of the precertification training and examination. Class size may be limited and placement in the selected precertification training and examination class is not guaranteed. Priority will be given to renewal applicants who require a new application voucher to submit their certification renewal application.

(d) The precertification training and examination is open to persons who do not possess an application voucher and to renewal applicants whose application voucher will expire on a date no more than six (6) months from the date of the precertification training.

(e) The precertification training and examination participant shall provide the following information on the day of the precertification training and examination:

(1) A valid Driver License or Identification Card issued by the State of California, or a United States federal or state government issued photo identification;

(2) Legal name which must match the photo identification card provided in (1) above;

(3) Date of birth;

(4) Federal Tax Identification Number (also known as an Employer Identification Number) or Social Security Number;

(5) Residential address;

(6) Mailing address if different from (5) above;

(7) Contact information including the home phone, mobile phone, and e-mail address;

(8) The name, if any, of the organization(s) with which the participant is affiliated;

(9) Website address.

(f) [Reserved]

(g) Precertification training and examinations may be held in various locations in California on a monthly basis or more or less frequently as the need dictates. Precertification training and examinations may be cancelled if five (5) business days prior to a scheduled training class there is not a minimum of five registered participants.

(h) The precertification examination will be administered by Division staff.

(1) The precertification examination will be a timed examination consisting entirely of a written test.

(2) Each precertification examination participant must complete their own examination.

(3) Each precertification examination participant shall sign an agreement to keep the examination material confidential.

(4) A precertification examination participant may be disqualified from the examination if Division staff find cause before, during, or after the examination. Grounds for disqualification include but are not limited to:

(A) Providing false identification or information;

(B) Removing examination documents from the examination room;

(C) Obtaining assistance during the examination from outside sources;

(D) Leaving the examination room during the examination.

(5) In order to receive a passing score, the precertification examination participant must score at least eighty percent (80%) on the precertification examination.

(i) The Division shall issue confirmation of completion of the precertification training and examination within ten (10) working days of completion of the precertification and examination, including notification of whether or not the participant passed the precertification examination.

(j) Should a precertification examination participant fail to receive a passing score, the participant may retake the precertification examination at a later date, with or without taking the precertification training again, if less than six (6) months have passed since the participant completed the precertification training. When retaking the examination, the participant shall provide the information requested in sections 2012(e)(1) and 2012(e)(2) of this section. If more than six (6) months have passed since the participant completed the precertification training, the participant must complete the precertification training again prior to taking the precertification examination. Participants are allowed to take the precertification training and examination a maximum of three (3) times in a twelve (12) month period.

(k) The Division will issue an application voucher to precertification training and examination participants who complete the precertification training and, no more than six (6) months from the date of the precertification training, obtain a passing score on the precertification examination. The date the participant completed the precertification training will be the effective date of the application voucher.

(l) New applicants shall submit a valid application voucher with the certification application. Renewal applicants shall submit with the renewal application a valid application voucher that expires on or after the expiration date of the certification being renewed.

(1) Notwithstanding subsection (3) of this section, new application vouchers shall expire five (5) years from the date the precertification training was completed.

(2) Notwithstanding section 2012 (j) of these regulations, application vouchers may be renewed by completing the precertification training and obtaining a passing score on the precertification examination as specified in Section 2012(h)(5) of these regulations. Notwithstanding subsection (3) of this section, renewed application vouchers will expire five (5) years from the expiration date of the previous application voucher as long the name of the person and the operator associated with the application voucher remain the same.

(3) The Division shall deem an application voucher to be invalid six (6) months from the effective date of the application voucher if the person named on the voucher has not used the voucher to apply for and obtain certification.

(m) The certified operator of the recycling center or processing facility must possess a valid application voucher.

(1) The application voucher is valid only for the person named on the application voucher in association with the certified operator and cannot be used in association with another operator;

(2) Should the person named on the application voucher become disassociated with the certified operator named on the certification application, the application voucher becomes invalid as of the date of the disassociation and the operator must obtain a new application voucher no more than ninety (90) calendar days from that date;

(3) The application voucher may be declared invalid by the Division if the certification is revoked.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14538, 14539, 14541, and 14553(a), Public Resources Code.

§ 2015. FILING OF APPLICATIONS FOR CERTIFICATION.

(a) Applications for certification, on a form(s) provided by the Division, shall be accepted and reviewed on a continuous basis as received.

(b) A separate, complete application shall be submitted to request certification to operate each recycling center, dropoff or collection program, community service program and processing facility.

(c) New applicants, as described in Section 2010(d) of these regulations, shall provide all of the following with their certification application:

(1) Federal Tax Identification Number (also known as an Employer Identification Number) or Social Security Number;

(2) Facility Address;

(3) A valid application voucher; and

(4) A completed and signed Readiness Plan as described in Section 2045(d) of these regulations.

(d) Certification applications, submitted by new applicants, that do not meet the requirements in subsection (c) above, shall not be accepted by the Division for review.

(e) Renewal applicants, as described in Section 2010(e) of these regulations shall provide all of the following with their certification application:

(1) Federal Tax Identification Number (also known as an Employer Identification Number) or Social Security Number;

(2) Facility Address;

(3) A valid application voucher that expires on or after the expiration date of the certification being renewed; and

(4) A completed and signed Readiness Plan as described in Section 2045(d) of these regulations.

(f) Certification applications submitted by renewal applicants that do not meet the requirements in subsection (e) above may not be accepted by the Division for review.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14511.7, 14538, 14539 and 14540, Public Resources Code.

## § 2020. MULTIPLE CONVENIENCE ZONES OR MULTIPLE LOCATIONS.

(a) The Division shall accept a single application for an individual recycling center to redeem empty beverage containers in more than one convenience zone only if the convenience zones overlap and the recycling center is located in the overlapped area of the convenience zones.

(b) The Division shall accept multiple applications from an individual operator of a recycling center or a processing facility requesting certification at more than one location.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14538, Public Resources Code.

## § 2025. CERTIFICATION OUTSIDE CONVENIENCE ZONES.

(a) Certification of an operator of a recycling center shall not require that the recycling center be located within a designated convenience zone.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14538, Public Resources Code.

## § 2030. REVIEW OF APPLICATIONS.

(a) All applications for certification shall be reviewed by the department for compliance with this chapter.

(b) The department shall assess the readiness of all new applicant(s) and periodically conduct field investigations to verify the accuracy of information contained in the certification application and explain program requirements.

(c) The department shall notify the applicant in writing within thirty (30) working days of receipt of the application, or receipt of additional information if the application was initially incomplete, that it is either:

(1) Complete and accepted for further review, or

(2) Incomplete and the reasons for the incompleteness.

(d) Upon determining that an application is complete, the department shall notify the applicant in writing within sixty (60) calendar days that such application is either:

(1) Approved,

(2) Approved with a probationary status, or

(3) Denied and the reasons for denial.

(e) In determining whether the operator is likely to operate in accordance with this chapter, the department shall review the certification history of the operator and other individuals identified in the application as responsible for the recycling center, processing facility, dropoff or collection program, or community service program operation.

(f) The department shall review its records to determine whether one or more certified entities have operated within the past five years at the same location that is the subject of an application for certification of a recycling center or processor. If one or more entities have operated at the same location, the department shall review the certification history of the entity or entities certified at the same location within the past five years and determine whether the operations at the location exhibit, to the department's satisfaction, a pattern of operation in compliance with the requirements of the California Beverage Container Recycling and Litter Reduction Act, including all relevant regulations adopted thereunder.

(g) Reasons for denial of applications may include, but shall not be limited to, any of the following:

(1) Failure to provide information or documentation to complete the application as stipulated in section 2045 and 2055;

(2) The operator is unwilling to accept and redeem all beverage container types;

(3) The recycling center operator does not agree to be open for business at least thirty (30) hours per week, five (5) of which are other than from 9 a.m. to 5 p.m. on Monday through Friday;

(4) The operator's certification history demonstrates outstanding fines, penalties, or audit findings;

(5) The operator's certification history discloses decertification of a recycling center, processing facility, dropoff or collection program, or community service program within the past two-year period;

(6) The operator's certification history demonstrates a pattern of operation in conflict with the requirements of the California Beverage Container Recycling and Litter Reduction Act, including all relevant regulations adopted thereunder;

(7) For applications for certification of recycling centers or processors, the certification history of one or more entities certified at the same location within the past five years fails to demonstrate to the department's satisfaction a pattern of operation in compliance with the requirements of the California Beverage Container Recycling and Litter Reduction Act, including all relevant regulations adopted thereunder;

(8) The renewal applicant does not possess a valid application voucher that expires on or after the expiration date of the certification being renewed; or

(9) The proposed recycling center is located within an unserved convenience zone where at least one dealer cooperative is implementing a fully operational stewardship plan approved by the department pursuant to subchapter 4.5.

(h)(1) Notwithstanding paragraph (3) of subdivision (g), the department may allow the applicant to operate less than 30 hours per week if either of the following conditions are met:

(A) The recycling center will be located in a designated rural region.

(B) The proposed operating hours will not significantly decrease the ability of consumers to conveniently return beverage containers for the refund value to a certified recycling center redeeming all material types.

(2) The department shall not approve a recycling center to operate under paragraph (1) for fewer than 10 hours per week.

(3) For an applicant approved to operate under paragraph (1), failing to continue to meet the criteria specified in subparagraph (A) or (B) of paragraph (1) is grounds for rescinding the approval to operate the reduced schedule.

Authority: Sections 14530.5, 14536 and 14578.5, Public Resources Code. Reference: Sections 14511.7, 14538, 14539, 14540, 14541, 14571, 14578 and 14578.5, Public Resources Code.

§ 2035. WITHDRAWAL OF APPLICATIONS.

(a) An applicant shall have the right to withdraw an application from review by the Division. Such withdrawal shall be requested in writing and submitted to the Division.

(b) A withdrawal of application shall not prohibit the operator of a recycling center, dropoff or collection program, community service program or processing facility from reapplying at a later date.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14511.7, 14538 and 14539, Public Resources Code.

SUBCHAPTER 2

§ 2040. SUBMISSION OF NEW APPLICATIONS.

(a) The occurrence of any one of the following conditions shall require an operator to file a new application with the Division in accordance with section 2045 or section 2055 of these regulations:

(1) A change in the location of the recycling center or processing facility; or

(2) A change in the operator of the recycling center, dropoff or collection program, community service program or processing facility; or

(3) A change in category as defined in section 2000(a)(5) of these regulations; or

(4) With the exception of an operator who is currently operating under a probationary certification, expiration of the certificate; or

(5) A change in the type of organization operating the certified entity.

(b) A new application shall be submitted ninety (90) calendar days prior to the occurrence of any of the conditions in subsection (a), above.

(c) If a new application is not received by the Division on or before the expiration date of the certificate, the existing certificate shall expire and the operator shall not be eligible for any refund value, administrative fees, processing payments or handling fees from the date of expiration until a new application is approved. The Division shall review all new applications for renewal of certification in the same manner as initial applications.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14511.7, 14518.5, 14538, 14539 and 14541, Public Resources Code.

## Article 2. Content of Certification Applications

§ 2045. APPLICATIONS FOR RECYCLING CENTERS, PROCESSORS, AND BOTTLE WASHER PROCESSORS.

(a) To be considered complete, the applications shall contain the following information:

(1) The category of certification requested.

(2) The business address, mailing address, e-mail address, website and telephone number of the organization. The name of the contact person and the following information about the contact person:

(A) Residential address;

(B) Residential phone number;

(C) Mobile phone number;

(D) E-mail address;

(E) A valid Driver License or Identification Card issued by the State of California, or a United States federal or state government-issued photo identification;

(F) Date of birth; and

(G) Social Security Number, on a voluntary basis.

(3) The type of organization which is requesting certification.

(A) If the organization is an individual doing or proposing to do business under a different name, the applicant shall provide a copy of any fictitious business name statement.

(B) If the organization is a partnership, the applicant shall provide a copy of the current partnership agreement and any fictitious business name statement.

(C) If the organization is a corporation, the applicant shall provide the corporate number and Articles of Incorporation and name and position of all current corporate officers as filed with the Secretary of State, any fictitious business name statement, and the agent for service of process.

(D) If the organization is a corporation from a state other than California, the applicant shall provide a copy of the approved certificate from the California Secretary of State qualifying and authorizing the corporation to transact business in California.

(E) If the organization is co-owned by a married couple or a registered domestic partnership, the applicant shall provide both names and any fictitious business name statement.

(F) If the organization is a local government agency, the applicant shall provide a copy of the authorizing resolution from the governing board.

(G) If the organization is a limited liability company (LLC), the applicant shall provide a copy of the Articles of Organization and Statement of Information as filed with the Secretary of State, any operating agreement, any fictitious business name statement, and the agent for service of process.

(H) If the organization is a limited liability company from a state other than California, the applicant shall provide a copy of their certificate from the California Secretary of State authorizing the LLC to transact business in California.

(4) The federal identification number (employer ID number) of the organization.

(5) A history of past and pending certifications requested from the department.

(6) The name, address, and phone number (if applicable) of the recycling center or processing facility.

(7)(A) The physical location of the facility in relation to the nearest cross street.

(B) For a bottle washer processor, the physical location of the facility in relation to the nearest cross street where the reusable beverage containers will be washed, if different from the physical location specified in subparagraph (A).

(C) For a bag drop recycling center, each physical location in relation to the nearest cross street where beverage container material will be inspected, sorted, or stored, if different from the physical location specified in subparagraph (A).

(8) The name, address and phone number of the owner or leaseholder, if applicable, of the facility premises.

(A) If the applicant owns the property, a current mortgage statement or a current tax bill which specifically identifies the organization name and the facility location.

(B) If applicant is leasing, renting, or operating on donated space, a signed copy of a current lease, rental agreement or written permission from the property owner or leaseholder who has authority to determine use of the specific property shall be provided.

(C) If the applicant purchased the recycling center or processing facility business, the name of the person(s) from whom it was purchased.

(9) Processors and bottle washer processors shall provide the actual days and hours open for business if a regular schedule is maintained or, if a regular schedule is not maintained, processors and bottle washer processors shall indicate that they transact business by appointment only. This is for informational purposes only and does not subject processors or bottle washer processors to the fine and penalty provisions of the Act.

(10)(A) Recycling centers shall provide the actual days and hours open for business.

(B) For recycling centers which are staffed, “actual days and hours open for business” shall be those days and hours where staff are scheduled to be present and do not include lunch breaks.

(C) For recycling centers which consist of reverse vending machines, “actual days and hours open for business” shall include all of the following:

(i) The days and hours when the machine is scheduled to be in operation, and

(ii) The days and hours when beverage containers which are odd-sized or made from materials other than aluminum, glass and plastic will be redeemed, and

(iii) The days and hours when any beverage containers not accepted by the reverse vending machine will be redeemed by the host dealer.

(D) For a bag drop recycling center, “actual days and hours open for business” shall be the days and hours when the bag drop recycling center will be accepting all types of empty beverage containers and is paying no less than the minimum CRV rate.

(11)(A) Recycling centers shall state whether the recycling center is requesting to be open fewer than 30 hours per week.

(B) If the department denies a request for a recycling center to be open fewer than 30 hours per week pursuant to section 2030(h), the department shall either approve or deny the application without those reduced hours pursuant to section 2030(g).

(12) With the exception of recycling centers which meet the criteria for grandfathering, processors, and bottle washer processors, acknowledgment that the organization agrees to accept and redeem all types of redeemable beverage containers.

(13) For recycling centers, a general description of the methods used to collect, store and/or cancel redeemed beverage containers. This shall include, but is not limited to, the types of equipment and/or receptacles used and the staffing.

(14) For recycling centers, the organization shall indicate if applying as a rural region recycler or a nonprofit convenience zone recycler.

(15) Bag drop recycling centers and recycling centers which consist of reverse vending machines shall specify a method for redeeming empty beverage containers that are not accepted by the bag drop recycling center or reverse vending machine. In determining whether the method is acceptable, the department shall consider, but not be limited to, the following:

(A) Convenience to the public,

(B) Volume of containers sold, and

(C) Size and shape of containers

(16) For bag drop recycling centers, all of the following:

(A) A description of how line breakage, scrap, out-of-state, previously baled containers, rejected containers, or otherwise ineligible material will be identified and handled.

(B) A description of how opened bags, unmarked bags, or loose empty beverage containers will be handled. Any opened bag, unmarked bag, or loose empty beverage container in the bag drop receptacle that the bag drop recycling center is not able to connect to a particular consumer shall be considered forfeit and donated to the operator of the bag drop recycling center. The bag drop recycling center shall not claim refund value or other program payments on forfeited material.

(C) A list of electronic methods used to communicate with customers, including any websites, smartphone applications, or other electronic means. If using a smartphone application, specify the name of the platform used and whether the application is made available on a public app store, directly from the app developer, or through another method.

(D) The method of payment of the refund value within three of the bag drop recycling center's business days pursuant to section 14538(d)(3)(B) of the Act, including a description of non-cash forms of payment. In addition to the methods provided in section 2095, a bag drop recycling center is authorized to make payments to consumers electronically, or through rewards, donations, or other methods of payment agreed upon between the consumer and the bag drop recycling center prior to the transaction.

(E) A description of any fees charged to the consumer for providing the consumer with bags to be placed in the bag drop receptacle.

(F) A description of any transaction fees charged to the consumer.

(G) A description of how customer material is uniquely identified.

(H) A description of how the bag drop recycling center will comply with the consumer daily weight limits specified in section 2500.2(b).

(17) For processors and bottle washer processors, the type(s) of beverage containers which will be accepted.

(18) Processors and bottle washer processors shall describe which of the acceptable methods prescribed in section 2000(a)(4) will be used to cancel redeemable beverage containers.

(19) The name, residence address, including city and zip code, and residence phone number of the applicant. Programs operated by limited liability companies, corporations or governmental agencies are exempt from this provision.

(20) For an organization seeking certification of a recycling center located on federal land, a written authorization from an authorized agent of the federal government which will allow inspectors from the department to enter the federal property for the purpose of conducting audits and unannounced inspections of the recycling center, pursuant to section 2125.

(21) For organizations requesting certification to operate a grandfathered facility, evidence that the recycling center was in operation on January 1, 1986, and the types of beverage containers accepted on that date.

(22) The application voucher number and the name of the person on the application voucher.

(b) The application shall be submitted on a form entitled “Certification Application, Recycling Centers, Processors, and Bottle Washer Processors” provided by the department and signed by the applicant under penalty of perjury. The signature block shall contain an affidavit that the information in the application is true and that the organization agrees to operate in compliance with the Act and this chapter.

(1) If the organization is a partnership, the application shall be signed by each partner.

(2) If the organization is a firm, association, corporation, county, city, public agency or other governmental entity, the application shall be signed by the chief executive officer or the individual with authority to legally bind said entity to a contract.

(3) If the organization is owned by a married couple the application shall be signed by each spouse.

(4) If the organization is a limited liability company, the application shall be signed by a managing member, Executive Officer, or other designated member with the authority to legally bind the limited liability company to a contract.

(5) The applicant shall provide a valid Driver License or Identification Card issued by the State of California, or a United States federal or state government issued photo identification of the applicant for identification purposes.

(6) The applicant shall provide the following:

(A) Registry ID, issued by the department, of the applicant;

(B) Date of birth of the applicant;

(C) E-mail address of the applicant;

(D) Mobile phone number of the applicant;

(E) The application voucher number and the name of the person on the application voucher.

(c) An organization seeking certification to operate a recycling center as a nonprofit convenience zone recycler shall provide written documentation showing that its organization was established under section 501(c) or 501(d) of title 26 of the United States Code.

(d) The applicant shall prepare and submit with the certification application a Readiness Plan which shall demonstrate the applicant's ability to meet the conditions necessary to successfully operate a recycling center, processing facility, or bottle washer processing facility.

(1) The applicant shall demonstrate preparedness in the following areas of responsibility and provide any applicable dollar amounts or information. The Readiness Plan shall contain at a minimum the following information:

(A) Projected startup costs for expenditures such as local government permit fees and licenses, land, construction, and initial operating costs;

(B) Projected monthly expenses for expenditures such as labor, taxes and fees, equipment and capital, and overhead;

(C) Projected monthly revenues for earnings such as sale of scrap, payments from processors and bottle washer processors in addition to CRV payments, or potential grants; and

(D) Projected financing to operate successfully including sufficient cash flow to cover costs during slower business cycles.

Authority: Sections 14530.5, 14536 and 14539, Public Resources Code. Reference: Sections 14514.7, 14515.6, 14538, 14539, 14540 and 14571, Public Resources Code.

§ 2047. APPLICATIONS FOR MOBILE UNITS.

(a)(1) Except as specified in paragraph (2), a recycling center or person applying for recycling center certification is eligible to apply for approval to operate one or more mobile units under the certification number of the recycling center.

(2) A recycling center that has a reverse vending machine or bag drop receptacle onsite is not eligible to apply for a mobile unit unless the recycling center is staffed during all hours of operation with an attendant that will immediately pay the refund value for all material types.

(b) To be considered complete, an application for a mobile unit shall include all of the following:

(1) The certification number of the anchor recycling center.

(2) Whether the anchor recycling center is eligible for handling fees, and, if it is, the basis for that eligibility under section 14585 of the Act and section 2516 of this chapter.

(3)(A) The proposed hours of operation and location address(es) of the mobile unit, which shall be the same either from week to week or from month to month.

(B) If the mobile unit will collect empty beverage containers at the consumer's address, as described in section 2500.5(a)(2), the geographic boundaries in which the mobile unit will operate.

(C) Formal acknowledgement, such as a use agreement or letter, signed by the property owner or property manager that permission is given to use the location(s) for the mobile unit.

(4) Each physical location where beverage container material will be inspected, sorted, or stored, if different from the physical location(s) specified in subparagraph (A) or (B) of paragraph (3).

(5)(A) If the mobile unit is a vehicle, the license plate number of the vehicle.

(B) If the mobile unit is a trailer, all of the following: the license plate number of the trailer, the license plate number of the vehicle pulling the trailer, and the trailer's permanent trailer identification number.

(6) For a mobile unit that consists of a bag drop receptacle, the information specified in section 2045(a)(16).

(7) Each physical location that the mobile unit will be stored when not redeeming empty beverage containers for the anchor recycling center.

(8) Proof of current ownership of the mobile unit by the operator of the anchor recycling center or a signed copy of a current lease or rental agreement authorizing the operator of the anchor recycling center to use the mobile unit.

(c) The department shall review whether an application for a mobile unit is complete within 30 working days of receipt. If the department deems an application complete, the department shall, no later than 60 calendar days after the date when the application was deemed complete, do either of the following:

(1) Approve the application if the application meets the requirements of this section.

(2) Deny the application if the application does not meet the requirements of this section and include in the denial letter the basis for the denial specified in this section.

(d) The department shall deny an application for a mobile unit in any of the following circumstances:

(1) The anchor recycling center is on prepayment or postpayment inspection status with the department, as described in section 14552(a) of the Act.

(2) The certification history of the anchor recycling center demonstrates outstanding fines, outstanding penalties, or outstanding amounts owed pursuant to a final audit finding or a final investigation finding.

(3) The anchor recycling center's certification history demonstrates a pattern of operation in conflict with the requirements of the Act and this chapter.

(4) The mobile unit proposes to operate in a convenience zone where a recycling center other than its anchor recycling center or a pilot project recycler operates.

(5) The mobile unit proposes to operate in an unserved convenience zone where at least one dealer cooperative is implementing a fully operational stewardship plan.

(6) The mobile unit already operates for another recycling center, a pilot project recycler, or a dealer cooperative.

(e) The department's denial of a mobile unit application is final and not subject to reconsideration.

(f) The department shall require an applicant to provide additional information if necessary to corroborate or clarify the information provided in the mobile unit application and the applicant shall provide that information within 10 days of the department sending the request via email to the contact person's email address provided in the certification application.

(g) Upon approving an application for a mobile unit, the department shall provide, at the request of the anchor recycling center, the anchor recycling center with a duplicate or digital version of the anchor recycling center's certification sign to display in accordance with section 2500.5(c)(5).

Authority: Section 14536, Public Resources Code. Reference: Section 14538, Public Resources Code.

§ 2055. APPLICATIONS FOR DROPOFF OR COLLECTION PROGRAMS AND COMMUNITY SERVICE PROGRAMS.

(a) To be considered complete, applications (See Figures 5, 6 and 7) shall contain the following information:

(1) The contact person, title, organization name, business address, mailing address and daytime telephone number of the person, association, corporation, church, club or other organization requesting certification.

(2) The type of organization which is requesting certification.

(A) If the organization is an individual doing or proposing to do business under a different name, the applicant shall provide a copy of any fictitious business name statement.

(B) If the organization is a partnership, the applicant shall provide a copy of the current partnership agreement and any fictitious business name statement.

(C) If the organization is a corporation, the applicant shall provide the corporate number and Articles of Incorporation and name and position of all current corporate officers, as filed with the Secretary of State, any fictitious business name statement, and the agent for service of process.

(D) If the organization is a corporation from a state other than California, the applicant shall provide a copy of the approved certificate from the California Secretary of State qualifying and authorizing the corporation to transact business in California.

(E) If the organization is a husband and wife co-ownership, the applicant shall provide both names and any fictitious business name statement.

(F) If the organization is a local government agency, the applicant shall provide a copy of the authorizing resolution from the governing board.

(G) If the organization is a limited liability company (LLC), the applicant shall provide a copy of the Articles of Organization and Statement of Information as filed with the Secretary of State, the operating agreement, any fictitious business name statement, and the agent for service of process.

(H) If the organization is a limited liability company from a state other than California, the applicant shall provide a copy of their certificate from the California Secretary of State authorizing the LLC to transact business in California.

(3) The federal identification number (employer ID number) of the organization.

(4) A history of past and pending certifications requested from the Division.

(5) The name of the program, if different from the organization name (i.e., association, corporation, church, club or other organization).

(6) The types of empty beverage containers collected or accepted.

(7) A description of the recycling program demonstrating that it meets the criteria for a dropoff or collection program as defined in section 2000(a)(20) or a community service program as defined in section 2000(a)(11) of these regulations.

(8) If seeking certification as a neighborhood dropoff program, the applicant shall so state.

(9) If the program separates beverage containers from mixed municipal waste, a copy of the current permit or formal acknowledgment from the local government agency.

(10) The number and location of any dropoff sites.

(11) If applicable, the business name, address, contact person's name and telephone number of three (3) bars, restaurants, hotels or motels, or other commercial or industrial establishments, from which the organization collects empty beverage containers.

(12) The name, residence address, including city and zip code, and residence phone number of the applicant. Programs operated by limited liability companies, corporations or governmental agencies are exempt from this provision.

(13) The application shall be submitted on a form entitled, "Certification Application, Dropoff or Collection Programs and Community Service Programs," provided by the Division and signed by the applicant under penalty of perjury.

(A) The signature block shall contain an affidavit that the information in the application is true and that the organization agrees to operate in compliance with the Act and these regulations.

(B) If the organization is a partnership, the application shall be signed by each partner.

(C) If the organization is a firm, association, corporation, county, city, public agency or other governmental entity, the application shall be signed by the chief executive officer or the individual with authority to legally bind said entity to a contract.

(D) If the organization is a husband and wife co-ownership, the application shall be signed by both the husband and wife.

(E) If the organization is a limited liability company, the application shall be signed by a managing member, Executive Officer, or other designated member with the authority to legally bind the limited liability company to a contract.

(F) The applicant shall provide the vehicle license number and driver license number of the applicant for identification purposes.

(14) For an organization seeking certification of a dropoff or collection program located on federal land, a written authorization from an authorized agent of the federal government which will allow inspectors from the Division to enter the federal property for the purpose of conducting audits and unannounced inspections of the dropoff or collection program, pursuant to section 2125 of these regulations.

(b) An organization seeking certification as a neighborhood dropoff program shall provide:

(1) An area map noting the dropoff locations included in the program; and

(2) The specific address of each dropoff location included in the program.

Authority: Section 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14511.7, Public Resources Code.

SUBCHAPTER 2

## § 2060. CERTIFICATION REQUIRED.

(a) With the exception of section 2060(b), the certificate shall be kept on file at the recycling and/or processing facility. An operator may request that the certificate be kept on file at another location, and the department shall grant approval of such request when the request is submitted in writing and the following conditions are met:

(1) A facsimile of the certificate with a statement indicating where the original certificate is maintained is kept on file at the recycling and/or processing facility, and

(2) The original certificate is maintained at the main business office of the operator where records and reports meeting the requirements of article 3 of subchapter 5 and article 3 of subchapter 6 are maintained.

(b) The certificate issued to the operator of a reverse vending machine, bag drop recycling center, dropoff or collection program, or community service program shall be kept on file at the main business office of the operator where records and reports meeting the requirements of article 3 of subchapter 5 and article 3 of subchapter 6 are maintained.

(c) With the exception of probationary certificates and certificates whose term is otherwise limited by law, the certificate for recycling centers and processors shall be valid for five (5) years and the certificate for dropoff or collection programs and community service programs shall be valid for two (2) years from the date the certification application is approved by the department, or until such time as it is surrendered by the operator, or suspended or revoked by the department.

(d) The certificate is neither transferrable nor assignable to any other person, company, processor, recycling center, dropoff or collection program, community service program or other entity.

(e) The certificate is issued to a specific operator of a recycling center or processing facility for a specific category of certification for a specific location. The certificate issued to a dropoff or collection program or community service program is issued to the operator for a specific category.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14511.7, 14538 and 14539, Public Resources Code.

## § 2065. POSTING OF CERTIFICATION.

(a) The certification sign provided by the Division shall be prominently displayed where it can be viewed by customers approaching the recycling center.

(b) The certification sign may be posted at a location which varies from the provisions of this section if requested in writing and approved in writing by the Division.

(c) The certificate or certification sign shall not be displayed by any person, company, processor, recycling center, dropoff or collection program, community service program or other entity not approved for certification by the Division. Dropoff or collection programs or community service programs, and processors are not required to post a certification sign.

(d) The certificate is the property of the Division and shall be returned to the Division upon decertification, revocation of certification, invalidation of certification or expiration of certification.

(e) The certification sign is the property of the Division and, at the request of the Division, this sign shall be returned to the Division upon decertification, revocation of certification, invalidation of certification or expiration of certification. Certification decals are exempt from this provision.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14511.7, 14538 and 14539, Public Resources Code.

## Article 4. General Accounting Requirements

§ 2070. APPLICABILITY.

To the extent that a person performs the functions of more than one entity (such as beverage manufacturer and distributor or recycling center and processor) governed by these regulations, such person shall separately comply with the applicable subchapter and article for each function. The provisions of this article apply to every person subject to regulation under the Act, including but not limited to container manufacturers, beverage manufacturers, distributors, recycling centers, and processors, unless specifically stated otherwise.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14530.5 and 14536, Public Resources Code.

§ 2075. EXAMINATIONS.

(a) The Division or persons authorized by it shall conduct examinations of curbside programs, recycling centers, processors, beverage manufacturers, distributors, and any other person subject to audit or examination pursuant to the Act. Nothing herein shall limit the authority of the Division pursuant to the Act to audit, examine, review, inspect, or otherwise determine the compliance of any person with the Act or this Chapter.

(b) An examination is a review, of any books, records, accounts, or on-site operations, for the purpose of determining compliance with the Act or this Chapter. Such reviews may include observation and inspection of transactions, verification of measurements, counts, weights or statistics, or other examination procedures regarding payments, transfers or other activities related to the Act. Nothing herein shall in any way limit the Division's ability to carry out its responsibilities pursuant to the Act.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14537, 14541(c), 14549.1, 14552 and 14553(b), Public Resources Code.

§ 2080. PROPRIETARY AND OTHER RECORDS EXEMPT FROM DISCLOSURE.

(a) All information obtained by the Division pursuant to this Chapter may be disclosed to the public upon request unless the information is exempt from such disclosure pursuant to

the Act, the Public Records Act, or other applicable law. Information exempt from public disclosure includes, but is not limited to, proprietary information concerning specific sales or purchases; market reports; personal financial data; or other information as permitted by Section 6255 of the Public Records Act (Government Code Section 6255).

(b) Upon receipt of a written request for records pertaining to information obtained by the Division pursuant to this Chapter, the Division shall determine whether the requested information may be exempt from disclosure. The Division shall notify the requesting party of its determination within 10 days of the receipt of the written request as required by the Public Records Act (Government Code Section 6256). If the Division determines that the information is not exempt from disclosure, it shall promptly provide it to the requesting party in accordance with the procedures of the Public Records Act.

(c) This subsection does not preclude the Department from compiling aggregate information for use in a final public document.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Section 14551(b), Public Resources Code; Sections 6250-6267, Government Code.

§ 2085. RECORDS.

Any records which persons are required to maintain pursuant to these regulations shall be kept in accordance with the following provisions:

(a) Location of Records.

(1) Records of certified recycling centers and certified processors shall be kept at the business address identified in the application for certification pursuant to section 2045(a)(2) or (a)(6) of these regulations. Records may be moved to and kept at a different location if notice is given to the Division pursuant to subsection (3) below.

(2) Container manufacturers in this state, beverage manufacturers in this state, and distributors shall give the Division notice of the location of their records on or before October 1, 1987. Notice of any change in location, or intent to establish a new location of such records, shall be provided pursuant to subsection (3) below.

(3) Notice shall mean written notice stating the full name of the person; certification number where applicable; complete present and future addresses of the location of the records, and name and phone number of the individuals responsible for such records. Such notice shall be submitted no less than 10 days prior to any change in location or establishment of a new location.

(4) Records of dropoff or collection programs and community service programs shall be kept at the business address identified in the application for certification pursuant to section 2055(a)(1) of these regulations. Records may be moved to and kept at a different location, if notice is given to the Division pursuant to subsection (3) above.

(5) Records of persons importing empty beverage container material, as defined in section 2830 of these regulations, shall be kept at the address of the person preparing the report that is provided in the signature section of the Imported Material Report

pursuant to Section 2835(a)(6) of these regulations. Records may be moved to and kept at a different location if notice is given to the Division pursuant to subsection (3) above.

(b) Record Retention Period. Records shall be maintained for at least five years following their preparation.

(c) Suitability for Examination. Any receipt or log records that certified recycling centers other than reverse vending machines are required to maintain pursuant to this chapter shall be original receipt or log records. All records maintained pursuant to this chapter shall be suitable for examination. All records suitable for examination shall be prepared and retained in accordance with all of the following conditions:

(1) records must be legible;

(2) records must be stored at the address identified by the certified operator pursuant to subsection (a)(1), (3) or (4) above;

(3) records must be stored in a secured area where the records are protected from debris, moisture, contamination, hazardous waste, fire and theft;

(4) records shall not be stored in an unprotected area, stored in an outside location, stored in a motor vehicle or stored in a location where the records are likely to become contaminated, damaged or stolen.

(d) If the Department determines that records do not meet the conditions in Section 2085(c), the Department may take disciplinary action against the certificate holder pursuant to Section 14591.2(c) of the Act.

Authority: Sections 14530.5(b), 14536, 14596 and 14599, Public Resources Code. Reference: Sections 14537, 14538, 14539, 14552, 14595 and 14596, Public Resources Code.

## § 2090. REPORTS, NOTICES, AND CLAIMS SUBMITTED TO THE DIVISION.

(a) Except where specifically provided otherwise, any reports, notices, claims, and applicable supporting data prepared pursuant to this chapter shall be prepared and submitted in the form designated by the Division.

All information shall be accurate and complete. Only reports, notices, and claims in such form and bearing an original signature pursuant to subsection 2090(d)(4) shall be acceptable. The Division shall provide reporting forms to any person upon request.

(b) In lieu of submitting information on paper forms provided by the Division, program participants may file designated reports, notices, claims, and other documents electronically with the Division, where the Division has prescribed a form and manner for electronic submission of the document.

(1) Electronic filings may only be submitted through a process made available by the Division.

(2) Notwithstanding any other law, any electronically filed report, notice, claim, or other document shall be deemed to be a valid, original document, including reproductions of the document made by the Division onto paper or other media.

(3) Nothing in this subsection shall obviate compliance with recordkeeping and record retention provisions required by these regulations.

(c) When using paper forms, all reports, notices, claims, and all applicable supporting data shall be accurate, complete, and typed or legibly handwritten in English using permanent ink. Errors shall be voided only by using a single line through the error. Correction fluid, correction tape or erasures shall not be used for correcting errors on any documentation required by or submitted to the Division.

(d) All reports and claims to support payments to or from the Division shall contain all of the following information:

(1) The full name, address, and identification number of the entity preparing the report; and

(A) For recycling centers, dropoff or collection programs, community service programs and processors, the identification number shall be the certification number designated by the Division.

(B) For all other persons, the identification number shall be the Seller's Permit Number as designated by the state pursuant to Revenue and Taxation Code Sections 6066 and 6067.

(C) If an entity preparing the report has no certification number or Seller's Permit Number, an identification number shall be obtained from the Division upon written request.

(2) The name and phone number of a contact person for purposes of the report; and

(3) The reporting period and date of preparation of the report; and

(4) The signature and title of the representative of the entity authorized to prepare the report. The signature block shall state that the information in the report or claim is correct to the best knowledge of the person submitting the report or claim; and

(5) The date and place of the signing of the claim or report.

(e) Failure to comply with any provision of this section, or other reporting requirements of this chapter, shall be grounds for the Division to reject or deny the report, notice or claim or take disciplinary action against the certificate holder pursuant to Section 14591.2(c) of the Act. Any such rejection shall not extend any applicable time period.

Authority Sections: 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14511.7, 14518.5, 14538, 14539, 14541, 14549.1, 14550, 14551, 14552 and 14553, Public Resources Code; Sections 6066 and 6067, Revenue and Taxation Code.

§ 2095. PAYMENTS.

Payments to consumers shall be in cash or by check or by voucher, which is immediately redeemable for cash. All financial transactions shall be reported and recorded in currency of the United States of America ("dollars"). Where the actual transaction is made in foreign currency it shall be converted to dollars for reporting and recording at the prevailing exchange rate at the time of the payment. All payments to the Division shall be in dollars and made by either check, draft, money order or cashier's check payable to the State of California, Department of Resources Recycling and Recovery.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14553, 14574 and 14575 Public Resources Code.

§ 2100. PENALTIES AND INTEREST CHARGES.

(a) For violations of the Act or this chapter for which the department assesses a civil penalty equal to or less than five thousand dollars ($5000) pursuant to section 14591.1(a)(2) of the Public Resources Code, a Notice of Violation shall be issued as a citation under section 17063.3 of chapter 1, division 7, title 14 of the California Code of Regulations, with the following additional requirements:

(1) The Notice of Violation shall be served upon the person on which the civil penalty is being imposed within ninety (90) working days of the discovery of the violation by department staff.

(2) The Notice of Violation shall include a statement that the right to an informal hearing will be deemed waived if the person on which the civil penalty is being imposed fails to request in writing an informal hearing within 15 days from the date the Notice of Violation was received by the person.

(3) The Notice of Violation shall include a statement, notifying the respondent about the nature of the violation(s), and the acts or omissions which form the basis of the violation(s).

(b) Interest on an unpaid civil penalty imposed pursuant to this section shall begin to accrue 30 days after the date the civil penalty was assessed and served. Interest shall be calculated at the rate earned on the Pooled Money Investment Account of the total amount past due.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14591.1, 14591.2, 14593 and 14594, Public Resources Code

§ 2105. PERSONS CERTIFIED AS BOTH PROCESSORS AND RECYCLING CENTERS (DUAL CERTIFIED ENTITIES).

(a) All persons certified as both a processor and a recycling center ("dual certified entities") shall receive material from other recycling centers, curbside programs, dropoff or collection programs and community service programs as a processor. All receipts or reports of such

transactions requiring the certification number shall be filled out with the processor certification number.

(b) For the purpose of complying with section 2420(b) of these regulations, a dual certified entity may summarize the total weight purchased at its recycling center for each shipping report period and record the information in the received weight section of the shipping report (DR-6 (11/05)). If this method is used, the dual certified entity shall use its daily summaries to summarize the total refund value from each reporting period and record that information on the DR-6. The total redemption weight will then be calculated, based on the refund value, and recorded on the DR-6. Out-of-state material, rejected material, and line-breakage material shall not be included in the summarized received weight.

(c) For the purpose of complying with section 2425(d) of these regulations, a dual certified entity may prepare more than one shipping report (DR-6 (11/05)) for transfers of material between its recycling center and its processor for each processor reporting period. If refund values, processing fees, administrative fees, or if any rate changes during a processor reporting period, a separate shipping (DR-6 (11/05)) report shall be prepared for each rate or fee change within that processor reporting period. The received date recorded on each shipping report shall be the last day of the receipt and log period.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14540, 14549.1, 14572 and 14573.5, Public Resources Code.

§ 2110. CANCELED MATERIALS AND REJECTED CONTAINERS.

(a) Except as specified in subsection (b) of this section, no person shall pay or receive a refund value, processing payment, administrative fee, handling fee or other payment mandated by the Act or this chapter for any material that has been canceled, any rejected containers, or any line breakage containers.

(b) The department shall pay applicable payments or fees to a processor for material canceled by the processor and reported pursuant to section 2425.

(1)(A) A processor may issue a written authorization, for a period not to exceed one year, to a recycling center, bottle washer processor, or another processor to cancel material.

(B) A bottle washer processor may issue a written authorization, for a period not to exceed one year, to a processor to cancel reusable beverage containers.

(2) The processor shall submit a copy of the authorization in (b)(1) above to the department at least 12 days prior to its effective date. The department shall modify the beginning or ending dates, if the authorization is not submitted 12 days prior to its effective date or exceeds the one year limitation in 2110(b)(1) above. The department shall have the authority to deny the authorization and must notify the parties of such denial, in writing, prior to the date the authorization would have become effective. If the department does not deny the authorization, in writing, prior to the effective date the authorization shall be deemed approved.

(A) The department may deny an authorization to cancel only upon the grounds enumerated as follows:

1. If aluminum beverage containers, the recycling center, bottle washer processor, or another processor does not have the capability to shred the material or densify the material to at least 15 pounds per cubic foot.

2. If, for any beverage container type, the recycling center, bottle washer processor, or another processor has been found to be in violation of sections 14538(b) or 14539(b) of the Act within the prior two year period of the requested date of the authorization to cancel and the violation(s) has (have) not been corrected.

3. If, for reusable beverage containers, the processor does not have an agreement in place to transfer the reusable beverage containers to a bottle washer processor that has the capability to cancel reusable beverage containers in accordance with sections 2000(a)(4)(B)(ii) and 2421(a).

(3) Notwithstanding (1)(A), above, a processor shall not issue an authorization to a recycling center or another processor to cancel aluminum beverage containers unless such recycling center or processor either shreds the material or densifies the material to no less than 15 pounds per cubic foot prior to cancellation by shipment to a location of end use or shipment out-of-state and the processor has verified that the recycling center or processor has the equipment to densify, or shred, and that the equipment is properly functioning at the time the authorization is given.

(4) The authorization in (b)(1)(A) above shall contain all of the following information:

(A) The dates during which it shall be in effect.

(B) The certification numbers of the recycling center, bottle washer processor, or other processor and the authorizing processor.

(C) The material type which the recycling center, bottle washer processor, or other processor is being authorized to cancel and the method of cancellation.

(D) The manufacturer and model number of the equipment being utilized to cancel the material, if applicable, and the manner by which the processor verified that the equipment is properly functioning.

(5) The authorization in (b)(1)(B) above shall contain all of the following information:

(A) The dates during which it shall be in effect.

(B) The certification numbers of both the processor and the authorizing bottle washer processor.

(C) The manner by which the processor will transfer the reusable beverage containers to a bottle washer processor that has the capability to cancel reusable beverage containers in accordance with sections 2000(a)(4)(B)(ii) and 2421(a).

(6) The department shall have the authority to immediately revoke, effective upon written notification to both parties, any authorization to cancel aluminum beverage containers if the authorized recycling center or other processor is no longer capable of shredding or densifying to at least 15 pounds per cubic foot, or does not do so.

(7) The department shall have the authority to immediately revoke, effective upon written notification to both parties, an authorization to cancel for any beverage container type, if the recycling center, bottle washer processor, or other processor is found to be in violation of sections 14538(b) or 14539(b) of the Act.

(8) The department shall have the authority to immediately revoke, effective upon written notification to both parties, an authorization to cancel reusable beverage containers if the authorized processor does not transfer the reusable beverage containers to a bottle washer processor that has the capability to cancel reusable beverage containers in accordance with sections 2000(a)(4)(B)(ii) and 2421(a).

(9) Notwithstanding section 2000(a)(4), material disposed of pursuant to section 2410 shall be deemed canceled.

(c) For material not physically delivered to a processor pursuant to this section and section 2430(a)(3) for which the processor paid, or will pay, the refund value, the department shall have the authority to inspect the load or loads of material, and examine the records pertaining to such loads, at the location of end use or any other location where the material was physically delivered.

Authority: Sections 14530.5, 14536 and 14539, Public Resources Code. Reference: Sections 14518, 14518.5, 14538, 14539, 14552.51, 14553, 14573 and 14573.5, Public Resources Code.

§ 2115. COMPUTATION OF TIME AND WEIGHT.

(a) Time shall be computed or determined in accordance with California Code of Civil Procedure Section 12.

(b) Weight shall be measured, recorded and reported in short tons, pounds and fractions thereof. All weighing in this state shall be done on a scale or other device approved, tested and sealed in accordance with Division 5 of the Business and Professions Code (Weights and Measures) and any applicable regulations thereunder.

(c) For redemption of empty beverage containers by count, weight shall be determined and noticed as provided in subchapter 12 of these regulations.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14551(b) and 14552, Public Resources Code.

§ 2120. DATES.

(a) The date of any sale or transfer of material shall be deemed to be the date of delivery to the person receiving it.

(b) Reports, complaints, notices and other information submitted to the Division shall be deemed to be submitted on the date of the postmark or the date received by the Division, whichever is earlier.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14551(b) and 14552, Public Resources Code.

## Article 5. Administrative Actions

§ 2125. INSPECTION AUTHORITY.

(a) An applicant, certified operator, or curbside program shall provide access to the operator's facility or program to staff authorized by the Division for any one or all of the following purposes:

(1) To determine compliance with the Division's regulations and with the provisions of the Act, or

(2) To determine the accuracy of the information provided in the application for certification, or

(3) To determine the accuracy of the information provided in the application for curbside registration, or

(4) For the investigation of complaints related to compliance with the Division's regulations and with the provisions of the Act, or

(5) To obtain allowable cost survey data required for the Division to carry out its responsibilities pursuant to Sections 14575 and 14585 of the Act, or

(6) To inspect all records, required by section 2420(h), upon which the scrap value surveys are based.

(b) Failure to submit to inspections described in subsection (a) above shall result in either:

(1) Denial of an application if the application is pending, or

(2) Revocation of a certification, or registration, or

(3) Suspension of a certification, or registration.

(4) Imposition of civil penalties pursuant to Section 14591.1 of the Act.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14537, 14538, 14539, 14540, 14549.1, 14575 and 14585, Public Resources Code.

§ 2130. HEARINGS.

(a) Notice shall be given to the person against which adjudication proceedings will be brought pursuant to chapter 5 (Administrative Adjudication) of division 3 of title 2 of the Government Code, commencing with Section 11500, of the department's intent to hold adjudication proceedings to consider any or all of the following:

(1) Revocation of a certificate pursuant to 14591.2(c)(1) of the Public Resources Code;

(2) Suspension of a certificate pursuant to 14591.2(c)(2) of the Public Resources Code;

(3) Nonrenewal of a certificate;

(4) Imposition of civil penalties on the certificate holder greater than five thousand dollars ($5,000) pursuant to section 14591.1(a)(1) of the Public Resources Code; or

(5) Restitution of more than one thousand dollars ($1,000) pursuant to section 14591.4(c)(1) of the Public Resources Code.

(b) Hearings specified in subdivision (a) above shall be held in accordance with the provisions of chapter 5 (Administrative Adjudication) of division 3 of title 2 of the Government Code, commencing with Section 11500.

(c) Notice shall be given to the person against which adjudication proceedings will be brought of their right to request an informal hearing in accordance with the CalRecycle Informal Hearing Rules (Title 14, California Code of Regulations, Sections 17063.1-17063.32) for proceedings not specified under subdivision (a). This includes, but is not limited to, any of the following:

(1) Denial of an original application for a certificate pursuant to section 14541(b) of the Public Resources Code.

(2) Revocation of a probationary certification pursuant to section 14541(b) of the Public Resources Code.

(3) Restitution of one thousand dollars ($1,000) or less pursuant to section 14591.4(c)(2) of the Public Resources Code.

(4) Civil penalties equal to or less than five thousand dollars ($5,000) pursuant to section 14591.1(a)(2) of the Public Resources Code.

(5) Any other provision under the Act that provides for notice under article 10 (commencing with section 11445.10) of chapter 4.5 of part 1 of division 3 of title 2 of the Government Code.

Authority: Section 14536, Public Resources Code. Reference: Sections 14511.7, 14538, 14539, 14541 and 14591, Public Resources Code; and Sections 11500-11528, Government Code.

§ 2135. UNFAIR AND PREDATORY PRICING.

(a) Complaints submitted pursuant to Section 14588.2 of the Act shall be filed on the Predatory Pricing Complaint Form, DOR 51 (Rev. 01/02) and shall contain all of the following information:

(1) The complainant’s name, address, telephone number, facility or business name, and certification number. The complainant shall meet the requirements of Section 2000(a)(36.5) of these regulations.

(2) The name and address and, if known, the telephone number, certification number, and the owner/representative of the supermarket site recycling center alleged to have engaged in unfair and predatory pricing (hereinafter "respondent").

(3) A summary of the facts and allegations which form the basis of the complaint, including, but not limited to, all of the following:

(A) The date on which the alleged unfair and predatory pricing took place.

(B) The type of beverage container(s) in question.

(C) The amount paid for the beverage containers in question.

(4) A statement declaring the truth of the information and allegations contained in the complaint and the complainant's dated signature, signed under penalty of perjury.

(b) A complaint must be submitted within 60 days of the alleged occurrence that forms the basis of the complaint.

(c) A complaint will be deemed "received" by the Division, within the meaning of Section 14588.2 of the Act, only if it is submitted on the form prescribed by the Division and is determined by the Division to be complete.

(1) To be complete, a complaint shall contain all of the information required in subsection (a) above and shall comply with the requirements of Section 14588.2(a) of the Act.

(2) Once a complaint is deemed received, the Division shall mail copies of the received complaint to the complainant and the respondent. Each copy shall be clearly marked with the date that the complaint was deemed received.

(3) Upon notification by the Division that a complaint is incomplete pursuant to paragraph (c)(1) above, the complainant shall have ten calendar days in which to provide the information needed to complete the complaint. Any complaint that remains incomplete for more than ten calendar days after the complainant has been notified shall be rejected by the Division and may not be resubmitted by the complainant.

(d) The subject of a complaint submitted pursuant to Section 14588.1 of the Act must be a supermarket site that receives handling fees.

(1) A supermarket site is a "supermarket site that receives handling fees", as that term is used in Section 14588.1, if the Division determines that a handling fee payment was disbursed to the supermarket site within sixty days before the date of the alleged unfair and predatory pricing.

(2) A complaint will be deficient on its face and rejected without further investigation, if the Division determines that the condition described in paragraph (d)(1) has not been satisfied.

(e) Upon the Division's receipt of a completed complaint regarding a supermarket site that receives handling fees, the Division shall conduct an audit as required by Section 14588.2

of the Act. The Division may conduct field visits and inspect recycler records in conducting the audit.

(1) The Division shall audit a three-day period, including the date of the alleged occurrence, the day before the alleged occurrence, and the day after the alleged occurrence.

(A) No later than five days after being notified of the Division's audit, each recycling center subject to the audit shall provide the Division with the records necessary to complete the audit. The necessary records include, but are not limited to, receipts, logs, and daily summaries. The records may be submitted to the Division via mail or facsimile, or made available to Division staff conducting a field visit to the recycling center.

(B) A recycling center's failure to provide timely or accurate information pursuant to paragraph (e)(1)(A) above is grounds for discipline pursuant to Sections 14591.1 and 14591.2 of the Act.

(2) The Division shall use the data compiled pursuant to paragraph (e)(1)(A) to calculate the average scrap value paid per pound by specified recycling centers.

(3) For the purposes of this section, "average scrap value paid" is the per pound average paid by all specified recycling centers over the three-day period in question, for the material or materials listed in the complaint, exclusive of the refund value. This is calculated by dividing the total amount paid for all audited transactions ($sum) less the total refund value paid for all audited transactions (CRV sum) by the total weight purchased for all audited transactions (#sum) as follows:

$$\frac{\$sum - CRV\ sum}{\#\ sum} = average\ scrap\ value\ paid$$

(4) Per Section 14588.1(b) of the Act, and for purposes of this section, "specified recycling centers" are those that did not receive handling fees in three or more of the 12 whole months immediately preceding the date of the alleged violation.

(5) The audit will be limited to recycling centers located within either a five-mile or a ten-mile radius of the respondent as specified by Section 14588.1(a)(2) of the Act.

(f) Upon completing the audit required in Section 14588.2 of the Act, the Director, or the Director's designee, shall determine whether there is probable cause to believe that the respondent has engaged in unfair and predatory pricing.

(1) If the Director/designee determines that such probable cause exists, the Department shall convene an informal hearing pursuant to subsection (c) of Section 14588.2. The informal hearing shall be conducted pursuant to Chapter 4.5 (commencing with Section 11445.10) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) If the Director/designee determines that probable cause does not exist, the Division shall notify both the complainant and the respondent of this finding and the complaint

shall be dismissed pursuant to paragraph (c)(5)(A) of Section 14588.2 of the Act. The Division shall also resume payment of handling fees to the respondent, including payment of handling fees withheld pending resolution of the pending complaint, if the respondent is otherwise eligible to receive those handling fees.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14588, 14588.1, 14588.2, 14591.1 and 14591.2, Public Resources Code.

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# SUBCHAPTER 3. MANUFACTURERS

## Article 1. Labeling

§ 2200. LABELING REQUIRED.

(a) A beverage manufacturer shall, prior to the offer for sale, sale, or transfer of nonrefillable beverage containers in the state by the beverage manufacturer, label every nonrefillable beverage container with the message as required in section 14561(a) of the Act.

(1) A currently registered beverage manufacturer, a person applying for beverage manufacturer registration, or a person planning to apply for beverage manufacturer registration may choose to submit to the department, any product label or the beverage container for review and approval. However, if the department requests any product label or the beverage container, the beverage manufacturer shall submit to the department within 10 working days of the request being sent the product label or the beverage container for review and approval.

(2) All nonrefillable beverage containers sold, on and after the effective date of inclusion under the Act, by any person to a distributor, dealer, or consumer shall be labeled in accordance with this section.

(b) Beverage containers shall be clearly, prominently, and indelibly marked as specified in section 14561(a) of the Act by painting, printing, scratch embossing, raised letter embossing, etching, or permanent ink jetting, in the following manner:

(1)(A) Metal containers, excluding metal bottles, shall be marked on the top or bottom end of the container in minimum lettering size at least 4.76 millimeters in height. Metal containers, excluding metal bottles, with a top lid of two inches or less in diameter shall have a minimum lettering size of at least 3.18 millimeters in height.

(B) Scratch embossed lettering shall be of a minimum width of 0.10 millimeters of disturbed surface metal.

(2)(A) Glass containers and plastic containers shall be free of notations resembling “No Deposit--No Return,” and shall be marked either:

(i) On the container body or label at least 4.76 millimeters in height; or

(ii) In minimum lettering size at least 3.18 millimeters in height, as follows: On the container body or label with contrasting colors; written in bold font which is distinct from surrounding text; or surrounded by a text box which separates the California message from other state deposit messages.

(B) Subparagraph (A) does not apply to any beverage container listed in paragraph (3) or (4).

(3) Plastic portion-controlled cups that have peelable, heat-sealed lids that are not resealable, shall be marked in a minimum lettering size of at least 3.18 millimeters in height on either the side of the container only, or on the lid and bottom of the container.

(4) A metal bottle, plastic #1-7 pouch, multi-layer pouch, or paperboard carton shall be marked in contrasting colors on the container body or label in minimum lettering size at least 4.76 millimeters in height.

(5) A bag in box shall be marked in contrasting colors on the external box or label at least 4.76 millimeters in height. The CRV message shall not be located on the panel which provides access to the dispenser. The interior flexible bag shall not be marked with the CRV message.

(c) Labeling a beverage container pursuant to this section constitutes self-certification by the beverage manufacturer that the labeling is compliant with the Act and this chapter.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14504, 14505, 14506, 14561 and 14575, Public Resources Code.

§ 2205. MACHINE-READABLE LABELING.

(a) A beverage manufacturer has the option to print, emboss, etch, stamp, label, or otherwise mark a quick response (QR) code, universal product code, or similar machine-readable indicia capable of being digitally scanned on a beverage container to indicate the CRV redemption eligibility instead of the labeling specified in section 2200.

(b)(1) The beverage container labeling shall clearly indicate the purpose of the machine-readable indicia using one of the following methods:

(A) Clearly and prominently marking the message “DEPOSIT” in all capital letters adjacent to or within the machine-readable indicia.

(B)(i) Clearly and prominently marking the chasing arrows symbol, as defined in subdivision (f) of section 17580 of the Business and Professions Code, within the machine-readable indicia. This method is only allowed for beverage containers that comply with the requirements of section 42355.51 of the Public Resources Code.

(ii) Beverage containers are deemed eligible to be labeled with a chasing arrows symbol within the machine-readable indicia, in compliance with section 42355.51 of the Public Resources Code if they had a 60 percent or higher average recycling rate in the past five calendar years, as published in the biannual report that includes a full calendar year of data for the most recent preceding year, which is issued by the department pursuant to section 14551 of the Act.

(iii) For beverage containers that do not qualify under clause (ii), a beverage manufacturer shall only use the chasing arrows symbol within the machine-readable indicia if the beverage manufacturer maintains the records described in section 17580(a) of the Business and Professions Code and furnishes those records as described in section 17580(b) of the Business and Professions Code. The records shall include evidence that demonstrates that the particular beverage container product complies with the requirements of section 42355.51 of the Public Resources Code. The records are subject to audit, investigation,

inspection, and enforcement by the department pursuant to section 14552 of the Public Resources Code and shall be furnished to the department by a beverage manufacturer within 10 days of the department's written request.

(iv) Use of the chasing arrows symbol within the machine-readable indicia on beverage containers under this section does not otherwise constitute compliance with the requirements of section 42355.51 of the Public Resources Code.

(2) The message “DEPOSIT” or the chasing arrows symbol described under subparagraph (A) or (B), respectively, of paragraph (1), shall be marked in either of the following ways:

(A) In a minimum size of 3.18 millimeters in height in contrasting colors to the machine-readable indicia.

(B) In a minimum size of 4.76 millimeters in height.

(3) The machine-readable indicia shall be clearly and prominently marked in contrasting colors to the label or container on which it is marked.

(c)(1) The machine-readable indicia shall be at least 12.7 millimeters in height and width.

(2) The machine-readable indicia shall be indelibly marked by painting, printing, scratch embossing, raised letter embossing, etching, or permanent ink jetting, in the following manner:

(A) Metal containers, excluding metal bottles, shall be marked on the top or bottom end of the container.

(B) A glass container, metal bottle, plastic container, plastic #1-7 pouch, multi-layer pouch, or paperboard carton shall be marked anywhere on the container body or label. This subparagraph does not apply to any beverage container listed in subparagraph (C).

(C) Plastic portion-controlled cups that have peelable, heat-sealed lids that are not resealable, shall be marked on either the side of the container only, or on the lid and bottom of the container.

(D) A bag in box shall be marked anywhere on the external box or label. The machine-readable indicia shall not be located on the panel which provides access to the dispenser. The interior flexible bag shall not be marked with the machine-readable indicia.

(d) A beverage container that includes a machine-readable indicia pursuant to this section shall include a toll-free telephone number or internet website on the beverage container for customer assistance to address technical issues related to scanning the machine-readable indicia.

(e)(1) Upon scanning the machine-readable indicia, the message specified in section 14561(a) of the Act shall be displayed clearly and prominently and shall appear separately

and before any other information on the page. The message specified in section 14561(a) of the Act shall be visible immediately without having to scroll, open any additional page, or click on any additional link.

(2) The text or other information linked to the machine-readable indicia shall conform to the standards set forth in the Web Content Accessibility Guidelines (WCAG) 2.2 published in 2024 by the World Wide Web Consortium at http://www.w3.org/TR/WCAG22/. The entirety of the Web Content Accessibility Guidelines (WCAG) 2.2 published in 2024 are incorporated by reference.

(f)(1) The department shall request, by sending an email to the email address on file with the department for the beverage manufacturer, the machine-readable indicia or the text or other information linked to the machine-readable indicia, as described in paragraphs (2) and (3) of this subdivision, if necessary to determine whether the machine-readable indicia or the text or other information linked to the machine-readable indicia complies with the Act and this chapter. A beverage manufacturer that marks a beverage container pursuant to this section shall submit the requested information within 10 working days of the request being sent by the department.

(2) The machine-readable indicia displayed on the beverage container sold, transferred, or offered for sale by the beverage manufacturer.

(3) The text or other information linked to the machine-readable indicia displayed on the beverage container sold, transferred, or offered for sale by the beverage manufacturer.

(g) The failure of the machine-readable indicia to link to text or other information that satisfies the requirements of this section when scanned is a violation of this section by the beverage manufacturer and subject to penalties available under the Act and this chapter.

(h) Marking a beverage container with a machine-readable indicia pursuant to this section constitutes self-certification by the beverage manufacturer that the machine-readable indicia is compliant with the Act and this chapter.

Authority: Section 14530.5, Public Resources Code. Reference: Sections 14551 and 14561, Public Resources Code.

## Article 2. Accounting and Reporting Requirements for Container Manufacturers

### § 2220. APPLICABILITY.

In addition to the general requirements of subchapter 2 of these regulations, container manufacturers in this state shall comply with the provisions of this article. Persons other than container manufacturers in this state need not comply with this article.

Authority: Section 14530.5 and 14536, Public Resources Code. Reference: Sections 14530.5 and 14536, Public Resources Code.

§ 2225. RECORDKEEPING.

A container manufacturer shall maintain records of any recycling, processing, or other transfer of containers rejected and any payments therefor. These records shall include receipts from the recycling center, processor, or other recipient. Such receipts shall be signed by the recycling center, processor, or other recipient and shall state the weight by material type of rejected containers and any payments made or credit granted therefor. Such records shall be maintained in accordance with the general requirements set forth in section 2085 of subchapter 2 of these regulations.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14541(d), 14552 and 14575, Public Resources Code.

## Article 3. Registration, Accounting and Reporting Requirements for Beverage Manufacturers

§ 2230. APPLICABILITY.

(a) Except where other persons are responsible as provided in subdivisions (b) and (c), in addition to the general requirements of subchapter 2, a beverage manufacturer shall be responsible for the labeling, registration, recordkeeping, reporting, and processing fee payment requirements of this article.

(b)(1) An out-of-state vendor, holding a certificate of compliance with the Department of Alcoholic Beverage Control, of beer and other malt beverages located outside of California which sells or transfers filled beverage containers to California shall, pursuant to section 14575(g)(2) of the Act, be deemed to be the beverage manufacturer for payment of processing fees and shall be responsible for the labeling, registration, recordkeeping, reporting, and payment responsibilities described in this chapter (including sections 2200, 2205, 2231, 2235(d)-(f), 2240, 2241 and 2245.

(2) An out-of-state vendor, holding a direct shipper permit issued by the Department of Alcoholic Beverage Control, for beverages manufactured outside the state and sold directly to consumers within the state shall, pursuant to section 14575(g)(2) of the Act, be deemed to be the beverage manufacturer for payment of processing fees, and shall be responsible for the labeling, registration, recordkeeping, reporting and payment responsibilities described in this chapter (including sections 2200, 2231, 2235(d)-(f), 2240, 2241 and 2245, for those beverages.

(c) A beverage manufacturer shall notify the department in writing if another entity has agreed to report and make payments on the beverage manufacturer's behalf for processing fees under section 2240(a). The reporting and paying beverage manufacturer shall submit to the department a copy of the written report and pay on behalf agreement for all other beverage manufacturers it reports and pays on behalf of. A copy of the written agreement shall be submitted to the department within twenty (20) working days of the initial agreement. Any subsequent changes to the agreement, including termination of the agreement, shall also be submitted to the department within twenty (20) working days of that change. The agreement shall include but is not limited to:

(1) The name of each entity involved in the agreement.

(2) The beverage manufacturer identification number of each entity.

(3) The business and mailing address(es) of each entity.

(4) A statement signed and dated by an authorized representative from each entity indicating one entity has agreed to report and pay for another.

(5)(A) Clearly indicate the name of the beverage manufacturer(s) reporting and paying on behalf of the other.

(B) Clearly indicate which beverage manufacturer(s) that the beverage manufacturer in subparagraph (A) of paragraph (5) is reporting and paying on behalf of.

(d) A beverage manufacturer shall notify the department in writing, using the same notification process and criteria established in paragraphs (1)-(5) of subdivision (c), if another entity has agreed to report on the beverage manufacturer's behalf for the plastic beverage container virgin and postconsumer resin report under section 2240(b). Only a beverage manufacturer that is not included as part of a consolidated report under section 14549.9 of the Act is eligible to participate in report on behalf agreements for virgin and postconsumer recycled plastic minimum content and only if the agreement is received by the department by June 30 of the previous calendar year for which the report is due.

(e) By June 30 of each year, a beverage manufacturer shall provide the department a listing of all entities with which the beverage manufacturer has entered into an agreement, pursuant to subdivision (c) or (d).

(f) A beverage manufacturer shall apprise the department of any changes to the information provided pursuant to section 2231 within twenty (20) working days of that change.

(g) Nothing in this article shall be construed to require the department to transfer any of the responsibilities set forth in this article, nor shall the department be prohibited from holding the in-state beverage manufacturer, distributor, dealer, and/or consumer liable for any due and unpaid processing fees.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14505, 14506, 14549.9 and 14575, Public Resources Code.

§ 2231. REGISTRATION.

(a) In order to meet the reporting and payment requirements pursuant to sections 2240 and 2245, a beverage manufacturer shall register with the department and receive a Beverage Manufacturer Identification Number issued by the department.

(b) A beverage manufacturer shall contact the department prior to the initial sale or transfer of beverages, as defined by section 14504 of the Act. A beverage manufacturer shall:

(1) Provide the legal name of the entity and the “Doing Business As” (DBA) name(s);

(2) Provide the Federal Tax Identification Number (also known as an Employer Identification Number);

(3)(A) Provide the Department of Alcoholic Beverage Control Certificate of Compliance Number, if an out-of-state beer or other malt beverage manufacturer;

(B) Provide the Department of Alcoholic Beverage Control direct shipper permit number, if an out-of-state beverage manufacturer of beverages manufactured outside the state and sold directly to consumers within the state with the direct shipper permit;

(4) Provide the physical business address;

(5) Provide the mailing address;

(6) Provide, if applicable, additional business addresses, including;

(A) Rented, leased, or owned California warehouse(s);

(B) Sales office(s);

(C) Corporate office(s); and

(D) Other.

(7) Provide primary and secondary contact information, including name, title, telephone number, e-mail address, facsimile number, and website, as applicable;

(8) Indicate the type of business ownership structure:

(A) Sole Proprietorship;

(B) Married Co-Ownership;

(C) Corporation;

(D) Non Profit Corporation;

(E) Cooperative;

(F) Limited Liability Company;

(G) General Partnership;

(H) Limited Partnership;

(I) Limited Liability Partnership; or

(J) Other.

(9) Provide the effective date of beverage sales or transfer in California;

(10) Indicate if beverages are offered for sale or transfer, or proposed to be offered for sale or transfer to common carriers;

(11) Indicate if free beverage samples are offered, or proposed to be offered in California;

(12) Provide the types of beverages, their container types, and container sizes offered for sale or transfer, or proposed to be offered for sale or transfer in California;

(13) Indicate if the beverages for sale or transfer are refillable or nonrefillable;

(14) Provide the name and contact information of beverage suppliers, co-packers, and /or bottlers;

(15) Indicate whether beverages are purchased or supplied from an entity outside of California;

(16) Identify the entities in California to which beverages are sold or transferred, including distributor contact information, if applicable.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14506 and 14575, Public Resources Code.

§ 2235. RECORDKEEPING.

A beverage manufacturer shall maintain the following records in accordance with the general requirements set forth in section 2085.

(a) Transactions with a Container Manufacturer. A beverage manufacturer shall maintain the following records evidencing the receipt of beverage containers or components thereof. Such records shall include all bills of lading, other shipping documents, and the following information:

(1) Date of receipt of shipment;

(2) Quantity, material type, size, and component type, if applicable, of beverage containers or components in shipment;

(3) Full name and address of shipper; and

(4) Canceled checks or other proof of payment (receipts), invoices, and statements regarding container manufacturers' payment or credit for processing fees pursuant to the Act.

(b) Rejected Containers. A beverage manufacturer shall maintain records of any recycling, processing, or other disposition of rejected containers and any payments therefor. These records shall include receipts or statements signed by the recycling center, processor, or other recipient. Such receipts or statements shall state the weight by material type of rejected containers and any payment made or credit granted therefor.

(c) Sales and Transfers of Beverage Containers by a Beverage Manufacturer. A beverage manufacturer shall maintain records, by individual sale or transfer, of all sales or transfers of beverage containers to distributors, dealers, or consumers, and any payments made therefor. The records shall include all of the following:

(1) The number, by material type, of beverage containers sold or transferred to dealers, distributors, or consumers;

(2) The date of the sale or transfer;

(3) The full name and address of the buyer or other transferee, and shipping name and address if different; and

(4) Proof of payment for the beverage containers sold or transferred, such as invoices and statements.

(d) Processing Fee Report Records. A beverage manufacturer shall retain a copy of the Beverage Manufacturer Report submitted to the Division pursuant to section 2240 of this subchapter, and proof of payment and receipts for processing fee payments made to the Division.

(e) Documentation of minimum recycled plastic content for beverage containers containing any percentage of minimum recycled plastic content evidencing the recycled plastic content of beverage containers sold or transferred to distributors, dealers, or consumers. Suitable records for examination and audit by the Department shall include all of the following:

(1) Material data sheets and purchase records associated with the beverage container and beverage container components,

(2) Manifests, bills of lading or other sales documents to show shipping of beverage containers with postconsumer material content,

(3) Purchase records of postconsumer recycled material and virgin material used to manufacture beverage containers,

(4) Certifications made by a container manufacturer of the postconsumer recycled material content of the beverage containers, and

(5) Financial, transactional, or legal documentation provided by the container manufacturer that documents the postconsumer recycled material content of the beverage containers.

(f) A beverage manufacturer shall maintain records of any report on behalf or pay on behalf of agreements, including:

(1) Copy of the signed agreement for each beverage manufacturer.

(2) For beverage manufacturers that are reporting and paying on behalf of other beverage manufacturers for processing fees:

(A) Number of containers reported for each beverage manufacturer by each beverage manufacturer's department-issued identification number by month.

(B) Processing fees paid by container material type reported for each beverage manufacturer by each beverage manufacturer's department-issued identification number by month.

(3) For beverage manufacturers that are reporting on behalf of other beverage manufacturers for virgin and postconsumer recycled plastic minimum content:

(A) The amount of virgin plastic, by resin type and in pounds reported for each beverage manufacturer by each beverage manufacturer's department-issued identification number for each reporting period.

(B) The amount of postconsumer recycled plastic, by resin type and in pounds reported for each beverage manufacturer by each beverage manufacturer's department-issued identification number for each reporting period.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14537, 14547, 14549.3, 14552 and 14575, Public Resources Code.

§ 2240. REPORTING.

(a)(1) For each month during which a processing fee applies to any beverage container material type sold or transferred by a beverage manufacturer, the appropriate beverage manufacturer, as determined by section 2230, shall prepare and submit to the department the Beverage Manufacturer Report. The Beverage Manufacturer Report shall contain the following information in accordance with the general requirements for reporting as contained in section 2090.

(2) Sales and Transfers of Beverage Containers Subject to a Processing Fee. Each report shall contain all of the following information:

(A) The beverage manufacturer's name, address, manufacturer identification number, contact person, and telephone number of contact person;

(B) The reporting period;

(C) The number of beverage containers, by material type, sold or transferred in or into this state during the reporting period which are subject to a processing fee;

(D) The amount of the processing fee per beverage container and material type (“unit fee”);

(E) The amount of the processing fee payment for each material type, calculated by multiplying the beverage container count for each material type by the applicable processing fee per container;

(F) The amount of the total processing fee payment due, which is equal to the sum of the processing fee payments by material type pursuant to subparagraph (E); and

(G) The signature of an authorized representative and date signed.

(3)(A) For beverage manufacturers with a pay on behalf of agreement and reporting on behalf of other beverage manufacturers for processing fees, the report shall contain all of the following information:

(i) Separately identify the number of containers by material type for each beverage manufacturer by each beverage manufacturer's department-issued identification number by month.

(ii) Separately identify the processing fees by container material type for each beverage manufacturer by each beverage manufacturer's department-issued identification number by month.

(iii) Total of all containers and processing fees to be paid for the reporting period by material type.

(B) Subparagraph (A) shall become operative on January 1, 2030.

(4) For beverage manufacturers reporting on behalf of other beverage manufacturers for virgin and postconsumer recycled plastic minimum content under section 2230(d), the report shall contain all of the following information:

(A) Separately identify the amount of virgin plastic, by resin type and in pounds, including any component that is part of or affixed to the beverage container at the point of sale, used in beverage containers subject to the California Redemption Value for sale or transfer in the state for each beverage manufacturer by each beverage manufacturer's department-issued identification number for each reporting period.

(B) Separately identify the amount of postconsumer recycled plastic material, by resin type and in pounds, including any component that is part of or affixed to the beverage container at the point of sale, used in beverage containers subject to the California Redemption Value for sale or transfer in the state for each beverage manufacturer by each beverage manufacturer's department-issued identification number for each reporting period.

(5) The Beverage Manufacturer Report shall be submitted no later than the tenth day of the second month following the month of sales. For example, sales of January 2010 shall be reported no later than March 10, 2010; sales of February 2010 shall be reported no later than April 10, 2010; sales of March 2010 shall be reported no later than May 10, 2010, etc.

(b)(1) For each year, the following beverage manufacturers, or the appropriate entity as determined by section 2230(d), shall prepare and submit to the department the plastic beverage container virgin and postconsumer resin report:

(A) A beverage manufacturer of a beverage sold in a bag in box, multi-layer pouch, or paperboard carton with a plastic component that is part of or affixed to the beverage container at the point of sale.

(B) A beverage manufacturer of a plastic beverage container.

(2) The plastic beverage container virgin and postconsumer resin report shall contain all of the information as specified in paragraphs (3), (4), and (5) in accordance with the general requirements for reporting as contained in section 2090.

(3) Plastic beverage container virgin and postconsumer resin report. Each report shall contain all of the following information:

(A)(i) The beverage manufacturer's name and unique manufacturer identification number; and

(ii) A separate report must be submitted for each manufacturer identification number.

(B) The reporting period; and

(C) The amount of virgin plastic, by resin type and in pounds, used in beverage containers subject to the California Redemption Value for sale or transfer in the state. This shall include any component that is part of or affixed to the beverage container at the point of sale, such as caps, labels, straws, or dispensing valves; and

(D)(i) The amount of postconsumer recycled plastic material, by resin type and in pounds, used in beverage containers subject to the California Redemption Value for sale or transfer in the state. This shall include any component that is part of or affixed to the beverage container at the point of sale, such as caps, labels, straws, or dispensing valves; and

(ii) Any non-numerical answer for the amount of postconsumer recycled plastic material in pounds shall be treated as a zero for purposes of calculating the postconsumer recycled plastic material content of a plastic beverage container and potential administrative penalties pursuant to subdivision (c) of section 14547 of the Public Resources Code.

(E)(i) The printed name, title, email address, and signature of the person preparing the report; and

(ii) The Signature block shall state the information in the report is true and correct, subject to penalty of perjury, and the person signing is authorized to do so; and

(F) The date and the place the report was signed.

(4) The plastic beverage container virgin and postconsumer resin report shall be submitted no later than March 1 of each year for plastic beverage containers subject to the California Redemption Value for sale in the state for the previous calendar year and to the department by email to MarketInformation@CalRecycle.ca.gov or by mail to Statistical Information Section, Division of Recycling, Department of Resources Recycling and Recovery, P.O. Box 4025, Sacramento, California, 95812-4025.

(5) If a component that is part of or affixed to a bag in box, multi-layer pouch, or paperboard carton at the point of sale is resin type PETE #1, HDPE #2, V #3, LDPE #4, PP #5, PS #6, or Other #7, the beverage manufacturer shall report that component under the relevant resin type. This requirement applies to a beverage manufacturer of a beverage sold in a bag in box, multi-layer pouch, or paperboard carton, regardless of whether or not the bag in box, multi-layer pouch, or paperboard carton is a plastic beverage container.

(c) For purposes of this section, a component that is part of or affixed to a beverage container at the point of sale does not include grouped packaging or secondary packaging intended to bundle, sell in bulk, brand, or display the product, as described in section 42041(s)(2) of the Public Resources Code.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14504, 14505, 14547, 14549.3, 14552 and 14575, Public Resources Code.

§ 2241. ANNUAL REPORTING.

(a) Notwithstanding any provision of section 2240 establishing a monthly reporting schedule, a beverage manufacturer shall have the option to report on an annual basis, and make a single annual payment of processing fees, on or before February 1 of each year in accordance with the requirements of section 14575 of the Act for every beverage container sold or transferred by the beverage manufacturer in the previous calendar year if the beverage manufacturer satisfies both of the following:

(1) The beverage manufacturer notifies the department of its intent to report annually either within 10 working days of being registered by the department or by January 31 of the calendar year and every year thereafter for which the monthly reports and payments would be due. The notification shall be submitted electronically in writing in the format provided by the department; and

(2) The beverage manufacturer meets either of the following criteria:

(A) Submits 12 accurate monthly reports and payments to the department by the required due dates, and projects to owe less than $15,000 in processing fees in the calendar year; or

(B) Projects to sell fewer than 375,000 beverage containers in the calendar year, and projects to owe less than $15,000 in processing fees in the calendar year.

(b) A beverage manufacturer that is not in compliance with the Act or this chapter that otherwise meets the criteria in subdivision (a) constitutes grounds for the department to deny or revoke the beverage manufacturer's option to make a single annual payment of processing fees.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Section 14575, Public Resources Code.

§ 2243. POSTCONSUMER RECYCLED PLASTIC REQUIREMENTS.

(a) The total weight of plastic in bags in boxes, multi-layer pouches, or paperboard cartons sold in the state by a beverage manufacturer shall, on average, contain no less than the following percentages of postconsumer recycled plastic per year out of the total amount of plastic contained in the beverage containers:

(1) Between July 9, 2026 and December 31, 2026: 15 percent.

(2) Between January 1, 2027 and December 31, 2031: 25 percent.

(3) On and after January 1, 2032: 50 percent.

(b) In accordance with section 14547(i)(2) of the Act, the minimum content standards established in section 14547 of the Act and in this section do not apply to a beverage manufacturer that sells or transfers 16,000,000 or fewer of any combination of the following to a distributor, dealer, or consumer located in the State of California during the calendar year for which the beverage manufacturer is reporting pursuant to section 14549.3 of the Act and section 2240(b):

(1) Plastic beverage containers.

(2) Bags in boxes containing plastic.

(3) Multi-layer pouches containing plastic.

(4) Paperboard cartons containing plastic.

Authority: Section 14530.5, Public Resources Code. Reference: Sections 14504, 14547 and 14549.3, Public Resources Code.

§ 2245. PAYMENTS.

(a) Each beverage manufacturer, except as provided in section 2230(b), shall pay to the Division all applicable processing fees for the beverage containers that the beverage manufacturer sells or transfers to the following entities located in California: distributors, dealers, or consumers.

(b) Calculation of payment. A beverage manufacturer shall pay to the Division for each month the processing fee reported for that month pursuant to section 2240(a).

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14506 and 14575, Public Resources Code.

§ 2250. PETITION TO THE DIRECTOR TO ADJUST THE MINIMUM POSTCONSUMER RECYCLED CONTENT PERCENTAGE.

(a) On or after January 1, 2025, and annually thereafter, an association that represents companies that manufacture beverages may petition to the director to adjust the minimum postconsumer recycled content percentage required to meet the minimum recycled plastic content requirements for plastic beverage containers. The association must represent at least 35% of beverage manufacturers who reported plastic beverage containers pursuant to section 2240(a) of these regulations during the previous calendar year to submit the petition.

(b) The petition shall be submitted as a written request to the director of the Department of Resources Recycling and Recovery and shall include:

(1) The name of the association; and

(2) The list of registered beverage manufacturers that the association represents which must include:

(A) Each unique manufacturer identification number; and

(B) The name of the beverage manufacturer;

(3) A confirmatory statement that the association represents at least 35% of beverage manufacturers who reported plastic beverage containers pursuant to section 2240(a) of these regulations during the previous calendar year; and

(4) The lobbying identification number granted by the Secretary of State that demonstrates the association is registered to engage in lobbying the legislature or a state administrative agency; and

(5) Information documenting the following factors to be considered by the director of the Department of Resources Recycling and Recovery:

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

(B) Recycling rates as determined by the Department of Resources Recycling and Recovery pursuant to Public Resources Code section 14551; and

(C) The availability of recycled plastic suitable to meet the minimum recycled content requirements, including the availability of high-quality recycled plastic, and food-grade recycled plastic from the state's and other beverage container recycling programs; and

(D) The capacity of recycling or processing infrastructure; and

(E) The progress made by beverage manufacturers in achieving the goals related to meeting requirements of subdivision (a) of section 14547 of the Public Resources Code.

(6) The association's preferred reduced minimum postconsumer recycled content percentage as supported by the factors identified in the petition.

(c) The petition to the director of the Department of Resources Recycling and Recovery shall be submitted by December 1 and delivered to either the Division by email to MarketInformation@CalRecycle.ca.gov or by mail to Statistical Information Section, Division of Recycling, Department of Resources Recycling and Recovery, P.O. Box 4025, Sacramento, California, 95812-4025.

(d) The director will grant or deny the petition by publishing the decision on minimum content standards on the Department's website on or before May 1 of the subsequent year.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14517 and 14547, Public Resources Code.

§ 2255. CORRECTIVE ACTION PLAN.

(a) A beverage manufacturer shall submit, in writing, to the director of the Department of Resources Recycling and Recovery a corrective action plan before the beverage manufacturer obtains a reduction of an administrative penalty assessment for not meeting the minimum recycled plastic content requirements.

(b) Each corrective plan shall include the following:

(1) The beverage manufacturer's name and manufacturer identification number; and

(2) The reporting period; and

(3) Reasons why the beverage manufacturer will fail to meet or has failed to meet the minimum postconsumer recycled content standard; and

(4) Steps the beverage manufacturer will take to comply with the minimum postconsumer recycled content standard within the next reporting year; and

(5) Dates for when the beverage manufacturer will implement the identified steps; and

(6) Steps the beverage manufacturer took to implement any previously approved corrective action plans.

(c) A beverage manufacturer shall submit a corrective action plan within 30 days of receipt of an invoice for an administrative penalty.

(d) A beverage manufacturer shall submit any corrective action plan by email to MarketInformation@CalRecycle.ca.gov or by mail to Statistical Information Section, Division of Recycling, Department of Resources Recycling and Recovery, P.O. Box 4025, Sacramento, California, 95812-4025.

(e) The Department will approve or deny the corrective action plan in writing within 60 days after receipt of the corrective action plan.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Section 14547, Public Resources Code.

§ 2260. REDUCTION IN ADMINISTRATIVE PENALTIES.

(a) A beverage manufacturer shall submit a written request to the director of the Department of Resources Recycling and Recovery to request a reduction of an administrative penalty assessment for not meeting the minimum recycled plastic content requirements, and the request must include the administrative penalty reduction sought by the beverage manufacturer.

(b) The Department shall consider granting a reduction of the administrative penalties assessed to beverage manufacturers that do not meet the minimum recycled plastic content requirements for a reporting year based on the following factors:

(1) Anomalous market conditions; and

(2) Disruption in, or lack of supply, of recycled plastics; and

(3) Other factors that have prevented a beverage manufacturer from meeting the minimum recycled plastic content requirements; and

(A) Other factors that have prevented a beverage manufacturer from meeting the minimum recycled plastic content requirements shall not include:

1. A beverage manufacturer's inability to obtain supporting documentation from the container manufacturer or other vendor; or

2. A beverage manufacturer's inability to pay the assessed administrative penalty.

(4) The beverage manufacturer corrective action plan approved by the department in section 2255 of these regulations; and

(5) The totality of the implementation of any prior approved corrective action plans for a beverage manufacturer.

(c) A beverage manufacturer shall submit any request for a reduction in administrative penalties with the corrective action plan required in section 2255 of these regulations.

(d) The department will grant or deny the reduction in administrative penalties in writing within 30 days after the approval of a corrective action plan.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Section 14547, Public Resources Code.

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## SUBCHAPTER 3.1. PLASTIC MATERIAL RECLAIMER

§ 2280. PLASTIC MATERIAL RECLAIMER IDENTIFICATION NUMBER.

The Division will issue in writing a plastic material reclaimer identification number to all plastic material reclaimers to facilitate the collection of information and reports related to the amount in pounds and by resin type of empty plastic beverage containers, subject to the California Redemption Value, collected and sold in the previous calendar year.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Section 14549.3, Public Resources Code.

§ 2285. PLASTIC MATERIAL RECLAIMER REPORT.

(a) On or before March 1, 2024 and on or before every March 1 thereafter, a plastic material reclaimer shall prepare and submit to the Division the plastic material reclaimer report. The plastic material reclaimer report shall contain the following information in accordance with the general requirements for reporting as contained in section 2090 of these regulations.

(b) The plastic material reclaimer report. Each report shall contain all of the following information:

(1) The year of the reporting period;

(2) The plastic material reclaimer identification number;

(3) The facility name;

(4) The address for the facility and any other location where empty plastic beverage containers subject to this report are stored;

(5) The mailing address;

(6) The contact person;

(7) The telephone number of the contact person;

(8) The email address of the contact person;

(9) The amount of empty plastic beverage containers subject to the California Redemption Value collected and sold, by resin type and in pounds, in the previous calendar year;

(10) The amount of empty plastic containers sold or transferred in the state to a manufacturer of postconsumer recycled plastic for beverage processing, by resin type and in pounds, in the previous calendar year;

(11) The printed name, title, and signature of the person preparing the report; and

(A) The signature block shall state the information in the report is true and correct, subject to penalty of perjury, and the person signing is authorized to do so.

(12) The date and the place the report was signed.

(c) The plastic material reclaimer report shall be submitted to the Division by email to MarketInformation@CalRecycle.ca.gov or by mail to Statistical Information Section, Division of Recycling, Department of Resources Recycling and Recovery, P.O. Box 4025, Sacramento, California, 95812-4025.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Section 14549.3, Public Resources Code.

## SUBCHAPTER 3.2. MANUFACTURER OF POSTCONSUMER RECYCLED PLASTIC

### § 2290. MANUFACTURER OF POSTCONSUMER RECYCLED PLASTIC IDENTIFICATION NUMBER.

The Division will issue in writing a manufacturer of postconsumer recycled plastic identification number to all manufacturers of postconsumer recycled plastic to facilitate the collection of information and reports related to the amount in pounds of food-grade flake, pellet, sheet, fines, or other forms that were sold in the previous calendar year, their capacity to produce food-grade material, the amounts in pounds of material that meet beverage manufacturer specifications for bottle-grade material, and the amount in pounds of food-grade material sold in the state for use in beverage processing.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Section 14549.3, Public Resources Code.

### § 2295. MANUFACTURER OF POSTCONSUMER RECYCLED PLASTIC REPORT.

(a) On or before March 1, 2024 and on or before every March 1 thereafter, a manufacturer of postconsumer recycled plastic shall prepare and submit to the Division the manufacturer of postconsumer recycled plastic report. The manufacturer of postconsumer recycled plastic report shall contain the following information in accordance with the general requirements for reporting as contained in section 2090 of these regulations.

(b) The manufacturer of postconsumer recycled plastic report. Each report shall contain all of the following information:

(1) The year of the reporting period;

(2) The manufacturer of postconsumer recycled plastic identification number;

(3) The facility name;

(4) The address for the facility and any other location where food-grade plastic material subject to this report is stored;

(5) The mailing address;

(6) The contact person;

(7) The telephone number of the contact person;

(8) The email address of the contact person;

(9) The amount of food-grade flake, pellet, sheet, fines or other forms, by resin type and in pounds, that were sold, in the previous calendar year;

(10) The capacity to produce food-grade material, by resin type and in pounds, in the previous calendar year;

(11) The amount of food-grade material offered for sale that meets beverage manufacturer specifications for bottle-grade material, by resin type and in pounds, in the previous calendar year;

(12) The amount of food-grade material sold that meets beverage manufacturer specifications for bottle-grade material, by resin type and in pounds, in the previous calendar year;

(13) The printed name, title, and signature of the person preparing the report; and

(A) The signature block shall state the information in the report is true and correct, subject to penalty of perjury, and the person signing is authorized to do so.

(14) The date and the place the report was signed.

(c) The manufacturer of postconsumer recycled plastic report shall be submitted to to the Division by email to MarketInformation@CalRecycle.ca.gov or by mail to Statistical Information Section, Division of Recycling, Department of Resources Recycling and Recovery, P.O. Box 4025, Sacramento, California, 95812-4025.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Section 14549.3, Public Resources Code.

## SUBCHAPTER 4. DISTRIBUTORS

### Article 1. Distributor Requirements

§ 2300. APPLICABILITY.

(a) In addition to the general requirements of subchapter 2, a distributor shall be responsible for the registration, recordkeeping, reporting, and redemption payment requirements of this article.

(b) A distributor shall notify the department in writing if another entity has agreed to report and make payments on the distributor's behalf within twenty (20) working days of the initial agreement. Any subsequent changes to the agreement, including termination of the agreement, shall also be submitted to the department within twenty (20) working days of that change. The distributor shall provide the department with the following information:

(1) The name of each entity involved in the agreement.

(2) The distributor identification number of each entity.

(3) The business and mailing address(es) of each entity.

(4) A statement signed and dated by an authorized representative from each entity indicating one entity has agreed to report and pay for another.

(5)(A) Clearly indicate the name and identification numbers of the distributor(s) reporting and paying on behalf of the other.

(B) Clearly indicate which distributor(s) that the distributor in subparagraph (5) of paragraph (A) is reporting and paying on behalf of.

(c) By June 30 of each year, a distributor shall provide the department a listing of all entities with which the distributor has entered into an agreement, pursuant to subdivision (b).

(d) A distributor shall apprise the department of any changes to the information provided pursuant to section 2301 within twenty (20) working days of that change.

(e) Nothing in this article shall be construed to require the department to transfer any of the responsibilities set forth in this article, nor shall the department be prohibited from holding the in-state distributor, dealer, and/or consumer liable for any due and unpaid redemption payments.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14511, 14523, 14537 and 14550, Public Resources Code.

§ 2301. REGISTRATION.

(a)(1) In order to meet the reporting and payment requirements pursuant to sections 2310 and 2320, a distributor shall register with the department and receive a Distributor Identification Number issued by the department.

(2) An out-of-state vendor, holding a direct shipper permit issued by the Department of Alcoholic Beverage Control, which sells or transfers filled beverage containers to

California consumers shall, pursuant to section 14560(a)(4)(A) of the Act, be deemed to be the distributor for payment of the redemption payment, and shall be responsible for the registration, recordkeeping, reporting, and payment responsibilities described in sections 2301, 2305, 2310, and 2320, for those filled beverage containers.

(b) A distributor shall contact the department prior to the initial sale or transfer of beverages, as defined by section 14504 of the Act. A distributor shall:

(1) Provide the legal name of the entity and the "Doing Business As" name(s);

(2) Provide the Federal Tax Identification Number (also known as an Employer Identification Number);

(3) Provide the physical business address;

(4) Provide the mailing address;

(5) Provide, if applicable, additional business addresses, including:

(A) Rented, leased, or owned California warehouse(s);

(B) Sales office(s);

(C) Corporate office(s); and

(D) Other.

(6) Provide primary and secondary contact information, including name, title, telephone number, e-mail address, facsimile number, and website, as applicable;

(7) Indicate the type of business ownership structure:

(A) Sole Proprietorship;

(B) Married Co-Ownership;

(C) Corporation;

(D) Non Profit Corporation;

(E) Cooperative;

(F) Limited Liability Company;

(G) General Partnership;

(H) Limited Partnership;

(I) Limited Liability Partnership; or

(J) Other.

(8) Provide the effective date of beverage sales or transfers in California;

(9) Indicate if beverages are offered for sale or transfer, or proposed to be offered for sale or transfer to common carriers;

(10) Indicate if free beverage samples are offered, or proposed to be offered in California;

(11) Provide the types of beverages, their container types, and container sizes offered for sale or transfer, or proposed to be offered for sale or transfer in California;

(12) Indicate if the beverages for sale or transfer are refillable or nonrefillable;

(13) Provide the name and location of beverage suppliers in California, including contact information;

(14) Indicate whether beverages are purchased or supplied from an entity outside of California;

(15) Identify the entities in California to which beverages are sold or transferred, including distributor contact information, if applicable.

(16) Provide the Department of Alcoholic Beverage Control direct shipper permit number, if an out-of-state vendor that sells or transfers filled beverage containers to California consumers.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14501.5, 14511, 14550, 14560 and 14574, Public Resources Code.

§ 2305. RECORDKEEPING.

A distributor shall maintain the following records by individual sale or transfer and in accordance with the general requirements set forth in section 2085.

(a) Receipt of Beverage Containers. A distributor shall maintain records, by individual sale or transfer, of all beverage containers received. The records shall contain all of the following information:

(1) The quantity received, by material type, of beverage containers;

(2) The full name and address of the beverage manufacturer or other originating person; and

(3) The date the beverage containers were received by the distributor.

(b) Sale or Transfer of Beverage Containers. A distributor shall maintain records, by individual sale or transfer, of all beverage containers and refillable beverage containers sold or transferred to other distributors, dealers, or consumers. The records shall contain all of the following information:

(1) The quantity by material type of all beverage containers and refillable beverage containers;

(2) The full name and address (and the shipping or destination name and address, if different) of the dealer, consumer, or other distributor to whom the beverage containers and refillable beverage containers were sold or transferred; and

(3) The date(s) the beverage containers and refillable beverage containers were sold or transferred.

(c) The Distributor Report and Payments to the department. A distributor shall maintain the Distributor Report and payment records prepared pursuant to sections 2310 and 2320.

(d) Rejected Containers. A distributor shall maintain records of any recycling, processing, or other disposition of rejected containers and any payments therefor. These records shall include receipts or statements signed by the recycling center, processor, or other recipient. Such receipts shall state the weight by material type of the rejected containers and any payment made or credit granted therefor.

(e) A distributor shall maintain records of any report and pay on behalf of agreements, including:

(1) Copy of the signed agreement for each distributor.

(2) For distributors that are reporting and paying on behalf of other distributors:

(A) Number of containers reported for each distributor by each distributor's department-issued identification number by month.

(B) Redemption payments paid by container material type reported for each distributor by each distributor's department-issued identification number by month.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14537, 14550, 14561 and 14572.5, Public Resources Code.

§ 2310. REPORTING.

(a) A distributor shall prepare and submit to the department the Distributor Report in accordance with the general requirements for reporting contained in section 2090 of this chapter and section 14550 of the Act.

(1) In accordance with the requirements as set forth in section 14574 of the Act, the Distributor Report for sales or transfer of beverage containers shall be submitted to the department consistent with the payment schedule established in that section.

(2) The Distributor Report shall contain all of the following information:

(A) The distributor's name, address, contact person, and telephone number of the contact person;

(B) The distributor’s assigned identification number beginning with the prefix "DS";

(C) The reporting period;

(D) The total number of beverage containers, by material type and size, sold or transferred;

(E) Redemption payment and administrative fee:

(i) The redemption payment for each material type by size, and

(ii) The total redemption payment,

(iii) The administrative fee deducted, and

(iv) The total due to the department;

(F) The total number and total empty weight of refillable beverage containers sold, transferred, and returned to the distributor. Each of these items shall be reported by material type; and

(G) The signature of an authorized representative and date signed.

(b)(1) For distributors with a pay on behalf of agreement and reporting on behalf of other distributors, the report shall contain all of the following information:

(A) Separately identify the number of containers by material type and size for each distributor by each distributor's department-issued identification number by month.

(B) Separately identify the redemption payment by container material type and size for each distributor by each distributor's department-issued identification number by month.

(C) Total of all containers and redemption payments to be paid for the reporting period by material type and size.

(2) Paragraph (1) shall become operative on January 1, 2030.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14501, 14505, 14550, 14560, 14561 and 14574, Public Resources Code.

§ 2311. ANNUAL REPORTING.

(a) Notwithstanding any provision of section 2310 establishing a monthly reporting schedule, a distributor shall have the option to report on an annual basis, and make a single annual payment of redemption payments, on or before February 1 of each year in accordance with the requirements of sections 14550 and 14574 of the Act for every beverage container sold or transferred by the distributor in the previous calendar year if the distributor satisfies both of the following:

(1) The distributor notifies the department of its intent to report annually either within 10 working days of being registered by the department or by January 31 of the calendar year and every year thereafter for which the monthly reports and payments would be due. The notification shall be submitted electronically in writing in the format provided by the department; and

(2) The distributor meets either of the following criteria:

(A) Submits 12 accurate monthly reports and payments to the department by the required due dates, and projects to owe less than $75,000 in redemption payments in the calendar year, or

(B) Projects to owe less than $37,500 in redemption payments in the calendar year.

(b) A distributor that is not in compliance with the Act or this chapter that otherwise meets the criteria in subdivision (a) constitutes grounds for the department to deny or revoke the distributor's option to make a single annual payment of redemption payments.

SUBCHAPTER 4

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14550 and 14574, Public Resources Code.

§ 2320. PAYMENTS.

(a) The distributor shall pay to the department the total redemption payment for all beverage containers sold or transferred to dealers or consumers, less the administrative fee authorized in section 14574 of the Act. Notwithstanding any other provisions of this subchapter, this administrative fee shall not be deducted from the calculated redemption payment, if the department calculates the redemption payment owed by the distributor to the department.

(b) Redemption Payments. The distributor shall compute the total redemption payment, by material type, by multiplying the number of beverage containers reported pursuant to section 2310(a), by the currently effective redemption payment per container for that material type. The currently effective redemption payment shall also be applicable for all beverage containers.

(c) The redemption payment per container is determined by the department pursuant to section 14560 of the Act and section 2900(b).

(d) The sum of the individual redemption payments by material type computed pursuant to subdivision (b), shall equal the total redemption payment for the reporting period.

(e) Total Payment Due. The total payment due to the department for each reporting period is calculated by subtracting the administrative fee computed pursuant to section 14574(a) of the Act from the total redemption payment computed pursuant to subdivision (b).

(f) Recycling Center Handling Fee. The distributor shall negotiate a handling fee with each recycling center which returns or causes to be returned empty refillable beer or other refillable malt containers.

(g) Redemption Payment Due Date. The redemption payment for sales or transfers of beverage containers is due to the department in accordance with the requirements set forth in section 14574 of the Act.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14505, 14523, 14560, 14561, 14572.5 and 14574, Public Resources Code.

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# SUBCHAPTER 4.5 DEALERS AND DEALER COOPERATIVES

## Article 1. Definitions

§ 2370. DEFINITIONS.

For purposes of this subchapter, the following definitions apply:

(a) “Consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act” means either of the following:

(1) Accepting and immediately paying the refund value for beverage containers at least 30 hours per week with a minimum of five hours of operation occurring during periods other than from Monday to Friday, from 9 a.m. to 5 p.m.

(2) Accepting and immediately paying the refund value for beverage containers for all of the following:

(A) A minimum of one day from Monday to Friday per week for at least eight hours.

(B) In addition to the requirement in subparagraph (C), at least five hours per week during periods other than from Monday through Friday, from 9 a.m. to 5 p.m.

(C) At least eight hours per week during Saturday or Sunday.

(b) “Days” means all calendar days unless provided otherwise.

(c) “Dealer cooperative stewardship fee” means a fee assessed on a dealer member by a dealer cooperative in accordance with section 14578.5(c)(2) of the Act.

(d) “Department” means the Department of Resources Recycling and Recovery.

(e) “Fully operational” means all elements specified in a stewardship plan or required pursuant to the Act or this chapter are operational in accordance with the terms set out in the stewardship plan and in compliance with the Act and this chapter.

(f) “Innovative method of redemption” includes any of the following:

(1) Pickup service as part of which empty beverage containers are redeemed at the consumer's address.

(2) Bag drop.

(3) Reverse vending machine.

(4) A method of redemption at which an attendant is not present to accept materials.

(g) “Redemption contractor” means a person redeeming empty beverage containers from consumers pursuant to a stewardship plan on behalf of a dealer cooperative.

(h) “Redemption location” or “redemption site” means a place at which beverage containers are redeemed on behalf of a dealer cooperative, including, but not limited to, an innovative method of redemption. A redemption location or redemption site is not required to obtain a certification or registration number from the department in order to operate as part of a stewardship program.

(i) “Sales and storage area” includes all of the following:

(1) Sales areas accessible to customers, including, but not limited to, aisles, foyers, sitting areas, and restrooms.

(2) Employee areas, including, but not limited to, sales counters, preparation areas, offices, restrooms, and breakrooms.

(3) Enclosed attached storage areas.

(4) Outdoor sales areas accessible to customers, including, but not limited to, tents, lean-tos, gazebos, patios, and porches.

(j) “Stewardship plan” means a redemption plan as described in section 14578.5(c)(1) of the Act.

(k) “Stewardship program” means the redemption program implemented by a dealer cooperative pursuant to its stewardship plan approved by the department.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14571, 14571.9, 14578 and 14578.5, Public Resources Code.

**Article 2. Dealers**

§ 2371. DEALER REGISTRATION.

(a)(1) Each dealer located within a convenience zone shall separately register each of its retail locations with the department pursuant to this section. A dealer shall register no later than 30 days after the effective date of this section.

(2) For a dealer operating in a convenience zone after the effective date of this section, the dealer shall register no later than 30 days after commencing operation, or after the dealer is determined by the department to be in a convenience zone.

(b) Dealer registration shall be initiated by a dealer through online registration on the department's internet website. If a dealer is unable to use the online registration, the department shall provide an alternate format to the dealer upon written request mailed to the Dealer Registration Unit, Beverage Container Recycling Program, 1001 I Street, Sacramento CA 95814. The registration process shall require submission of all of the following for the retail location being registered:

(1) The legal name of the owner of the dealer and the store “doing business as” (DBA) name.

(2) For dealers that also sell fuel, the associated gas station name, if different than the store “doing business as” (DBA) name.

(3) The dealer's federal tax identification number, also known as an employer identification number (EIN).

(4) The store manager's name, title, phone number, and email address.

(5) The name, title, phone number, and email address of a secondary contact, who shall be different than the store manager.

(6) The dealer's physical business address.

(7) The dealer's mailing address.

(8) The primary phone number and email address for the dealer, and internet website address of the dealer, if such an internet website exists.

(9) A declaration of whether or not the dealer has a combined sales and storage area of less than 5,000 square feet at that retail location.

(10) A declaration of whether or not the gross annual sales of the dealer at that retail location are less than one million five hundred thousand dollars ($1,500,000) based on the most recent tax return filed with the federal Internal Revenue Service, excluding any fuel sales.

(11) The date the dealer began business at that retail location.

(12) The beverage types, container material types, and container sizes offered for sale by the dealer at that retail location.

(13) The name, title, email address, and signature of the person signing the registration on behalf of the dealer, with the signature block indicating the date the registration was signed.

(c) The department shall require the following additional information if necessary to corroborate or clarify the registration information provided and the dealer shall provide the information within 15 working days in order to complete its registration:

(1) Documentation to support a declaration submitted pursuant to paragraph (9) of subdivision (b), including, but not limited to, a current lease agreement or floor plan.

(2) Documentation to support a declaration submitted pursuant to paragraph (10) of subdivision (b), including, but not limited to, evidence of cumulative gross annual sales.

(d) Within 45 working days of receiving a complete dealer registration pursuant to this section, the department shall provide the registering dealer with a dealer registration number for that retail location confirming registration has been successful.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

§ 2372. DEALER NOTIFICATION REQUIREMENTS AND NEW REGISTRATION REQUIRED.

(a) A registered dealer shall notify the department electronically in writing 30 days before either of the following:

(1) A change in the dealer's federal tax identification number, also known as an employer identification number (EIN).

(2) A change in the dealer's physical business address.

(b) If a dealer's federal tax identification number, also known as an employer identification number (EIN), or physical business address changes, the dealer shall submit a new dealer registration within 30 days pursuant to section 2371. A dealer is not required to submit a new dealer registration if the dealer's new physical business address is not within a convenience zone.

(c) Within 30 days after any of the following, a dealer shall notify the department electronically in writing:

(1) A change to the information previously submitted as to the store's size or sales totals in the dealer registration.

(2) The dealer ceases operation.

(3) A change in the store manager's or secondary contact's information.

(4) A change in the dealer's mailing address, phone number, email address, or internet website address.

(d) A registered dealer shall annually submit to the department electronically in writing confirmation that the declarations specified in sections 2371(b)(9) and 2371(b)(10) are still accurate. This confirmation shall be submitted by July 1 following the dealer's registration, and each July 1 thereafter. If, at the time of the annual submission, any documentation previously submitted to support the declaration is no longer accurate, the dealer shall submit updated documentation.

(e) A dealer may provide the information required by this section by certified postal mail instead of electronically in writing if the dealer demonstrates to the department that it is unable to submit the information electronically in writing and the department provides prior written approval.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

§ 2373. DEALER REDEMPTION REQUIREMENTS.

(a) A dealer located in an unserved convenience zone that is not a member of a dealer cooperative with a fully operational stewardship plan approved by the department shall redeem empty beverage containers on the dealer's premises in accordance with section 14578(a)(1) of the Act. This includes, but is not limited to, immediately complying with section 14578(a)(1) of the Act in the following circumstances:

(1) The dealer's membership in a dealer cooperative is terminated.

(2) The dealer is a member of a dealer cooperative with a stewardship plan that is revoked by the department pursuant to section 2385.

(3) The dealer is a member of a dealer cooperative that dissolves or that has its registration revoked by the department pursuant to section 2385.

(b) In accordance with section 2376(e), a dealer in an unserved convenience zone that is a member of a dealer cooperative shall continue redeeming empty beverage

containers on the dealer's premises in accordance with section 14578(a)(1) of the Act until the dealer cooperative's approved stewardship plan is fully operational.

(c) A dealer that is a member of a dealer cooperative with a fully operational stewardship plan approved by the department is not required to redeem beverage containers on the dealer's premises.

(d) A dealer located in an unserved convenience zone with a fully operational dealer cooperative is not automatically a member of the dealer cooperative and shall comply with section 14578(a) of the Act if it is not a member of the dealer cooperative.

(e)(1) This section does not apply to a dealer that has demonstrated to the department that the dealer has gross annual sales of less than one million five hundred thousand dollars ($1,500,000) or is less than 5,000 square feet.

(2) For purposes of paragraph (1), gross annual sales do not include sales of fuel.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

## Article 3. Stewardship Plan

§ 2375. STEWARDSHIP PLAN SUBMISSION.

(a)(1) In order to receive approval for a stewardship plan, a dealer cooperative shall submit a stewardship plan to the department that includes the information required pursuant to sections 2375.2, 2375.4, 2375.6, and 2375.8.

(2) A stewardship plan submitted to the department pursuant to this section shall be submitted electronically. The date of electronic submittal shall be considered the date of receipt by the department.

(3) The dealer cooperative shall post the stewardship plan submitted to the department on an internet website identified in its stewardship plan.

(4)(A) A stewardship plan submitted to the department and posted online pursuant to this section shall be consistent with the standards set forth in section 7405 of the Government Code and the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 by the World Wide Web Consortium at http://www.w3.org/TR/WCAG20/. The entirety of the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 are incorporated by reference.

(B) Notwithstanding section 2376, a dealer cooperative's failure to comply with subparagraph (A) shall not be a basis for disapproval of the stewardship plan.

(b) Submission of the stewardship plan shall constitute a declaration that the dealer cooperative and dealer members are in compliance with all applicable requirements of the Act and this chapter.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

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§ 2375.2. STEWARDSHIP PLAN INFORMATIONAL CONTENTS.

The stewardship plan shall include all of the following information:

(a)(1) The dealer cooperative's federal tax identification number, also known as an employer identification number (EIN).

(2) A dealer cooperative may redact the dealer cooperative's federal tax identification number, also known as an employer identification number (EIN), when posting a stewardship plan on an internet website identified in its stewardship plan.

(b) Contact information for the individual(s) responsible for submitting and overseeing the stewardship plan on behalf of the dealer cooperative. The contact information shall include, at a minimum, all of the following:

(1) Contact name.

(2) Title.

(3) Name of dealer cooperative.

(4) Mailing address.

(5) Phone number.

(6) E-mail address.

(c) Names and titles for any person who will make decisions on behalf of the dealer cooperative, including, but not limited to, each member of the dealer cooperative's board of directors.

(d) Verification of current exemption from taxation under section 501(c)(3) of the federal Internal Revenue Code of 1986.

(e) The articles of incorporation most recently filed with the California Secretary of State, or the equivalent formation documents filed in the dealer cooperative's state of formation, as a nonprofit corporation.

(f) A list of all dealer members in the dealer cooperative, including each dealer's registration number issued pursuant to section 2371.

(g) A list of unserved convenience zones in which the dealer cooperative will provide redemption.

(h) A list of processors and recycling centers, including the certification numbers of the processors and recycling centers, to which the dealer cooperative will ship beverage containers.

(i) A list of redemption sites known at the time of submission.

(j) A timeline for the stewardship plan becoming fully operational once the stewardship plan is approved by the department.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14510.2, 14578 and 14578.5, Public Resources Code.

§ 2375.4. STEWARDSHIP PLAN SUBSTANTIVE CONTENTS.

The stewardship plan shall include descriptions of all of the following:

(a) Each method of redemption offered by the dealer cooperative.

(b) An education and outreach program that includes, at a minimum, all of the following:

(1) Activities to promote awareness and maximize consumer and dealer participation in the stewardship program, including, but not limited to, providing educational and outreach materials to persons selling and purchasing beverages in beverage containers in the area covered by a dealer cooperative's stewardship plan.

(2) Materials to be utilized that are distributed in languages suited to the area covered by a dealer cooperative's stewardship plan, including a list of the languages. At a minimum, materials shall be translated into each language that 5 percent or more of the non-English speaking people speak in each census tract in which the unserved convenience zone is located. The materials shall include the following:

(A) Printed materials, including, but not limited to, public outreach materials and signage for dealer or redemption sites. The signage for a redemption site shall include, at a minimum, days and hours of operation. The signage for each dealer member shall include, at a minimum, either of the following posted at the front of the dealer member's retail location: days and hours of operation of the nearest redemption site or the internet website specified in subparagraph (B).

(B) The inclusion of all of the following on an internet website with functionality for mobile platforms and maintained to ensure all information is up to date and accurate:

(i) Redemption site addresses and the material types redeemed at each address.

(ii) Redemption site contact telephone numbers.

(iii) Redemption site days and hours of operation.

(C) In addition to subparagraphs (A) and (B), non-printed materials may be used, such as a toll-free telephone number to provide redemption options and other program information. If a toll-free telephone number is to be used, it shall provide services for hearing-impaired and speech-impaired individuals.

(c) A dispute resolution process for consumers in the event of non-payment or underpayment by the redemption contractor and a method to receive and resolve written complaints about the operation of the stewardship program from consumers, the public, or any other source.

(d) Opportunities for community input regarding collecting empty beverage containers in areas and communities that face unique challenges associated with empty beverage container redemption, such as poverty, language barriers, and littering of empty beverage containers.

(e) How the dealer cooperative will address factors that affect consumer convenience, such as safety and cleanliness of the redemption location, parking availability, and accessibility via public transportation or walking.

(f)(1) How the dealer cooperative will redeem all beverage container material types.

(2) How the dealer cooperative will have the capacity to redeem an amount of beverage containers equal to 100 percent of the beverage containers sold by dealer members into the unserved convenience zones in which any of the dealer members operate.

(3) How the dealer cooperative will provide “consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act,” as defined in section 2370.

(4) Not all redemption locations are required to redeem all beverage container material types; however, at least one redemption location in each unserved convenience zone covered by the stewardship plan shall redeem all beverage container material types with immediate payment of the refund value a minimum of 10 hours per week, with no less than five of those hours on a Saturday or Sunday between the hours of 9 a.m. and 5 p.m.

(5) A dealer cooperative may operate in more than one unserved convenience zone in which any of its dealer members operate, regardless of whether the unserved convenience zones are adjacent or overlap.

(6) The stewardship plan may establish a redemption limit per customer per day per redemption method; however, at least one redemption location in each unserved convenience zone covered by the stewardship plan shall redeem all beverage container material types with immediate payment of the refund value up to the daily load limits established in section 2535(f) a minimum of 10 hours per week, with no less than five of those hours on a Saturday or Sunday between the hours of 9 a.m. and 5 p.m.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14571, 14571.9, 14578 and 14578.5, Public Resources Code.

§ 2375.6. STEWARDSHIP PLAN PERFORMANCE STANDARDS.

The stewardship plan shall include performance standards for each of the following, a description of how each of the performance standards will be achieved, and how achievement will be measured on a quarterly basis corresponding with the dealer cooperative's reports submitted pursuant to section 2381:

(a) The geographic spread of redemption sites and an explanation for the geographic spread. This shall include the number of redemption sites in each unserved convenience zone in which any of the dealer members operate per person.

(b) The beverage container redemption capacity per quarter for each unserved convenience zone in which any of the dealer members operate. The overall beverage

container volume capacity of the dealer cooperative shall, at a minimum, be sufficient to redeem an amount of beverage containers equal to 100 percent of the beverage containers sold by dealer members into unserved convenience zones in which any of the dealer members operate pursuant to section 2375.4(f)(2). The redemption capacity specified in the stewardship plan may incorporate redemption limits established pursuant to section 2375.4(f)(6).

(c) Redemption of, at a minimum, an amount of beverage containers equal to 80 percent of the beverage containers sold by dealer members into unserved convenience zones in which any of the dealer members operate.

(d)(1) The average wait time for a consumer to redeem a beverage container in the area covered by a dealer cooperative's stewardship plan and how the wait time was calculated.

(2) Examples of wait time factors include the following: type of redemption methods; population and population density; number of redemption sites; number of redemption contractors; number of staff; staff experience; number of total operating hours; number of operating hours other than from Monday to Friday from 9 a.m. to 5 p.m.; location within the convenience zone; proximity of redemption sites to residences, dealers, and businesses; and estimated amount of beverage containers an average consumer will seek to redeem.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

§ 2375.8. STEWARDSHIP PLAN BUDGET.

The stewardship plan shall include the dealer cooperative's budget and how dealer cooperative stewardship fees assessed on dealer members will support that budget, including both of the following:

(a) An itemized list of anticipated costs associated with the administration and implementation of the stewardship plan. The list shall include the monetary amount and purpose on which the funds will be spent. The list shall include, at a minimum, anticipated costs for the categories listed in section 2381(c)(6) for the first four quarters the dealer cooperative will operate.

(b) A recommended funding level necessary to cover the stewardship plan's budgeted costs and to operate the stewardship program in a prudent and responsible manner. This shall include the target amount for the dealer cooperative's monetary reserves, and the operating deficit amounts that the target monetary reserves will be able to cover, and a description of how surplus funds and operating deficits that exceed those amounts will be addressed by the dealer cooperative during the operation of the stewardship plan.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

SUBCHAPTER 4.5

## § 2376. STEWARDSHIP PLAN REVIEW AND APPROVAL OR DISAPPROVAL; OPERATIONAL NOTICE.

(a) The department shall require additional information if necessary to corroborate or clarify the information provided in the stewardship plan and the dealer cooperative shall provide the additional information within 10 days.

(b) Within 90 days of the department's receipt of a stewardship plan, the department shall review and approve or disapprove the stewardship plan.

(c) The department shall approve a stewardship plan if the stewardship plan meets all applicable requirements of the Act and this chapter.

(d)(1) Upon approving a stewardship plan submitted by a dealer cooperative that does not have a dealer cooperative registration number, the department shall issue the dealer cooperative a dealer cooperative registration number.

(2) If the department disapproves a stewardship plan, the department shall explain the basis on which the department determined the stewardship plan does not comply with the Act and this chapter and provide written notice to the dealer cooperative within 30 days of disapproval. The dealer cooperative may resubmit a revised stewardship plan following issuance of the written notice, and the department shall review the revised stewardship plan within 90 days of resubmittal.

(e)(1) After a dealer cooperative's stewardship plan is approved, the dealer cooperative shall notify the department electronically in writing once the stewardship plan is fully operational. Dealer members shall continue to redeem empty beverage containers on the dealer's premises in accordance with section 14578(a)(1) of the Act until that notification is provided and the stewardship plan is fully operational.

(2) The notification shall list any processors or recycling centers, including the certification numbers of the processors and recycling centers, that were not included in the stewardship plan to which the dealer cooperative will ship beverage containers.

(3) The notification shall list all of the following for each redemption site:

(A) Address of the site.

(B) Name, title, and contact information of a contact person for the site.

(C) Any certification or registration number held or previously held by a person operating the redemption site who at any time was a responsible party for an entity certified or registered by the department for an activity relating to beverage containers.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

§ 2377. STEWARDSHIP PLAN FIVE-YEAR UPDATES.

(a) A dealer cooperative shall review its stewardship plan a minimum of every five years from the date of approval by the department to determine whether the stewardship plan needs to be updated.

(b)(1) If a dealer cooperative determines pursuant to subdivision (a) that its stewardship plan does not need to be updated, the dealer cooperative shall submit that determination to the department at least nine months before the review deadline specified in subdivision (a).

(2) The department shall reject a determination received pursuant to paragraph (1) and require the dealer cooperative to update and submit its stewardship plan to the department within 90 days if the department concludes that the dealer cooperative cannot implement the applicable requirements of the Act and this chapter without updating the stewardship plan.

(c) If a dealer cooperative determines pursuant to subdivision (a) that its stewardship plan needs to be updated, the dealer cooperative shall submit the updated stewardship plan to the department at least six months before the review deadline specified in subdivision (a).

(d) The department shall review and approve or disapprove an updated stewardship plan submitted pursuant to this section in accordance with section 2376. After a dealer cooperative's updated stewardship plan is approved, the dealer cooperative shall notify the department electronically in writing once the updated stewardship plan is fully operational.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

§ 2378. STEWARDSHIP PLAN CHANGES AND NOTIFICATION.

(a) A dealer cooperative shall notify the department electronically in writing 30 days before any of the following:

(1) A change to the information specified in section 2375.2(a), 2375.2(d), 2375.2(e), 2375.2(f), 2375.2(g), 2375.2(i), or 2375.2(j).

(2) A new redemption contractor or new redemption site becoming operational as part of the stewardship program.

(3) A redemption site ceasing operation.

(b) A dealer cooperative shall notify the department electronically in writing within 30 days after any change to the information specified in section 2375.2(b), 2375.2(c), 2375.2(h), or 2375.8.

(c)(1) A dealer cooperative shall submit electronically in writing for approval by the department any proposed change to the information specified in section 2375.4 or 2375.6 and shall not implement the change prior to that approval.

(2) The department shall review and approve or disapprove a stewardship plan change submitted pursuant to paragraph (1) within 30 days.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

## Article 4. Recordkeeping, Reporting, and Operation

§ 2380. RECORDKEEPING.

(a)(1) If a dealer cooperative is required to prepare annual audited financial statements pursuant to section 12586(e) of the Government Code, the dealer cooperative shall electronically submit those annual audited financial statements to the department no later than nine months after the close of the fiscal year to which the statements relate.

(2) A dealer cooperative shall prepare its financial records in a prudent and responsible manner.

(b) As part of a stewardship program, the following records shall be prepared and retained for each beverage container redemption transaction:

(1) The date the beverage container material was received from the customer redeeming the empty beverage containers. This shall be demonstrated by the use of a daily customer log that includes each customer's printed first and last name and signature, or another method sufficient to track the redemption of individual customers that is described in the dealer cooperative's stewardship plan.

(2) The date when payment is made to the customer.

(3) The address where the customer redeemed or delivered the material.

(4) The method of redemption.

(5) The payment amount made to the customer by material type.

(c) As part of a stewardship program, the following records shall be prepared and retained for any material received for which the refund value was not paid to a customer:

(1) The date the material was received.

(2) An explanation as to why the refund value was not paid to a customer (e.g., system failure, ineligible for refund value, or customer not identifiable).

(3) The total weight or count of materials by material type.

(4) An explanation of how the material was managed (e.g., shipped to a processor as scrap or sent to a solid waste facility).

(5) Whether scrap value was paid for the material and the amount of scrap value paid.

(d) A dealer cooperative shall maintain records of dealer cooperative stewardship fees assessed on dealer members and how the dealer cooperative stewardship fees were utilized.

(e) Records maintained as part of a stewardship program shall be suitable for examination, including both of the following:

(1) Records shall be legible.

(2) Records shall be stored in a secured area where the records are protected from debris, moisture, contamination, hazardous waste, fire, and theft.

(f)(1) A dealer cooperative shall provide immediate access to the department to any original record required by the Act or this chapter. Immediate access may include physical inspection of the record at any redemption site or location identified in the approved stewardship plan.

(2) A dealer cooperative shall transfer any original record required by the Act or this chapter to the department in the form and manner requested by the department within 10 days of the request.

(g) A dealer cooperative is subject to the record retention period required pursuant to section 2085(b).

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14552, 14553, 14578 and 14578.5, Public Resources Code.

§ 2381. REPORTING.

(a)(1) A dealer cooperative shall submit a quarterly report to the department that includes the components specified in subdivisions (b) and (c). The quarterly reporting periods shall cover stewardship program activities occurring January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31.

(2) A report submitted to the department pursuant to this section shall be submitted electronically in writing no later than the 10th day after the quarterly reporting period ends.

(3) A report submitted to the department or posted online pursuant to this section shall be consistent with the standards set forth in section 7405 of the Government Code and the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 by the World Wide Web Consortium at http://www.w3.org/TR/WCAG20/. The entirety of the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 are incorporated by reference.

(b)(1) A report submitted pursuant to paragraph (1) of subdivision (a) shall include a redemption component that includes all of the following for the stewardship program for the quarterly reporting period:

(A) The total number of empty beverage containers, by material type and collection method, redeemed from consumers, broken down by redemption site for each calendar month.

(B) The amount of refund value payments made to consumers by material type and collection method, broken down by redemption site for each calendar month.

(C) The total weight or count by material type of all material received for which no refund value was paid to a consumer, broken down by an explanation of why the material was deemed ineligible for payment to a consumer (e.g., line breakage, previously redeemed, previously baled, or out-of-state material), for each calendar month.

(D) Data regarding the stewardship program's collection methods implemented as part of the stewardship plan, including all of the following:

(i) The operating time and downtime for any reverse vending machine or bag drop used to collect empty beverage containers for each day of the reporting period. For purposes of this subparagraph, the following definitions apply:

(I) “Downtime” means the dates and times the reverse vending machine or bag drop was not accepting empty beverage containers during its identified operational hours. “Downtime” includes any period a reverse vending machine or bag drop was down greater than a day.

(II) “Operating time” means the dates and times the reverse vending machine or bag drop was in operation during its identified operational hours.

(ii) For each downtime period the reverse vending machine or bag drop experienced, the number of containers redeemed by material type and number of transactions that occurred using an alternative redemption method.

(iii) If no containers were redeemed during the downtime period by an alternative redemption method, an explanation as to why.

(E) A description of education and outreach activities related to promoting the stewardship program, including the challenges or successes experienced.

(2) The redemption component of the quarterly report shall not constitute a record that is exempt from disclosure under the California Public Records Act (Division 10 (commencing with section 7920.000) of Title 1 of the Government Code) or section 14554 of the Act on the basis that it contains trade secret, commercial, or financial information. The redemption component is a public record and shall be publicly disclosed upon request unless an exemption otherwise applies under existing law.

(3) A dealer cooperative shall post the redemption component of a report that it submits to the department on an internet website identified in its stewardship plan.

(c) A report submitted pursuant to paragraph (1) of subdivision (a) shall include an operational component that includes all of the following for the stewardship program for the quarterly reporting period:

(1) How many inspections or reviews were undertaken of the redemption sites and what the inspections revealed, including any problems and how those problems were addressed.

(2) If the dealer cooperative received a Notice of Violation pursuant to section 2386, how it plans to correct, or has already corrected, the underlying behavior for which the Notice of Violation was issued.

(3) The number of beverages in beverage containers cumulatively sold by dealer members of the dealer cooperative into each unserved convenience zone in which any of the dealer members operate.

(4) A description of how the dealer cooperative achieved each performance standard identified in its stewardship plan pursuant to section 2375.6.

(5) The amount of dealer cooperative stewardship fees received and how the fees were utilized.

(6) The gross revenue and expenditures experienced by the dealer cooperative, including an itemization of, at a minimum, all of the following if applicable to the dealer cooperative:

(A) Program development and planning.

(B) Administration, personnel, and overhead.

(C) Operational costs.

(D) Education and outreach.

(E) Technology and equipment.

(F) Regulatory compliance and reporting.

(G) Partnerships and collaborations.

(H) Legal and professional services.

(I) Contingency fund.

(d)(1) A quarterly report submitted pursuant to this section that is incomplete is a violation of this section.

(2) If the department determines a submitted quarterly report is incomplete, the department shall provide written notice to the dealer cooperative identifying the missing information within 30 days.

(3) The dealer cooperative shall submit, electronically in writing, the missing information within 30 days of the date the department issued the written notice.

TITLE 14. NATURAL RESOURCES
DIVISION 2. DEPARTMENT OF CONSERVATION
CHAPTER 5. DIVISION OF RECYCLING

SUBCHAPTER 4.5

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14554, 14578 and 14578.5, Public Resources Code.

§ 2382. DEALER COOPERATIVE OPERATION.

(a) A dealer cooperative shall operate in accordance with the information specified in the dealer cooperative's approved stewardship plan pursuant to sections 2375.4 and 2375.6 and a failure to do so is a violation of this section.

(b) Each dealer cooperative redemption site shall keep any material determined to be ineligible for redemption segregated from any other material intended for delivery to a certified processor.

(c) A dealer cooperative shall provide the department with immediate access to any stewardship program storage location or redemption site upon request of the department. A dealer cooperative, dealer member, or redemption contractor shall not store beverage container material at a residential address.

(d) A person who has had a certification or registration revoked under the Act or this chapter within the past five years or has ever been found to have violated section 14597 of the Act is ineligible to operate as a redemption contractor or dealer cooperative as part of a stewardship program.

(e)(1) In addition to redemption contractors, a dealer cooperative may contract with, consult with, or employ persons to create and implement its stewardship program, such as an accountant, accessibility coordinator, web content specialist, or stewardship plan writer.

(2) A board member of a dealer cooperative is not required to be a dealer.

(f) More than one dealer cooperative may operate in a single unserved convenience zone.

(g)(1) Redemption locations operating as part of a dealer cooperative's stewardship program shall not make an unserved convenience zone served, as described in section 14571(a) of the Act.

(2) The operation of a dealer cooperative in an unserved convenience zone does not relieve dealers within that unserved convenience zone from complying with either section 14578(a)(1) or 14578(a)(2) of the Act.

(h) A dealer cooperative may terminate the membership of a dealer member.

(i) A dealer cooperative shall notify the department electronically in writing at least six months before the dealer cooperative dissolves or ceases operation.

(j) A dealer cooperative is not required to accept, and shall not pay the refund value for, material that is ineligible for refund value.

(k) A dealer cooperative shall not refuse to redeem a beverage container on the basis that the beverage container material type or the beverage type is not sold by a dealer member of the dealer cooperative.

(*l*) A dealer cooperative shall not accept empty beverage containers from a dropoff or collection program, community service program, or curbside program.

(m)(1) A dealer cooperative shall inspect each load of containers, subject to the Act, delivered to the dealer cooperative, for which refund value is claimed, to determine whether the load is eligible for any refund value.

(2) Notwithstanding any other provision of this chapter, a dealer cooperative redemption site consisting of an innovative method of redemption shall inspect containers following receipt of the containers and before payment of the refund value to the consumer.

(3) A dealer cooperative is subject to sections 2501(b), (c), (d), (e), (f), and (g).

(n)(1)(A) Except as specified in subparagraph (B), a dealer cooperative shall pay on delivery the refund value for every eligible empty beverage container delivered to the dealer cooperative for the refund value.

(B) A dealer cooperative redemption site that is an innovative method of redemption shall pay within three working days of delivery the refund value for every eligible empty beverage container delivered to the redemption site for redemption.

(2) A dealer cooperative is subject to sections 2535(c), (d), and (e).

(o) A dealer cooperative with a fully operational stewardship plan approved by the department is eligible for handling fees pursuant to section 2516(g).

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578, 14578.5 and 14597, Public Resources Code.

## Article 5. Enforcement

§ 2385. STEWARDSHIP PLAN REVOCATION; ENFORCEMENT MECHANISMS.

(a)(1) A dealer cooperative failing to comply with any applicable requirement of the Act or this chapter constitutes grounds for the department to require the dealer cooperative to take corrective action.

(2) Corrective action includes the following:

(A) Resubmittal of part or all of a previously approved stewardship plan, within 30 days of the date of written notification that includes a description of the failure or failures of the dealer cooperative to comply with any applicable requirement of the Act or this chapter by the department, demonstrating the corrections have been addressed. The department shall review and approve or disapprove a resubmitted stewardship plan, or part of a stewardship plan, in accordance with section 2376.

(B) Additional reporting of any of the components listed in section 2381 to verify compliance with any applicable provision of the Act or this chapter.

(b) A dealer cooperative failing to comply with a corrective action required pursuant to subdivision (a) or failing to implement the information specified in the dealer cooperative's approved stewardship plan pursuant to sections 2375.4 and 2375.6 constitutes grounds for the department to revoke part or all of the dealer cooperative's previously approved stewardship plan. Revoking the entirety of a previously approved stewardship plan shall include revoking the dealer cooperative registration number.

(c) Prior to the department's action pursuant to subdivision (b), the department shall issue a written notice to the dealer cooperative.

(d) A dealer cooperative may submit to the department a request for a hearing to contest the proposed action within 15 days of receipt of the notice issued pursuant to subdivision (c). A hearing request under this section shall be submitted electronically in writing to an email address that the department specifies in the notice and shall state the basis for objecting to the department's proposed action. This requirement constitutes an express exception to title 14, California Code of Regulations, section 17063.4, which also allows mailing, and provides an alternative procedure requiring submission by email only. A conforming request for hearing causes a hearing to be undertaken. (e) A hearing undertaken pursuant to subdivision (d) shall be conducted pursuant to Article 10 (commencing with section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code. The hearing shall be held before the Director or the Director's designee.

(e) A hearing undertaken pursuant to subdivision (d) shall be conducted pursuant to the department's hearing regulations (Title 14, California Code of Regulations, Sections 17063.1-17063.32). The hearing shall be held before the Director or the Director's designee.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

§ 2386. PENALTIES AND INTEREST CHARGES.

(a) A violation of this subchapter or sections 14578 and 14578.5 of the Act constitutes grounds for the department to issue a Notice of Violation. The Notice of Violation shall be issued to a manager or other person in authority at the site of the violation and shall contain the information specified in paragraphs (1) to (4). A copy shall be legally served through certified mail with proof of service upon the dealer cooperative within 10 working days. The Notice of Violation served upon the dealer cooperative shall contain all of the following statements:

(1) A statement of the violation(s) alleged.

(2) The right to a hearing conducted pursuant to the department's hearing regulations (Title 14, California Code of Regulations, Sections 17063.1-17063.32).

(3) The right to a hearing shall be deemed waived if the dealer cooperative fails to respond within 15 days from the date service of the Notice of Violation was received by the dealer cooperative, or the dealer cooperative's agent for service of process,

stating that it wishes to assert that right and that, in the event of such failure to respond, the department shall assess any civil penalty specified in the Notice of Violation. The hearing request shall be submitted electronically in writing to an email address that the department specifies in the Notice of Violation. This requirement constitutes an express exception to title 14, California Code of Regulations, section 17063.4, which also allows mailing, and provides an alternative procedure requiring submission by email only.

(4) A statement notifying the respondent about the nature of the violation(s), and the acts or omissions that form the basis of the violation(s).

(b) For violations of this subchapter and sections 14578 and 14578.5 of the Act by a dealer, the Notice of Violation specified in subdivision (a) shall be legally served through certified mail with proof of service upon the dealer.

(c) For civil penalties sought by the department that exceed the dollar amount specified in section 14591.1(a)(2) of the Act, the department shall provide for notice and a hearing regarding such penalties in accordance with the provisions of Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) Interest on a penalty for a violation of this subchapter or section 14578 or 14578.5 of the Act shall accrue from the date the department decision regarding the payment becomes final.

Authority: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578, 14578.5 and 14591.1, Public Resources Code.

## SUBCHAPTER 5. PROCESSORS

### Article 1. Requirements for Processors

§ 2400. OPERATION STANDARDS.

(a) All certified processors shall operate in accordance with all of the following requirements:

(1) Processors certified by the department shall begin operation within sixty (60) calendar days of approval of the certification. Failure to begin operation within sixty (60) calendar days shall result in invalidation of the certification by the department.

(2)(A) The processor shall accept one or more type(s) of redeemable beverage container(s).

(B) A processor that accepts plastic beverage containers shall accept bags in boxes, multi-layer pouches, and paperboard cartons.

(3) Certified processors shall redeem empty beverage containers from any certified or registered operators of recycling centers, dealer cooperatives, dropoff or collection programs, community service programs, or curbside programs which have been issued an identification number in accordance with this chapter. Payments shall be made in accordance with section 2430.

(4) Certified processors shall make payments and invoice the department within the time periods specified in article 3 of this subchapter.

(5) Certified processors shall cancel redeemable beverage containers in any one or more of the manners prescribed in section 2000(a)(4).

(b) Notwithstanding paragraph (3) of subdivision (a), a bottle washer processor may reject a shipment of beverage containers that contains any of the following:

(1) A beverage container not capable of being washed for refill and sale by a beverage manufacturer, such as a broken glass beverage container.

(2) A beverage container other than a glass beverage container.

(3) A beverage container of a type or size that the bottle washer processor is not capable of processing.

Authority: Sections 14530.5, 14536, 14539 and 14578.5, Public Resources Code.
Reference: Sections 14504, 14539, 14573, 14573.5, 14573.6, 14578 and 14578.5, Public Resources Code.

§ 2401. LOAD INSPECTION REQUIREMENTS.

(a) Certified processors shall inspect each load of containers, subject to the Act, delivered to the processor, for which refund value is claimed, to determine whether the load is eligible for any refund value and, if so, to determine whether the load is segregated or commingled, as follows:

(1) For any load delivered to a processor from a dropoff or collection program, community service program, curbside program, dealer cooperative, or recycling center, each processor taking delivery of the material shall visually inspect each load of material by monitoring the unloading and/or conveyor process to determine eligibility and whether the load is segregated or commingled.

(2) For a beverage container marked with a machine-readable indicia pursuant to section 2205, inspection by a processor of the machine-readable indicia is only required to include visually verifying the machine-readable indicia is marked on the beverage container paired with the indicator required pursuant to section 2205(b). A processor is not required to verify that the machine-readable indicia links to a website with the CRV information as described in section 2205(e).

(b)(1) In addition to the requirements of section 2110, a load of aluminum material shall be deemed not eligible for any refund value if there are pieces of broken, densified bales or biscuits of aluminum beverage containers within the load. This does not include cans which have merely been flattened. A load of plastic material shall be deemed not eligible for any refund value, if pieces of bales of plastic are found in the load.

(2) Each bag in box in a load of bags in boxes shall be intact for the load to be eligible for the refund value. “Intact” means that the interior flexible bag is connected to the dispensing valve and inside of the exterior box. A load of bags in boxes shall be deemed not eligible for any refund value if the load contains any individual interior flexible bag, dispensing valve, or exterior box that is separated from the other bag in box components.

(c) Once eligibility is determined, payment shall be calculated pursuant to section 2430.

(d) All out-of-state material, whether labeled with the message specified in section 14561 of the Act or not, and all rejected and line breakage containers are not eligible for any refund value payments.

(e) Notwithstanding section 2530(b)(1), a certified processor shall not inspect, weigh or receive a load of material subject to the Act from a recycling center unless and until the shipper’s section of the shipping report is completed and accompanies the load of material delivered to the certified processor’s site.

(f) All rejected, line breakage or out-of-state containers in the load, whether labeled or not with the message specified in section 14561 of the Act, must be excluded from the received weight of the load.

Authority: Sections 14530.5, 14536 and 14578.5, Public Resources Code. Reference: Sections 14504, 14539, 14553, 14561, 14578 and 14578.5, Public Resources Code.

## Article 2. Notification Requirements

SUBCHAPTER 5

§ 2405. NOTIFICATION REQUIREMENTS.

(a) Notwithstanding the requirements of section 2040 of these regulations, certified processors shall notify the Division in writing ten (10) calendar days prior to any of the following events:

(1) Change of name under which the processing facility is doing business,

(2) Change of business or mailing address or phone number of operator,

(3) Separation from parent company, if applicable,

(4) Merger with another company,

(5) Dissolution of the organization type identified in the application for certification,

(6) Change in the type of redeemable beverage containers accepted,

(7) A change in the method a processor is using to cancel containers,

(8) Any change in a processor's status as a beneficiator as defined in section 2000(a)(3.1) of these regulations and Section 14503.6 of the Act.

(9) A change in the agent for service of process, if applicable,

(10) Any change in hours of operation, as presented in the application for certification or subsequent notification to the Division, during which certified operators and curbside programs can deliver beverage containers to the processing facility. Processors who do not maintain regular hours are exempt from this subsection, and nothing in this subsection shall result in processors being subject to the fine and penalty provisions of the Act,

(11) A change in the type of organization,

(12) Change in the name of the contact person for the operator,

(13) Change in corporate officers, if applicable,

(14) Change in the name of organization,

(15) Any change in business ownership.

(b) A processor who intends to be decertified shall submit a written notification to the Division, which includes the proposed effective date.

(c) Within five (5) calendar days of the date the processing facility began purchasing empty beverage containers, the operator of the processing facility shall notify the Division in writing of the actual date the processing facility began purchasing empty beverage containers by submitting the Operation Date Card. The Operation Date Card shall contain the date of operation and confirmation that the operator obtained all applicable local, county, state, and federal authorization, permits and licenses required for operation of the processing facility at that location. The Operation Date Card shall be signed by the operator under penalty of perjury.

(d) Should the person named on the application voucher become disassociated with the operator of the processing facility, the operator shall notify the Division in writing, within ten (10) calendar days of the change.

Authority: Section 14536(b), Public Resources Code. Reference: Section 14503.6, 14539 and 14575, Public Resources Code.

§ 2410. NOTICE OF DISPOSAL.

(a) Except as provided at Sections 14552.5 and 14552.51 of the Act, no processor shall dispose, have disposed, or authorize a recycling center operator to dispose of any empty beverage containers without written notice submitted to the Division at least ten days prior to disposal. For purposes of this section, disposal shall include burning, landfilling, or any other method of handling or processing material that is not consistent with recycling.

(1) Such notice shall clearly identify the place of disposal.

(2) The notice shall state the weight of the material, by material type, to be disposed.

(3) The notice shall be signed by an authorized representative of the processor and state the date and place of the signing.

(4) The signature block shall state that the information in the notice is correct to the best knowledge of the person signing the notice.

(5) For a specific load, or loads, authorization to dispose granted to a recycling center operator shall satisfy the requirement for authorization to cancel, pursuant to section 2110 of these regulations.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14501(h), 14518, 14519, 14538, 14539, 14552.5 and 14552.51, Public Resources Code.

## Article 3. Accounting and Reporting Requirements

§ 2415. APPLICABILITY.

In addition to the general accounting requirements of subchapter 2, processors shall comply with the accounting and reporting provisions of this article. Persons other than processors need not comply with this article.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14530.5 and 14536, Public Resources Code.

§ 2420. RECORDKEEPING.

Processors shall maintain the following records in accordance with the general requirements set forth in section 2085.

(a) Shipping reports. Processors shall obtain shipping reports from each recycling center and also prepare shipping reports for material received from all other persons, including,

but not limited to, dealer cooperatives. Processors shall retain copies of all shipping reports.

(b) Weight tickets. Processors shall prepare and retain weight tickets indicating material and weight of individual loads of beverage containers by material type received from recycling centers and other persons. A copy of any weight ticket prepared pursuant to this section shall be provided to the shipper unless the receiving processor and the shipper are the same person and located at the same physical address or location.

(c) Processor reports to the department. Processors shall retain copies of reports to the department pursuant to section 2425.

(d) Verification of cancellation. Processors shall retain proof that the processor canceled or had canceled in accordance with section 2000(a)(4) all empty beverage containers received. The verification shall include:

(1) For shipments by sea, the proof of cancellation by export from the state shall be the on-board bill of lading.

(2) For other shipments out of the State or to a location of end use, the proof of cancellation shall include a receipt issued by the person receiving the shipment and any applicable bill of lading.

(3) For other forms of cancellation defined in section 2000(a)(4), proof shall be a certification prepared in accordance with section 2090(d) and signed by the person performing the cancellation. The certification shall identify the cancelled materials, the date of cancellation, and the method of cancellation, pursuant to section 2000(a)(4)(A), (B), (C), (D), (E) or (F)

(e) Records of processor to processor transactions. Processors shall prepare and retain a record of all exchanges of materials subject to the Act. Such records shall identify:

(1) The shipping processor and the receiving processor(s);

(2) The date of the shipment, material type, and the weight of the material; and

(3) The amount of mixed-color glass collected by curbside program(s).

(f) Notices of Disposal. Processors shall retain copies of written notices of disposal sent to the department pursuant to section 2410.

(g) The processor shall prepare and retain a receipt setting forth the weight and type of material delivered to the processor and payment made or credit granted for all scrap transactions. In addition, the receipt shall indicate if the load consisted of rejected containers, line-breakage containers, or out-of-state beverage containers.

(h) Records of scrap value survey data. Processors shall maintain records to support all of the information provided to the department on the Scrap Value Purchases Survey Form DOR – SV (10/00) required by section 2425(f).

Authority: Sections 14530.5, 14536, 14536.1 and 14578.5, Public Resources Code. Reference: Sections 14504, 14537, 14539, 14550, 14552, 14575, 14578 and 15478.5, Public Resources Code.

## § 2421. CANCELLATION VERIFICATION FOR REUSABLE BEVERAGE CONTAINERS.

(a) Notwithstanding the cancellation verification procedures specified in section 2420(d), the proof of cancellation for reusable beverage containers by a bottle washer processor in accordance with section 2000(a)(4)(B)(ii) shall include all of the following:

(1) A receipt or weight ticket issued by the bottle washer processor receiving the shipment.

(2) Any applicable bill of lading or sales record.

(3) A receipt of the total weight of containers that are sold or transferred for subsequent refill and sale by a beverage manufacturer.

(4) A certification prepared in accordance with section 2090(d) and signed by the person at the bottle washer processor performing the cancellation. The certification shall identify all of the following:

(A) The cancelled materials, including the total count of reusable beverage containers.

(B) The date of cancellation.

(C) The method of washing. The method of washing shall ensure the requirements for cancellation specified in section 2000(a)(4)(B)(ii) are met.

(D) The manufacturer and model number of the equipment being utilized to cancel the material through washing, and the manner by which the bottle washer processor verified that the equipment is properly functioning.

(b) A bottle washer processor shall retain proof of the cancellation verification specified in subdivision (a) in an electronic format for all reusable beverage containers cancelled. A bottle washer processor shall transfer any proof of the cancellation verification specified in subdivision (a) to the department electronically upon request by the department within 10 days of the request.

(c) For any glass beverage container that began the process for cancellation as a reusable beverage container under subdivision (a), and for any reason did not complete the cancellation process, such as the glass beverage container breaking before or during washing, the glass beverage container shall only be cancelled in accordance with the requirements for a glass beverage container as specified in sections 2000(a)(4)(B)(i) and 2420(d).

Authority: Sections 14530.5, 14536 and 14539, Public Resources Code. Reference: Section 14539, Public Resources Code.

SUBCHAPTER 5

§ 2425. REPORTING.

The processor initially receiving material from recycling centers, dealer cooperatives, curbside programs, dropoff or collection programs, or community service programs shall prepare and submit to the department the report described in this section.

(a) The report, whether submitted electronically or by hardcopy, shall be submitted monthly or, at the option of the processor, up to thirty (30) times per calendar month. The reporting periods for the month must cover from the beginning to the end of the calendar month and not overlap any days.

(1) All reports shall be submitted no later than 30 days after the last day of the reporting period.

(2) Processors shall be allowed to submit no more than four supplemental processor invoices per material type, per original processor invoice, provided each is submitted no later than forty-five (45) days from the following events:

(A) The due date of the original processor invoice that the supplemental processor invoice covers, if it is for new shipping reports not previously submitted with the original processor invoice being supplemented; or

(B) The date appearing on the Notice of Denial (NOD) if the reports were previously denied or if the reports are a combination of new shipping reports not previously submitted with the original processor invoice and previously denied shipping reports.

(3) Processors shall be allowed to submit multiple amended processor invoices per material type, per original processor invoice, provided each is submitted no later than thirty (30) days after the due date of the original processor invoice being amended.

(4) Nothing herein shall limit the department's authority to accept an amended processor invoice.

(b) The report shall contain the following information, by material type, in addition to the general requirements for reporting contained in section 2090.

(c) A summary of the processor's transactions during the period covered by the report, including all of the following information:

(1) The total weight of all material, including empty beverage containers received by the processor; and

(2) The total weight of empty beverage containers received, and the refund value, and applicable administrative and processing payments paid for such material by material type; and

(3) Total payments requested from the department for the period. These payments are computed as the sum of the total reported refund value paid, the administrative fees paid, and the processing payments paid.

(d) Each report shall also include copies of the shipping reports for the period of the report. The total number of shipping reports included shall be specified.

(e) Each report shall also contain a shipping report prepared by the processor for each shipment of materials received from any dealer cooperative, curbside program, dropoff or collection program, or community service program, and a shipping report for each shipment of materials received from a recycling center that has been prepared by the recycling center and completed by the processor. Each report shall include all of the following information:

(1) The name and identification number or certification number, of the entity shipping the material to the processor; and

(2) The name and the certification number of the processor receiving the material; and

(3) The date the material was received and the material type covered by the report; and

(4) The received weight, excluding line breakage, rejected containers, and out-of-state containers; and

(5) The total weight of empty beverage containers purchased by the basis for the refund value payment (e.g. segregated and weighed; commingled and weighed, segregated and counted); and, for plastic, aluminum, and glass, collected by a curbside program, or a dropoff or collection program that meets the requirements of section 2850, the registered curbside program or certified entity eligible for the quality incentive payment shall be identified as either the Shipper (S), or the Receiver (R) in the QIP (Quality Incentive Payment) Box.

(6) The refund value paid; and

(7) The total administrative fees paid, when applicable; and

(8) The processing payments paid; and

(9) The name and signature of the shipper or an authorized representative of the shipper and date signed; and

(10) The weight ticket date and weight ticket number; and

(11) The shrinkage deduction taken, if any; and

(12) The name and signature of an authorized representative of the processor and the date signed.

(f) Additionally each certified processor shall submit a Scrap Value Purchases Survey Form DOR -- SV (10/00) report for purchases of beverage container material types every month. The DOR -- SV (10/00) Scrap Value Purchases Survey Form shall be submitted to the department no later than the 10th day of the month following the month of the report. The DOR -- SV (10/00) Scrap Value Purchases Survey Form must be submitted regardless of whether or not purchases occurred in the applicable time period. In addition to the general requirements for reporting contained in section 2090, the DOR -- SV (10/00)

Scrap Value Purchases Survey Form shall contain all of the following information, if applicable:

(1) The processor's name, address and certification number, physical address, including city, phone number and date prepared; and,

(2) The month covered by the report; and

(3) The total weight, in tons, of each beverage container material type purchased, even if zero, from nonaffiliated sellers, excluding beverage container material types received in a form mixed with other beverage material types or material types not covered by the Act, in each of the following categories: certified recycling centers, registered dealer cooperatives, certified dropoff or collection programs, certified community service programs, certified processors, registered curbside programs, and any certified and non-certified entities; in the case of glass, beneficiating and nonbeneficiating processors shall be reported separately; and

(4) The total weight, in tons, of each beverage container material type received from affiliates and/or subsidiaries. Beverage container material that processors receive in a form mixed with other beverage container material types and/or material types not covered by the Act, whether from affiliates or nonaffiliates, shall be reported with the affiliated transaction after the material has been sorted and the received weight determined.

(5) The total net payment for the reported total monthly weight, in tons, for each beverage container material type purchased, by the reporting processor from nonaffiliated sellers in each of the categories listed in paragraph (3) above; and

(6) For glass only, the monthly total weight, in tons, of purchased beverage container material types by color; and the monthly total weight of color sorted or mixed glass purchased from any non-affiliated beneficiating or nonbeneficiating processor; and

(7) For plastic, the monthly total weight, in tons, of purchased beverage container material types, by each plastic resin code type (1 through 7); and

(8) The printed name and signature of an authorized representative of the reporting processor.

(g) Processors purchasing materials directly from more than one curbside program, dropoff or collection program, or community service program may apply to the department to request the use of alternative methods for preparing the corresponding shipping reports. The department shall consider each proposed alternative method and issue a written approval or denial within forty-five (45) calendar days.

(1) In order for alternative methods to be accepted, they must be based on reasonable allocation methods.

(2) An application for an alternative allocation method shall be denied if:

(A) The received weight of the material purchased by an entity from the processor is not used to calculate allocations to the curbside programs, dropoff or collection programs, or community service programs; or

(B) The processor does not ensure that the weight of rejected containers, line breakage, and out-of-state containers is not included in the allocated weight (this does not require a physical separation); or

(C) The processor does not account for each incoming load of material; or

(D) The processor does not inspect incoming material to verify that it is eligible for refund value payments, as specified in section 2401.

(3) Processors may file a formal appeal by writing the Assistant Director for Recycling within thirty (30) calendar days after the receipt of a notice denying an application requesting an alternative method for shipping report preparation. Appeals submitted after this time period shall be rejected. All written appeals shall include:

(A) A copy of the notice denying the allocation method;

(B) A detailed explanation of why the determination was in error; and,

(C) Any other documentation that supports the appeal.

(4) A written decision on the appeal shall be sent to the processor within seven (7) calendar days of the receipt of the appeal.

(h) Processors purchasing commingled glass from a certified dropoff or collection program including a “waste reduction facility”, a certified community service program, or a registered curbside program, shall visually inspect every load delivered to determine eligibility for refund value and the level of contamination in the load. If a load presented to a processor is eligible for refund value and has residual or other contamination, the processor shall reduce the load for shrinkage. If a load has a residual or other contamination level of greater than 10% by weight, and the load is otherwise eligible for refund value, the receiving processor shall request an alternative method of preparing the shipping report for payment. The department shall consider each proposed alternative method and issue a written approval or denial within forty-five (45) calendar days.

(1) In order for the alternative method to be accepted, it must:

(A) Be based on a recycled glass cleaning process that produces cullet which meets the American Society for Testing and Materials standard specification for waste glass as a raw material for the manufacture of glass as specified in section 2000(a)(3.1)(A).

(B) Clearly state:

(i) That the received weight, for beverage container redemption purposes, shall be determined from the cullet produced in subparagraph (A) above.

(ii) That the redemption weight shall be determined using the applicable commingled rates and the received weight from clause (i).

(iii) That, if a sampling procedure will be used to determine the received weight of contaminated loads from each entity, the sampling procedure must be included with the request for an alternative method of preparing the shipping report.

(2) An application for an alternate method will be denied if:

(A) The total weight of all contaminated materials received at the facility is not recorded.

(B) All material received at this facility is not inspected for the presence of out-of-state, rejected, or line breakage containers and this weight excluded from shipping reports.

(C) Records accurately supporting both cullet sold and residual or contaminated material disposed of or used for an alternative market is not made available to department staff upon request.

(D) The method does not clearly account for the weight of empty beverage containers for each certified dropoff or collection program including a “waste reduction facility”, certified community service program, or registered curbside program from which the processor receives this material.

(3) When used in this subdivision, “waste reduction facility” means a dropoff or collection program certified by the department, which separates beverage container material types from mixed waste.

Authority: Sections 14530.5, 14536, 14536.1 and 14578.5, Public Resources Code.
Reference: Sections 14504, 14515.5, 14518.5, 14519.5, 14537, 14539, 14549.1, 14550, 14552, 14552.51, 14575, 14578, 14578.5 and 18015, Public Resources Code.

§ 2430. PAYMENTS.

(a) Payments to recycling centers or dealer cooperatives.

(1) Substantiation of payment. The processor shall weigh, and pursuant to section 2401, inspect, all loads received from recycling centers before completing the receiver's section of the shipping reports and all loads received from dealer cooperatives before completing the entire shipping report. The processor shall do all of the following for materials received from recycling centers or dealer cooperatives:

(A) For recycling centers, verify all calculations are accurate and that all other pieces of information shown on the shipping report, including signatures, are filled in.

(B) Record the received weight, excluding the weight of rejected containers, line breakage and out-of-state containers provided by the shipping recycler or dealer cooperative, onto the shipping report.

(C) Sign and date the shipping report to verify the receipt of the materials as indicated on the report.

(D) Calculate the refund value payment. If the redemption weight does not exceed the received weight by more than 2.5 percent, then the processor shall reimburse the recycler or dealer cooperative the refund value claimed. Otherwise, the processor shall multiply the received weight by the segregated rate per pound and record that amount as the refund value paid.

(E) Calculate the processing payment. If the redemption weight does not exceed the received weight by more than 2.5 percent, then the processor shall multiply the redemption weight claimed by the processing payment in effect on the date the material was received and pay that amount. Otherwise, the processor shall multiply the received weight by the processing payment in effect on the date the material was received and pay that amount.

(F) Calculate the administrative fee. The processor shall multiply the refund value paid from subparagraph (D) by the administrative fee rate in effect on the date the material was received and pay that amount.

(2) In addition to the provisions of this section, processors shall not make any payments pursuant to the Act for materials which have not been delivered to the processor unless the following conditions are met:

(A) The shipper is a certified recycling center to which the processor has given authorization to cancel pursuant to section 2110; and

(B) The delivery to a location of end use and cancellation are verified in accordance with section 2420(d).

(3) In the case of processors that do not take delivery of the material, the weight shall mean the weight received by the entity to whom the material is physically delivered.

(4) In no case shall a processor make any payments pursuant to the Act for any material which the processor has rejected for any reason.

(b) Payments to curbside programs. Processors shall pay the refund value, administrative fees and any applicable processing payments for materials delivered to the processor from curbside programs. Processors shall adjust the refund value rate to account for shrinkage in the same manner as set forth in section 2535(e).

(1) Substantiation of payment. The processor shall compute the refund value, administrative fees and applicable processing payments based upon the materials delivered on the shipping report prepared pursuant to section 2425(c). The processor shall provide a duplicate copy of the shipping report to the shipper. Notwithstanding any other provision of this subchapter, curbside programs may not be paid at more than the applicable statewide average commingled rate, or the department's approved individual commingled rate.

(2) Calculation of payment and fee.

(A) The processor shall pay based on the received weight of the material, excluded the weight of rejected, line breakage and out-of-state containers, multiplied by:

(i) the statewide commingled rate, or the department's approved individual commingled rate in effect on the date received; and

(ii) the per pound processing payment in effect on the date received, when applicable.

(B) In addition, administrative fees shall be calculated as three-fourths of one percent (3/4%) of the total refund value.

(c) Payments to dropoff or collection programs and community service programs. Processors shall adjust the refund value rate to account for shrinkage in the same manner as set forth in section 2535(e). Notwithstanding any other provision of this subchapter, dropoff or collection, and community service programs may not be paid at more than the applicable statewide average commingled rate, or the department's approved individual commingled rate.

(1) Substantiation of payment. Based upon materials received, the processor shall prepare a shipping report which states the refund value and applicable processing payments paid. The shipping report shall be prepared pursuant to section 2425(c). The processor shall provide a copy of the shipping report to the shipper.

(2) Calculation of payment and fee.

(A) The processor shall pay based on the received weight of the material, excluding the weight of rejected, line breakage and out-of-state containers, multiplied by:

(i) the statewide commingled rate, or the department's approved individual commingled rate in effect on the date received; and

(ii) the per pound processing payment in effect on the date received, when applicable.

(d) Payments for canceled material. The authorizing processor shall make payment in accordance with section 14573.5 of the Act, to recycling centers for canceled material provided the material is shipped to the authorizing processor or to a location designated by the authorizing processor. For such transactions, program payments will be issued by the department to processors issuing the written authorization to cancel. Program payments will not be issued by the department to processors for loads for which they have received authorization to cancel.

Authority: Sections 14530.5, 14536 and 14578.5, Public Resources Code. Reference: Sections 14518.5, 14539, 14552, 14572, 14573.5, 14578 and 14578.5, Public Resources Code.

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# SUBCHAPTER 6. RECYCLING CENTERS

## Article 1. Requirements for Recycling Centers

§ 2500. OPERATION STANDARDS.

(a) With the exception of recycling centers which meet the criteria for grandfathering, all certified recycling centers shall operate in accordance with all of the following requirements:

(1) Recycling centers certified by the department shall begin operation within sixty (60) calendar days of approval of the certification. Failure to begin operating within sixty (60) calendar days shall result in invalidation of the certification by the department.

(2) The recycling center shall accept from customers all of the following:

(A) All types of redeemable beverage containers; and

(B) With the exception of reverse vending machines, refillable beer and malt beverage containers.

(3) The recycling center shall make all payments in accordance with section 2535.

(4) Unless an exception is provided for elsewhere in this chapter, each certified recycling center shall be open for business during the following hours:

(A) At least thirty (30) hours per week, and

(B) At least five (5) hours per week shall be other than 9:00 a.m. to 5:00 p.m. on Monday through Friday.

(5) Notwithstanding paragraph (4), the department may require a recycling center to operate up to fifty (50) percent of its hours of operation other than during 9:00 a.m. to 5:00 p.m. if the department can demonstrate it is necessary to further the goals of the Act as specified in section 14501 of the Act.

(b) (1) A recycling center which is staffed and is not a reverse vending machine or bag drop recycling center shall have an employee present during its posted hours and shall display a sign having a minimum size of two feet by two feet (576 square inches) informing the public that the recycling center is open for business. Where local zoning or ordinance restricts the size of the sign to less than two feet by two feet, the sign shall be the maximum size allowable. Where the physical location of the posted sign restricts the size of the sign, a sign varying from the specifications contained in this section may be posted if requested in writing and approved in writing by the department. The sign shall contain, at a minimum, the word “OPEN” in lettering at least 10 inches in height.

(2) If the recycling center has dropoff receptacles for people who would like to leave empty beverage containers without ever receiving the refund value, the operator of the recycling center shall take the following actions:

(A) A sign shall be placed on or at the front of the receptacles with lettering of at least ⅜ inch in height which informs the customer that all types of empty beverage

containers will be accepted and redeemed at all open check-out stands, or exactly where on the property the customer may redeem the beverage containers. The sign shall also inform the customer with lettering of at least ⅜ inch in height that no refund value will be paid for empty beverage containers deposited into these dropoff receptacles.

(B) A person shall be present during the hours posted at the recycling center to inspect the empty beverage containers pursuant to article 3 of this subchapter and pay customers the refund value.

(C) A sign shall be posted during the hours open for business at the designated area where the public may redeem beverage containers. The sign shall contain, at a minimum, the words “OPEN” and “RECYCLING CENTER.” The word “OPEN” shall consist of lettering at least 10 inches in height. The words “RECYCLING CENTER” shall be on a separate line and consist of lettering at least 3 ½ inches in height.

(3) Paragraph (2) does not apply to bag drop receptacles or reverse vending machines because bag drop receptacles and reverse vending machines pay out the refund value.

(c) An operator of a recycling center who does not accept all types of redeemable beverage containers may continue to do so and shall be certified as a recycling center, provided all of the following conditions are met:

(1) The recycling center was operating in the same location on January 1, 1986, or if it is a reverse vending machine, the machine was operational on January 1, 1986;

(2) The recycling center did not accept all types of redeemable beverage containers at the same location as of January 1, 1986; and

(3) The recycling center continues to redeem, at a minimum, those beverage containers it accepted at the same location as of January 1, 1986.

(d) A recycling center which meets the criteria to be grandfathered shall make payments in accordance with section 2535.

(e) Each certified recycling center which does not utilize a reverse vending machine or bag drop receptacle shall post the following near the certification sign provided by the department and in a conspicuous location which can be easily seen by the public:

(1) A legible sign indicating its hours of operation; and

(2) A refund price sign indicating the prices paid by weight or per container and by material type (such as aluminum, glass, plastic bimetal, bag in box, multi-layer pouch, or paperboard carton). A refund price sign shall meet the following specifications:

(A) Dimensions. The sign shall be two feet by two feet (576 square inches).

(B) Content. In addition to the prices paid as required in subdivision (e)(2) above, the sign shall contain, at a minimum, the statements as indicated in Figure 9. A

refund price sign varying from the specifications of this section may be posted if requested in writing and approved in writing by the department.

* Refund is not paid for packaging, contamination such as dirt or moisture, nor beverage containers not properly labeled with the California redemption value message.
* This recycler will discount the refund value, and may discount scrap value for loads of containers which include nonredemption material.
* The consumer has the right to:
  a. Accept a discounted refund and/or scrap price.
  b. Separate refund from nonrefund material.
  c. Take material back.

**Figure 9.**

(f) Each certified recycling center utilizing a reverse vending machine shall post the following on each machine near the certification sign provided by the department:

(1) A legible sign indicating its hours of operation, and

(2) A refund price sign or decal indicating the prices paid by weight or per container for each material type accepted by that reverse vending machine. The refund price sign or decal shall be at a minimum 15 square inches with lettering of at least 3/8 inch in height. A refund price sign or decal not meeting the requirements of this section may be posted if requested in writing and approved in writing by the department.

(3) A sign which specifies the method approved by the department for redeeming empty beverage containers that are not accepted by the reverse vending machine or if the reverse vending machine is out of order. If in-store redemption is the alternative method, a sign which is at a minimum 120 square inches with lettering of at least ½ inch in height shall be posted which specifies that containers will be redeemed at all open cash registers or the sign must designate exactly where redemption will occur.

(A) If beverage containers are not redeemed at all open registers, a sign shall be posted where refund value payment occurs within the store. The sign shall contain, at a minimum, the words "Redeem CA beverage containers here", and consist of lettering at least 3 inches in height.

(g) The operator of a certified recycling center shall maintain records and submit reports regarding redemption activities in compliance with article 3 of this subchapter.

(h) Notwithstanding section 2060(e), if all of the requirements of section 2525(k) are met, a certified recycling center may collect, and pay refund value for, empty beverage containers

at a church, school, business where beverages are consumed, or other community service organization.

Authority: Section 14530.5and 14536, Public Resources Code. Reference: Sections 14501, 14515.6, 14538, 14571, 14571.3, 14572and 14572.5, Public Resources Code.

§ 2500.2. OPERATION STANDARDS FOR BAG DROP RECYCLING CENTERS.

(a) In addition to the requirements set forth in section 2500, a bag drop recycling center, as defined in Public Resources Code section 14503.5.1, shall comply with the requirements of this section.

(b) A bag drop recycling center shall pay the refund value for no more than 25 pounds of aluminum, plastic, multi-layer pouch, or paperboard carton beverage containers, 50 pounds of bag in box beverage containers, or 100 pounds of glass beverage containers received from a given consumer per day. For any material received from a consumer in excess of these weight limits, the bag drop recycling center is authorized to pay the consumer the scrap value, but shall not pay in excess of the scrap value for the additional material.

(c) A bag drop recycling center is authorized to charge consumers for the following:

(1) A fee for bags provided to consumers to be placed in the bag drop receptacle that are premarked with a barcode or other identification to uniquely identify the consumer's load for redemption of empty beverage containers. The fee shall not exceed the bag drop recycling center's direct cost for the bag. The bag drop recycling center shall provide, upon request of the department within 10 days of the request being sent via email to the contact person's email address provided in the certification application, documentation of the bag drop recycling center's direct cost for the bag.

(2) A transaction fee. The fee shall not exceed the cost of the electronic payment fee charged to the bag drop recycling center by a digital vendor for a financial transaction. The bag drop recycling center shall provide, upon request of the department within 10 days of the request being sent via email to the contact person's email address provided in the certification application, documentation of the cost charged to the bag drop recycling center by a digital vendor for a financial transaction.

(d) In addition to the requirements set forth in section 2501, a bag drop recycling center shall do all of the following:

(1) Segregate any line breakage, previously redeemed, previously baled, rejected, or out-of-state containers from eligible beverage containers for each transaction.

(2) Create and maintain a record of the line breakage, previously redeemed, previously baled, rejected, or out-of-state containers per transaction. The record

shall contain the count or weight of the material, material type, customer's name, and if available, the customer's contact information.

(3) Deliver the segregated line breakage, previously redeemed, previously baled, rejected, or out-of-state material to a processor. All such material is ineligible for refund value. When delivering the material to a processor, the bag drop recycling center shall keep the line breakage, previously redeemed, previously baled, rejected, or out-of-state containers segregated from any other material being delivered to the processor at the same time. Notwithstanding section 2401, processors shall pay the refund value for all eligible material delivered from a bag drop recycling center regardless of whether the material was delivered at the same time as ineligible material so long as the load was segregated.

(e) A bag drop recycling center shall provide immediate access to the department to any storage or inspection location upon request. A bag drop recycling center shall not store empty beverage container material at a residential address.

(f)(1) Prior to accepting material, a bag drop recycling center shall provide a notice to consumers containing the following statements:

(A) The refund value is not paid for packaging, contamination such as dirt or moisture, or beverage containers not properly labeled with the California redemption value message, as specified in section 14561 of the Act, or that is otherwise ineligible for redemption.

(B) The bag drop recycling center will discount the refund value, and is authorized to discount scrap value, for loads of containers that include nonredemption material.

(C) The bag drop recycling center is authorized to weigh and inspect the beverage containers at a different location than where the containers are delivered. All deliveries of beverage containers to the bag drop recycling center are subject to reduction of the refund value as described in subparagraphs (A) and (B). All deliveries to the bag drop recycling center are final.

(2) If the bag drop recycling center uses a smartphone application, website, or other electronic means to communicate with or pay the refund value to consumers, the bag drop recycling center is authorized to alternatively provide the notice specified in paragraph (1) through the smartphone application, website, or other electronic means.

(g)(1) In addition to the signage requirements of section 2065, a bag drop recycling center shall display the following signs on the bag drop receptacle:

(A) Payment method sign. A bag drop recycling center issuing payment to consumers via a method other than as provided in section 2095 shall display a sign informing consumers of all alternative forms of payment offered by the bag drop recycling center.

(B) Daily purchase limits. A bag drop recycling center shall display a sign informing consumers of the consumer daily weight limits specified in subdivision (b).

(C) A bag drop recycling center shall display a sign explaining what types of materials it cannot redeem using the bag drop receptacle and how the bag drop recycling center will redeem those types of materials.

(D) Alternative recycling locations. A bag drop recycling center shall display a sign that includes the address of the nearest recycling center that is not a bag drop recycling center or reverse vending machine where consumers can receive immediate payment of the refund value for all beverage container types. If the bag drop recycling center charges a bag fee or a transaction fee to the consumer, the sign shall specify that the consumer is able to redeem empty beverage containers at the alternative recycling location without being charged a bag fee or a transaction fee.

(E) Non-operational equipment/full receptacle. A bag drop recycling center shall display a sign if the bag drop receptacle is non-operational or is full and cannot accept any more of a particular container material type. The sign shall include the nearest recycling center that is not a bag drop recycling center or reverse vending machine where consumers can receive immediate payment of the refund value for all beverage container types.

(F) Contacting the operator. A bag drop recycling center shall display a sign providing a method of contact to notify the bag drop recycling center in the event the equipment is non-operational.

(G) Fees and payments. A bag drop recycling center shall display a sign that includes all of the following:

(i) The timeframe in which payment will be issued.

(ii) How questions or complaints will be addressed by the bag drop recycling center.

(iii) If applicable, the amount of the fee charged to the consumer for providing the consumer with bags to be placed in the bag drop receptacle.

(iv) If applicable, the amount of the transaction fee charged to the consumer.

(2) If the bag drop recycling center uses a smartphone application, website, or other electronic means to communicate with or pay the refund value to consumers, the bag drop recycling center is authorized to alternatively notify consumers of the information specified in paragraph (1) through the smartphone application, website, or other electronic means.

(h) The signs required by this section shall be displayed conspicuously in places easily seen by the public at all times the bag drop recycling center is open to the public. All signs shall be legible.

(i) A bag drop receptacle shall be kept secure by the bag drop recycling center by ensuring both of the following:

(1) That a deposit of empty beverage containers in a sealed bag cannot be withdrawn from the bag drop receptacle by anyone other than the bag drop recycling center.

(2) That a deposit of empty beverage containers in a sealed bag is protected from debris, moisture, contamination, hazardous waste, fire, and theft.

Authority: Section 14536, Public Resources Code. Reference: Section 14538, Public Resources Code.

§ 2500.3. TERMS AND CONDITIONS FOR BAG DROP RECEPTACLE OPERATORS.

(a)(1) The operator of a bag drop receptacle is authorized to require a consumer's acceptance of terms and conditions prior to allowing that same consumer to use the bag drop receptacle.

(2) For purposes of this section, the operator of a bag drop receptacle includes an anchor recycling center operating a mobile unit that consists of one or more bag drop receptacles, a recycling center that has a bag drop receptacle onsite, or a bag drop recycling center.

(b)(1) The operator of a bag drop receptacle is authorized to use a smartphone application, website, or other electronic means to manage transactions with consumers who seek to use the bag drop receptacle, including, but not limited to, the establishment of an account for the consumer, communicating information about the consumer's account, and transmitting payment(s) to the consumer's account.

(2) If the operator of a bag drop receptacle uses a smartphone application, website, or other electronic means to manage transactions with consumers who seek to use the bag drop receptacle, the operator of the bag drop receptacle is authorized to make each consumer's acceptance of terms and conditions as authorized in subdivision (a), above, a precondition to the establishment of each consumer's account by electronic means.

(c) If the operator of a bag drop receptacle requires consumers to accept terms and conditions in order to use the bag drop receptacle, as authorized in subdivision (a), above, the terms and conditions shall be applied to all consumers who use the service and include the following information:

(1) How to use the bag drop receptacle in order to receive payment of the refund value, including acceptable bags and how to obtain and label the bags, as necessary, and any technical requirements.

(2) How to use any smartphone application, website, or other electronic means the operator of the bag drop receptacle uses to manage transactions with consumers.

(3) The information required to be displayed in physical signs on the bag drop receptacle or using a smartphone application, website, or other electronic means of communicating with the consumer, as specified in section 2500.2(g) for bag drop recycling centers and section 2500.5(d)(4) for mobile units that consist of bag drop receptacles.

(4) A link to the department's website at https://www2.calrecycle.ca.gov/wheretorecycle/, which a consumer can use to locate an alternative recycling location.

(5) Under what circumstances violation of the terms and conditions will result in the consumer's account being banned, as described in subdivision (d), below, including how long the ban will last.

(d) The operator of a bag drop receptacle is authorized to place restrictions on consumers for misuse of the service as follows:

(1) When a consumer deposits material in excess of the weight limits set forth in section 2500.2(b), this shall result in forfeiture of the overage to the operator of the bag drop receptacle and nonpayment to the consumer of the refund value. The operator of the bag drop receptacle shall not claim refund value or other program payments on forfeited material.

(2) The operator of a bag drop receptacle is authorized to refuse to redeem contaminated material or adjust downward the refund value per pound used to calculate payment by the ratio of the contamination to empty beverage containers, consistent with section 2535(e). The operator of the bag drop receptacle shall not claim refund value or other program payments on the portion of the refund value that has been reduced.

(3) The following types of consumer misuse are grounds for the operator of a bag drop receptacle to ban the consumer from using the service, temporarily or permanently:

(A) Abusive conduct, including, but not limited to, using another consumer's account, creating an account using false credentials, or submitting previously baled material, previously redeemed material, line breakage, rejected, or out-of-state containers.

(B) Depositing contaminated or ineligible materials that pose a health and safety risk to a handler of the materials.

(e) Any empty beverage container material left in a bag drop receptacle by a consumer, after the operator of the bag drop receptacle has banned that same consumer from using the bag drop receptacle, shall be considered forfeit and donated by the consumer

to the operator of the bag drop receptacle. The operator of the bag drop receptacle shall not claim refund value or other program payments on forfeited material.

(f) The operator of a bag drop receptacle shall keep records documenting the forfeiture of material placed in the operator's bag drop receptacle, including the date the material was received, either the count or the weight of the forfeited material, and the reason for forfeiture (such as exceeds weight limit, contamination, health and safety risk), for a period of five (5) years from the date the material was received by the operator of the bag drop receptacle.

(g) The operator of a bag drop receptacle is not required to return material, or make payment to a consumer for material, that was destroyed during a state of emergency, as defined in section 2503(a)(4), provided that both of the following conditions are met:

(1) The material was destroyed by the cause of the state of emergency after being deposited into the bag drop receptacle by the consumer.

(2) The operator of the bag drop receptacle maintains evidence of the declaration of the state of emergency from a government source, and notification to all impacted consumers, for a period of five (5) years following the official government declaration of the state of emergency.

(h) The provisions of this section do not apply to the operation or use of reverse vending machines.

Authority: Section 14536, Public Resources Code. Reference: Section 14538, Public Resources Code.

§ 2500.5. OPERATION STANDARDS FOR MOBILE UNITS AND ANCHOR RECYCLING CENTERS.

(a) A mobile unit shall operate in one or both of the following ways:

(1) The mobile unit arrives at the location where the mobile unit will redeem empty beverage containers at the beginning of the mobile unit's business day and vacates that location at the conclusion of the mobile unit's business day. This includes, but is not limited to, a mobile unit consisting of a reverse vending machine, whether staffed or not, a bag drop receptacle, whether staffed or not, and a mobile unit consisting of a staffed location where material is weighed by an attendant for immediate payment of the refund value.

(2) The mobile unit collects empty beverage containers at one or more consumer address(es).

(b) An anchor recycling center shall not operate a mobile unit that is not owned, leased, or rented by the anchor recycling center operator.

(c) A mobile unit shall operate in accordance with all of the following:

(1) Accept from consumers all types of beverage containers.

(2) Begin operation within 60 days of approval under section 2047(c)(1). Failure to begin operating within 60 days shall result in invalidation of the approval by the department.

(3)(A) Except as specified in subparagraph (B), operate in accordance with the hours and address(es) specified in the mobile unit application.

(B) The mobile unit shall notify the department electronically in writing 10 days before making a change to the hours and address(es) of operation specified in the mobile unit application. If the notice specifies a new address(es) of operation, the notice shall include formal acknowledgement, such as a use agreement or letter, signed by the property owner or property manager that permission is given to use the location(s) for the mobile unit.

(4) Deliver all collected empty beverage containers to its anchor recycling center at the conclusion of the business day during which the empty beverage containers were received.

(5)(A) Post the following signs on the mobile unit in a conspicuous location that can be easily seen by the public:

(i) A sign having a minimum size of two feet by two feet (576 square inches) informing the public that the mobile unit is approved by the state as a beverage container recycling mobile unit.

(ii) The signage described in sections 2500(e)(1) and (e)(2), which satisfies the dimensions specified in (e)(2)(A) and excludes the signage described in (e)(2)(B).

(iii) A sign with the address of the anchor recycling center with a notice that consumers can receive immediate payment of the refund value for all beverage container types at that address. If the mobile unit charges a bag fee or a transaction fee to the consumer, the sign shall specify that the anchor recycling center is staffed and the consumer is able to redeem empty beverage containers at the anchor recycling center without being charged a bag fee or transaction fee.

(iv) A duplicate of the certification sign provided by the department for the anchor recycling center. Alternatively, the mobile unit is authorized to make a duplicate or digital version of the certification sign provided by the department for the anchor recycling center available upon request instead of posting it.

(B) All signs required pursuant to subparagraph (A) shall be legible.

(6) Comply with the payment per count provisions specified in section 2535(b).

(7) If the mobile unit will collect empty beverage containers at the consumer's address, as described in section 2500.5(a)(2), comply with the consumer daily weight limits specified in section 2500.2(b).

(8) If the mobile unit will collect empty beverage containers at the consumer's address, as described in section 2500.5(a)(2), prepare and maintain records of an up-to-date list of all pickup locations that includes the first and last name of the consumer, the consumer's address, and the consumer's primary phone number.

(9) Not operate in a convenience zone in which a recycling center other than its anchor recycling center, a pilot project recycler, or a dealer cooperative operates.

(10)(A) Except as specified in subparagraph (B), only store or operate the mobile unit in a location specified in the mobile unit application.

(B) The mobile unit shall notify the department electronically in writing 10 days before making a change to any storage or operation location of the mobile unit specified in the mobile unit application.

(11) Not operate for any of the following in addition to its anchor recycling center: another recycling center, a pilot project recycler, or a dealer cooperative.

(12) Comply with section 2500.2(i) relating to the security of the bag drop receptacle.

(d) A mobile unit that consists of a bag drop receptacle or reverse vending machine shall do all of the following:

(1) Comply with the consumer daily weight limits specified in section 2500.2(b).

(2) Comply with section 2500.2(d) relating to ineligible material, except that the ineligible material shall be delivered to the anchor recycling center instead of a processor.

(3) Provide the notice specified in section 2500.2(f).

(4) Post the signage specified in sections 2500.2(g)(1)(A), (B), (F), and (G) on the bag drop receptacle or reverse vending machine, subject to section 2500.2(g)(2), and comply with section 2500.2(h).

(e) A mobile unit that consists of a bag drop receptacle or reverse vending machine, or that collects empty beverage containers at the consumer's address, as described in section 2500.5(a)(2), is authorized to charge consumers for the fees specified in section 2500.2(c), subject to the requirements of that subdivision.

(f) A mobile unit shall not deliver empty beverage containers to a recycling center other than its anchor recycling center or to a processor.

(g)(1) Notwithstanding section 2516, regardless of the hours or address(es) of operation of a mobile unit, an anchor recycling center is eligible for handling fees for empty beverage containers collected by its mobile unit if the anchor recycling center is eligible for handling fees on its own.

(2) An anchor recycling center that is not eligible for handling fees on its own is not eligible for handling fees for empty beverage containers collected by its mobile unit.

(h) Within three of the anchor recycling center's business days following delivery of empty beverage containers from its mobile unit, an anchor recycling center shall inspect the empty beverage containers delivered to it by its mobile unit and, subsequent to that inspection, pay the refund value to the consumer. Alternatively, a mobile unit is authorized to inspect and pay the refund at the time the empty beverage containers are accepted.

(i) An anchor recycling center or mobile unit shall provide immediate access to the department to any storage, operation, or inspection location, or to the mobile unit, upon request. An anchor recycling center or mobile unit shall not store empty beverage container material at a residential address.

(j)(1) For a mobile unit at which containers are inspected and weighed at the time and location containers are delivered, the anchor recycling center shall prepare and maintain records for empty beverage containers accepted by its mobile unit in accordance with sections 2525(a), (b), and (d) to (k), inclusive.

(2) For a mobile unit that inspects and weighs containers at a time and location other than when and where the containers are delivered, the anchor recycling center shall prepare and maintain records for empty beverage containers accepted by its mobile unit in accordance with sections 2525(c) to (k), inclusive.

(3) For records prepared and maintained in accordance with section 2525, the certification number of the anchor recycling center shall be appended with an “M” (for example, “RC12345M”) and the listed address shall be the address at which the mobile unit accepted the empty beverage containers.

(4) Except as specified in paragraph (5), the records for each mobile unit shall be maintained separately from the records for empty beverage containers redeemed at the anchor recycling center.

(5) The anchor recycling center shall include the empty beverage containers accepted by its mobile unit each day in the daily summaries prepared by the anchor recycling center pursuant to section 2525(i).

(k)(1) A mobile unit or an anchor recycling center that fails to comply with any applicable requirement of the Act or this chapter constitutes grounds for the department to rescind the approval of the mobile unit.

(2) Within 15 days of the department notifying the operator of an anchor recycling center that the department intends to rescind the approval of the mobile unit due to the anchor recycling center or the mobile unit violating the Act or this chapter, the operator of the anchor recycling center is authorized to request an informal hearing conducted pursuant to the department's hearing regulations (Title 14, California Code of Regulations, Sections 17063.1-17063.32). The notification will be sent via email by the department to the contact person's email address provided in the certification application. (l) A mobile unit or an anchor recycling center that fails to comply with any applicable requirement of the Act or

this chapter constitutes grounds for the department to revoke the anchor recycling center's certificate pursuant to section 2130. The department shall only proceed with revocation under this subdivision if it determines that rescinding the approval of the mobile unit under subdivision (k) is inadequate considering the severity of the violation of the Act or this chapter.

Authority: Section 14536, Public Resources Code. Reference: Section 14538, Public Resources Code.

§ 2501. LOAD INSPECTION REQUIREMENTS.

(a) A certified recycling center shall inspect each load of containers, subject to the Act, delivered to the recycling center, for which refund value is claimed, to determine whether the load is eligible for any refund value and, if so, to determine whether the load is segregated or commingled, as follows:

(1) For transactions with consumers, the recycling center shall remove the containers from any bag, box or other receptacle used to deliver the material to the recycling center and visually inspect the containers prior to determining the basis for payment and paying the seller. In no case shall a certified recycling center pay or claim the refund value for any material not inspected by the recycling center.

(2) For any load delivered to a recycling center, from a dropoff or collection program, community service program, curbside program, or recycling center, each recycling center taking delivery of the material shall visually inspect each load of material by monitoring the unloading and/or conveyor process to determine eligibility and whether the load is segregated or commingled.

(3) For a beverage container marked with a machine-readable indicia pursuant to section 2205, inspection by a recycling center of the machine-readable indicia is only required to include visually verifying the machine-readable indicia is marked on the beverage container paired with the indicator required pursuant to section 2205(b). A recycling center is not required to verify that the machine-readable indicia links to a website with the CRV information as described in section 2205(e).

(b) In addition to the requirements of section 2110, a load of material shall be deemed not eligible for any refund value if any one of the following conditions exist:

(1) There are pieces of broken, densified bales or biscuits of aluminum beverage containers within the load. This does not include cans which have merely been flattened.

(2) Pieces of bales of plastic are found in the load.

(3) The motor vehicle, if any, used to deliver the load has a license plate from any foreign country, or any state other than California, unless all of the following conditions are met:

(A) The person delivering the load is not a noncertified recycler, as defined at section 14520.6 of the Act; and,

(B) The total refund value of material delivered by any one person per day does not exceed fifty (50) dollars ($50.00); and,

(C) The load is not ineligible pursuant to subsection (b)(1), above.

(4) Each bag in box in a load of bags in boxes shall be intact for the load to be eligible for the refund value. “Intact” means that the interior flexible bag is connected to the dispensing valve and inside of the exterior box. A load of bags in boxes shall be deemed not eligible for any refund value if the load contains any individual interior flexible bag, dispensing valve, or exterior box that is separated from the other bag in box components.

(5) Bags in boxes, multi-layer pouches, and paperboard cartons shall be shipped separately from other container types. Bags in boxes, multi-layer pouches, and paperboard cartons shall not be combined.

(c) Once eligibility is determined payment shall be calculated pursuant to section 2535(d).

(d) All out-of-state material, whether labeled with the message specified in section 14561 of the Act or not, and all rejected and line breakage containers are not eligible for any refund value payments.

(e) All rejected and line breakage containers in a load delivered from a dealer cooperative, recycling center, dropoff or collection program, community service program or curbside program, whether labeled or not with the message specified in section 14561 of the Act, must be excluded from the received weight of the load.

(f) A certified recycling center shall not receive, accept, or take delivery from any source material that the certified recycling center knows, or should know, was imported into this State, whether labeled with the message specified in section 14561 of the Act or not. All loads containing out-of-state material are not eligible for any refund value payments.

(g) Loads received from consumers shall have rejected or line breakage containers removed from the load or the load is not eligible for any refund value payments.

Authority: Sections 14530.5, 14536, 14578.5, 14596 and 14599, Public Resources Code. Reference: Sections 14501, 14538, 14539, 14539.5, 14553, 14572, 14578, 14578.5, 14595, 14595.4, 14595.5, 14596 and 14597, Public Resources Code.

## § 2503. ALTERNATIVE SCHEDULES FOR RECYCLING CENTERS.

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

(1) “Family-owned business” means an organization owned by two or more members of the same family and with more than 50 percent of the employees of the business being members of the same family.

(2) “Natural disaster” means a natural catastrophe, such as an earthquake, fire, flood, landslide, or volcanic eruption, regardless of cause.

(3) “Small business” means an organization that has five or fewer employees.

(4) “State of emergency” means a natural or manmade disaster or emergency for which a state of emergency has been declared by the President of the United States or the Governor, or for which a state of emergency has been declared by a municipal emergency management coordinator. The conditions of disaster or of extreme peril to the safety of persons and property within the state are caused by such conditions as air pollution, fire, extreme heat, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, plant or animal infestation or disease, earthquake, volcanic eruption, or other conditions, which, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single county, city and county, or city.

(b) Notwithstanding paragraph (4) of subdivision (a) of section 2500, a recycling center may apply to the department for authorization to operate on an alternative schedule that complies with either of the following:

(1) For a Type 1 alternative schedule, the schedule allows the recycling center to operate between 10 and 29 hours, inclusive, per week.

(2) For a Type 2 alternative schedule, the schedule allows the recycling center to operate any number of hours, including ceasing operations entirely, due to operational challenges resulting from a natural disaster or state of emergency.

(c) Notwithstanding paragraph (5) of subdivision (a) of section 2500, the department shall not require a recycling center to operate up to 50 percent of its hours other than during 9:00 a.m. to 5:00 p.m. as part of an alternative schedule. However, the department may approve an alternative schedule that allows a recycling center to operate up to 50 percent of its hours other than during 9:00 a.m. to 5:00 p.m. if the schedule complies with the requirements of the Act and this chapter.

(d)(1) A certified recycling center operator may submit an application form to request a Type 1 alternative schedule as often as desired at least 30 calendar days prior to the effective date of the proposed Type 1 alternative schedule hours. The form shall be submitted via e-mail to DORCertFileRoom@CalRecycle.ca.gov or by mailing to 1001 I Street, MS 9A, Sacramento, CA 95814.

(2) The department shall notify, in writing, the recycling center operator of approval or denial of the Type 1 alternative schedule application within 30 calendar days from the date of receipt.

(3) The department shall only approve a Type 1 alternative schedule application from those recycling centers that qualify as a small business or family-owned business.

(4)(A) For an increase to hours requested in the initial application, the applicant may amend the initial application with the new increased hours and schedule and submit the amended application to the department through either e-mail to DORCertFileRoom@CalRecycle.ca.gov or physical mail to 1001 I Street, MS 9A,

Sacramento, CA 95814. The amended application shall be deemed approved upon receipt by the department.

(B) For a decrease to hours requested in the initial application, the applicant shall reapply to the department with a new application for any reduction beyond what is declared in the initial application. The department shall notify, in writing, the recycling center operator of approval or denial of the amended Type 1 alternative schedule application within 30 calendar days from the date of receipt.

(5) A recycling center that has received approval from the department to operate a Type 1 alternative schedule shall comply with both of the following:

(A) Post the approved hours in a conspicuous location in accordance with sections 2500(e) and (e)(1). The hours shall be fixed hours of operation and shall not be flexible, such as merely providing a range of several hours during which the recycling center will open or close.

(B) Post in a conspicuous location in accordance with section 2500(e) the name and address of the nearest recycling center that is open at least 30 hours per week.

(e)(1) A certified recycling center operator may submit an application form to request a Type 2 alternative schedule to the department when experiencing operational challenges due to a natural disaster or state of emergency. The form shall be submitted via e-mail to DORCertFileRoom@CalRecycle.ca.gov or by mailing to 1001 I Street, MS 9A, Sacramento, CA 95814. The application shall be submitted within seven working days before or after the natural disaster or the state of emergency. The application shall be submitted via e-mail or by hard copy.

(2) The department shall notify the recycling center operator of approval or denial within two working days from the date of receipt.

(3) If the application form is incomplete, the department shall notify the operator within two working days of receipt. If the operator does not submit information to complete the application within three working days of that notification, the department shall deny the application.

(4) Type 2 alternative hours shall not exceed six months after the end of the natural disaster or state of emergency. If physical access to the recycling center is prohibited by state or local authorities or by clean-up efforts undertaken by the Office of Emergency Services or the department as a result of the natural disaster or state of emergency, the department shall grant an extension of the Type 2 alternative hour schedule.

(f) The department shall deny a request for a Type 1 or Type 2 alternative schedule if the department determines any of the following:

(1) Sufficient justification has not been provided by the recycling center for the alternative schedule.

(2) The alternative schedule does not further the goals of the Act.

(3) The alternative schedule significantly decreases consumers' ability to conveniently redeem beverage containers.

(g) The application form for a Type 1 or Type 2 alternative schedule shall include all of the following, as applicable:

(1) The certification number, organization name, facility name, and facility address of the applicant recycling center.

(2)(A) The proposed actual days and hours open for business and proposed lunch breaks.

(B) For a recycling center that is staffed, “actual days and hours open for business” shall be those days and hours where staff are scheduled to be present and do not include lunch breaks.

(C) For a recycling center that consists of a reverse vending machine, “actual days and hours open for business” shall include days and hours when all of the following criteria are met:

(i) The days and hours when the reverse vending machine is scheduled to be in operation.

(ii) The days and hours when beverage containers that are odd-sized or made from materials other than aluminum, glass, and plastic will be redeemed.

(iii) The days and hours when any beverage containers not accepted by the reverse vending machine will be redeemed by the host dealer.

(3) The basis for the request being made. If it is the result of a natural disaster or state of emergency for a Type 2 application, the applicant shall include both of the following:

(A) Documentation to substantiate the natural disaster or state of emergency.

(B) The operational challenges experienced as a result of the natural disaster or state of emergency.

(4) If the business is a small or family-owned business, the applicant shall include the number of employees and the basis for the family relationships, respectively.

(5) For a Type 2 application, the end date of the alternative schedule.

(6) Why the alternative schedule is necessary to further the goals of the Act and this chapter and how the alternative schedule will not significantly decrease the ability of consumers to conveniently return beverage containers.

(7) The consequences if the department denies the request for an alternative schedule, such as decreasing consumers' ability to conveniently redeem beverage containers.

(8) The name and signature of the applicant; the date the form was signed; and the applicant's e-mail address. Only a responsible party, as described in subdivision (a) of section 14591.2 of the Public Resources Code, of the recycling center is eligible to apply and sign as an applicant.

(h) The department shall post on its internet website, and provide to any person upon request, application forms containing the information required by subdivision (g) of this section to request a Type 1 alternative schedule and Type 2 alternative schedule.

(i) In the event of a natural disaster or state of emergency, the department may issue a General Notice to recycling centers affected by the natural disaster or state of emergency, through both e-mail and physical mail and using the contact information found in the recycling center's certification. The General Notice shall include both of the following:

(1) The recycling center may operate at a reduced number of hours, including ceasing operations entirely, due to operational challenges resulting from the natural disaster or state of emergency as of the date specified in the General Notice.

(2)(A) The recycling center shall submit to the department an application form to request a Type 2 alternative schedule due to a Natural Disaster or State of Emergency, pursuant to subdivision (e) within seven working days of the date specified in the General Notice pursuant to paragraph (1).

(B) The form need only address the recycling center's operations subsequent to the submittal of the form. Any reduced hours of the recycling center's operations preceding the submittal of the form and subsequent to the department's General Notice shall be deemed approved.

Authority: Section 14530.5, Public Resources Code. Reference: Section 14571, Public Resources Code.

## § 2505. NOTIFICATION REQUIREMENTS.

(a) Notwithstanding the requirements of section 2040, certified recycling centers shall notify the department in writing ten (10) calendar days prior to any of the following events:

(1) Change of name under which the recycling center is doing business,

(2) Change of business address, mailing address or phone number of operator,

(3) Separation from parent company, if applicable,

(4) Merger with another company,

(5) Discontinuance of operation,

(6) Dissolution of the organization type identified in the application for certification,

(7) Change in the type of redeemable beverage containers accepted,

(8) Any change in the hours of operation as presented in the application for certification or by subsequent notification to the department,

(9) For bag drop recycling centers and recycling centers which consist of reverse vending machines, a change in the method approved by the department for redeeming empty beverage containers that are not accepted by the bag drop recycling center or reverse vending machine, or

(10) Change in the agent for service of process, if applicable,

(11) Change in the type of organization,

(12) Change in the name of the contact person for the operator,

(13) Change in corporate officers, if applicable,

(14) Change in the name of the organization,

(15) Any change in business ownership.

(b) Within five (5) calendar days of the date the recycling center began redeeming empty beverage containers, the operator of the recycling center shall notify the department in writing of the actual date the recycling center began redeeming by submitting the Operation Date Card. The Operation Date Card shall contain the date of operation and confirmation that the operator obtained all applicable local, county, state, and federal authorization, permits and licenses required for operation of the recycling center at that location. The Operation Date Card shall be signed by the operator under penalty of perjury. Failure to do so or to provide an accurate date will result in denial of handling fee payments for the months the operator failed to notify, or provide an accurate date to, the department.

(c) The operator of a supermarket site shall notify the department in writing, within ten (10) working days, of the closure of the supermarket or dealer where the recycling center is located.

(d) The operator of a certified recycling center who intends to be decertified shall submit a written notification to the department, which includes the proposed effective date.

(e) The operator of a supermarket site shall notify the department in writing, within five (5) calendar days, if the recycling center is moved within the supermarket or dealer parking lot. Nothing in this section is intended to require a recycling center to report to the department movement related to the emptying of recycling equipment.

(f) Should the person named on the application voucher become disassociated with the operator of a certified recycling center, the operator shall notify the department in writing, within ten (10) calendar days of the change.

Authority: Section 14536, Public Resources Code. Reference: Sections 14515.6, 14526.6, 14538, 14571 and 14585, Public Resources Code.

## Article 2. Handling Fees

§ 2516. ELIGIBILITY CRITERIA.

(a) In addition to meeting the requirements of section 14585 of the Act, a recycling center shall meet all of the following criteria for handling fees eligibility on the first day of the calendar month for which they are claimed. A recycling center must be:

(1) certified, operational, and accepting and paying refund value to consumers for all empty beverage container material types; and

(2) located within a convenience zone; and

(3) a "supermarket-site" recycling center as defined in section 14526.6 of the Act, or a nonprofit convenience zone recycler as defined in section 14514.7 of the Act, or a rural region recycler as defined in section 14525.5.1 of the Act; and

(4) the only certified, non-grandfathered recycling center in the convenience zone.

(5) not operating fewer than 30 hours per week on a reduced schedule pursuant to section 2045(a)(11) or on a Type 1 alternative schedule pursuant to section 2503.

(b) The department shall inspect each supermarket site, nonprofit convenience zone recycler, or rural region recycler to determine whether such sites satisfy the requirements of this section.

(c) A recycling center, which locates within a convenience zone, thereby causing a preexisting recycling center to become ineligible to receive handling fees, shall never be eligible to receive handling fees in that convenience zone. Such ineligibility shall apply to the parent company, its subsidiaries and affiliates even if the preexisting recycling center ceases to operate within the convenience zone. Such ineligibility shall also apply to the parent, the subsidiaries and the affiliates of any grandfathered recycling center which elects to begin accepting all material types.

(d) A rural region recycler may combine total monthly beverage container purchases from two or more of its convenience zone sites to establish eligibility for a single handling fee payment by submitting the following information monthly in writing:

(1) The certification numbers and addresses of the locations where receipt and/or log transactions are to be combined;

(2) The month and year of the transactions to be combined;

(3) The company name, address, contact person and business phone number, signed and dated by the contact person.

(e) The additional information required in subdivision (d) shall be submitted no later than the fifth day of the first month following the reporting month. A rural region recycler that fails to provide this information by the date specified in this subdivision shall not be eligible for a single handling fee payment based on combined monthly beverage container purchases from two or more of its convenience zone sites.

(f) A rural region recycler shall submit a separate Handling Fee Application Form (Form DR-14 (1/00)) for each convenience zone site which is combined with one or more convenience zone sites to establish eligibility for a single handling fee payment.

(g) A dealer cooperative with a fully operational stewardship plan approved by the department pursuant to subchapter 4.5 is eligible for a single handling fee payment for each beverage container redeemed as part of its stewardship program, regardless of location within an unserved convenience zone. More than one dealer cooperative is eligible to receive handling fees within a single unserved convenience zone.

Authority: Sections 14530.5, 14536 and 14578.5, Public Resources Code. Reference: Sections 14513.4, 14514.7, 14525.5.1 14526.6, 14552, 14571, 14571.8, 14572, 14578, 14578.5 and 14585, Public Resources Code.

## § 2517. TERMINATION OF ELIGIBILITY.

(a) A recycling center's eligibility for handling fees shall terminate if that supermarket-site recycling center, nonprofit convenience zone recycler, or rural region recycler, fails to meet the criteria established in Section 2516 of this subchapter or any other criteria established in Section 14585 of the Act or if, commencing January 1, 1993:

(1) Another recycling center certifies and begins operation, or a grandfathered recycling center amends their certification application to begin accepting all beverage container types, within the convenience zone in which a recycling center is eligible to receive handling fees. Eligibility will terminate sixty (60) days from the effective date of the second recycling center's certification and operational date; or,

(2) The convenience zone served by a recycling center is deleted due to the closure of a supermarket, or exempted by the Department pursuant to Section 14571.8 of the Act, or the dealer where the supermarket site is located closes. Eligibility will terminate at the end of the month in which the supermarket or dealer closes or a convenience zone exemption is granted.

Authority: Section 14530.5 and 14536, Public Resources Code. Reference: 14513.4, 14525.5.1, 14526.6, 14552, 14571.8(b), 14572 and 14585, Public Resources Code.

## § 2518. CALCULATIONS AND PAYMENTS.

(a) The department shall determine handling fee payments for a recycling center meeting the requirements of section 14585 of the Act and section 2516, above, or for a dealer

cooperative based on data contained in the Handling Fee Application Form (Form DR-14 (1/00)) by performing the following calculations:

(1) The reported redemption weights shall be converted to number of empty beverage containers using the department's statewide average containers-per-pound rate for each material type, and pursuant to section 14585(e) of the Act.

(2) The total number of empty beverage containers for the calendar month shall be calculated by summing the number of empty aluminum, glass, plastic and bimetal beverage containers.

(3) The department shall determine the number of empty beverage containers eligible for handling fees pursuant to section 14585(a)(2) of the Act.

(b) On and after July 1, 2025, the department shall set the beverage container handling fee, annually, at the higher of the following two amounts:

(1) The difference between the statewide weighted average cost of redeeming an empty beverage container for handling fee recipients and for non-handling fee recipients, as determined by the cost surveys conducted pursuant to section 14585(f)(1) of the Act; or

(2) $0.0125 per empty beverage container.

(c) The department shall adjust the amount in 2518(b), annually, to reflect changes in California's cost of living as measured by the California Consumer Price Index for All Urban Consumers (California CPI-U) produced by the California Department of Finance or a successor agency using the data as posted on their website for Calendar Year Averages on the third Friday of May of the same calendar year the July 1 new handling fee rate is set.

(1) When the handling fee is set pursuant to section 2518(b)(1), the amount in that paragraph shall be adjusted by the percentage change of the California Index value between the calendar year of the department's most recent cost survey data and the most recently concluded calendar year.

(2) When the handling fee is set pursuant to section 2518(b)(2), the amount in that paragraph shall be adjusted by the California % Change for the most recently concluded calendar year.

(d) If the California CPI-U is no longer published by the Department of Finance or a successor agency, the department shall adjust the handling fee, pursuant to subdivision (c), using another population-weighted average of local area CPI-Us, published by the United States Department of Labor's Bureau of Labor Statistics or a successor agency of the United States government.

(e) Prior to release of handling fees for each month during which a recycling center or dealer cooperative is eligible, the department may determine that such fees should be withheld for any of the following reasons:

(1) The department has prevailed against the recycling center or dealer cooperative in a civil or administrative action and money is owed to the department as a result of the action.

(2) The department determines, based on information contained in the shipping reports filed pursuant to section 2530, that the recycling center or dealer cooperative has received handling fees for materials which were not redeemed for refund value and such discrepancies between reported redemption weights and shipping weights are more than two and one-half percent.

Authority: Sections 14530.5, 14536, 14552, 14578.5 and 14585, Public Resources Code. Reference: Sections 14504, 14513.4, 14526.6, 14578, 14578.5 and 14585, Public Resources Code.

§ 2519. HANDLING FEE APPEALS.

(a) Recycling centers may file a formal appeal by writing to the department within thirty (30) calendar days of the warrant date of the payment or the date of the Notice of Denial (NOD). Appeals submitted after this time period will be rejected. All written appeals must include:

(1) A list of applicable certification numbers and corresponding facility addresses; and,

(2) the month(s) and year(s) in question; and,

(3) the canceled, original Form(s) DR-14 (1/00) and NOD(s), if this is an appeal of a denial; and,

(4) a copy of the remittance advice, if this is an appeal of a payment determination; and,

(5) a short explanation of why you believe the determination was in error; and,

(6) any other documentation that supports your appeal.

(b) A decision on the appeal will be sent, in writing, within fifteen (15) working days of receipt of the appeal.

(c) A dealer cooperative may also file a formal appeal under this section. A dealer cooperative filing a formal appeal under this section shall include only the dealer cooperative registration number rather than the information specified in paragraph (1) of subdivision (a).

Authority: Sections 14530.5, 14536 and 14578.5, Public Resources Code. Reference: Sections 14526.6, 14578, 14578.5 and 14585, Public Resources Code.

## Article 3. Accounting and Reporting Requirements

§ 2520. APPLICABILITY.

In addition to the general accounting requirements of subchapter 2, recycling centers shall comply with the accounting and reporting provisions of this article.

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Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14530.5 and 14536, Public Resources Code.

## § 2525. RECORDKEEPING.

Recycling centers shall maintain the following records in accordance with the general requirements set forth in section 2085.

(a) Except for reverse vending machines and bag drop recycling centers as provided in section 2525(c) below, the recycling centers shall prepare and maintain a copy of a press pre-numbered receipt or a receipt produced by an automatic computer-generated numbering system that cannot be altered by the participant, for any purchase or donation of empty beverage containers in the amount of one hundred dollars ($100.00) or more in refund value, or for fifteen dollars ($15.00) or more in refund value for any combination of empty bag in box, multi-layer pouch, or paperboard carton beverage containers. A copy of the receipt shall be provided to the person selling or donating the material, and shall include all of the following information:

(1) The total weight or count of materials by material type (the recycling center shall comply with section 2535(f) but may treat different colors of glass as different material types only for recordkeeping purposes pursuant to this section); and

(2) The total payment made by the recycling center or the amount paid for each material type; and

(3) The basis for the refund value payment (e.g., segregated and counted, segregated and weighed, commingled, or, if no refund value is paid, indicate scrap only); and

(4) The certification number of the recycling center; and

(5) The date of the sale or donation; and

(6) The printed name and signature of the person selling or donating the material, or a statement explaining why such could not be obtained; and

(7) Additional information identifying the person selling or donating the material. The additional information shall be either: the person's valid driver license number and state of issuance or vehicle license number and state of issuance. If neither identifying item is available, a California Identification Card number may be substituted. In the absence of any of these items of identification, a statement shall be required explaining why the additional information could not be obtained.

(b) Except for reverse vending machines and bag drop recycling centers as provided in section 2525(c) below, for all purchases or donations with a total refund value of less than one hundred dollars ($100.00), or of less than fifteen dollars ($15.00) for any combination of empty bag in box, multi-layer pouch, or paperboard carton beverage containers, the recycling center shall either prepare a receipt pursuant to section 2525(a), or shall maintain a log setting forth the information required by subsections (a)(1) through (a)(6) above. Any item of additional identifying information specified in section 2525(a)(7) above may be substituted for the printed name of the person selling or donating the material.

(c) For all material received from a reverse vending machine owned or operated by the recycling center or from a bag drop recycling center, the recycling center shall prepare a receipt or log each time material is removed from the reverse vending machine or from the bag drop recycling center's bag drop receptacle, or if material is removed more than once a day, on a daily basis. The receipt or log shall set forth the meter reading, date, total weight, and certification number. Recycling centers shall retain such receipts or logs in their records along with the copies of any receipts issued by the machine. For redemption transactions other than machine transactions or redemption transactions of bag drop recycling centers, receipt and log requirements pursuant to 2525(a) or (b) shall be followed.

(d) For all donations made anonymously, such as those left at the recycling center when the recycling center is not open for business, the recycling center shall prepare a receipt or log setting forth the information required by subsections 2525(a)(1) through (a)(5) above. The refund value stated on such a receipt shall be based on the applicable commingled rate. Such receipts or log entries shall be prepared on at least a daily basis for all days when the recycling center receives anonymous donations.

(e) The recycling center shall retain a copy of any shipping report which the recycling center prepares or receives from another recycling center pursuant to section 2530 of these regulations.

(f) The recycling center shall retain a copy of the weight ticket prepared by the recycling center, or provided by the person receiving material from the recycling center, describing the weight of shipped material by material type.

(g) The recycling center shall retain a copy of any report to the department for handling fee prepared pursuant to section 2530.

(h) The recycling center shall prepare and retain a receipt setting forth the information required by subsection (b) of this section for all scrap transactions. In addition, the receipt shall indicate whether the load consisted of rejected containers, line-breakage containers, or out-of-state beverage containers.

(i) The recycling center shall prepare and retain daily summaries of all receipt and log transactions, including donations, for each shipping report. The summaries shall contain the total weight or the weight by basis for the refund value payment (e.g., segregated and counted, segregated and weighed, commingled, or , if no refund value is paid, indicate scrap only) and the corresponding refund value for each day of the shipping report period.

(j) Records of allowable costs. Recycling centers shall maintain records containing the information specified at section 2960(b)(1) through (12), inclusive.

(k) Certified recycling centers collecting materials pursuant to section 2500(h) shall, in addition to subsections (a) through (j) of this section, do both of the following:

(1) Maintain a written agreement at the recycling center which is between the recycling center and the church, school, business where beverages are consumed, or other

community service organization. The agreement must include, at a minimum, the following:

(A) The name, address, and certification number of the recycling center, as well as the name and phone number of a contact person at the recycling center; and

(B) The name and address of the organization to be served by the recycling center, as well as the name and phone number of a contact person at the organization; and

(C) Language, typed or legibly handwritten in English, which states the agreement between the recycling center and the organization and includes the material type of beverage containers to be picked up and the method of determining the weight of beverage containers picked up.

(2) Prepare, issue and maintain a receipt for the transaction, regardless of the amount of the transaction. The receipt shall be in the form of a press pre-numbered receipt and shall include all of the information specified in Section 2525(a)(1) through (a)(6) and section 2525(k)(1)(B) of these regulations.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14537, 14538, 14552, 14575 and 14585, Public Resources Code.

§ 2530. REPORTING.

Recycling centers shall prepare and submit all of the following reports in accordance with the general requirements for reporting of section 2090.

(a) A shipping report for each delivery (of material subject to the Act) between:

(1) the recycling center and any other recycling center; or

(2) the recycling center and the processor; or

(3) the recycling center and a dealer cooperative, dropoff or collection program, community service program, or curbside program, as provided in subdivision (f), below.

(b) The shipping recycling center shall indicate on the shipping report all information listed under section 2530(e)(1) through (6), provide the shipping report containing this information to the person receiving the shipment and shall retain a completed copy; the shipping report shall accompany the material shipped, except as noted in paragraph (1) below. For shipments to processors, the recycling center shall receive a copy of the completed shipping report from the processor upon payment, pursuant to section 2430(a)(1).

(1) In the case of glass, recyclers may add up the daily summaries until total weight is equal to received weight and claim the corresponding redemption weight and refund value. In such cases, a shipping report need not accompany the load.

(c) The shipping report shall be based upon any receipts or log entries prepared pursuant to section 2525 above, or any shipping reports for material received by recycling centers from other recycling centers.

(d) Copies of any shipping reports for material received by a recycling center from other recycling centers, dealer cooperatives, dropoff or collection programs, community service programs, or curbside programs, shall be appended to the shipping report prepared pursuant to this section.

(e) Except as provided for in subdivision (f) below, a separate shipping report shall be prepared for each material type and shall include all of the following information:

(1) The name, address, and certification number of the recycling center shipping the material as well as the name and telephone number of a contact person; and

(2) The name and certification number of the recycling center or processor receiving the material; and

(3) The period and the material type covered by the report; and

(4) The following information based upon the information contained in the receipts and logs and the received shipping reports:

(A) Total weight of empty beverage containers purchased by basis for the refund value payment (e.g. segregated and weighed, commingled and weighed, segregated and counted).

(B) The redemption weight of the material.

(C) The total refund value.

(5) The number of attached shipping reports which pertain to material included in the shipment.

(6) The printed name, title and signature of an authorized representative of the recycling center and the date signed.

(f) For material received by the recycling center from a dealer cooperative, dropoff or collection program, community service program or curbside program, the recycling center shall prepare a separate shipping report for each material type and provide a copy of the completed shipping report to the shipping dealer cooperative, dropoff or collection program, community service program or curbside program. Shipping reports prepared pursuant to this subdivision shall contain all of the following information:

(1) The name, certification or identification number for the entity shipping the material, as well as the name and telephone number of a contact person; and

(2) The name and certification number of the recycling center receiving the material; and

(3) The date the material was received and the material type covered by the report; and

(4) The received weight, excluding rejected containers, line breakage, and out-of-state containers; and

(5) The refund value paid; and

(6) The name and signature of the shipper or an authorized representative of the shipper and the date signed; and

(7) The name and signature of an authorized representative of the recycling center and the date signed; and

(8) The weight ticket date and weight ticket number; and

(9) The shrinkage deduction taken, if any.

(10) The redemption weight; and, for plastic, aluminum, and glass, collected by a curbside program, or a dropoff or collection program that meets the requirements of section 2850, the registered curbside program or certified entity eligible for the quality incentive payment shall be identified as either the Shipper (S), or the Receiver (R) in the QIP (Quality Incentive Payment) Box.

(g) For material received by a recycling center from another recycling center, the receiving recycling center shall ensure that all the information specified in section 2530(f)(1) through (8) is recorded on the report and provide a copy of the completed shipping report to the shipping recycling center.

(h) To obtain handling fees, only those recycling centers eligible for such fees, as described in section 2516, shall submit a Handling Fee Application Form (Form DR-14 (1/00)) to the department for the calendar month for which handling fees are being claimed. The Form DR-14 (1/00) shall be submitted no later than the first day of the second month following the reporting month. Forms submitted after this date, and incorrectly completed forms, will be denied for payment and the handling fee will be forfeited for that calendar month. Forfeiture for that calendar month will not affect eligibility for subsequent months. There shall be a separate Form DR-14 (1/00) completed for each supermarket site recycling center, nonprofit convenience zone recycler, or rural region recycler which shall include all of the following information in addition to that required by section 2090:

(1) The calendar month and year covered by the report; and

(2) The name and mailing address of the recycling center; and

(3) The name and telephone number of a contact person; and

(4) The certification number of the supermarket site recycling center, nonprofit convenience zone recycler, or rural region recycler; and,

(5) A change of mailing address, ownership or a closing of the supermarket site recycling center, nonprofit convenience zone recycler, or rural region recycler; and

(6) The weight, to the nearest tenth of a pound, of empty beverage containers, by material type, redeemed by that recycling center, at that supermarket site, nonprofit convenience zone recycler, or rural region recycler, only from consumers delivering that material during the hours the recycling center was open for business. This weight shall be taken from the receipts and logs of that recycling center for that calendar month; and,

(7) The signature and title of an authorized representative of the recycling center in accordance with sections 2090(d)(4) and (5); and

(8) The date the application was signed.

(i) Recycling centers purchasing materials directly from more than one curbside program, dropoff or collection program, or community service program may apply to the department to request the use of alternative methods for preparing the corresponding shipping reports. The department shall consider each proposed alternative method and issue a written approval or denial within forty-five (45) calendar days.

(1) In order for alternative methods to be accepted, they must be based on reasonable allocation methods.

(2) An application for an alternative allocation method shall be denied if:

(A) The received weight of the material purchased by an entity from the recycling center is not used to calculate allocations to the curbside programs, dropoff or collection programs, or community service programs; or

(B) The recycling center does not ensure that the weight of rejected containers, line breakage, and out-of-state containers is not included in the allocated weight (this does not require a physical separation); or

(C) The recycling center does not account for each incoming load of material; or

(D) The recycling center does not inspect incoming material to verify that it is eligible for refund value payments, as specified in section 2501.

(3) Recycling centers may file a formal appeal by writing the Assistant Director for Recycling within thirty (30) calendar days after the receipt of a notice denying an application requesting an alternative method for shipping report preparation. Appeals submitted after this time period shall be rejected. All written appeals shall include:

(A) A copy of the notice denying the allocation method;

(B) A detailed explanation of why the determination was in error; and,

(C) any other documentation that supports the appeal.

(4) A written decision on the appeal shall be sent to the recycling center within seven (7) calendar days of the receipt of the appeal.

Authority: Sections 14530.5, 14536 and 14578.5, Public Resources Code. Reference: Sections 14526.6, 14538, 14549.1, 14578, 14578.5 and 14585, Public Resources Code.

§ 2535. PAYMENTS TO CONSUMERS, CURBSIDE PROGRAMS, COMMUNITY SERVICE PROGRAMS AND DROPOFF OR COLLECTION PROGRAMS.

(a) Recycling centers shall pay on delivery the refund value for every empty beverage container not donated to the recycling center.

(b) For deliveries to a recycling center, except reverse vending machines and bag drop recycling centers:

(1)(A) Except as specified in subparagraph (B), the consumer has the option of being paid based on count for up to 50 empty beverage containers of each material type per transaction.

(B) The consumer has the option of being paid based on count for up to 25 of each of the following per transaction: empty bag in box, multi-layer pouch, or paperboard carton beverage containers.

(C) A recycling center is not required to process more than one consecutive transaction for an individual consumer under this paragraph if there is one or more other consumers waiting to redeem empty beverage containers at the recycling center.

(2) The recycler may pay based on count for all deliveries of empty beverage containers received from consumers.

(c) Notwithstanding any other provision of this subchapter, recycling centers shall not pay dropoff or collection, community service, and curbside programs more than the relevant commingled rate.

(d) Calculation of Payment.

(1) If the material received from consumers is segregated, as determined by the load inspection required by section 2501, and payment is based upon weight, payment shall be calculated by multiplying the actual weight of the empty beverage containers, by the applicable segregated refund value per pound for the relevant material type.

(2) If the payment is based on the actual number of empty beverage containers, the payment shall be based upon the following:

(A) in the case of recycling centers other than a reverse vending machine or bag drop recycling center, the number of the empty beverage containers, multiplied by the refund value per empty beverage container for the relevant material type and size; or,

(B) in the case of a reverse vending machine or bag drop recycling center, the number of empty beverage containers, multiplied by the refund value per empty beverage container for the relevant material type and size. If the reverse vending machine accepts empty beverage containers in gross, rather than by individual containers, and pays based on weight, the payment shall be based on the applicable refund value per pound rate.

(3) For commingled materials delivered from a dropoff or collection program, community service program or curbside program, payment shall be based on the received weight of the commingled material, excluding the weight of line breakage, rejected, and out-of-state material, multiplied by the applicable commingled rate, or the department's approved individual commingled rate.

(4) For commingled materials delivered from another recycling center, payment shall be based on the received weight of the commingled material, excluding the weight of line breakage, rejected, and out-of-state material, multiplied by the applicable commingled rate.

(5) For commingled materials delivered from consumers, payment shall be based on the received weight of the material, multiplied by the applicable commingled rate.

(e) Recycling centers shall have the option to refuse to accept empty beverage containers which, in the opinion of the recycling center, are excessively contaminated with dirt, moisture, or other foreign substances ("shrinkage"). Alternatively, recycling centers may adjust downward the refund value per pound used to calculate payment by the ratio of such substances to empty beverage containers.

(f) A certified recycler shall not pay the refund value to, or claim refund value for any material received from any person, operation or entity who is not certified by the department, delivering a load of material in excess of 25 pounds of multi-layer pouch or paperboard carton beverage containers, 50 pounds of bag in box beverage containers, 100 pounds of aluminum or plastic beverage containers, or 2,000 pounds of glass beverage containers, per day. This limitation is applicable to all transactions, including those performed pursuant to section 2500(h).

(1) It is a violation of this section for a recycling center to split loads in excess of the aforementioned weights, or accept during any one day an aggregate total of material in excess of the aforementioned weights from any person not certified by the department.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14538, 14552, 14572 and 14572.5, Public Resources Code.

§ 2540. RECEIPT OF FUNDS.

(a) The recycling center shall receive from the processor the sum of the following amounts:

(1) total refund value; and

(2) three-fourths of one percent (3/4%) of the refund value for administrative costs; and

(3) any applicable processing payment pursuant to Section 14573.5 of the Act.

(b) Such payments in subsection (a) above shall be based upon the lesser of the shipping report total amount due as set forth in the shipping report, or the value appropriate for the received weight as determined by the processor in accordance with subsections 2430(a)(1)(D),(E), and (F) of these regulations.

(c) For reverse vending machines, the refund value pursuant to subsection 2540(a) above shall be based upon the applicable commingled rate, except as follows:

(1) The refund value shall be based upon the full refund value only where the reverse vending machine distinguishes 100% of the time between empty beverage containers and other containers.

(d) Except as provided in Section 14585(b)(4) of the Act, a recycling center shall receive handling fees directly from the Division based upon the weight of all empty beverage containers reported to the Division pursuant to subsection 2530(c) of these regulations.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14518.5, 14573.5, 14575(c) and 14585(b)(4), Public Resources Code.

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# SUBCHAPTER 7. DROPOFF OR COLLECTION PROGRAMS

## Article 1. Requirements for Dropoff or Collection Programs

§ 2600. OPERATION STANDARDS.

(a) All certified dropoff or collection programs shall meet the following requirements:

(1) Operate and maintain records in accordance with the category of certification as approved by the Division and defined in these regulations.

(2) In order to remain certified, a dropoff or collection program must collect or accept a minimum of 500 pounds of aluminum or plastic beverage containers, or 2,000 pounds of glass beverage containers every year after becoming certified.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14511.7, Public Resources Code.

§ 2605. NOTIFICATION REQUIREMENTS.

(a) In addition to the requirements contained in section 2600(a) above, the operator of a certified dropoff or collection program shall notify the Division prior to any of the following events:

(1) Any change in operation, including additional dropoff or collection sites and changes in location of dropoff sites.

(2) Any change in operator name or contact person, business or mailing address, or telephone number of the operator.

(3) Change in the name of the program.

(4) Change in the corporate officers, if applicable.

(5) Change in the agent for service of process, if applicable.

(b) The operator of a certified dropoff or collection program who intends to be decertified shall submit a written notification to the Division, which includes the proposed effective date.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14511.7, Public Resources Code.

## Article 2. Accounting and Reporting Requirements

§ 2610. APPLICABILITY.

In addition to the general accounting requirements of subchapter 2, dropoff or collection programs shall comply with the accounting and reporting provisions of this article.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14511.7 and 14552, Public Resources Code.

SUBCHAPTER 7

§ 2615. RECORDKEEPING.

(a) Dropoff or collection programs shall maintain the following records in accordance with the general requirements set forth in section 2085 of these regulations.

(1) Dropoff or collection programs shall prepare and maintain logs which contain all of the following information:

(A) The date and time of pickup or donation; and

(B) The name and address of the location of pickup or donation; and

(C) The material types picked up or donated; and

(D) An approximation of the weight of each material type picked up or donated; and

(E) The name and phone number of a contact person at the location of pickup; and

(F) Amount of scrap value paid for each material type.

(2) Dropoff or collection programs shall maintain a copy of the shipping report prepared by a recycling center or processor; and a copy of the weight ticket prepared by a recycling center or processor.

(b) Dropoff or collection programs shall not claim refund value for empty beverage containers purchased from, or donated by, curbside programs. All scrap transactions between dropoff or collection programs and curbside programs shall be reported in the same manner as is required pursuant to section 2530 of these regulations.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14511.7 and 14552, Public Resources Code.

## Article 3. Individual Commingled Rate

§ 2620. OBTAINING DIVISION APPROVAL.

Operators of dropoff or collection programs shall be paid the applicable statewide average commingled rate, determined by the Division, for commingled beverage container material types, unless the Division approves an individual commingled rate for their program. Individual commingled rates may be approved for one or more material-types which have an existing statewide commingled rate. Operators of dropoff or collection programs who wish to apply for an individual commingled rate shall submit a completed Individual Commingled Rate Application (ICRS-APP (07/00)) in the form and manner required by this section. The applicant shall request approval to conduct an individual commingled rate survey using either the Division's individual commingled rate methodology specified in subsection (c), or an alternative methodology submitted by the applicant. A total of six weekly surveys shall be conducted on a bimonthly basis beginning in October and ending no later than the second full week of the following September. Individual commingled rates that are approved by the Division, shall be effective from January 1 through December 31 of the year following the survey period.

(a) At least 60 days prior to the commencement of the surveys, which begin in October, the Division shall notify operators of dropoff or collection programs of the opportunity to perform an individual commingled rate survey. An operator of a dropoff or collection program wishing to conduct an individual commingled rate survey shall contact the Division to obtain the Individual Commingled Rate Application (ICRS-APP (07/00)).

(b) The Individual Commingled Rate Application (ICRS-APP (07/00)) must be completed and submitted to the Division no later than September 1st. To be considered complete, the survey application shall contain the following information:

(1) The organization name and, if applicable, a copy of any fictitious business name statement being used.

(2) The operator contact person’s name, title, phone number, facsimile number, mailing address, and business address.

(3) The survey location address and city, and a brief site description.

(4) The survey technician’s name and phone number.

(5) A selection of either the Division's survey methodology in subsection (c) or an alternative proposed methodology to be submitted by the applicant.

(6) The identification of material-types selected to be surveyed, the sample size, and daily sample size for each selected material.

(7) The dates of survey weeks and the number of days for specified sample periods.

(8) The specific time of the day in which surveys will be conducted.

(9) The program category of the certified program to be surveyed.

(10) The certification number of the program to be surveyed.

(11) The source of material for the certified program to be surveyed.

(12) The number of municipalities served by the certified program to be surveyed, if any.

(13) The number of customer sites from which survey material is to be collected by the certified program.

(14) The frequency that collected material is sold.

(15) A brief description of the certified program.

(16) Declarations and signatures of applicant.

(c) The Division's suggested methodology requires the following:

(1) The program shall determine the annual survey sample size for each material type based on the chart below.

**Annual Survey Sample Size**

| | |
|---|---|
| Aluminum | 6600 |
| Glass | 4500 |
| Plastic (all resins) | 3000 |

(2) Upon determining the annual survey sample size, the program shall calculate the daily sample size by dividing the annual survey sample size, specified in the chart above, by the total number of days the survey will be conducted during the entire annual survey. Once the daily sample size is determined for each material type, this will remain the daily sample size throughout the entire annual survey period for that material type.

(3) Surveys shall be conducted for one regular workweek during each two-month sample period at pre-established dates, times, and places as indicated on the Individual Commingled Rate Application (ICRS-APP (07/00)) submitted to the Division. Surveys shall not be scheduled for weeks containing holidays or other days the program is not in operation, and shall be equally distributed throughout the survey period.

(4) Daily samples shall be collected on a random basis from the material which has been received exclusively from programs approved for the survey. Only whole containers may be surveyed.

(5) Upon selection and removal of containers for the daily sample, the applicant shall perform a complete sample analysis of counting, sorting, and weighing containers.

In performing a sample analysis, weight shall be measured, recorded, and reported in pounds and fractions thereof. All weighing in this state shall be done on a scale or other device approved, tested and sealed in accordance with Division 5 of the Business and Professions Code (Weights and Measures) and any applicable regulations thereunder.

(6) The results of the sample analysis shall be legibly, accurately, and completely recorded on the Daily Data Collection Sheet [DDCS (07/00)], which shall contain the following information:

(A) The year the rate will be effective.

(B) The two-month sample period in which each one-week survey is conducted.

(C) The program name.

(D) The survey day and date.

(E) The certification and/or registration numbers.

(F) Identification of the material type surveyed.

(G) The total quantity of containers surveyed, and their total weight.

(H) The quantity and weight of CRV containers surveyed that have a volume less than 24 ounces.

(I) The quantity and weight of CRV containers surveyed that have a volume of 24 ounces or more.

(J) The quantity and weight of non-CRV containers surveyed.

(K) The daily totals for each column.

(7) At the conclusion of each weekly survey, the applicant shall complete a Weekly Summary Sheet (WSS (07/00)) which shall contain the following information:

(A) The year the rate will be effective.

(B) The two-month sample period of the weekly survey

(C) The program name.

(D) The survey week by dates.

(E) The certification and/or registration numbers.

(F) Identification of the material type surveyed.

(G) The survey date summarized on that line.

(H) The total quantity of containers surveyed on that date, and their total weight.

(I) The quantity and weight of CRV containers surveyed on that date that have a volume less than 24 ounces.

(J) The quantity and weight of CRV containers surveyed on that date that have a volume of 24 ounces or more.

(K) The quantity and weight of non-CRV containers surveyed on that date.

(L) The weekly totals for each column.

(8) The completed original Daily Data Collection Sheet, and the Weekly Summary Sheet shall be confirmed to be complete, accurate, and consistent with the methodology approved for that program and shall be submitted to the Division for review, verification, and approval at the conclusion of each two-month survey period and must be submitted no later than the 15th day of the month following the survey period.

(9) At the conclusion of the annual survey period, the applicant shall submit an Affidavit (AFD (07/00)) to confirm that all information is complete, accurate, and consistent with the methodology approved for that program.

(d) Dropoff or collection programs proposing to alter the Division's methodology or create their own alternative methodology must apply for Division approval, in advance, pursuant to section 2625 of these regulations. A proposed alternative methodology must equal the

Division's methodology in the accuracy of estimation and level of confidence in the estimation. The alternative methodology must be described in adequate detail to determine the accuracy of estimation and level of confidence in the estimation.

(e) Determination by the Division that a program has deviated from an approved methodology, demonstrated a significant lack of quality control, or misrepresented their survey results shall result in the termination of the individual commingled rate survey and/or disapproval or revocation of the individual commingled rate and a reversion to the statewide average commingled rate. The Division's adverse action may be appealed pursuant to section 2645 of these regulations.

(1) A significant lack of quality control is demonstrated when five (5) percent or more of the sample data submitted by an applicant is found to be incorrect by the Division, and is deleted from the survey pursuant to Section 2620(e)(3) below because of the following:

(A) The cumulative weight of all components of a sample deviates by more than an acceptable range of accuracy, as defined in Section 2620(e)(2) below, from the total sample taken for that material type and/or

(B) The cumulative count of containers from all components of a sample does not equal the total sample count for that material type.

(2) An acceptable range of accuracy, applicable to Section 2620(e)(1)(A) above, is the smallest variance or increment of accuracy of the applicant's scale multiplied by 2.0.

(3) The Division, upon its sole discretion, may delete incorrect data samples.

(f) The Division shall disapprove individual commingled rates that are based on terminated surveys. The Division shall notify the applicant of such disapproval within thirty (30) calendar days of the determination that a program has deviated from an approved methodology, demonstrated a lack of quality control, or misrepresented survey results.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14511.7 and 14552(a), Public Resources Code.

## § 2625. ALTERNATIVE METHODOLOGY PROCEDURES.

(a) Dropoff or collection programs choosing to use an alternative survey methodology shall apply to the Division for approval. Operators shall complete and submit to the Division the following documents, in originals:

(1) A completed survey application as specified in section 2620(b);

(2) A written description of the alternative methodology procedure in detail, the steps necessary to perform the alternative survey methodology, including the equipment to be used, materials to be collected, how the materials will be analyzed, location where sampling will occur, time and dates of the survey, and any other relevant details that are necessary to arrive at the individual commingled rate. The proposed alternative

methodology procedure must be as detailed and inclusive as the survey methodology provided by the Division.

(b) The Division shall review all completed proposed alternative methodology requests submitted.

(c) The Division shall notify the operator of its decision, after receipt of the documents requested in this subsection, if the methodology was approved or denied, pursuant to section 2630 of these regulations.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14511.7 and 14552(a), Public Resources Code.

§ 2630. SURVEY APPLICATION PROCESSING TIME.

(a) Within fifteen (15) calendar days from the receipt of the survey application and alternative methodology procedure, if applicable, from an operator of a dropoff or collection program requesting approval to use the Division's methodology or an alternative methodology to determine their program's specific individual commingled rate, the Division shall inform the applicant, in writing, that the survey application and alternative methodology procedure, if applicable, are either complete and accepted for processing, or incomplete. If the survey application and/or alternative methodology procedure, if applicable, are incomplete, the Division shall indicate, in writing, to the applicant what information or documentation is required. The applicant shall submit the required additional information or documentation, to the Division, no later than ten (10) calendar days from the date indicated in the Division's letter requesting additional information or documentation. Material submitted later than ten (10) calendar days will be rejected and the application will be denied.

(b) Within fifteen (15) calendar days after the Division informs the applicant of the receipt of a complete survey application and alternative methodology procedure, if applicable, as indicated in subsection 2630(a) above, the Division shall approve or disapprove the survey application and alternative methodology procedure, if applicable.

(c) If the application is disapproved, the applicant may request an appeal pursuant to section 2645 of these regulations.

(d) The applicant may begin using the approved survey methodology for the specified survey period, after receiving written notification from the Division that the survey application and alternative methodology procedure, if applicable, has been approved.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14511.7 and 14552(a), Public Resources Code.

§ 2635. INDIVIDUAL COMMINGLED RATE SURVEY AUDIT AND RESULTS.

(a) The Division may audit any applicant's procedures and results of an approved individual commingled rate survey. The Division shall conduct its audit during the scheduled survey week for any applicant.

(b) The Division shall conduct audits. To enable the Division to conduct audits, applicants shall retain the pile of material from which the sample was taken, including the sample itself, until the completion of their daily survey. On the day of the audit, the applicant shall provide Division audit staff access to the material immediately after the applicant conducts the survey. If the applicant deviates from the approved survey time, they shall notify the Division immediately, but not less than 24 hours prior to the time of the deviation.

(c) If, in each of two separate audits, the Division determines, using standard statistical formulas, that the difference between the applicant's and the Division's proportion of California Redemption Value containers is statistically significant, the Division shall terminate the applicant's individual commingled rate survey. The difference shall be statistically significant, if the applicant's proportion is higher than the Division's, and the Division is 99% confident that the chances of the difference occurring under the applicant's approved study methodology is 5% or less.

(1) The Division shall disapprove individual commingled rates that are based on terminated surveys. The Division shall notify the applicant of such termination and disapproval within thirty (30) calendar days of the audit.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Section 14552(a), Public Resources Code.

## § 2640. RECEIPT OF APPROVAL OR DISAPPROVAL AND NOTIFICATION OF CHANGES.

(a) Within sixty (60) calendar days after the Division receives the dropoff or collection program's final survey results, the Division shall approve or disapprove the program's individual commingled rate.

(b) The applicant shall notify the Division, in writing, within ten (10) working days, of the occurrence of either of the following for any material for which the operator has an approved individual commingled rate:

(1) Any increase or decrease of twenty (20) percent or more in the total monthly weight from the average weight of the previous three (3) month period; or

(2) Any increase or decrease of twenty (20) percent in the total monthly number of customer sites served by the applicant from the average number of customer sites of the previous three (3) month period.

(c) Failure to provide this notification may subject the applicant to immediate revocation of the individual commingled rate.

(d) Upon notification of operational changes, described in subsections (b)(1) or (b)(2) above, the Division may, upon its sole discretion, review and alter or revoke the individual commingled rate.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Section 14552(a), Public Resources Code; and Section 15376, Government Code.

§ 2645. INDIVIDUAL COMMINGLED RATE APPEALS PROCESS.

(a) In the event of the denial of a survey application, termination of an individual commingled rate survey and/or disapproval or revocation of an individual commingled rate, dropoff or collection programs may file a formal appeal by writing to the Assistant Director for Recycling within thirty (30) calendar days after the receipt of a Letter of Denial (LED) Appeals submitted after this time period shall be rejected. All written appeals shall include:

(1) A copy of the (LED);

(2) A detailed explanation of why the determination was in error; and

(3) Any other documentation that supports the appeal.

(b) A decision on the appeal shall be sent to the program applicant, in writing, within fifteen (15) working days of receipt of the appeal.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14511.7 and 14552(a), Public Resources Code.

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# SUBCHAPTER 8. CURBSIDE PROGRAMS

## Article 1. Curbside Registration

§ 2650. CURBSIDE REGISTRATION APPLICATION REVIEW AND RENEWAL.

(a) The Division will issue a registration number to all eligible curbside programs in order to facilitate the auditing of payments made to curbside programs, and proper payment of refund values, processing payments, supplemental payments, quality glass incentive payments and administrative fees. No curbside program may receive refund values, processing payments, supplemental payments, quality glass incentive payments or administrative fees without a valid registration number.

(b) The registration number issued shall be valid for a maximum of two years. All registration numbers expire on the anniversary of the original application approval date. The curbside program shall submit a completed Application for Curbside Registration, DOR 50 10/99, for renewal, at least 30 days prior to the expiration date of the registration number. The application may be obtained from the Division upon request. The renewal application shall be subject to the same standards and requirements as the original application.

(c) Upon receiving a request for a registration number from a curbside program, the Division shall furnish the curbside operator with an "Application for Curbside Registration" DOR 50 10/99, which shall be used to apply for a new registration number or for renewal of a current registration number. In addition to submitting the completed application, the curbside program operator shall supply to the Division the following information:

(1) A dated and signed copy of a contract or franchise agreement acknowledging the curbside program and the expiration date of the contract or franchise agreement, and identification of the public official responsible for oversight of the contract or franchise agreement, including the official's title, address, and phone number; or

(2) A letter prepared by the operator or the public official, and bearing the signature of the city, county or other public agency's chief administrative officer, or his or her designee, verifying that the program operates with the full knowledge and concurrence of the city, county, or public agency.

(d) The application (DOR 50 10/99) shall be completed by providing the following information:

(1) The operator's organization name; parent company name and fictitious business name statement, if applicable; business and mailing address; telephone number; federal employer identification number and the name and title of the individual responsible for completing the application.

(2) The date the program started, or proposes to start operation.

(3) The operator's type of organization, whether an individual, partnership, profit corporation, nonprofit corporation, limited liability company, husband and wife co-

ownership, local government agency, federal agency, joint power of authority, or other type of organization.

(A) If the organization or individual is doing or proposing to do business under a different name, the applicant shall provide a copy of their fictitious business name statement.

(B) If the organization is a partnership, the applicant shall provide a copy of the current partnership agreement.

(C) If the organization is a corporation, the applicant shall provide the corporate number, the Articles of Incorporation, name and position of all current corporate officers as filed with the Secretary of State, and the agent for service of process.

(D) If the organization is a corporation from a state other than California, the applicant shall provide a copy of the approved certificate from the California Secretary of State qualifying and authorizing the corporation to transact business in California.

(E) If the organization is a husband and wife co-ownership, both names shall be provided.

(F) If the organization is a limited liability company (LLC), the applicant shall provide a copy of the Articles of Organization and Statement of Information as filed with the Secretary of State, any operating agreement, and the agent for service of process.

(G) If the organization is a limited liability company (LLC) from a state other than California, the applicant shall provide a copy of the Articles of Organization and Statement of Information as filed with the Secretary of State, any operating agreement, the agent for service of process and a copy of the certificate from the California Secretary of State authorizing the LLC to transact business in California.

(H) If the organization is a local government agency, federal agency or a joint power of authority, the applicant shall provide a copy of the authorizing resolution from the governing board.

(4) A map of the areas serviced by the program and the number of single and multiple family residences and apartment units served by the program.

(5) Whether the operator of the curbside program is currently certified by the Division and a list of valid certification numbers, if applicable.

(6) A description of the program including a listing of the types of residences and/or businesses served by the program.

(7) Whether recyclables are sorted or mixed at the point of collection.

(8) A description of the collection containers used by the program.

(9) If a separate company sorts the curbside materials after collection, the sorter company name, address, telephone number and contact person.

(10) The name and certification number of the recycling centers and/or processors to which materials collected by the curbside program are most often sold and the type(s) of material sold.

(11) The name and address of the public agency responsible for the oversight of the contract or franchise agreement and the name, title and telephone number of the public agency contact person as well as the community or communities served by this curbside program.

(12) The frequency that curbside materials are collected.

(13) The method of collection for materials in residential areas.

(14) The types of recyclable materials the curbside program accepts or collects.

(15) The name, residence address, including city and zip code, residence phone number, and driver license number of the applicant(s).

(e) The curbside program operator shall submit to the Division the local public agency authorization described in subsection (c) above and the completed application signed by the operator under penalty of perjury. The signature block shall contain an affidavit that the information in the application is true and that the operator agrees to operate in compliance with the Act and these regulations.

(1) If the operator is a partnership, each partner shall sign the application.

(2) If the operator is a firm, association, corporation, LLC, county, city, public agency or other governmental entity, the application shall be signed by the chief executive officer or the individual with the authority to legally bind the entity to a contract.

(3) If the operator is a husband and wife co-ownership, both husband and wife shall sign the application.

(f) All applications for curbside registration shall be reviewed by the Division for compliance with the Act and these regulations. Within 15 working days of receiving the Application for Curbside Registration, DOR 50 10/99 and local public agency authorization, the Division shall notify the curbside program, in writing, that the requested information is complete and accepted for filing with the Division, or incomplete and the reasons for the incompleteness. If incomplete, the Division shall specify the additional information necessary before a registration number will be issued. Upon determining that an application is complete, the Division shall notify the applicant in writing within forty-five (45) calendar days that the application is either approved, approved for probationary status or denied and the reason(s) for denial.

(g) A curbside program shall meet all standards and requirements for registration contained in section 14551.5 of the Act and in these regulations.

(h) Reasons for denial of an Application for Curbside Registration, DOR 50 10/99, are:

(1) Failure to provide information or documentation to complete the application as required in these regulations;

(2) The curbside program is unwilling to accept all beverage container types;

(3) The curbside operator, the curbside program or other individuals identified in the application have a history which demonstrates a pattern of operation in conflict with the requirements of the Act.

(i) The curbside program shall provide its registration number on all reports required by the Division and shall provide its registration number to certified recyclers and processors at the time it delivers recyclables.

(j) The operator of a curbside program shall notify the Division in writing ten (10) calendar days prior to any of the following events:

(1) Change of name under which the curbside program is doing business,

(2) Change of address or phone number of operator,

(3) Separation from parent company, if applicable,

(4) Merger with another company,

(5) Discontinuance of operation,

(6) Expiration of, or cancellation of, contract or franchise agreement with the city, county, or local public agency, or

(7) Change or retraction in the acknowledgment of the curbside program by the authorized public agency.

(k) Notification of any events listed in (j) above may result in cancellation of the registration number by the Division.

(l) Any curbside program information of a personal or proprietary nature that is retained by the Division shall be confidential. The data shall only be released on a cumulative basis, and without identification of any individual operator by name, number or location of operation.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14509.5, 14549.1, 14551.5, 14554, 14571.8 and 14573.5, Public Resources Code.

## Article 2. Individual Commingled Rate

§ 2660. OBTAINING DIVISION APPROVAL.

Operators of curbside programs shall be paid the applicable statewide average commingled rate, determined by the Division, for commingled beverage container material types, unless the Division approves an individual commingled rate for their program. Individual commingled rates may be approved for one or more material-types which have an existing statewide commingled rate. Operators of curbside programs who wish to apply for an individual commingled rate shall submit a completed Individual Commingled Rate Application (ICRS-APP (07/00)) in the form and manner required by this section. The

applicant shall request approval to conduct an individual commingled rate survey using either the Division's individual commingled rate methodology, specified in subsection (c), or an alternative methodology submitted by the applicant. An operator of a curbside program shall conduct surveys on each day the program operates during a one week period. A total of six weekly surveys shall be conducted on a bimonthly basis beginning in October and ending no later than the second full week of the following September. Individual commingled rates that are approved by the Division, shall be effective from January 1 through December 31 of the year following the survey period.

(a) At least 60 days prior to the commencement of the surveys, which begin in October, the Division shall notify operators of curbside programs of the opportunity to perform an individual commingled rate survey. An operator of a curbside program wishing to conduct an individual commingled rate survey shall contact the Division to obtain the Individual Commingled Rate Application (ICRS-APP (07/00)).

(b) The Individual Commingled Rate Application (ICRS-APP (07/00)) must be completed and submitted to the Division no later than September 1st. To be considered complete, the survey application shall contain the following information:

(1) The organization name and, if applicable, a copy of any fictitious business name statement being used.

(2) The operator contact person’s name, title, phone number, facsimile number, mailing address, and business address.

(3) The survey location address and city, and a brief site description.

(4) The survey technician’s name and phone number.

(5) A selection of either the Division's survey methodology in subsection (c) or an alternative proposed methodology to be submitted by the applicant.

(6) The identification of material-types selected to be surveyed, the sample size, and daily sample size for each selected material.

(7) The dates of survey weeks and the number of days for specified sample periods.

(8) The specific time of the day in which surveys will be conducted.

(9) The program category of the certified program to be surveyed.

(10) For each curbside program to be surveyed under one application, the curbside registration number, the municipality served, and the operator contracted for collection and/or sorting, if any.

(11) Declarations and signatures of applicant.

(c) The Division's suggested methodology requires the following:

(1) The program shall determine the annual survey sample size for each material type based on the chart below.

**Annual Survey Sample Size**

| | |
|---|---|
| Aluminum | 6600 |
| Glass | 4500 |
| Plastic (all resins) | 3000 |

(2) Upon determining the annual survey sample size, the program shall calculate the daily sample size by dividing the annual survey sample size, specified in the chart above, by the total number of days the survey will be conducted during the entire annual survey. Once the daily sample size is determined for each material type, this will remain the daily sample size throughout the entire annual survey period for that material type.

(3) Surveys shall be conducted for one regular workweek during each two-month sample period at pre-established dates, times, and places as indicated on the Individual Commingled Rate Application (ICRS-APP (07/00)) submitted to the Division. Surveys shall not be scheduled for weeks containing holidays or other days the program is not in operation, and shall be equally distributed throughout the survey period.

(4) Daily samples shall be collected on a random basis from the material which has been received exclusively from programs approved for the survey. Only whole containers may be surveyed.

(5) Upon selection and removal of containers for the daily sample, the applicant shall perform a complete sample analysis of counting, sorting, and weighing containers.

In performing a sample analysis, weight shall be measured, recorded, and reported in pounds and fractions thereof. All weighing in this state shall be done on a scale or other device approved, tested and sealed in accordance with Division 5 of the Business and Professions Code (Weights and Measures) and any applicable regulations thereunder.

(6) The results of the sample analysis shall be legibly, accurately, and completely recorded on the Daily Data Collection Sheet (DDCS (07/00)), which shall contain the following information:

(A) The year the rate will be effective.

(B) The two-month sample period in which each one-week survey is conducted.

(C) The program name.

(D) The survey day and date.

(E) The certification and/or registration numbers.

(F) Identification of the material type surveyed.

(G) The total quantity of containers surveyed, and their total weight.

(H) The quantity and weight of CRV containers surveyed that have a volume less than 24 ounces.

(I) The quantity and weight of CRV containers surveyed that have a volume of 24 ounces or more.

(J) The quantity and weight of non-CRV containers surveyed.

(K) The daily totals for each column.

(7) At the conclusion of each weekly survey, the applicant shall complete a Weekly Summary Sheet (WSS (07/00)) which shall contain the following information:

(A) The year the rate will be effective.

(B) The two-month sample period of the weekly survey.

(C) The program name.

(D) The survey week by dates.

(E) The certification and/or registration numbers.

(F) Identification of the material type surveyed.

(G) The survey date summarized on that line.

(H) The total quantity of containers surveyed on that date, and their total weight.

(I) The quantity and weight of CRV containers surveyed on that date that have a volume less than 24 ounces.

(J) The quantity and weight of CRV containers surveyed on that date that have a volume of 24 ounces or more.

(K) The quantity and weight of non-CRV containers surveyed on that date.

(L) The weekly totals for each column.

(8) The completed original Daily Data Collection Sheet, and the Weekly Summary Sheet shall be confirmed to be complete, accurate, and consistent with the methodology approved for that program and shall be submitted to the Division for review, verification, and approval at the conclusion of each two-month survey period and must be submitted no later than the 15th day of the month following the survey period.

(9) At the conclusion of the annual survey period, the applicant shall submit an Affidavit (AFD (07/00)) to confirm that all information is complete, accurate, and consistent with the methodology approved for that program.

(d) Curbside programs proposing to alter the Division's methodology or create their own alternative methodology must apply for Division approval, in advance, pursuant to section 2665 of these regulations. A proposed alternative methodology must equal the Division’s

methodology in the accuracy of estimation and level of confidence in the estimation. The alternative methodology must be described in adequate detail to determine the accuracy of estimation and level of confidence in the estimation.

(e) Curbside programs shall have the option of conducting their individual commingled rate survey at either their location where curbside trucks unload or the location of curbside collection(s).

(f) Determination by the Division that a program has deviated from an approved methodology, demonstrated a significant lack of quality control, or misrepresented their survey results shall result in the termination of the individual commingled rate survey and/or disapproval or revocation of the individual commingled rate and a reversion to the statewide average commingled rate. The Division's adverse action may be appealed pursuant to section 2685 of these regulations.

(1) A significant lack of quality control is demonstrated when five (5) percent or more of the sample data submitted by an applicant is found to be incorrect by the Division, and is deleted from the survey pursuant to Section 2660(f)(3) below because of the following:

(A) The cumulative weight of all components of a sample deviates by more than an acceptable range of accuracy, as defined in Section 2660(f)(2) below, from the total sample taken for that material type and/or

(B) The cumulative count of containers from all components of a sample does not equal the total sample count for that material type.

(2) An acceptable range of accuracy, applicable to Section 2660(f)(1)(A) above, is the smallest variance or increment of accuracy of the applicant's scale multiplied by 2.0.

(3) The Division, upon its sole discretion, may delete incorrect data samples.

(g) The Division shall disapprove individual commingled rates that are based on terminated surveys. The Division shall notify the applicant of such disapproval within thirty (30) calendar days of the determination that a program has deviated from an approved methodology, demonstrated a lack of quality control, or misrepresented survey results.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14509.5, 14552(a) and 14573.51, Public Resources Code.

## § 2665. ALTERNATIVE METHODOLOGY PROCEDURES.

(a) Curbside programs choosing to use an alternative survey methodology shall apply to the Division for approval. Operators shall complete and submit to the Division the following documents, in originals:

(1) A completed survey application as specified in section 2660(b);

(2) A written description of the alternative methodology procedure in detail, the steps necessary to perform the alternative survey methodology, including the equipment to be used, materials to be collected, how the materials will be analyzed, location where

sampling will occur, time and days of the survey, and any other relevant details that are necessary to arrive at the individual commingled rate. The proposed alternative methodology procedure must be as detailed and inclusive as the survey methodology provided by the Division.

(b) The Division shall review all completed proposed alternative methodology requests submitted.

(c) The Division shall notify the operator of its decision, after receipt of the documents requested in this subsection, if their methodology was approved or denied, pursuant to section 2670 of these regulations.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14509.5, 14552(a) and 14573.51, Public Resources Code.

§ 2670. SURVEY APPLICATION PROCESSING TIME.

(a) Within fifteen (15) calendar days from the receipt of the survey application and alternative methodology procedure, if applicable, from an operator of a curbside program requesting approval to use the Division's methodology or an alternative methodology to determine their program's specific individual commingled rate, the Division shall inform the applicant, in writing, that the survey application, and alternative methodology procedure, if applicable, are either complete and accepted for processing, or incomplete. If the survey application, and/or alternative methodology procedure, if applicable, are incomplete, the Division shall indicate, in writing, to the applicant what information or documentation is required. The applicant shall submit the required additional information or documentation, to the Division, no later than ten (10) calendar days from the date indicated in the Division's letter requesting additional information or documentation. Material submitted later than ten (10) calendar days will be rejected and the application will be denied.

(b) Within fifteen (15) calendar days after the Division informs the applicant of the receipt of a complete survey application and alternative methodology procedure, if applicable, as indicated in subsection 2670(a) above, the Division shall approve or disapprove the survey application and alternative methodology procedure, if applicable.

(c) If the application is disapproved, the applicant may request an appeal pursuant to section 2685 of these regulations.

(d) The applicant may begin using the approved survey methodology for the specified survey period, after receiving written notification from the Division that the survey application and alternative methodology procedure, if applicable, has been approved.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14509.5, 14552(a) and 14573.51, Public Resources Code.

SUBCHAPTER 8

## § 2675. INDIVIDUAL COMMINGLED RATE SURVEY AUDIT AND RESULTS.

(a) The Division may audit any applicant's procedures and results of an approved individual commingled rate survey. The Division shall conduct its audit during the scheduled survey week for any applicant.

(b) The Division shall conduct audits. To enable the Division to conduct audits, applicants shall retain the pile of material from which the sample was taken, including the sample itself, until the completion of their daily survey. On the day of the audit, the applicant shall provide Division audit staff access to the material immediately after the applicant conducts the survey. If the applicant deviates from the approved survey time, they shall notify the Division immediately, but not less than 24 hours prior to the time of the deviation.

(c) If, in each of two separate audits, the Division determines, using standard statistical formulas, that the difference between the applicant's and the Division's proportion of California Redemption Value containers is statistically significant, the Division shall terminate the applicant's individual commingled rate survey. The difference shall be statistically significant, if the applicant's proportion is higher than the Division's, and the Division is 99% confident that the chances of the difference occurring under the applicant's approved study methodology is 5% or less.

(1) The Division shall disapprove individual commingled rates that are based on terminated surveys. The Division shall notify the applicant of such termination and disapproval within thirty (30) calendar days of the audit.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14509.5 and 14552(a), Public Resources Code.

## § 2680. RECEIPT OF APPROVAL OR DISAPPROVAL AND NOTIFICATION OF CHANGES.

(a) Within sixty (60) calendar days after the Division receives the curbside program's final survey results, the Division shall approve or disapprove the program's individual commingled rate.

(b) The applicant shall notify the Division, in writing, within ten (10) working days, of the occurrence of either of the following for any material for which the operator has an approved individual commingled rate:

(1) Any increase or decrease of twenty (20) percent or more in the total monthly weight from the average weight of the previous three (3) month period; or

(2) Any increase or decrease of twenty (20) percent in the total monthly number of customer sites served by the applicant from the average number of customer sites of the previous three (3) month period.

(c) Failure to provide this notification may subject the applicant to immediate revocation of the individual commingled rate.

(d) Upon notification of operational changes, described in subsections (b)(1) or (b)(2) above, the Division may, upon its sole discretion, review and alter or revoke the individual commingled rate.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Section 14552(a), Public Resources Code; and Section 15376, Government Code.

§ 2685. INDIVIDUAL COMMINGLED RATE APPEALS PROCESS.

(a) In the event of the denial of survey application, termination of an individual commingled rate survey, and/or disapproval or revocation of an individual commingled rate, curbside programs may file a formal appeal by writing to the Assistant Director for Recycling within thirty (30) calendar days after the receipt of a Letter of Denial (LED). Appeals submitted after this time period shall be rejected. All written appeals shall include:

(1) A copy of the LED; and

(2) A detailed explanation of why the determination was in error; and

(3) Any other documentation that supports the appeal.

(b) A decision on the appeal shall be sent to the program applicant, in writing, within fifteen (15) working days of receipt of the appeal.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14509.5 and 14552(a), Public Resources Code.

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## SUBCHAPTER 9. COMMUNITY SERVICE PROGRAMS

### Article 1. Requirements for Community Service Programs

§ 2700. OPERATION STANDARDS.

(a) All certified community service programs shall meet the following requirements:

(1) Operate in accordance with the category of certification as approved by the Division and defined in these regulations.

(2) In order to remain certified, a community service program must collect or accept a minimum of 500 pounds of aluminum or plastic beverage containers, or 2000 pounds of glass beverage containers every year after becoming certified.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14511.7, Public Resources Code.

§ 2705. NOTIFICATION REQUIREMENTS.

(a) In addition to the requirements contained in section 2700(a) above, a certified community service program shall notify the Division prior to any of the following events:

(1) Any change in operation.

(2) Any change in operator name or contact person, mailing or business address, or telephone number of the operator.

(3) Change in the name of the program.

(4) Change in the corporate officers, if applicable.

(5) Change in the agent for service of process, if applicable.

(b) The operator of a certified community service program who intends to be decertified shall submit a written notification to the Division, which includes the proposed effective date.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14511.7, Public Resources Code.

### Article 2. Accounting and Reporting Requirements

§ 2710. APPLICABILITY.

In addition to the general accounting requirements of article 4 of subchapter 2, community service programs shall comply with the accounting and reporting provisions of this article.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14511.7 and 14552, Public Resources Code.

SUBCHAPTER 9

§ 2715. RECORDKEEPING.

Community service programs shall maintain the following records in accordance with the general requirements set forth in section 2085 of subchapter 2 of these regulations.

(a) Community service programs which accept or collect empty beverage containers at a specific location or location(s) shall maintain all of the following:

(1) A copy of the shipping report prepared by a recycling center or processor; and

(2) A copy of the weight ticket prepared by a recycling center or processor; and

(3) A log containing a brief written description of any recycling drive or special event at which the program accepts or collects empty beverage containers, including the name of the event, the name and phone number of a contact person from the community service program, the date the event occurred, the material types collected, and an estimate of the weight of each material type collected.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14511.7 and 14552, Public Resources Code.

## Article 3. Individual Commingled Rate

§ 2720. OBTAINING DIVISION APPROVAL.

Operators of community service programs shall be paid the applicable statewide average commingled rate, determined by the Division, for commingled beverage container material types, unless the Division approves an individual commingled rate for their program. Individual commingled rates may be approved for one or more material-types which have an existing statewide commingled rate. Operators of community service programs who wish to apply for an individual commingled rate shall submit a completed Individual Commingled Rate Application (ICRS-APP (07/00)) in the form and manner required by this section. The applicant shall request approval to conduct an individual commingled rate survey using either the Division's individual commingled rate methodology, specified in subsection (c), or an alternative methodology submitted by the applicant. An operator of a community service program shall conduct surveys on each day the program operates during a one week period. A total of six weekly surveys shall be conducted on a bimonthly basis beginning in October and ending no later than the second full week of the following September. Individual commingled rates that are approved by the Division, shall be effective from January 1 through December 31 of the year following the survey period.

(a) At least 60 days prior to the commencement of the surveys, which begin in October, the Division shall notify operators of community service programs of the opportunity to perform an individual commingled rate survey. An operator of a community service program wishing to conduct an individual commingled rate survey shall contact the Division to obtain the Individual Commingled Rate Application (ICRS-APP (07/00)).

(b) The Individual Commingled Rate Application (ICRS-APP (07/00)) must be completed and submitted to the Division no later than September 1st. To be considered complete, the survey application shall contain the following information:

(1) The organization name and, if applicable, a copy of any fictitious business name statement being used.

(2) The operator contact person's name, title, phone number, facsimile number, mailing address, and business address.

(3) The survey location address and city, and a brief site description.

(4) The survey technician's name and phone number.

(5) A selection of either the Division's survey methodology in subsection (c) or an alternative proposed methodology to be submitted by the applicant.

(6) The identification of material-types selected to be surveyed, the sample size, and daily sample size for each selected material.

(7) The dates of survey weeks and the number of days for specified sample periods.

(8) The specific time of the day in which surveys will be conducted.

(9) The program category of the certified program to be surveyed.

(10) The certification number of the program to be surveyed.

(11) The source of material for the certified program to be surveyed.

(12) The number of municipalities served by the certified program to be surveyed, if any.

(13) The number of customer sites from which survey material is to be collected by the certified program.

(14) The frequency that collected material is sold.

(15) A brief description of the certified program.

(16) Declarations and signatures of applicant.

(c) The Division's suggested methodology requires the following:

(1) The program shall determine the annual survey sample size for each material type based on the chart below.

**Annual Survey Sample Size**

| | |
|---|---|
| Aluminum | 6600 |
| Glass | 4500 |
| Plastic (all resins) | 3000 |

(2) Upon determining the annual survey sample size, the program shall calculate the daily sample size by dividing the annual survey sample size, specified in the chart above, by the total number of days the survey will be conducted during the entire annual survey. Once the daily sample size is determined for each material type, this will remain the daily sample size throughout the entire annual survey period for that material type.

(3) Surveys shall be conducted for one regular workweek during each two-month sample period at pre-established dates, times, and places as indicated on the Individual Commingled Rate Application (ICRS-APP (07/00)) submitted to the Division. Surveys shall not be scheduled for weeks containing holidays or other days the program is not in operation, and shall be equally distributed throughout the survey period.

(4) Daily samples shall be collected on a random basis from the material which has been received exclusively from programs approved for the survey. Only whole containers may be surveyed.

(5) Upon selection and removal of containers for the daily sample, the applicant shall perform a complete sample analysis of counting, sorting, and weighing containers.

In performing a sample analysis, weight shall be measured, recorded, and reported in pounds and fractions thereof. All weighing in this state shall be done on a scale or other device approved, tested and sealed in accordance with Division 5 of the Business and Professions Code (Weights and Measures) and any applicable regulations thereunder.

(6) The results of the sample analysis shall be legibly, accurately, and completely recorded on the Daily Data Collection Sheet (DDCS (07/00)), which shall contain the following information:

(A) The year the rate will be effective.

(B) The two-month sample period in which each one-week survey is conducted.

(C) The program name.

(D) The survey day and date.

(E) The certification and/or registration numbers.

(F) Identification of the material type surveyed.

(G) The total quantity of containers surveyed, and their total weight.

(H) The quantity and weight of CRV containers surveyed that have a volume less than 24 ounces.

(I) The quantity and weight of CRV containers surveyed that have a volume of 24 ounces or more.

(J) The quantity and weight of non-CRV containers surveyed.

(K) The daily totals for each column.

(7) At the conclusion of each weekly survey, the applicant shall complete a Weekly Summary Sheet (WSS (07/00)) which shall contain the following information:

(A) The year the rate will be effective.

(B) The two-month sample period of the weekly survey

(C) The program name.

(D) The survey week by dates.

(E) The certification and/or registration numbers.

(F) Identification of the material type surveyed.

(G) The survey date summarized on that line.

(H) The total quantity of containers surveyed on that date, and their total weight.

(I) The quantity and weight of CRV containers surveyed on that date that have a volume less than 24 ounces.

(J) The quantity and weight of CRV containers surveyed on that date that have a volume of 24 ounces or more.

(K) The quantity and weight of non-CRV containers surveyed on that date.

(L) The weekly totals for each column.

(8) The completed original Daily Data Collection Sheet, and the Weekly Summary Sheet shall be confirmed to be complete, accurate, and consistent with the methodology approved for that program and shall be submitted to the Division for review, verification, and approval at the conclusion of each two-month survey period and must be submitted no later than the 15th day of the month following the survey period.

(9) At the conclusion of the annual survey period, the applicant shall submit an Affidavit [AFD (07/00)] to confirm that all information is complete, accurate, and consistent with the methodology approved for that program.

(d) Community service programs proposing to alter the Division's methodology or create their own alternative methodology must apply for Division approval, in advance, pursuant to section 2725 of these regulations. A proposed alternative methodology must equal the Division’s methodology in the accuracy of estimation and level of confidence in the estimation. The alternative methodology must be described in adequate detail to determine the accuracy of estimation and level of confidence in the estimation.

(e) Determination by the Division that a program has deviated from an approved methodology, demonstrated a significant lack of quality control, or misrepresented their survey results shall result in the termination of the individual commingled rate survey and/or disapproval or revocation of the individual commingled rate and a reversion to the

statewide average commingled rate. The Division's adverse action may be appealed pursuant to section 2745 of these regulations.

(1) A significant lack of quality control is demonstrated when five (5) percent or more of the sample data submitted by an applicant is found to be incorrect by the Division, and is deleted from the survey pursuant to Section 2720(e)(3) below because of the following:

(A) The cumulative weight of all components of a sample deviates by more than an acceptable range of accuracy, as defined in Section 2720(e)(2) below, from the total sample taken for that material type and/or

(B) The cumulative count of containers from all components of a sample does not equal the total sample count for that material type.

(2) An acceptable range of accuracy, applicable to Section 2720(e)(1)(A) above, is the smallest variance or increment of accuracy of the applicant's scale multiplied by 2.0.

(3) The Division, upon its sole discretion, may delete incorrect data samples.

(f) The Division shall disapprove individual commingled rates that are based on terminated surveys. The Division shall notify the applicant of such disapproval within thirty (30) calendar days of the determination that a program has deviated from an approved methodology, demonstrated a lack of quality control, or misrepresented survey results.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14520 and 14552(a), Public Resources Code.

## § 2725. ALTERNATIVE METHODOLOGY PROCEDURES.

(a) Community service programs choosing to use an alternative survey methodology shall apply to the Division for approval. Operators shall complete and submit to the Division the following documents, in originals:

(1) A completed survey application as specified in Section 2720(b);

(2) A written description of the alternative methodology procedure in detail, the steps necessary to perform the alternative survey methodology, including the equipment to be used, materials to be collected, how the materials will be analyzed, location where sampling will occur, time and days of the survey, and any other relevant details that are necessary to arrive at the individual commingled rate. The proposed alternative methodology procedure must be as detailed and inclusive as the survey methodology provided by the Division.

(b) The Division shall review all completed proposed alternative methodology requests submitted.

(c) The Division shall notify the operator of its decision, after receipt of the documents requested in this subsection, if their methodology was approved or denied, pursuant to section 2730 of these regulations.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14520 and 14552(a), Public Resources Code.

§ 2730. SURVEY APPLICATION PROCESSING TIME.

(a) Within fifteen (15) calendar days from the receipt of the survey application, and alternative methodology procedure, if applicable, from an operator of a community service program requesting approval to use the Division's methodology or an alternative methodology to determine their program's specific individual commingled rate, the Division shall inform the applicant, in writing, that the survey application, and alternative methodology procedure, if applicable, are either complete and accepted for processing, or incomplete. If the survey application, and/or alternative methodology procedure, if applicable, are incomplete, the Division shall indicate, in writing, to the applicant what information or documentation is required. The applicant shall submit the required additional information or documentation, to the Division, no later than ten (10) calendar days from the date indicated in the Division's letter requesting additional information or documentation. Material submitted later than ten (10) calendar days will be rejected and the application will be denied.

(b) Within fifteen (15) calendar days after the Division informs the applicant of the receipt of a complete survey application and alternative methodology procedure, if applicable, as indicated in subsection 2730(a) above, the Division shall approve or disapprove the survey application and alternative methodology procedure, if applicable.

(c) If the application is disapproved, the applicant may request an appeal pursuant to section 2745 of these regulations.

(d) The applicant may begin using the approved survey methodology for the specified survey period, after receiving written notification from the Division that the survey application and alternative methodology procedure, if applicable, has been approved.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14520 and 14552(a), Public Resources Code.

§ 2735. INDIVIDUAL COMMINGLED RATE SURVEY AUDIT AND RESULTS.

(a) The Division may audit any applicant's procedures and results of an approved individual commingled rate survey. The Division shall conduct its audit during the scheduled survey week for any applicant.

(b) The Division shall conduct audits. To enable the Division to conduct audits, applicants shall retain the pile of material from which the sample was taken, including the sample itself, until the completion of their daily survey. On the day of the audit, the applicant shall provide Division audit staff access to the material immediately after the applicant conducts the survey. If the applicant deviates from the approved survey time, they shall notify the Division immediately, but not less than 24 hours prior to the time of the deviation.

(c) If, in each of two separate audits, the Division determines, using standard statistical formulas, that the difference between the applicant's and the Division's proportion of

California Redemption Value containers is statistically significant, the Division shall terminate the applicant's individual commingled rate survey. The difference shall be statistically significant, if the applicant's proportion is higher than the Division's, and the Division is 99% confident that the chances of the difference occurring under the applicant's approved study methodology is 5% or less.

(1) The Division shall disapprove individual commingled rates that are based on terminated surveys. The Division shall notify the applicant of such termination and disapproval within thirty (30) calendar days of the audit.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Section 14552(a), Public Resources Code.

§ 2740. RECEIPT OF APPROVAL OR DISAPPROVAL AND NOTIFICATION OF CHANGES.

(a) Within sixty (60) calendar days after the Division receives the community service program's final survey results, the Division shall approve or disapprove the program's individual commingled rate.

(b) The applicant shall notify the Division, in writing, within ten (10) working days, of the occurrence of either of the following for any material for which the operator has an approved individual commingled rate:

(1) Any increase or decrease of twenty (20) percent or more in the total monthly weight from the average weight of the previous three (3) month period; or,

(2) Any increase or decrease of twenty (20) percent in the total monthly number of customer sites served by the applicant from the average number of customer sites of the previous three (3) month period.

(c) Failure to provide this notification may subject the applicant to immediate revocation of the individual commingled rate.

(d) Upon notification of operational changes, described in subsections (b)(1) or (b)(2) above, the Division may, upon its sole discretion, review and alter or revoke the individual commingled rate.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Section 14552(a), Public Resources Code; and Section 15376, Government Code.

§ 2745. INDIVIDUAL COMMINGLED RATE APPEALS PROCESS.

(a) In the event of the denial of a survey application, termination of an individual commingled rate survey, and/or disapproval or revocation of an individual commingled rate, community service programs may file a formal appeal by writing to the Assistant Director for Recycling within thirty (30) calendar days after the receipt of a Letter of Denial (LED). Appeals submitted after this time period shall be rejected. All written appeals shall include:

(1) A copy of the LED; and

(2) A detailed explanation of why the determination was in error; and

(3) Any other documentation that supports the appeal.

(b) A decision on the appeal shall be sent to the program applicant, in writing, within fifteen (15) working days of receipt of the appeal.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Section 14552(a), Public Resources Code

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## SUBCHAPTER 9.5. PILOT PROJECTS

### Article 1. Requirements for Pilot Projects

§ 2750. DEFINITIONS.

(a) The following definitions shall apply to pilot projects as authorized by sections 14515.8 and 14571.9 of the Act:

(1) “Drop service” means a method of redemption offered by pilot project recyclers where consumers redeem empty beverage containers by delivering the containers to stationary locations in a sealed bag, box, or other receptacle for the pilot project recycler to inspect and weigh at a time or location other than when or where the containers are redeemed.

(2) “Jurisdiction” means a city, county, tribe, or combination thereof, that has the authority to issue or grant permission for certified pilot project recyclers to operate in the designated pilot project area.

(A) A jurisdiction comprised of a single entity shall be considered a single party jurisdiction. A jurisdiction comprised of more than one entity shall be considered a multiparty jurisdiction.

(B) Subject to Division approval, a jurisdiction may change its constituent entities by submitting a supplemental application as provided in section 2759(a).

(3) “Jurisdiction of a Pilot Project” as used in section 14571.9(b)(2)(A) of the Act means the approved pilot project area established by a jurisdiction.

(4) “Located in a Rural Region” means located, in whole or in part, in a rural region as defined in section 2000(a)(41.1). A jurisdiction is located in a rural region if that jurisdiction's geographic boundaries overlap with any part of a rural region.

(5) “Mobile service” means a pilot project recycler that redeems empty beverage containers at more than one location.

(6) “Pick up service” means a form of mobile service where the pilot project recycler redeems empty beverage containers at the consumer's address.

(7) “Pilot Project Area” means the geographic area designated by a jurisdiction within the jurisdiction's boundaries for the operation of a pilot project. The pilot project area may be limited to a part of the jurisdiction or may encompass the entirety of the area within the jurisdiction's boundaries.

(8) “Pilot Project Operator” means the operator of a pilot project recycler.

(9) “Stationary Location” means a pilot project recycler that redeems beverage containers at a single fixed location.

(10) “Tribe” means any federally recognized California Native American tribe or a nonfederally recognized California Native American tribe that is on the contact list maintained by the Native American Heritage Commission.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code.
Reference: Sections 14515.8 and 14571.9, Public Resources Code.

§ 2752. JURISDICTION AND PILOT PROJECT APPLICATION ELIGIBILITY.

(a) A jurisdiction applying for a pilot project must meet the eligibility requirement established in section 14571.9(c)(2) of the Act.

(1) If the Division determines an applicant jurisdiction fails to meet the eligibility requirement of section 14571.9(c)(2) of the Act, that application shall be rejected with no further review by the Division.

(2) For the purposes of meeting the requirement of section 14571.9(c)(2) of the Act, a convenience zone is unserved if, as of the date the pilot project application is received by the Division, there was no certified and operational recycling center that purchased all material types within the zone.

(b) A pilot project must meet the eligibility requirement of section 14571.9(c)(1) of the Act.

(1) If the Division determines the pilot project fails to meet the eligibility requirement of section 14571.9(c)(1) of the Act, that application shall be rejected with no further review by the Division.

(2) For the purposes of determining whether a pilot project meets the requirement of section 14571.9(c)(1) of the Act, a convenience zone is unserved if, as of the date the application was received by the Division, there was no certified and operational recycling center that purchased all material types within the zone.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code.
Reference: Section 14571.9, Public Resources Code.

§ 2754. FILING OF PILOT PROJECT APPLICATIONS AND AMENDMENTS TO PILOT PROJECTS.

(a) Applications for pilot projects shall be accepted and reviewed on a continuous basis as received until either ten pilot projects have been approved or January 1, 2032.

(b) Applicant jurisdictions shall contact the Division in writing prior to the submission of any application to request a map of their jurisdiction. The Division shall provide the applicant jurisdiction with a map that includes all convenience zones, operational recycling centers, rural boundaries, and city or county boundaries within the jurisdiction until section 2754(a) is satisfied.

(c) Applicant jurisdictions shall provide all of the following to the Division to apply for a pilot project:

(1) Federal Tax Identification Number (also known as an Employer Identification Number);

(2) Contact information as specified in section 2758(a)(6) of these regulations;

(3) The map provided in subsection (b), indicating the proposed pilot project area, including proposed locations of pilot project recyclers; and

(4) A completed and signed pilot project application as described in section 2758 of these regulations.

(d) The Division shall reject without review any applications submitted by applicant jurisdictions who fail to comply with subsection (c).

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code.
Reference: Section 14571.9, Public Resources Code.

§ 2756. REVIEW OF PILOT PROJECT APPLICATIONS.

(a) All applications for pilot projects shall be reviewed by the Division for compliance with these regulations.

(b) The Division shall assess the readiness of all new applicants and may conduct field investigations to verify the accuracy of information contained in the pilot project application.

(c) The Division may require the applicant jurisdiction to participate in an application interview.

(d) The Division shall notify the applicant jurisdiction in writing within thirty (30) calendar days of receipt of the application, or receipt of additional information if the application was initially incomplete, that it is either:

(1) Complete and accepted for further review, or

(2) Incomplete and the reasons for the incompleteness.

(e) Upon determining that an application is complete, the Division shall notify the applicant in writing within thirty (30) calendar days that such application is either:

(1) Approved conditionally with a probationary status, or

(2) Denied and the reasons for denial.

(f) In order to receive approval for a pilot project, applicant jurisdictions shall demonstrate to the Division's satisfaction that they will operate the pilot project in accordance with the requirements of the Act and regulations. In determining whether the applicant jurisdiction is likely to operate the pilot project in accordance with these regulations, the Division shall review the history of the jurisdiction and other individuals identified in the application as responsible for the pilot project.

(g) Reasons for denial of pilot project applications may include, but shall not be limited to, any of the following:

(1) Failure to provide information or documentation to complete the application as provided in sections 2752 and 2754 of these regulations.

(2) The proposed pilot project does not meet the requirements established in section 14571.9(c) of the Act.

(3) The jurisdiction's history with CalRecycle demonstrates outstanding fines, penalties, or audit findings.

(4) The proposed pilot project operator's certification history demonstrates a pattern of operation in conflict with the requirements of the California Beverage Container Recycling and Litter Reduction Act, including all relevant regulations adopted thereunder.

(5) The proposed pilot project is unlikely to increase redemption opportunities in unserved convenience zones or is unlikely to create new recycling opportunities for consumers.

(h) When selecting a pilot project for approval, in addition to the criteria established in section 14571.9(g) of the Act, the Division may consider the following additional factors:

(1) Feasibility of the pilot project;

(2) Population served by the pilot project;

(3) Proposed methods of redemption;

(4) The jurisdiction's role in the operation of the pilot project;

(5) Certification history of proposed pilot project operators;

(6) Qualifications of the pilot project recyclers identified at the time of the pilot project application;

(7) How the jurisdiction has supported or prevented redemption or collection opportunities;

(8) The similarity or dissimilarity of the proposed pilot project in comparison to other pilot projects; and

(9) The proposed operational date of the pilot project.

(i) When approving any pilot project application, the Division may impose conditions on the pilot project's approval that the Division determines are reasonably necessary to ensure that the pilot project operates in a manner consistent with the pilot project application and meets the goals of the pilot project program as provided in section 14571.9(a)(2) of the Act. These conditions shall be in writing and provided to the jurisdiction at the time the project is approved.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Section 14571.9, Public Resources Code.

§ 2758. CONTENT OF PILOT PROJECT APPLICATIONS.

(a) Jurisdictions that meet the eligibility requirement in section 14571.9(c)(2) of the Act may apply for a pilot project. To be considered complete, applications shall contain the following information:

(1) A map of the pilot project area, including intended locations for pilot project recyclers pursuant to section 2754(c)(3).

(2) A list of the proposed pilot project recyclers. The list shall include the pilot project recycler's organization name, Federal Tax Identification Number, contact person's name, business address, phone number, e-mail address, and proposed method of redemption for each pilot project recycler.

(3) The planned dates of operation.

(4) A description of how the pilot project will meet the requirements of section 14571.9 of the Act.

(5) The name of the jurisdiction, and for multiparty jurisdictions, the name of all entities comprising the jurisdiction, including the authorizing department(s) or office(s).

(6) The business address, mailing address, e-mail address, website, and telephone number for the jurisdiction, and for multiparty jurisdictions, the business address, mailing address, e-mail address, website, and telephone number for each of the applicant cities or counties.

(7) The name of the jurisdiction's contact person and the following information about the contact person:

(A) Title;

(B) Direct phone number; and

(C) E-mail address.

(8) The name of all authorizing individuals and the following information about each authorizing individual:

(A) Title;

(B) Direct phone number; and

(C) E-mail address.

(9) An analysis of the potential impacts on beverage container recycling in the jurisdiction.

(b) The application shall be submitted in writing and signed by the applicant under penalty of perjury. The signature block shall contain an affidavit that the information in the application is true and that the jurisdiction agrees to operate in compliance with the Act and these regulations. The application shall be signed by an individual with authority to legally bind the jurisdiction.

(c) Any tribe seeking approval of a pilot project application, either as a single party jurisdiction or as part of a multiparty jurisdiction, shall provide a written authorization for the Division to:

(1) Enter tribal lands to verify the content of the pilot project application; and,

(2) Enter tribal lands to verify compliance with the Act and these regulations by conducting audits and unannounced inspections of any location where beverage containers are redeemed, weighed, or inspected.

(d) The Division may require additional information be provided to corroborate or clarify the information provided in the application or proposal.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Sections 14515.8 and 14571.9, Public Resources Code.

§ 2759. SUPPLEMENTAL PILOT PROJECT APPLICATIONS AND PILOT PROJECT AMENDMENTS.

(a) A city, county, or tribe may submit a supplemental application to join an existing jurisdiction, subject to approval by the Division.

(1) The supplemental application shall include written authorization from each constituent entity in the existing jurisdiction, stating that it consents to the addition of the supplemental applicant to the jurisdiction and the resulting change to the pilot project. The written authorization shall be on letterhead, and be signed by an individual with the authority to bind the constituent entity.

(2) To be considered complete, supplemental applications shall contain the following information:

(A) A map of the new pilot project area, including proposed locations for proposed pilot project recyclers.

(B) A list of the proposed pilot project recyclers that will serve the revised pilot project area. The list shall include each pilot project recycler's organization name, Federal Tax Identification Number, contact person's name, business address, phone number, e-mail address, and proposed method of redemption for each pilot project recycler.

(C) Any changes to the planned dates of operation for the pilot project.

(D) A description of how the addition of the supplemental applicant to the jurisdiction will affect compliance with the requirements of section 14571.9 of the Act.

(E) A description of how the addition of the supplemental applicant and revised pilot project area will affect the previously approved pilot project.

(F) The name of the supplemental applicant, including the authorizing department or office.

(G) The written authorization from the existing constituent entity or entities of the existing jurisdiction as provided in subdivision (a)(1).

(H) The business address, mailing address, email address, website, and telephone number for the supplemental applicant.

(I) The name, title, direct telephone number, and email address of the contact person for the supplemental applicant.

(J) The name, title, direct telephone number, and email address of the authorizing individual for the supplemental applicant.

(K) An analysis of the potential impacts on beverage container recycling on the pilot project from the addition of the supplemental applicant to the jurisdiction.

(L) Tribes shall provide the written authorizations provided in section 2758(c).

(3) The supplemental application shall be submitted in writing and signed by the supplemental applicant under penalty of perjury. The signature block shall contain an affidavit that the information in the supplemental application is true and that the supplemental applicant agrees to operate in compliance with the Act and these regulations. The supplemental application shall be signed by an individual with authority to legally bind the supplemental applicant.

(4) The Division shall review a supplemental application in the same manner as an initial application for a pilot project as provided in section 2756.

(5) If the Division approves the supplemental application, the Division may impose conditions on the approval as provided for in section 2756(i).

(6) Supplemental applications shall be accepted and reviewed on a continuous basis until January 1, 2032.

(7) The supplemental applicant shall contact the Division in writing prior to the submission of the supplemental application to request a map of the jurisdiction inclusive of the change to constituent entities. Upon receiving such a request, the Division shall provide the supplemental applicant with a map that includes all convenience zones, operational recycling centers, rural boundaries, tribal boundaries, and city or county boundaries within the revised jurisdiction.

(b) A constituent entity of a multiparty jurisdiction may request to withdraw from the jurisdiction, subject to approval by the Division.

(1) The request to withdraw must be submitted in writing, be on letterhead, signed by a person with authority to bind the entity, and must include an explanation detailing why the entity is requesting to withdraw from the jurisdiction.

(2) The Division shall deny the request to withdraw if:

(A) The Division determines that the withdrawal will cause the remaining jurisdiction to fail to meet the eligibility criteria for a pilot project as provided in section 14571.9(c) of the Act.

(B) The Division determines that the withdrawal will cause the pilot project to fail to meet the conditions outlined in the Division's approval of the pilot project.

(C) The Division determines that the withdrawal will cause the pilot project's operations to become unfeasible.

(D) The Division determines that the withdrawal will cause the pilot project to fail to meet the goals of the pilot project program as provided in section 14571.9(a)(2) of the Act.

(3) If the Division approves the request to withdraw, the Division may modify the conditions that were imposed pursuant to section 2756(i) at the time the Division initially approved the pilot project.

(c) An approved jurisdiction may request to amend a pilot project area or methods of operation, subject to approval by the Division.

(1) The request for amendment must be submitted in writing, and must include the reason for the amendment, a revised map of the pilot project area if applicable, and when the proposed change will take effect.

(2) The Division may deny the request for amendment if the Division determines that the proposal is unfeasible or fails to meet the goals of the pilot project program as provided in section 14571.9(a)(2) of the Act.

(3) If the Division approves the request for amendment, the Division may impose conditions on the approval as provided for in section 2756(i).

(d) The Division may require additional information be provided to corroborate or clarify the information provided in a supplemental application, request to withdraw, or request for amendment to an approved pilot project.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Sections 14515.8 and 14571.9, Public Resources Code.

§ 2760. WITHDRAWAL OF PILOT PROJECT APPLICATIONS.

An applicant jurisdiction may withdraw a pilot project application from review by the Division. Such withdrawal shall be requested in writing and submitted to the Division.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Section 14571.9, Public Resources Code.

§ 2762. FILING OF PILOT PROJECT RECYCLER CERTIFICATION APPLICATIONS.

(a) A separate, complete application shall be submitted to request certification to operate each pilot project recycler as follows:

(1) Mobile service;

(2) Stationary location; or

(3) Other methods of operation as described by the pilot project operator in the certification application.

(b) The jurisdiction authorization as provided in section 2766(d) shall accompany the pilot project operator's application when the application is submitted to the Division for review.

(c) The Division shall not accept certification applications submitted by applicants that do not meet the requirements of this section and section 2015.

(1) For purposes of meeting the requirements of section 2015, the “facility address” means:

(A) In the case of a pilot project recycler offering a pick up service, the address where beverage containers will be sorted and inspected.

(B) For all other pilot project recyclers, the address where beverage containers are returned to the recycler.

(d) Potential pilot project operators may apply for certification to operate a pilot project recycler either in an approved pilot project, or in a jurisdiction whose pilot project application is pending. In order to operate, the pilot project must be approved by the Division.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Sections 14515.8 and 14571.9, Public Resources Code.

§ 2764. REVIEW OF PILOT PROJECT RECYCLER CERTIFICATION APPLICATIONS.

(a) In addition to the requirements of section 2030, pilot project recycler certification applications shall be reviewed by the Division in accordance with this section.

(b) The Division shall notify the applicant and pilot project contact in writing within thirty (30) calendar days of receipt of the certification application, or receipt of additional information if the certification application was incomplete, that it is either:

(1) Complete and accepted for further review, or

(2) Incomplete and the reasons for the incompleteness.

(c) Upon determining that a certification application is complete, the Division shall notify the applicant and pilot project contact in writing within thirty (30) calendar days that the certification application is either:

(1) Approved conditionally with a probationary status, or

(2) Denied and the reasons for denial.

(d) When certifying any pilot project recycler, the Division may impose conditions on the pilot project recycler's certification that the Division determines are reasonably necessary to ensure that the pilot project recycler operates in a manner consistent with the pilot project operator's application and meets the goals of the pilot project as provided in section 14571.9(a)(2) of the Act. These conditions shall be in writing and provided to the pilot project operator and the jurisdiction at the time the pilot project recycler is certified.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Sections 14515.8 and 14571.9, Public Resources Code.

TITLE 14. NATURAL RESOURCES
DIVISION 2. DEPARTMENT OF CONSERVATION
CHAPTER 5. DIVISION OF RECYCLING

SUBCHAPTER 9.5

§ 2766. CONTENT OF PILOT PROJECT RECYCLER CERTIFICATION APPLICATIONS.

(a) Notwithstanding section 2045 of these regulations, to be considered complete, certification applications must contain all information required in this section.

(b) Certification applications shall contain the following information:

(1) A map of the pilot project area, including intended locations of service.

(2) The name of the authorizing jurisdiction, and the jurisdiction's contact person's name, telephone number, and e-mail address.

(3) A description of how the pilot project recycler will operate.

(4) The name of the organization, program name, the business address, mailing address, e-mail address, website, and telephone number of the organization.

(5) The name of the contact person and the following information about the contact person:

(A) Residential address;

(B) Residential phone number;

(C) Mobile phone number;

(D) E-mail address;

(E) A valid Driver License or Identification Card issued by the State of California, or a United States federal or state government issued photo identification;

(F) Date of birth; and

(G) Social Security Number, on a voluntary basis.

(6) The type of organization that is requesting certification.

(A) If the organization is an individual doing or proposing to do business under a different name, the applicant shall provide a copy of any fictitious business name statement.

(B) If the organization is a partnership, the applicant shall provide a copy of the current partnership agreement and any fictitious business name statement.

(C) If the organization is a corporation, the applicant shall provide the corporate number and Articles of Incorporation and name and position of all current corporate officers as filed with the Secretary of State, any fictitious business name statement and the agent for service of process.

(D) If the organization is a corporation from a state other than California, the applicant shall provide a copy of the approved certificate from the California Secretary of State qualifying and authorizing the corporation to transact business in California.

(E) If the organization is a married couple co-ownership, the applicant shall provide both names and any fictitious business name statement.

(F) If the organization is a local government agency, the applicant shall provide a copy of the authorizing resolution from the governing board.

(G) If the organization is a limited liability company (LLC), the applicant shall provide a copy of the Articles of Organization and Statement of Information as filed with the Secretary of State, any operating agreement, any fictitious business name statement, and the agent for service of process.

(H) If the organization is a limited liability company from a state other than California, the applicant shall provide a copy of their certificate from the California Secretary of State authorizing the LLC to transact business in California.

(7) The Federal Tax Identification Number (also known as Employer Identification Number) of the organization.

(8) A history of past and pending certifications requested from the Division.

(9) The organization name, business and mailing addresses, and phone number of the pilot project recycler.

(10) The address(es) of the pilot project recycler's redemption location(s). The name, mailing address, phone number, and e-mail address of the owner or leaseholder, if applicable, of the redemption location(s).

(A) If the applicant owns the property, a current mortgage statement or a current tax bill which specifically identifies the organization name and the redemption location.

(B) If the applicant is leasing, renting, or operating on donated space, a signed copy of a current lease, rental agreement, or written permission from the property owner or leaseholder who has authority to determine use of the specific property, shall be provided.

(C) If the applicant purchased the recycling business, the name of the person(s) from whom it was purchased.

(11) The physical address(es) where empty beverage containers will be inspected or stored. The name, mailing address, phone number, and e-mail address of the owner or leaseholder, if applicable, of the inspection or storage location(s).

(A) If the applicant owns the property, a current mortgage statement or a current tax bill which specifically identifies the organization name and the inspection or storage location.

(B) If the applicant is leasing, renting, or operating on donated space, a signed copy of a current lease, rental agreement, or written permission from the property owner or leaseholder who has authority to determine use of the specific property, shall be provided.

(C) If the applicant purchased the recycling business, the name of the person(s) from whom it was purchased.

(12) Pilot project recyclers shall provide the actual days and hours open for business at each location.

(A) For pilot project recyclers that are staffed, the actual days and hours shall be those days and hours where staff are scheduled to be present and do not include lunch breaks.

(B) For pilot project recyclers that are unstaffed, the actual days and hours shall be the days and hours when the pilot project recycler accepts material.

(13) Acknowledgment that the organization agrees to accept and redeem all types of redeemable beverage containers.

(14) The name, residence address, including city and zip code, and residence phone number of the applicant. Pilot project recyclers operated by governmental agencies are exempt from this provision.

(15) For an organization seeking certification of a pilot project recycler that will redeem, store, or inspect material on federal or tribal land, a written authorization from an authorized agent of the federal or tribal government which will allow the Division to enter the federal or tribal property for the purposes of conducting audits and unannounced inspections of the pilot project recycler pursuant to section 2125 of these regulations.

(16) The application voucher number and the name of the person on the application voucher.

(c) The application shall be submitted on a form provided by the Division and signed by the applicant under penalty of perjury. The signature block shall contain an affidavit that the information in the application is true and that the organization agrees to operate in compliance with the Act and these regulations.

(1) If the organization is a partnership, the application shall be signed by each partner.

(2) If the organization is a firm, association, corporation, county, city, public agency or other governmental entity, the application shall be signed by the chief executive officer or the individual with authority to legally bind said entity to a contract.

(3) If the organization is owned by a married couple, the application shall be signed by each spouse.

(4) If the organization is a limited liability company, the application shall be signed by a managing member, Executive Officer, or other designated member with the authority to legally bind the limited liability company to a contract.

(5) Any individual signing the certification application shall provide a valid Driver License or Identification Card issued by the State of California, or a United States

federal or state government issued photo identification of the individual for identification purposes. Applicants that are governmental agencies are exempt from this provision.

(6) The applicant shall provide the following:

(A) E-mail address of the applicant; and

(B) Mobile phone number of the applicant.

(d) Pilot project operator applicants shall provide written authorization from the jurisdiction where the pilot project recycler intends to operate. The authorization shall state that the jurisdiction approves both the operator and the operator's proposed method of operation. The authorization shall be on jurisdiction letterhead.

(e) The applicant shall prepare and submit with the certification application an Operational Plan which shall explain how the operator will operate the pilot project recycler.

(1) The Operational Plan shall contain at a minimum the following information:

(A) All responsible parties and managing employees and their roles in the pilot project recycler.

(B) Method used to collect and store empty beverage containers, including how odd-sized containers will be redeemed.

(C) The types of equipment and/or receptacles used.

(D) A description of how the pilot project recycler will be staffed including the number of staff and their roles.

(E) How line breakage, scrap, out-of-state, previously baled containers or otherwise ineligible material will be identified and handled.

(F) How customer complaints, such as non-payment or underpayment, will be addressed by the pilot project operator or jurisdiction.

(G) A list of electronic methods used to communicate with customers including any websites or smartphone applications. If using smartphone applications, specify the names of the platforms used and distribution methods for the application.

(H) The method of payment, including a detailed description for all non-cash forms of payment. For any payments that occur at a time other than when the material is delivered by the consumer, the applicant shall provide the timeframe in which consumers will be paid.

(I) For pilot project recyclers that inspect or weigh material at a time or location other than when or where the material is delivered by the consumer, any proposed fees for bags, boxes or similar receptacles, if applicable, or of any transaction fees.

(J) A description of how customer material is uniquely identified for pick up service or drop service collection methods.

(K) A description of how the pilot project recycler will comply with the following operational standards regarding:

1. Daily purchase limits as described in section 2768(e);

2. Ineligible material; and

3. Redemption solely within the approved pilot project area.

(L) For pilot project recyclers that inspect or weigh material at a time or location other than when or where the material is delivered by the consumer, a description of how opened bags, unmarked bags or loose containers will be handled by the operator.

(f) In addition, pilot project recyclers offering a mobile service must provide the following information:

(1) A valid Driver License issued by the State of California, or a valid United States federal or state government issued Driver License;

(2) Mobile phone number of each driver who will pick up or transport materials; and

(3) If available, the make, model, year, registered owner, and license plate number for each vehicle used to pick up or transport materials.

Authority: Sections 14530.5(b), 14536(b) and 14571.9(j), Public Resources Code.
Reference: Section 14571.9, Public Resources Code.

§ 2768. OPERATIONAL STANDARDS.

(a) Notwithstanding any other signage requirements, pilot project recyclers shall display signs as follows:

(1) Certification sign. Pilot project recyclers shall display a certification sign as provided in section 2065(a).

(2) Open sign. Pilot project recyclers, with the exception of those offering a drop service or pick up service, shall display an open sign as provided in section 2500(b).

(3) Hours of operation sign. Pilot project recyclers shall display a sign indicating their hours of operation as provided in section 2500(e).

(4) Price sign. Except as provided in subsection (c) of this section, pilot project recyclers shall display a price sign as provided in section 2500(e).

(5) Payment method sign. Pilot project recyclers issuing payment to consumers via a method other than as provided in section 2095 shall display a sign or provide a notice informing the consumers of all alternative forms of payment offered by the pilot project recycler.

(6) Other redemption locations. Pilot project recyclers offering a mobile service shall display a sign or provide a notice stating where and when the pilot project recycler redeems beverage containers. Pick up services are exempt from this requirement.

(7) Daily purchase limits. Pilot project recyclers shall display a sign or provide a notice informing consumers of the daily purchase limits provided in section 2768(e).

(8) Odd-sized containers. Pilot project recyclers providing a drop service or utilizing reverse vending machines shall display a sign or provide a notice on the drop bin or reverse vending machine explaining how the pilot project recycler will redeem odd-sized containers.

(9) Alternative recycling locations. Pilot project recyclers providing a drop service or utilizing reverse vending machines shall display a sign or provide a notice on the drop bin or reverse vending machines if the receptacle is non-operational. The sign or notice shall provide the location of the nearest recycling center or pilot project recycler.

(10) Contacting the operator. Pilot project recyclers providing a drop service or utilizing reverse vending machines shall display a sign providing a method of contact to notify the pilot project recycler in the event the drop bin or reverse vending machine is non-operational.

(b) The signs required by this section must be displayed in places easily seen by the public at all times the pilot project recycler is open to the public. All signs must be legible.

(c) Prior to accepting material, pilot project recyclers that inspect or weigh material at a time or location other than when or where the material is delivered by the consumer shall provide a notice containing the following statements:

> Refund is not paid for packaging, contamination such as dirt or moisture, nor beverage containers not properly labeled with the California redemption value message, or that is otherwise ineligible for redemption.
>
> This recycler will discount the refund value, and may discount scrap value for loads of containers that include nonredemption material.
>
> This recycler will weigh and inspect the beverage containers at a different location than where the containers are delivered. All deliveries of beverage containers to this recycler are subject to reduction of the refund value as described above. All deliveries to this recycler are final.

(d) A pilot project recycler shall provide immediate access to the Division to any storage or inspection locations upon request. Pilot project recyclers shall not store material at a residential address.

(e) Pilot project recyclers that inspect or weigh material at a time or location other than when or where the material is delivered shall pay the refund value for no more than 25 pounds of aluminum or plastic beverage containers or 250 pounds of glass beverage containers received from a given consumer per day. For any material received from the consumer in excess of these weight limits, the pilot project recycler shall not pay in excess of the scrap value for the additional material. Pilot project recyclers that offer a pick up service shall be limited to the above amounts per address per day. All other pilot project

recyclers are subject to the daily purchase limits for recycling centers as set forth in section 2535(f) of these regulations.

(f) Subject to approval by the Division, pilot project recyclers may limit the amount of material a given consumer may redeem per transaction to an amount below the limits provided for in section 2768(e).

(1) The request for approval for lower limits must be submitted to the Division in writing, describing the necessity of the lower limits.

(2) The Division shall deny the request for lower limits if the Division determines that the request is unfeasible or fails to meet the goals of the pilot project as provided in section 14571.9(a)(2) of the Act.

(g) Subject to approval by the Division, pilot project recyclers who offer a drop service or pick up service may charge consumers for the following:

(1) A reasonable fee for bags, boxes, or other similar receptacles associated with a drop service or pick up service; and

(2) A reasonable transaction fee.

(h) In addition to the signage requirements of this section, pilot project recyclers shall notify consumers of all of the following:

(1) If the pilot project recycler pays consumers at a different time than when the material is delivered to the pilot project recycler, the date payment will be issued.

(2) How questions or complaints will be addressed by the pilot project recycler.

(3) The cost of bags, boxes, or other similar receptacles for drop service or pick up service, if applicable.

(i) A receipt shall be prepared at the time the pilot project recycler inspects and weighs the consumer's material and determines the material's eligibility.

(j) In addition to the requirements of section 2501, any pilot project recycler that inspects material delivered by consumers at a time or location other than when or where the material was delivered, shall do the following:

(1) Segregate any line breakage, previously redeemed, previously baled, or out-of-state containers from eligible beverage containers for each transaction.

(2) Create a record of the line breakage, previously redeemed, previously baled, or out-of-state containers per transaction. The record shall contain the weight of the material, material type, customer's name, and if available, the customer's contact information.

(3) Deliver the segregated line breakage, previously redeemed, previously baled, or out-of-state material to a processor. All such material is ineligible for refund value. When delivering the material to a processor, the pilot project recycler shall keep the line breakage, previously redeemed, previously baled, or out-of-state containers segregated from any other material being delivered to the processor at the same time.

Notwithstanding section 2401, processors shall pay refund value for all eligible material delivered at the same time as the ineligible material.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Section 14571.9, Public Resources Code.

§ 2770. NOTIFICATION REQUIREMENTS.

In addition to the requirements of section 2505 of these regulations, pilot project recyclers shall notify the Division within ten (10) calendar days of any change to the information provided in the certification application and Operational Plan.

Authority: Sections 14530.5(b), 14536(b) and 14571.9(j), Public Resources Code. Reference: Section 14571.9, Public Resources Code.

§ 2772. REPORTING AND RECORDKEEPING.

(a) Pilot project recyclers shall prepare and maintain receipts for all transactions as provided for in section 2525(a). Pilot project recyclers shall not use purchase logs. In addition to the requirements of section 2525(a), pilot project recyclers shall include all of the following information on their receipts:

(1) The method of payment;

(2) The address where the consumer redeemed the material; and

(3) The date the pilot project recycler received material from the consumer.

(b) In addition to the requirements of subsection (a), pilot project recyclers offering a drop service or pick up service shall provide a written acknowledgment to the consumer at the time the material is received by the pilot project recycler. This acknowledgement shall include the estimated time of payment, current prices being paid for each material type, contact information for the pilot project recycler, consumer account number or other identifying information, transaction number, transaction fee if applicable, and the date and time the transaction is initiated.

(c) Pilot project recyclers shall submit a monthly report to the Division consisting of the following items:

(1) The pilot project recycler's certification number;

(2) The information contained on the pilot project recycler's daily summaries as prescribed in section 2525(i) for the calendar month;

(3) The transaction count for each material type redeemed at the pilot project recycler for each day during the calendar month;

(4) The total number of receipts generated by the pilot project recycler for each day during the calendar month;

(5) All transactions where the pilot project recycler discovered line breakage, previously redeemed, previously baled, or out-of-state material. When reporting this information, the pilot project recycler shall provide all of the following information:

(A) The date the material was delivered to the pilot project recycler;

(B) The date the pilot project recycler prepared the receipt for the material;

(C) Transaction number; and

(D) A description of the line breakage, previously redeemed, previously baled, or out-of-state material, including weight of the material, material type, the customer's name, and if available, the customer's contact information and customer's account number.

(6) Pilot project recyclers that inspect or weigh material at a time or location other than when or where the material is delivered shall report the total number of transactions where a consumer delivered over 25 pounds of aluminum, 25 pounds of plastic, or 250 pounds of glass in a single transaction during the calendar month.

(d) The report required by subsection (c) shall be submitted electronically on a form provided by the Division no later than the fifth day of the first month following the reporting month.

(e) For purposes of this section, “the date of the sale or donation” as provided in section 2525(a)(5) shall mean the date the receipt is prepared by the pilot project recycler.

(f) For electronically generated transaction records, the pilot project recycler shall provide upon request by the Division an electronic file containing the transaction records and paper copies of the records, if available.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Section 14571.9, Public Resources Code.

## § 2774. PILOT PROJECT PROGRAM EVALUATION.

(a) The Division may conduct surveys of pilot project recyclers and jurisdictions to determine the effectiveness of the pilot project program.

(b) Jurisdictions and pilot project recyclers shall assist the Division in conducting the surveys.

(c) Jurisdictions shall maintain and upon request by the Division provide the following information:

(1) The cost for the jurisdiction to operate a pilot project; and

(2) Complaints to local law enforcement, local code enforcement, or to the jurisdiction about the pilot project, pilot project recyclers, or existing recycling centers in the pilot project area.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Section 14571.9, Public Resources Code.

§ 2776. PAYMENTS TO CONSUMERS.

In addition to the methods provided in section 2095, payments to consumers may be made electronically, or through rewards, donations, or other methods of payment agreed upon between the consumer and the recycler prior to the transaction. Any form of payment made through rewards, donations, or other methods shall be subject to approval by the Division. Payments shall be issued to the consumer no more than five (5) calendar days from the date of redemption.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Section 14571.9, Public Resources Code.

§ 2778. PILOT PROJECT HANDLING FEE CRITERIA.

(a) Notwithstanding section 2516 of these regulations, pilot project recycler handling fee payment eligibility will be based on this section. Pilot project recyclers shall meet all of the following criteria for handling fees eligibility on the first day of the calendar month for which they are claimed:

(1) Certified, operational, accepting and paying refund value to consumers for all empty beverage container material types; and

(2) Located within an approved pilot project area.

(b) The Division may inspect any location where a pilot project recycler collects beverage containers to determine whether such sites are located within an approved pilot project area.

(c) A pilot project recycler shall be ineligible to receive any handling fees for a given month if the pilot project recycler redeems any empty beverage container material outside of its approved pilot project area during that month. The pilot project recycler may receive handling fees for the subsequent month if the pilot project recycler only redeems empty beverage containers within its approved pilot project area during that subsequent month.

(d) Notwithstanding section 2530(h), the pilot project recycler shall apply for handling fees as described in this section. To obtain handling fees, only those pilot project recyclers eligible for such fees as described in this section shall submit via DORIIS a Handling Fee Application to the Division for the calendar month for which handling fees are being claimed. The handling fee application shall be submitted no later than the first day of the second month following the reporting month. Applications submitted after this date, and incorrectly completed applications, will be denied for payment and the handling fee will be forfeited for that calendar month. Forfeiture for that calendar month will not affect eligibility for subsequent months. There shall be a separate Handling Fee Application completed for each pilot project recycler, which shall include all of the following information in addition to that required by section 2090(d) of these regulations:

(1) The calendar month and year covered by the report;

(2) The name and mailing address of the pilot project recycler;

(3) The name and telephone number of a contact person;

(4) The certification number of the pilot project recycler;

(5) The weight, to the nearest tenth of a pound, of empty beverage containers, by material type, redeemed by that pilot project recycler, only from consumers during the hours the pilot project recycler was open for business. This weight shall be taken from the receipts of that pilot project recycler for that calendar month;

(6) The date the application was signed.

(e) Pilot project recyclers shall not claim handling fees for material until the pilot project recycler has prepared a receipt for that material. For example: If the material was redeemed on May 31st but was not receipted until June 4th, that material would be claimed for the month of June.

Authority: Sections 14530.5(b), 14536 and 14571.9(j), Public Resources Code. Reference: Sections 14571.9 and 14585, Public Resources Code.

## SUBCHAPTER 10. EXEMPTIONS

### Article 2. General Requirements

§ 2800. EXEMPTION GUIDELINES.

(a) If the number of convenience zones being reviewed for exemption, pursuant to Section 14571.8 of the Act, exceeds the number of exemptions available pursuant to Section 14571.8(d) of the Act, the Division shall consider exemptions in the following order of priority:

(1) all exemptions specifically applied for, in writing, or on the form provided by the Division (Form #CZ-1 [Rev. 8/00)]) shall contain all of the following information:

(A) The name, mailing address and phone number of the applicant.

(B) The company or organization which the applicant represents, if applicable.

(C) The name of a contact person if different from the applicant.

(D) The company name and address of the supermarket which is the focal point of each convenience zone for which the applicant is seeking an exemption.

(E) A statement justifying the request for an exemption, pursuant to Section 14571.8 of the Act.

(F) The signature and title (if applicable) of the applicant and the date of signature.

(2) newly established convenience zones and convenience zones which have become unserved, in order by date in which the recycling facility ceased operation.

(b) If the Division determines that the exemption cap established by Section 14571.8(d) of the Act has been reached, the Division shall thereafter serve all dealers in convenience zones which become unserved, or are newly created, with the notice specified at Section 14571.7(a).

(c) After the exemption cap has been reached, only those convenience zones which submit a Form #CZ-1 or a letter containing all specified information pursuant to Section 2800 (a)(1), will be considered. Forms #CZ-1 or letters containing all specified information pursuant to Section 2800 (a)(1) shall be considered in the order received as exemptions become available.

(d) The Division shall review exemption requests, pursuant to Public Resources Code Section 14571.8(b), at a minimum, every six months. Prior and subsequent to each exemption decision, the Division shall mail notice of the proposed convenience zone exemption to each of the following persons:

(1) Each person who has submitted a Form #CZ-1 or a letter containing all specified information pursuant to Section 2800(a)(1); and

(2) Each dealer located within the convenience zones which are being considered for an exemption; and

(3) Each person who has specifically requested notice of such actions.

(e) The persons enumerated in section (d) above shall have 30 days from the date of the notice to submit written comments to the Division regarding the proposed convenience zone exemption.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Section 14571.8, Public Resources Code.

§ 2805. EXEMPTION REVOCATION GUIDELINES.

(a) The Division on its own motion may revoke a convenience zone exemption, or any interested person may petition the Division, on a form provided by the Division (Convenience Zone Exemption Revocation Application Form #CZ-2 (Rev. 8/00)) or in a letter to the Division, to revoke the exemption for any exempt convenience zone. The department will only consider petitions submitted in writing on either the form #CZ-2 or in a letter, which shall contain all of the following information:

(1) The name, complete mailing address and phone number of the petitioner.

(2) The name, complete mailing address and phone number of the company or firm which the petitioner represents, if applicable.

(3) The company name and street address of the supermarket which is the focal point of the exempt zone which is the subject of the petition.

(4) A statement of the change in condition(s) or other rationale which forms the basis for the petitioner's request.

(5) The signature and title (if applicable) of the petitioner and the date of signature.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14571.8, Public Resources Code.

# SUBCHAPTER 11. PACIFIC BEACH PILOT MOBILE RECYCLING PROGRAM

## Article 1. General Requirements

§ 2820. PACIFIC BEACH PILOT MOBILE RECYCLING PROGRAM.

Upon selection of an applicant, the Division shall certify one recycling center operator to establish a pilot mobile recycling program in the Pacific Beach area within the City of San Diego.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Section 14571.4, Public Resources Code.

§ 2825. GENERAL OPERATING REQUIREMENTS FOR THE PACIFIC BEACH PILOT MOBILE RECYCLING PROGRAM.

(a) All dealers in the Pacific Beach area of the City of San Diego shall comply with sections 14571.6 and 14571.7 of the Public Resources Code if, at any time, the Pacific Beach Pilot Mobile Recycling Program does not have an operator.

(b) Unless expressly specified otherwise in Public Resources Code Section 14571.4, the operator of the Pacific Beach Pilot Mobile Recycling Program is not exempt from compliance with other provisions of the Act or Regulations.

(c) The operator of the Pacific Beach Pilot Mobile Recycling Program shall be eligible to apply for one handling fee payment per month, based upon the combined logs and receipts from consumer transactions only, at the five recycling locations approved by the Division in the Pacific Beach area of the City of San Diego.

(d) If the Division terminates an operator's certification before January 1, 1997, the Division shall give a thirty (30) day notice to the operator before the effective termination date. The Division may terminate certification prior to January 1, 1997, if the operator violates the terms of the Division's regulations or its agreement with the Division, including such acts as:

(1) Failure to operate one (1) day per week, eight (8) hours per day, at each of the five (5) locations approved by the Division.

(2) Failure to operate a minimum of five hours per week occurring during periods other than from Monday to Friday, from 9:00 a.m. to 5:00 p.m.

(3) Failure to submit to the Department a copy of all shipping reports completed by the receiver for transactions of empty beverage containers recycled in the Pacific Beach area of the City of San Diego within five (5) working days of the receiver's signature date on the shipping report.

(4) Failure to keep records in accordance with sections 2525 and 2530 of subchapter 6 of these regulations.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14571.4, 14571.6 and 14571.7, Public Resources Code.

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## SUBCHAPTER 11.1. OUT-OF-STATE IMPORTATION

### Article 1. Definitions Applicable to this Subchapter

§ 2830. DEFINITIONS.

(a) Notwithstanding the definitions provided in the California Beverage Container Recycling and Litter Reduction Act and sections 2000, the following definitions shall apply whenever the terms are used in this subchapter.

(1) “Empty beverage container material” means glass, plastic, aluminum, bimetal, bag in box, multi-layer pouch, or paperboard carton beverage containers or pieces of beverage containers, whether or not they are labeled with the message specified in section 14561 of the Act, that: (A) Have the seal or closure installed by the manufacturer broken or removed; and

(B) Are imported into this State.

(2) "Imported Material Report" means the report required by section 2835.

(3) "Persons importing empty beverage container material" means any person bringing or transporting empty beverage container material into this State and any persons responsible for hiring, paying, directing, contributing to, participating in, or otherwise influencing others to bring or transport empty beverage container material into this State.

(4) "Persons receiving imported empty beverage container material" means any person that takes delivery of empty beverage container material that was imported into this State and any persons responsible for hiring, paying, directing, contributing to, participating in, or otherwise influencing others to take delivery of empty beverage container material imported into this State.

(5) "Proof of inspection" means a written document issued by a California Department of Food and Agriculture inspector, department staff person, law enforcement officer, or other appropriate official after a load of empty beverage container material passes inspection for entry into this State.

Authority: Sections 14530.5, 14536, 14596 and 14599, Public Resources Code. Reference: Sections 14504, 14512, 14536.5, 14553, 14561, 14595, 14595.4 and 14596, Public Resources Code.

### Article 2. Requirements and Limitations Applicable to Empty Beverage Container Material Imported into California

§ 2831. OPERATING STANDARDS.

(a) Persons importing more than 25 pounds of aluminum, bimetal, or plastic, 10 pounds of bag in box, or 5 pounds of multi-layer pouch or paperboard carton empty beverage container material, or more than 250 pounds of glass empty beverage container material,

into this State for storage, sale, transfer or export shall operate in accordance with all of the following requirements.

(1) Persons importing empty beverage container material in a motor vehicle shall enter this State only through an open and staffed plant quarantine inspection station maintained pursuant to Section 5341 of the Food and Agricultural Code.

(2) Persons importing empty beverage container material shall complete and sign all appropriate sections of the Imported Material Report for each load of imported empty beverage container material entering this State.

(3) Persons importing empty beverage container material shall maintain copies of all Imported Material Reports, proofs of inspection, and other documentation, and shall provide copies to officials inspecting and persons receiving the material, in accordance with the requirements set forth in this Subchapter and Sections 2085 and 2090 of these regulations. The requirement to provide and maintain these records is in addition to the documentation requirements of any other laws applicable to the storage, transportation, delivery, sale, or transfer of the material.

(4) Persons importing empty beverage container material shall not deliver any imported empty beverage container material to a facility registered by the Division as a curbside program or certified by the Division as a recycling center, dropoff or collection program, or community service program.

(5) Persons importing empty beverage container material may deliver imported empty beverage container material to a certified processor, including the processor at a dual-certified entity, but the material is ineligible for refund value or other recycling program payments. Dual-certified entities shall receive empty beverage container material imported into this State only as a processor.

(6) Persons importing empty beverage container material may deliver the material to a junk dealer, as defined in Section 21601 of the Business and Professions Code, that is not registered by the Division as a curbside program or certified by the Division as a recycling center, dropoff or collection program, or community service program, but the material is ineligible for refund value or other recycling program payments.

(A) Aluminum empty beverage container material imported into this State and delivered, sold, or transferred to a junk dealer is ineligible for refund value and other recycling program payments and shall be handled as nonferrous material subject to the laws governing scrap metals and alloys in accordance with article 3 of chapter 9 of division 8 of the Business and Professions Code (commencing with Section 21600).

(7) Persons importing empty beverage container material weighing more than 100 pounds shall obtain and retain a weight ticket issued by a weighmaster licensed, certified, registered, or otherwise officially credentialed by the applicable jurisdiction describing the material and indicating the weight for each individual load of empty beverage container material. A separate weight ticket shall be prepared and retained

for each load by material type. The weight tickets shall be maintained attached to the corresponding Imported Material Report.

(8) Persons importing empty beverage container material shall not receive any refund value or other recycling program payments for the material.

(9) Persons importing empty beverage container material shall cooperate fully with any California Department of Food and Agriculture inspector, Division staff person, law enforcement officer, or other appropriate official to fulfill the purposes of Section 14596 of the Act and these regulations, including declaring the material at the inspection station, providing an Imported Material Report with the appropriate sections completed and the proper supporting documents attached, offering the material for inspection, following directions for completing the inspection, preparing, submitting, and maintaining the required records, making available for review and examination all records related to the material, providing full, true and correct information, delivering the material with all required documentation to the destination indicated on the Imported Material Report, and granting access to records, premises, equipment, facilities, and operations.

(b) Persons receiving imported empty beverage container material shall operate in accordance with all of the following requirements.

(1) Persons receiving imported empty beverage container material shall not take delivery of any imported empty beverage container material that is not accompanied by a proof of inspection and an Imported Material Report that has the appropriate sections completed, has the proper supporting documents attached, correctly identifies the delivery location, and accurately describes the material.

(2) Persons receiving imported empty beverage container material shall inspect each load of material to determine whether the material matches the description on the accompanying Imported Material Report.

(3) Persons receiving imported empty beverage container material shall prepare weight tickets describing the material and indicating the weight for each individual load of imported empty beverage container material received. A separate weight ticket shall be prepared for each material type received. Weight tickets for loads of material weighing more than 100 pounds shall be issued by a weighmaster licensed pursuant to Chapter 7 of Division 5 of the Business and Professions Code (commencing with section 12700). A copy of each weight ticket shall be provided to the person delivering the material.

(4) Persons receiving imported empty beverage container material shall complete and sign all appropriate sections of the Imported Material Report upon taking delivery of the material.

(5) Persons receiving imported empty beverage container material shall not pay, claim, or receive any refund value or other recycling program payments for the material.

(6) Persons receiving imported empty beverage container material shall cooperate fully with any California Department of Food and Agriculture inspector, Division staff person, law enforcement officer, or other appropriate official to fulfill the purposes of Section 14596 of the Act and these regulations, including preparing and completing all required documentation, providing full, true and correct information, and granting access to records, premises, equipment, facilities, and operations.

Authority: Sections 14530.5, 14536, 14596 and 14599, Public Resources Code. Reference: Sections 14504, 14538, 14539, 14539.5, 14551.5, 14552, 14553, 14572, 14573.6, 14595, 14595.4, 14595.5 and 14596, Public Resources Code.

§ 2831.1. LOAD INSPECTIONS UPON ENTERING CALIFORNIA IN A MOTOR VEHICLE.

(a) Pursuant to section 14596 of the Act, persons importing empty beverage container material containing more than 25 pounds of aluminum, bimetal or plastic empty beverage container material, or more than 250 pounds of glass empty beverage container material using a motor vehicle shall, upon entering this State:

(1) Pass through the nearest open and staffed plant quarantine inspection station maintained pursuant to section 5341 of the Food and Agricultural Code; and

(2) Declare that empty beverage container material is being imported into this State and submit the material for inspection; and

(3) Provide to a California Department of Food and Agriculture inspector, department staff person, law enforcement officer, or other appropriate official an Imported Material Report that has the appropriate sections completed, has the proper supporting documents attached, correctly identifies the delivery location, and accurately describes the material; and

(4) Obtain from the California Department of Food and Agriculture inspector, department staff person, law enforcement officer, or other appropriate official a copy of the Imported Material Report with the appropriate sections completed by the official to record information about the inspection of the material; and

(A) A copy of an Imported Material Report with the appropriate sections completed and all required supporting documents attached shall be in the possession of the driver of the vehicle at all times while the imported empty beverage container material is being transported in this State; and

(5) Obtain from the California Department of Food and Agriculture inspector, department staff person, law enforcement officer, or other appropriate official a proof of inspection of the empty beverage container material; and

(A) The proof of inspection shall be in the possession of the driver of the vehicle at all times while the imported empty beverage container material is being transported in this State; and

(6) Proceed immediately and directly to a secondary inspection location when directed to do so by a California Department of Food and Agriculture inspector, department staff person, law enforcement officer, or other appropriate official, and present the empty beverage container material for inspection immediately upon arrival.

(b) After meeting the requirements of subdivision (a) above, persons importing empty beverage container material using a motor vehicle shall proceed with copies of the Imported Material Report, proof of inspection, and any other required documents to promptly deliver the empty beverage container material to the destination indicated on the report.

Authority: Sections 14530.5(b), 14536, 14536.5, 14596 and 14599, Public Resources Code. Reference: Sections 14504 and 14596, Public Resources Code.

## § 2831.2. EMPTY BEVERAGE CONTAINER MATERIAL IMPORTED INTO THIS STATE IS INELIGIBLE FOR RECYCLING PROGRAM PAYMENTS.

Empty beverage container material imported into this State is ineligible for refund value and other recycling program payments, whether or not the material is labeled with the message required in Section 14561 of the Act.

Authority: Sections 14530.5(b), 14536, 14596 and 14599, Public Resources Code. Reference: Sections 14538(d)(5), 14538(d)(6), 14539(d)(5), 14539(d)(6), 14539.5(b), 14561, 14572(d)(2), 14595 and 14595.5, Public Resources Code.

## § 2831.3. PROHIBITION AGAINST CURBSIDE PROGRAMS, RECYCLING CENTERS, DROPOFF OR COLLECTION PROGRAMS, AND COMMUNITY SERVICE PROGRAMS TAKING DELIVERY OF IMPORTED EMPTY BEVERAGE CONTAINER MATERIAL.

No person registered by the Division as a curbside program or certified by the Division as a recycling center, dropoff or collection program, or community service program shall take delivery of any empty beverage container material the person knows, or should know, was imported into this State.

Authority: Sections 14530.5(b), 14536, 14596 and 14599, Public Resources Code. Reference: Sections 14538(d)(5), 14538(d)(6), 14539(d)(5), 14539(d)(6), 14539.5(b), 14572(d)(2), 14595 and 14595.5, Public Resources Code.

## § 2831.4. PROHIBITION AGAINST DELIVERING AND TAKING DELIVERY OF IMPORTED EMPTY BEVERAGE CONTAINER MATERIAL WITHOUT PROPER DOCUMENTATION.

(a) No person shall deliver or cause to be delivered in California any empty beverage container material the person knows, or should know, was imported into this State, unless the material is accompanied by a proof of inspection and an Imported Material Report that has the appropriate sections completed, has the proper supporting documents attached, correctly identifies the delivery location, and accurately describes the material.

(b) No person shall take delivery in California of any empty beverage container material the person knows, or should know, was imported into this State, unless the material is accompanied by a proof of inspection and an Imported Material Report that has the appropriate sections completed, has the proper supporting documents attached, correctly identifies the delivery location, and accurately describes the material.

Authority: Sections 14530.5(b), 14536, 14596 and 14599, Public Resources Code. Reference: Sections 14538(d)(5), 14538(d)(6), 14539(d)(5), 14539(d)(6), 14539.5(b), 14572(d)(2), 14595, 14595.4, 14595.5, 14596, 14597 and14599, Public Resources Code.

§ 2831.5. PROHIBITION AGAINST ENTERING STATE WITHOUT PASSING THROUGH INSPECTION STATION, PROVIDING AND MAINTAINING PROPER DOCUMENTATION, AND PASSING INSPECTION.

No person shall enter this State with empty beverage container material containing more than 25 pounds of aluminum, bimetal, or plastic, 10 pounds of bag in box, or 5 pounds of multi-layer pouch or paperboard carton empty beverage container material, or more than 250 pounds of glass empty beverage container material using a motor vehicle without passing through an open and staffed plant quarantine inspection station maintained pursuant to section 5341 of the Food and Agricultural Code, declaring the material, submitting the material for inspection, providing an Imported Material Report with the appropriate sections completed and the proper supporting documents attached, and passing all required inspections.

Authority: Sections 14530.5(b), 14536, 14596 and 14599, Public Resources Code. Reference: Sections 14504 and 14596, Public Resources Code.

## Article 3. Notification Requirements

§ 2832. NOTIFY DIVISION OF CHANGES TO IMPORTED MATERIAL REPORT.

From the time the information is entered on the report and continuing for 15 calendar days after the material is delivered, persons importing empty beverage container material shall notify the Division in writing of any changes to the information provided on an Imported Material Report within 24 hours after discovering that any mistaken, incomplete, inaccurate, or untruthful information was recorded on the report.

Authority: Sections 14530.5(b), 14536, 14596 and 14599, Public Resources Code. Reference: Sections 14553 and 14596, Public Resources Code.

## Article 4. Reporting and Recordkeeping Requirements

§ 2833. APPLICABILITY.

In addition to the general requirements of subchapter 2, persons importing empty beverage container material and persons receiving imported empty beverage container material shall comply with the reporting and recordkeeping provisions of this Article.

Authority: Sections 14530.5(b), 14536, 14596 and 14599, Public Resources Code. Reference: Sections 14536.5, 14553, 14595, 14595.4, 14595.5, 14596 and 14597, Public Resources Code.

§ 2834. RECORDKEEPING.

Persons importing more than 25 pounds of aluminum, bimetal, or plastic, 10 pounds of bag in box, or 5 pounds of multi-layer pouch or paperboard carton empty beverage container material, or more than 250 pounds of glass empty beverage container material, shall maintain the following records in accordance with this article and the general requirements set forth in sections 2085 and 2090. Records shall be maintained for at least five years following their preparation, in accordance with section 2085(b).

(a) Imported Material Reports. Persons importing empty beverage container material shall retain copies of all Imported Material Reports prepared, submitted, or received pursuant to this chapter. The Imported Material Reports shall be maintained with all other corresponding documents attached, including proofs of inspection and weight tickets.

(b) Proofs of Inspection. Persons importing empty beverage container material shall maintain copies of all proofs of inspection received pursuant to section 2831.1. The proofs of inspection shall be maintained attached to the corresponding Imported Material Report.

(c) Weight Tickets  Persons importing empty beverage container material shall prepare and maintain weight tickets indicating the material types(s) and weight(s) of each individual load of imported empty beverage container material. The weight tickets shall be maintained attached to the corresponding Imported Material Report.

(d) Location of Records. Records of persons importing empty beverage container material shall be kept at the address of the person preparing the report that is provided in the signature section of the Imported Material Report required by section 2835(a)(6). Records may be moved to and kept at a different location if notice is given to the department pursuant to section 2085(a)(3).

Authority: Sections 14530.5, 14536, 14596 and 14599, Public Resources Code. Reference: Sections 14504, 14553, 14595, 14595.4, 14595.5, 14596 and 14597, Public Resources Code.

§ 2835. REPORTING.

Persons importing empty beverage container material and persons receiving imported empty beverage container material in excess of the minimum weights specified in section 14596(a) of the Act, and in excess of 10 pounds of bag in box, or 5 pounds of multi-layer pouch or paperboard carton, empty beverage container material, shall prepare the applicable sections of the Imported Material Report described in this section for each load of empty beverage container material imported into California. A separate Imported Material Report shall be prepared for each material type entering this State. Each Imported Material Report and all related documents shall be prepared in accordance with the requirements outlined in this article and sections 2085 and 2090. Notwithstanding section

2090(d)(1), persons importing empty beverage container material and persons receiving imported empty beverage container material that have no certification number or Seller's Permit Number may submit Imported Material Reports without obtaining an identification number from the department.

(a) Persons importing empty beverage container material shall prepare and provide to a California Department of Food and Agriculture inspector, department staff person, law enforcement officer, or other appropriate official upon entry to this State a hardcopy printout of an Imported Material Report with the appropriate sections completed, whether or not the report was created or submitted electronically, that includes all of the following:

(1) A description of the empty beverage container material, including:

(A) The type of material, such as aluminum, glass, plastic, bimetal, bag in box, multi-layer pouch, or paperboard carton; and

(B) The condition of the material, such as, loose, baled, densified, shredded, flaked, or other conditions; and

(C) The weight of the material; and

(D) How the weight was calculated; and

1. Loads of imported empty beverage container material weighing more than 100 pounds must be accompanied by a weight ticket prepared by a weighmaster licensed, certified, registered, or otherwise officially credentialed by the applicable jurisdiction; and

(E) The percentage of the load that is empty beverage container material.

(2) Information about the point of origin of the material, including:

(A) The name, address, phone number, and other contact information of the consignor or other person shipping the material; and

(B) The address where the material was loaded for transportation into California.

(3) Information about the vehicles and other equipment used to transport the material, including:

(A) The motor vehicle license number and state or country of issuance; and

(B) The license number and state or country of issuance for any trailer being used; and

(C) The unit numbers of any shipping containers being used; and

(D) The type of vehicle used to transport the imported empty beverage container material; and

(E) The year, make, and model of the vehicle used to transport the imported empty beverage container material; and

(F) For vehicles or combinations of vehicles being operated under a rental agreement with a term of not more than 30 calendar days, the name, addresses, phone numbers, and other contact information of the rental company or other lessor, the vehicle tracking ID number, the rental contract number, and the name of the driver indicated on the rental contract.

(4) Information about the vehicle operator, including:

(A) The name and driver's license number with the state or country of issuance of the person driving the vehicle; and

(B) The signature of the person driving the vehicle with date the driver signed; and

(C) Whether the vehicle operator is a "for-hire motor carrier" or "private motor carrier" as defined in Section 390.5 of Title 49 of the Code of Federal Regulations (49 Code Fed. Regs. § 390.5); and

(D) For-hire motor carriers and private motor carriers, as defined above, shall provide the following information:

1. The name, addresses, phone numbers, and other contact information of the motor carrier; and

2. The USDOT number assigned to the motor carrier by the United States Department of Transportation; and

3. The California Motor Carrier Permit number assigned by the California Department of Motor Vehicles pursuant to Section 34507.5 and Division 14.85 of the Vehicle Code (commencing with Section 34600).

(5) Information about the destination to which the material will be delivered, including:

(A) The type of facility and business activity conducted at the location, such as, a manufacturing facility, certified processor, port or rail terminal, storage yard, warehouse, truck terminal, junk dealer, scrap metal dealer, personal residence, undeveloped parcel, or other facility or business type; and

(B) The complete street address where the material will be delivered; and

(C) The name, address, phone number, and other contact information of the consignee or other person receiving the imported empty beverage container material.

(6) In accordance with the general requirements outlined in Section 2090 of these regulations, the signature of the person preparing the sections of the Imported Materials Report required upon entry to this State and other information, including:

(A) The name, address, phone number, and other contact information of the person preparing the report. If the person is preparing the report on behalf of another, the name, address, phone number, and other contact information of that person shall also be provided; and

(B) The printed name, title, and signature of the person preparing the report; and

1. The signature block shall state that the information in the report is true and correct to the best knowledge of the person signing the report, the person signing is authorized to do so, and the person signing the report acknowledges that empty beverage container material imported into California is ineligible for refund value and other recycling program payments; and

(C) The date the report was signed.

(b) Persons importing empty beverage container material shall provide to the person taking delivery of the material copies of the proof of inspection and the Imported Material Report with the appropriate sections completed and the proper supporting documents attached for each load of imported empty beverage container material delivered in this State. The copies shall be provided at the time the material is delivered. The requirement to provide these records is in addition to the documentation requirements of any other laws applicable to the storage, transportation, delivery, sale, or transfer of the material.

(c) Persons receiving imported empty beverage container material shall, in the course of taking delivery of the material, complete all appropriate sections of the Imported Material Report that includes all of the following:

(1) The name, address, phone number, and other contact information of the person receiving the imported empty beverage container material; and

(2) Confirmation that the material is being delivered to the destination indicated on the Imported Material Report; and

(3) Confirmation that the material presented for delivery matches the description of the material on the Imported Material Report; and

(4) The printed name, title, and signature of the person accepting delivery of the material; and

(A) The signature block shall state that the information in the report is true and correct to the best knowledge of the person signing the report, the person signing is authorized to do so, and the person signing the report acknowledges that empty beverage container material imported into California is ineligible for refund value and other recycling program payments; and

(5) The date the report was signed by the person taking delivery.

Authority: Sections 14530.5, 14536, 14596 and 14599, Public Resources Code.
Reference: Sections 14504, 14536.5, 14552, 14553, 14595, 14595.4, 14595.5, 14596 and 14597, Public Resources Code.

# SUBCHAPTER 11.5. QUALITY INCENTIVE PAYMENTS

## Article 1. General Requirements

§ 2850. QUALITY INCENTIVE PAYMENTS.

(a) The Division may pay a quality incentive payment to any registered curbside program or entity certified pursuant to the Act and subject to the availability of funds, for empty glass, plastic and aluminum beverage containers collected by either a registered curbside program or a dropoff or collection program, consistent with the quality specifications adopted by the Division below.

(1) A Quality Incentive Payment shall be made for empty glass beverage containers, that meet the requirements in Section 14549.1(c)(1)(A) and (B) of the Act.

(2) A quality incentive payment shall be made for empty plastic beverage containers sorted by resin type (PETE #1, HDPE #2, V #3, LDPE #4, PP #5, PS #6, and OTHER #7) that meet the requirements of Section 14549.1(c)(2)(A) of the Act. The resin sorted and cleaned empty plastic beverage containers must meet the “Commercial Guideline Baled Recycled Plastic Standard,” as specified in the most current “Scrap Specifications Circular” published by the Institute of Scrap Recycling Industries (ISRI).

(3) A quality incentive payment shall be made for empty aluminum beverage containers that meet the requirements of Section 14549.1(c)(3)(A) and (B) of the Act. The sorted and cleaned empty aluminum beverage containers must follow the guidelines for post-consumer aluminum can scrap as specified in the most current “Scrap Specifications Circular” published by the Institute of Scrap Recycling Industries (ISRI).

(b) For empty beverage containers that meet the quality specifications, pursuant to subsection 2850(a)(1), (2), and (3), prior to completion of the Shipping Report (DR-6 (06/07)), the registered curbside program or certified entity shall be identified on the Shipping Report (DR-6 (06/07)), as specified in Sections 2425(e) or 2530(f), and the Shipping Report (DR-6 (06/07) shall constitute the claim for the quality incentive payment.

(c) For empty beverage containers that meet the quality specifications, pursuant to subsection 2850(a)(1), (2), and (3), subsequent to the completion of the Shipping Report (DR-6 (06/07)), the processor that claims a quality incentive payment for empty beverage containers shall submit a Quality Incentive Payment Claim Form (DOR 56 (06/07)) to the Division for each calendar month in which the quality incentive payment is being claimed. To be eligible to submit a Quality Incentive Payment Claim Form (DOR 56 (06/07)), the processor that sorts and/or cleans the empty beverage container material shall submit a request and receive approval from the Division for authorization to submit claims.

(1) The request for authorization must include the methodology developed by the processor to attribute the empty beverage containers to the types of programs from which they were received to ensure that empty beverage containers collected by

sources other than curbside programs, or dropoff or collection programs are excluded from the amount claimed for quality incentive payments.

(2) The Division shall notify the applicant in writing within fifteen (15) working days of receipt of the application, or receipt of additional information if the application was initially incomplete, that it is either:

(A) Complete and accepted for further review; or

(B) Incomplete and the reasons for the deficiency.

(3) The Division shall review and consider each request for authorization to submit claims for quality incentive payments for post shipping report empty beverage containers and issue a written approval or denial. Upon determining that an application is complete, the Division shall notify the applicant in writing within forty-five (45) calendar days that such application is either:

(A) Approved; or

(B) Denied and the reasons for denial.

Upon approval, the authorization to submit claims for quality incentive payments for post shipping report empty beverage containers shall be valid for a period of three (3) years from the date of approval, or until such time as the authorization is surrendered by the processor, or suspended or revoked by the Division.

(4) Reasons for denying a request for authorization, or for suspending or revoking an approved authorization may include, but shall not be limited to any of the following:

(A) The processor does not ensure that empty beverage containers received from entities other than curbside programs or dropoff or collection programs are excluded from the claim;

(B) The processor does not account for each incoming load of empty beverage containers;

(C) The claim for quality incentive payment is not based on the sorted and/or cleaned weight for the material type; and

(D) The processor fails to maintain inventory records that show sorted, shipped and received materials; and,

(E) The processor has been found to be in violation of any provision of the Act, or any regulations adopted pursuant to the Act.

(5) A processor may request reconsideration of a denial, suspension, or revocation of an authorization by submitting a written request for reconsideration to the Division within thirty (30) calendar days of being notified of a denial, revocation, or suspension of an authorization to submit claims for quality incentive payments. All written requests shall include:

(A) A copy of the notice denying the authorization to submit claims for quality incentive payments;

(B) A detailed explanation of the grounds for reconsideration; and

(C) Any other documentation that supports the request.

(6) A written decision on the request for reconsideration shall be sent to the processor within twenty (20) calendar days of the receipt of the request.

(d) To be eligible for payment, the Quality Incentive Payment Claim Form (DOR 56 (06/07)) must meet the following requirements:

(1) Postmarked no later than the first day of the second month following the reporting month. Claims postmarked after this date or incomplete claims may be denied payment. A separate claim shall be completed by each processor; and

(2) Each Quality Incentive Payment Claim Form (DOR 56 (06/07)), must include all of the following information:

(A) The month for which the claim is submitted;

(B) The material type;

(C) The facility name, mailing address, and certification number of the processor submitting a claim for quality incentive payments.

(D) The name and phone number of a contact person;

(E) The redemption weight to tenths of tons of empty beverage container materials claimed;

(F) The signature and title of an authorized representative; and

(G) The date the report was signed by the authorized representative under penalty of perjury.

(e) The quality incentive payment may be denied or reduced if the Division has prevailed against the registered curbside program or certified entity in a civil or administrative action and money is owed to the Division as a result of the action.

(f) For the purpose of Section 14549.1 of the Act and these regulations, the following definitions apply:

(1) “Color sorted glass” means glass that has been sorted into flint, amber, and green fractions, and would be acceptable to a beneficiating processor.

(2) “Substantially free of contamination” means glass that has been substantially cleaned of non-glass contaminants.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14549.1 and 14552, Public Resources Code.

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# SUBCHAPTER 11.8. PLASTIC MARKET DEVELOPMENT PAYMENTS

## Article 1. General Requirements

§ 2880. PLASTIC MARKET DEVELOPMENT PAYMENTS.

(a) The Department shall make Plastic Market Development Payments to both the certified entity actually washing and producing the flake, pellet or other form, and the plastic product manufacturer who uses this material to manufacture a plastic product in this state.

(b) Certified entities and product manufacturers shall each submit a Plastic Market Development Payment Claim Form (PMD 2 (03/07)) to the Department for each calendar quarter in which the payment is being claimed.

(1) Each Plastic Market Development Payment Claim Form (PMD 2 (03/07)) received from the certified entity must include all of the following information and attachments:

(A) The quarter and the year for which the claim is submitted.

(B) The facility name, mailing address, phone number, contact person and certification number of the certified entity submitting a claim.

(C) The type of plastic material and the form of the plastic material being sold by the certified entity.

(D) The weight of the material to tenths of tons of empty plastic beverage container material shipped by the certified entity.

(E) The following documents must be attached:

(i) Copies of the invoices or other supporting documents from the certified entity to the plastic product manufacturer(s) containing a description of the plastic material sold or transferred and the weight of the material sold or transferred.

(ii) The name, California mailing address, contact person, telephone number, and identification number of each plastic product manufacturer purchasing the empty plastic beverage container material for use in California manufacturing.

(F) The signature and title of an authorized representative of the certified entity.

(G) The date the form was signed by the authorized representative under penalty of perjury.

(2) Each Plastic Market Development Payment Claim Form (PMD 2 (03/07)) received from the plastic product manufacturer must include all of the following information and attachments:

(A) The quarter and year for which the claim is submitted.

(B) The facility name, mailing address, contact person, telephone number, and identification number of the product manufacturer submitting the claim.

(C) The type of plastic material and the form of the plastic material purchased from the certified entity.

(D) The weight to tenths of tons of empty plastic beverage container material received by the product manufacturer from certified entities.

(E) The plastic product manufacturer must attach copies of the bill of sale(s) or invoice(s) indicating the weight of the plastic beverage container material purchased from a certified entity, or other supporting documents. The bill of sale or other supporting documents must include the name of the seller and the certification number.

(F) The signature and title of an authorized representative of the product manufacturer; and

(G) The date the form was signed by the authorized representative under penalty of perjury.

(c) Prior to submitting a Plastic Market Development Payment Claim Form (PMD 2 (03/07)), the product manufacturer must obtain an identification number from the Department by completing a Plastic Market Development Payment Identification Number Application (PMD 1 (03/07)). The identification number application must include the facility name, mailing address, facility address (if different), telephone number, contact person, type of organization, type of plastic materials used in manufacturing, the plastic products produced in California, signature and title of an authorized representative and the date.

(d) To be eligible for payment, the Plastic Market Development Claim Form (PMD 2 (03/07)), must be postmarked no later than the tenth day of the second month following the reporting quarter. Claims postmarked after this date or incomplete claims may be denied payment.

(e) For the purpose of Section 14549.2 of the Act and these regulations, “plastic product” is defined as a good or package in a form which requires no further processing or forming before it is offered for sale.

Authority: Sections 14530.5 (b) and 14536 (b), Public Resources Code. Reference: Section 14549.2, Public Resources Code.

# SUBCHAPTER 12. DOR REQUIREMENTS

## Article 1. DOR Determinations and Calculations

§ 2900. DETERMINATIONS.

The Division shall make, and give notice of, the following determinations. For purposes of this section, notice shall be deemed complete upon the date of the postmark or date of deposit in the U.S. mail, whichever is earlier. Notices shall be mailed to the last known address of the intended recipient.

(a) Statistics.

(1) Determination. The Division shall determine the following statistics:

(A) Containers per pound. The average number of empty beverage containers per pound, by material type. This number is used to calculate the quantity of beverage containers for certain records, reports, and payments required pursuant to this chapter.

(B) Commingled rate. The average percentage of empty beverage containers in a commingled load of containers, by material type. The Division may determine more than one commingled rate. The Division shall also determine the geographic area within which each commingled rate shall apply. This rate shall be used to calculate the quantity of empty beverage containers for certain records, reports, and payments required pursuant to this chapter.

(2) Notice. Except for the initial determination of the above statistics after which the Division shall provide notice of not less than 10 days prior to their effective date or dates, the Division shall provide notice of the initial determination and any changes to the above statistics no less than 30 days prior to their effective date or dates, as follows:

(A) Recipients. Notice of any such determination shall be provided to persons certified pursuant to this subchapter 2 of these regulations, and to any persons requesting such notice in writing.

(B) Contents. The notice shall state the relevant statistics themselves and their effective date.

(b)(1) Notice of redemption payment or refund value. The department shall provide notice of any change pursuant to section 14560 of the Act to the redemption payment or refund value per container, by material type, as follows.

(A) Timing: Notice shall be given no less than 30 days prior to the effective date of the change.

(B) Recipients: Notice shall be mailed to the last known addresses of the following parties:

(i) Persons certified pursuant to subchapter 2.

(ii) Distributors having submitted a report to the department within the previous 6 months.

(iii) Persons requesting such notice in writing.

(C) Contents: The notice shall state the changed redemption payment and/or refund value by material type, and its effective date.

(2) All of the following are subject to a redemption payment and refund value in the amount of twenty-five cents ($0.25):

(A) Bag in box.

(B) Multi-layer pouch.

(C) Plastic #1-7 pouch containing wine, distilled spirits, or wine and distilled spirit cooler.

(D) Paperboard carton.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14551, 14553, 14560 and 14581, Public Resources Code.

§ 2920. CONTAINERS PER POUND RATE.

The method used to calculate the average number of empty beverage containers per pound by material type, shall include sampling procedures which consider, at a minimum, the following factors:

(a) Weight by separately aggregated size categories of containers (same size) in their original manufactured and unfilled state.

(b) Weight by variously mixed aggregated size of containers (different sizes) in their original manufactured and unfilled state.

(c) Weight by separately aggregated size categories of containers (same size) in their post-filled state.

(d) Weight by variously mixed aggregated size of containers (different sizes) in their post-filled state.

(e) Weight by individually mixed aggregated size of container loads in their post-filled state as presented by consumers at recycling centers (selected statewide on a random basis).

(f) Volume of sales at wholesale and retail levels in various regions of the state.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14552 and 14572, Public Resources Code.

§ 2930. COMMINGLED RATE.

The method used to calculate the commingled rate per pound, by material type, shall include sampling procedures which consider, at a minimum, the following factors:

(a) Weight and analysis of randomly mixed pre-filled empty beverage containers and other pre-filled containers of the same size in the original manufactured and unfilled state.

(b) Weight and analysis of individual loads of empty beverage containers and other containers in their post-filled state as presented by consumers at recycling centers (selected statewide on a random basis), excluding reverse vending machines.

(c) Weight and analysis of loads of empty beverage containers and other containers in their post-filled state redeemed or returned by consumers to reverse vending machines (selected statewide on a random basis).

(d) Weight and analysis of loads presented to processors by curbside programs, community service programs and dropoff or collection programs.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14506.7, 14549.5, 14552 and 14572, Public Resources Code.

## Article 2. Processing Fees and Processing Payments

§ 2945. CONFIDENTIALITY OF INFORMATION.

(a) The Division shall disclose only aggregated survey information for three or more firms to the public.

(b) Individual recycling center, processor, or scrap purchaser survey data exempt from public disclosure includes: trade secrets; financial statements; investment data; proprietary information relating to specific sales, purchases, revenues or expenses; or other information as permitted by section 6255 of the Public Records Act (Government Code Section 6255).

(c) Upon receipt of a written request for records pertaining to information obtained by the Division pursuant to this Chapter, the Division shall determine whether the requested information may be exempt from disclosure. The Division shall notify the requesting party of its determination within 10 days of the receipt of the written request as required by the Public Records Act (Government Code Section 6256). If the Division determines that the information is not exempt from disclosure, it shall promptly provide it to the requesting party in accordance with the procedures of the Public Records Act.

Authority: Section 14530.5(b) and (c), Public Resources Code. Reference: Sections 14518.5, 14551(b) and 14575(a), (b) and (d), Public Resources Code; and Sections 6250-6267, Government Code.

§ 2950. ELIGIBILITY.

(a) Programs and operations eligible to receive processing payments include:

(1) recycling centers certified pursuant to these regulations,

(2) curbside programs which hold a valid identification number issued by the Division,

(3) dropoff or collection programs certified pursuant to these regulations,

(4) community service programs certified pursuant to these regulations.

Authority: Section 14530.5(b), Public Resources Code. Reference: Sections 14518.5, 14573, 14573.5, and 14575(a), (b) and (d), Public Resources Code.

§ 2955. SCRAP VALUE CALCULATION.

(a) The Division shall survey processors to determine statewide weighted average scrap values paid for each beverage container material type (in the case of plastic, for each resin code type) on a monthly basis.

(b) The Division shall calculate the statewide weighted average scrap value using a statistically significant survey of the processors pursuant to paragraph (a).

(c) The statewide weighted average scrap value shall be equal to the quotient of the total net payment by the sampled processors to nonaffiliated recyclers divided by the total volume of beverage container material types purchased by the sampled processors from nonaffiliated recyclers, excluding beverage container material types processors receive in a form mixed with other beverage container material types and/or material types not covered by the Act.

(d) The scrap values reported in (c) above will then be used to determine a per container statewide weighted average scrap value for each container type.

(e) The Division may periodically sample and review processors' individual scrap purchases to verify the accuracy of the aggregated weights and aggregated net payments reported on the monthly Scrap Value Purchases Survey Form DOR-SV (10/00). The review may include examination of the records maintained by a sample of the selling entities.

(f) If, through this review, the Division determines that either or both of the sampled weights and sampled net payments reported by a processor differ by more than ten percent (.10) from those recorded by the sellers, the Division shall adjust the reported aggregate weights or aggregate net payments or both to reflect the discovered difference.

Authority: Section 14530.5(b), 14536 and 14536.1, Public Resources Code. Reference: Sections 14504, 14515.5, 14518.5, 14519.5, 14526, 14538(b)(8), 14539(a)(9), 14575 and 18015, Public Resources Code.

§ 2960. ALLOWABLE COSTS FOR RECYCLING CENTERS.

(a) On and after January 1, 2004, and every second year thereafter, the Division shall survey a statistical sample of recycling centers to determine statewide average allowable costs per container type.

(b) Allowable costs for calculation of the processing fee and processing payment shall include the actual costs of receiving, handling, processing, and storing and transporting postfilled beverage containers. Allowable costs also include maintaining equipment necessary for the above activities. More specifically these costs shall include, but not be limited to:

(1) labor,

(2) property taxes,

(3) depreciation,

(4) utilities,

(5) supplies,

(6) fuel,

(7) insurance,

(8) interest,

(9) general business overhead exclusive of administrative costs,

(10) facilities and equipment rent or lease,

(11) maintenance,

(12) transportation,

(13) disposal costs.

(c) The scrap price paid to the consumer by the recycling center shall not be included in allowable costs.

Authority: Section 14530.5(b), Public Resources Code. Reference: Sections 14518.5, 14526, 14573.5 and 14575(a),(b),(c) and (k), Public Resources Code.

§ 2965. ALLOWABLE COSTS FOR PROCESSORS.

(a) Allowable costs for calculation of the processing fee shall include the actual costs of receiving, handling, processing, storing, and maintaining equipment, necessary for accepting, canceling, and readying postfilled beverage containers prior to shipment to scrap purchasers. More specifically, these costs shall include, but not be limited to:

(1) labor,

(2) property taxes,

(3) depreciation,

(4) utilities,

(5) supplies,

(6) fuel,

(7) insurance,

(8) interest,

(9) general business overhead exclusive of administrative costs,

(10) facilities and equipment rent or lease,

(11) maintenance,

(12) disposal costs pursuant to (c) below,

(13) transportation.

(b) The scrap price paid to recycling centers by processors shall not be included in allowable costs.

(c) The Division shall calculate a statewide average disposal cost per container for each beverage container type if the scrap value of a container type is negative as determined in section 2955(c) of these regulations.

(1) When 200% of the disposal cost is less than the absolute value of scrap value pursuant to section 2955 of these regulations, the Division shall use disposal cost, not scrap value, in the calculation of processing fees and processing payments.

(2) When 200% of the disposal cost is greater than or equal to the absolute value of scrap value pursuant to section 2955 of these regulations, the Division shall use only scrap value in the calculation of processing fees and processing payments.

(3) If the scrap price is zero, the Division shall use disposal cost, not scrap value in the calculation of processing fees and processing payments.

Authority: Section 14530.5(b), Public Resources Code. Reference: Sections 14501(d) and (h), 14518.5, 14526, 14573.5 and 14575(a), (b), (c) and (k), Public Resources Code.

§ 2970. ALLOCATION OF ALLOWABLE COSTS.

(a) The Division shall determine allowable costs per container pursuant to sections 2960 and 2965 of this subchapter that can be directly allocated to each beverage container type. (For example: depreciation and labor expenses for operating an aluminum can crusher shall be directly allocated to the allowable costs of aluminum beverage containers.)

(b) Allowable costs pursuant to sections 2960 and 2965 of this subchapter that cannot be directly allocated shall be allocated using the direct labor cost percentages for each container type as determined in the allowable cost surveys pursuant to sections 2960 and 2965 of this subchapter.

Authority: Section 14530.5(b), Public Resources Code. Reference: Sections 14518.5 and 14575(a) and (b), Public Resources Code.

§ 2975. REASONABLE FINANCIAL RETURN CALCULATION.

The statewide average reasonable financial return for recycling centers shall be equal to the statewide average allowable costs calculated in section 2960 of this subchapter, multiplied by the average return on costs for the scrap and waste materials industry as determined from data contained in the most recent Dun and Bradstreet Standard Three Year Norm Report (Published by Dun and Bradstreet Credit Services).

Authority: Section 14530.5(b), Public Resources Code. Reference: Sections 14501(f) and (g), 14518.5 and 14575(a) and (b), Public Resources Code.

§ 2980. PROCESSING PAYMENTS.

On and after January 1, 2000, the processor shall pay the operators of curbside programs, dropoff or collection programs, community service programs, and certified recycling centers, the entirety of the processing payment multiplied by the number of containers accepted from the operator by the processor.

Authority: Section 14530.5(b), Public Resources Code. Reference: Sections 14518.5, 14573.5 and 14575(a), (b) and (h)(3), Public Resources Code.

§ 2985. NOTIFICATION OF CHANGES.

(a) When the Division adopts a revised, terminated or newly established processing fee and processing payment pursuant to Public Resources Code Section 14575, the Division shall mail written notification within fifteen (15) days of adoption, and at least fifteen (15) days prior to the effective date of the proposed action(s), to all interested persons.

(b) The Division shall mail written notification to certified processors, who participated in the scrap value survey, of the average monthly scrap value for each container material type pursuant to Section 2955 of the regulations. This notification will be sent within sixty (60) days of the end of the reporting month.

Authority: Section 14530.5(b) and (c), Public Resources Code. Reference: Sections 14518.5 and 14575(a), (b) and (f)(1), Public Resources Code.

## Article 3. Handling Fee Payments

§ 2990. ALLOWABLE COSTS FOR HANDLING FEE RECYCLING CENTERS.

(a) On or before January 1, 2008, and every second year thereafter, the Division shall survey a statistical sample of recycling centers receiving handling fees to determine the average allowable costs per empty beverage container redeemed.

(b) Allowable costs for calculation of the handling fee shall include the actual costs of receiving, handling, processing, and storing and transporting postfilled beverage containers. Allowable costs also include maintaining equipment necessary for the above activities. More specifically these costs shall include, but not be limited to:

(1) labor,

(2) property taxes,

(3) depreciation,

(4) utilities,

(5) supplies,

(6) fuel,

(7) insurance,

(8) interest,

(9) general business overhead exclusive of administrative costs,

(10) facilities and equipment rent or lease,

(11) maintenance,

(12) transportation,

(13) disposal costs.

(c) The scrap price paid to the consumer by the recycling center shall not be included in allowable costs.

Authority: Section 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14513.4, 14526.6, 14581 and 14585, Public Resources Code.

§ 2995. ALLOCATION OF ALLOWABLE COSTS FOR HANDLING FEE SITES.

(a) The Division shall determine allowable costs per container pursuant to section 2990 of this subchapter that can be directly allocated to each beverage container type. (For example: depreciation and labor expenses for operating an aluminum can crusher shall be directly allocated to the allowable costs of aluminum beverage containers.)

(b) Allowable costs pursuant to section 2990 of this subchapter that cannot be directly allocated shall be allocated using the direct labor cost percentages for each container type as determined in the allowable handling fee cost surveys pursuant to section 2990 of this subchapter.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14513.4, 14526.6, 14581 and 14585, Public Resources Code.

§ 2997. NOTIFICATION OF HANDLING FEE CHANGES.

When the Division adopts a revised, terminated or newly established handling fee pursuant to Public Resources Code Section 14585, the Division shall provide written notification within fifteen (15) days of adoption, and at least fifteen (15) days prior to the effective date of the proposed action(s), to all interested persons.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14513.4, 14526.6, 14581 and 14585, Public Resources Code.

# APPENDIX A

Appendix A Designation: E 708-79 Standard Specification for Waste Glass As a Raw Material for the Manufacture of Glass Containers[1]

This standard is issued under the fixed designation E 708: the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval.

1. Scope
   1.1 This specification covers particulate glass (cullet material, recovered from waste destined for disposal, smaller than 6 mm intended for reuse as a raw material in the manufacture of glass containers.

2. Applicable Documents
   2.1 *ASTM Standards*.
   C 162 Definitions of Terms Relating to Glass and Glass Products[2]
   C 169 Chemical Analysis of Soda-Lime and Borosilicate Glass[2]
   C 429 Sieve Analysis of Raw Materials for Glass Manufacture[2]
   E 688 Testing Waste Glass as a Raw Material for Manufacture of Glass Containers[3]

3. Definitions
   3.1 *first glass cullet* -- a particulate glass material that contains no more than 0.1 weight % $Fe_2O_3$ or 0.0015 weight % $Cr_2O_3$, as determined by chemical analysis.

   3.2 For definitions of other terms used in this specification, refer to Definitions C 162.

4. Representative Sample
   4.1 The following requirements qualify the glass lot to be used for direct use in soda-lime glass container manufacturing. Sample should be prepared and examined in accordance with Methods E 688.

NOTE 1--A preponderant proportion of glass cullet will be soda-lime bottle glass, the glass cullet having a composition as follows, as determined by Method C 169.

| ***Oxide*** | ***Composition, Weight %*** |
|---|---|
| $SiO_2$ | 66 to 75 |
| $A1_2O_3$ | 1 to 7 |
| CaO + MgO | 9 to 13 |
| $Na_2O$ | 12 to 16 |

NOTE 2--All percents referred to in this specification are weight percents.

5. General Requirements.

5.1 The sample shall show no drainage of liquid and be noncaking and free flowing. A moisture content of less than 0.5 weight % is required to meet the free-flowing characteristics of a cullet that is predominantly of smaller particle size, 1.18-mm (No. 16) sieve or smaller.

5.2 *Screen Size* -- No material shall be retained on a 6-mm ( ¼ -in.) screen. Material not exceeding 15 weight % shall pass through a 106-µm (No. 140) screen.

5.3 *Organic Materials*-- The total content of organic materials, as measured in accordance with Section 6 shall not exceed 0.2 weight % of dry sample, except for color-mixed glass where the content of organic material may exceed 0.2 weight %. However, a content of organic material greater than 0.2 weight % must be held within a tolerance of ±0.05 weight %, with a maximum organic limit of 0.4 weight %.

5.4 *Magnetic Materials*--The total magnetic materials shall not exceed 0.05 weight % of dry sample weight for flint glass and 0.14 weight % for colored glass of dry sample weight in accordance with Section 6.

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[1] This specification is under the jurisdiction of ASTM Committee E-38 on Resource Recovery and is the direct responsibility of Subcommittee E38.05 on Glass.
Current edition approved Nov. 30, 1979. Published February 1980.
[2] *Annual Book of ASTM Standards*, Part 17.
[3] *Annual Book of ASTM Standard*s, Part 41.

5.5 *Permissible Color Mix for Color Sorted Glass Cullet by Weight:*

5.5.1 *Amber Glass Cullet:*

| | | |
|---|---|---|
| | 90 to 100 | % amber |
| | 0 to 10 | % flint |
| | 0 to 10 | % green |
| | 0 to 5 | % other colors |

5.5.2 *Green Glass Cullet:*

| | | |
|---|---|---|
| | 50 to 100 | % green |
| | 0 to 35 | % amber |
| | 0 to 15 | % flint |
| | 0 to 4 | % other colors |

5.5.3 *Flint Glass Cullet:*

| | | |
|---|---|---|
| | 95 to 100 | % flint |
| | 0 to 5 | % amber |
| | 0 to 1 | % green |
| | 0 to 0.5 | % other colors |

5.5.3.1 Percents above 0.1 weight % of $Fe_2O_3$ or 0.0015 weight % of $Cr_7O_3$, or both, as determined by chemical analysis shall be considered mixed color glass. These limits are consistent with industry experience on raw material.

5.5.3.2 Flint glass cullet may contain up to 1 weight % emerald green or 10 weight % Georgia green, or a combination within the limits: 1 % Georgia green = 0.1 % emerald green.

5.6 *Other Inorganic Material* (such as non-magnetic metals or refractories)--As measured, material larger than 850-µm (No. 20) screen size shall not exceed 0.1 % of the dry sample weight. Material smaller than 850-µm screen size shall not exceed 0.5 % of the dry sample weight.

5.6.1 *Refractories*--Based upon U.S. series screen size and sample weight, the following refractory particle limits shall apply for each screen fraction as stated below.

| | | |
|---|---|---|
| | +20 mesh | 1 particle per 18-kg (40-lb) sample |
| | -20, +40 mesh | 2 particles per 450-g (1-lb) sample |
| | -40, +60 mesh | 20 refractory particles per 450-g (1-lb) sample |

5.6.2 *Nonmagnetic Metals:*

| | | |
|---|---|---|
| | +20 mesh | 1 particle per 18-kg (40-lb) sample |

Upon failure to meet the previously stated specification limits, retesting is permissible.

6. Sampling and Testing

6.1 Sampling and testing shall be in accordance with Methods E 688.

DIVISION OF RECYCLING FORMS

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Cal. Admin. Code tit. 14, § 2000 App. A, 14 CA ADC § 2000 App. A

# DIVISION OF RECYCLING FORMS

Forms expressly referenced in the current regulations of the Division of Recycling are presented in the following pages.

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