

Pilot Project Program Emergency 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
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 or county, or combination of cities or counties,~~ 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(kj), 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(dc)(2) of the Act.

(1) If the Division determines an applicant jurisdiction fails to meet the eligibility requirement of section 14571.9(dc)(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(dc)(2) of the Act, a convenience zone is unserved if, as of ~~October 10, 2017~~ 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(dc)(1) of the Act.

(1) If the Division determines the pilot project fails to meet the eligibility requirement of section 14571.9(dc)(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(dc)(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.

~~(3) A pilot project serves a rural region if that pilot project serves an unserved convenience zone located within the rural region.~~

Authority: Sections 14530.5(b), 14536, and 14571.9(kj), 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 ~~five~~ten pilot projects have been approved or ~~January 1, 2020~~June 30, 2025.

~~(1) Should any approved pilot project end prior to January 1, 2020, the Division shall accept and review additional pilot project applications until subsection (a) is satisfied.~~

~~(2) Any pilot project applications submitted while there are five (5) operational pilot projects shall not be accepted by the Division.~~

(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).

~~(e) An approved jurisdiction may request to amend a pilot project, 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).~~

Authority: Sections 14530.5(b), 14536, and 14571.9(kj), 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([dc](#)) 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(hg) 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(kj), 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(dc)(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 ~~jurisdictions with more than one applicant city or county~~ multiparty jurisdictions, the name of all ~~applicant cities or counties~~ 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 ~~jurisdictions with more than one applicant city or county~~ 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.

~~(e)~~ (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(kj), 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 June 30, 2025.

(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(k), 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~~7~~ and 14571.9(kj), Public Resources Code. Reference: Sections 14515.8~~7~~ [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~~7~~ and 14571.9(kj), Public Resources Code. Reference: Sections 14515.8~~7~~ [and](#) 14571.9, Public Resources Code.

§ 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 ~~convenience zones~~[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(kj), 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~~7~~, and 14571.9(kj), 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)~~7~~, and 14571.9(kj), 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~~ 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(k), 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(kj), 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(kj), 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 ~~a convenience zone~~; an approved pilot project area.

~~(3) The only certified pilot project recycler, or certified non-grandfathered recycling center in the convenience zone.~~

(b) The Division may inspect any location where a pilot project recycler collects beverage containers to determine whether such sites are located within ~~a convenience zone~~ an approved pilot project area.

~~(c) A pilot project recycler, 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 that elects to begin accepting all material types.~~

~~(c)~~ ~~(d)~~ 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 ~~a convenience zone~~ 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 ~~a convenience zone~~ during that subsequent month.

~~(d)~~ ~~(e)~~ 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)~~ ~~(f)~~ 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(~~k~~), Public Resources Code.

Reference: Sections 14571.9, and 14585, Public Resources Code.