State of California Office of Administrative Law

In re:

Department of Resources Recycling and

Recovery

Regulatory Action:

Title 14, California Code of Regulations

Adopt sections:

17988.1, 17988.2, 17988.3,

17988.4, 17988.5, 17988.6,

17988.7

Amend sections:

Repeal sections:

NOTICE OF APPROVAL OF REGULATORY ACTION

Government Code Section 11349.3

OAL Matter Number: 2019-0606-01

OAL Matter Type: Regular (S)

The Department of Resources Recycling and Recovery proposed this action to adopt seven regulations under a new article that establish an administrative certification fee and procedures for certifying reusable grocery bags by reusable grocery bag producers manufacturing, importing, distributing, or selling reusable grocery bags in California.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 7/17/2019.

Date:

July 17, 2019

Richard L. Smith

Richard L. Smith Senior Attorney

For:

Kenneth J. Pogue

Director

Original:

Scott Smithline, Director

Copy:

Kate Nitta

REGULA For use by Secretary of State only reverse) (.01-2013) NOTICE FILE NUMBER NOTICE FILE NUMBER Z- 2018-0601-01 20 19 - 0 6 0 6 - 0 19 **EMERGENCY NUMBER ENDORSED - FILED** For use by Office of Administrative Law (OAL) only in the office of the Secretary of State of the State of California 2019 JUN -6 A 9 54 RECEIVED DATE PUBLICATION DATE JUL 17 2019 OFFICE OF 1:39 P.M. JUN 15'18 JUNO 1'18 ADMINISTRATIVE LAW Office of Administrative Law MOTICE REGULATIONS AGENCY FILE MUMBER (If any NCY WITH BUILDING KING AUTHORN Department of Resources Recycling and Recovery A. PUBLICATION OF NOTICE (Complete for publication in Notice Register) 1. SUBJECT OF NOTICE TITLE(S) FIRST SECTION AFFECTED 2. REQUESTED PUBLICATION DATE **Reusable Grocery Bags** 17988 June 15, 2018 14 FAX NUMBER (Optional 3. NOTICE TYPE Notice re Proposed TELEPHONE NUMBER 4. AGENCY CONTACT PERSON Kathleen Nitta (916)319-7781 X Regulatory Action (916)341-6067 Other OAL USE ACTION ONE ONLY B. SUBMISSION OF REGULATIONS (Complete when submitting regulations) 1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER (8) 18. SUBJECT OF REGULATION(S) ADMINISTRATIVE CERTIFICATION FOR REUSABLE GROCERY BAGS 2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S). (Including title 26, if toxics related) SECTION(S) AFFECTED 17988.3 , 17988.4 , 17988.5 , 17988.6 , 17988.7 (List all section number(s) individually. Attach additional sheet if needed.) TITLE(S) 3. TYPE OF FILING Regular Rulemaking (Gov. Certificate of Compliance: The agency officer named Emergency Readopt (Gov. Changes Without Regulatory Code §11346) below certifies that this agency compiled with the Code, 511346.1(h)) Effect (Cal. Code Regs., title Resubmittal of disapproved or provisions of Gov. Code §§1 1346,2-11347.3 either 1, 5100) withdrawn nonemergency filing (Gov. Code 5511349.3, before the emergency regulation was adopted or File & Print Print Only within the time period required by statute. 11349.4) Emergency (Gov. Code, §11346.1(b)) Resubmittal of disapproved or withdrawn Other (Specify) emergency filing (Gov. Code, 511346.1) 4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Col. Code Register 1894) and Gov. Code 811347.1) 1/11/19-1/28/19 and 2/28/19-3/15/48 5, EFFECTIVE DATE OF CHANGES (Gov. Code, 55 11343.4, 11346.1(d); Cal. Code Regs., title 1, \$100) Effective January 1, April 1, July 1, o October 1 (Gov. Code 511343.4(a)) Effective on films with 6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY Fair Political Practices Commission State Fire Morshal Department of Finance (Form STD, 399) (SAM \$6660) Other (Specify) CONTACT PERSON TELEPHONE NUMBER FAX NUMBER (Optionel) E-MAIL ADDRESS (Optional) KATE NITTA (916) 341-6067 (916) 319-7508 <u>KATHLEEN.NITTA@CALRECYC</u>LE.CA.Gov For use by Office of Administrative Law (OAL) only I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form FNDORSED APPROVED is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification. IIII 17 2019 Elliot Block, Chief Counsel Office of Administrative Law

1 Proposed Regulations

Administrative Certification for Reusable Grocery Bags

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TITLE 14: NATURAL RESOURCES

DIVISION 7. DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

CHAPTER 4 RESOURCE CONSERVATION PROGRAMS

ARTICLE 7. REUSABLE GROCERY BAGS

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§ 17988.1. Scope and Purpose.

- 10 This Article establishes an administrative certification fee schedule and clarifies
- 11 administrative procedures related to payments and submittal and resubmittal of proofs of
- 12 certification to the department as set forth in sections 42281.5, 42282, and 42282.1 of the
- 13 Public Resources Code. These regulations are designed to facilitate the process by which
- 14 reusable grocery bag producers provide proof of certification to the department and
- 15 ensure that the required administrative certification fee sufficiently covers the
- 16 department's reasonable costs to implement its responsibilities under the law pursuant to
- 17 Chapter 5.3 (commencing with section 42280), Part 3, Division 30 of the Public
- 18 Resources Code.
- 19 Authority cited: Sections 40401 and 40502, Public Resources Code, Reference: Sections
- 20 42281.5, 42282, and 42282.1, Public Resources Code.

21 § 17988.2. Definitions.

- 22 (a) The definitions set forth in this Section and in Chapter 5.3 (commencing with
- 23 section 42280), Part 3, Division 30 of the Public Resources Code, shall govern the
- 24 construction of this Article.
- 25 (b) "Aesthetic change" means a change in decoration that does not affect the material
- composition, size, or construction of a certified reusable grocery bag, pursuant to sections
- 27 42281 and 42281.5 of the Public Resources Code, and does not constitute a change that
- 28 <u>creates a new type of reusable grocery bag. An aesthetic change includes, but is not</u>
- 29 limited to, a decoration that uses the same inks, dyes, or pigments in any proportion, or
- 30 any combination or selection from a suite of inks, dyes, or pigments in any proportion for
- 31 the type of reusable grocery bag that was previously submitted in a proof of certification.

- 32 (c) "Appropriate washing equipment" means the washing equipment employed to
- 33 <u>clean postconsumer recycled material by removing physical and/or chemical</u>
- 34 contaminants so it is suitable for use in manufacturing a reusable grocery bag.
- 35 Appropriate washing equipment includes dry and wet washing technologies.
- 36 (d) "Certified Reusable Grocery Bags and Producers List" means the list of reusable
- 37 grocery bag producers from which the department has received the payment required
- 38 pursuant to this Article and section 42282.1 of the Public Resources Code, and a proof
- of certification, as required pursuant to this Article and sections 42281, 42281.5, and
- 40 <u>42282 of the Public Resources Code, for each type of reusable grocery bag that the</u>
- 41 producer offers for sale or distributes in the state of California.
- 42 (e) "Decoration" means the coloration and/or treatments applied to a reusable grocery
- bag using inks, dyes, pigments, decals, or other methods.
- 44 (f) "Fabric Weight" means the weight of the fabric used in the construction of a
- reusable grocery bag reported in units of grams per square meter. Fabric weight may be
- 46 measured based on a single sample or based on an average of the weights of one sample
- 47 taken from each of the following locations: the handles, reusable grocery bag opening,
- 48 and body of the reusable grocery bag. Samples may include more than one layer of fabric,
- 49 based on the construction of the reusable grocery bag.
- 50 (g) "ISO/IEC 17025" means the International Organization for
- 51 Standardization/International Electrotechnical Commission general requirements for the
- 52 competence of testing and calibration laboratories.
- 53 (h) "Point of sale" means the place where items are purchased in a store, such as at
- a checkout counter. "Point of sale" includes any location where a store fulfils an order to
- its customers as part of an online transaction, a phone order, or by similar means.
- 56 (i) "Proof of certification" means a document (or multiple documents) submitted by a
- 57 reusable grocery bag producer under penalty of perjury to the department via the
- 58 Reusable Grocery Bag Reporting System. A proof of certification shall demonstrate that
- a reusable grocery bag sold or distributed to a store in California, as defined by section
- 60 42280(g) of the Public Resources Code, is compliant with the provisions of this Article.
- 61 (j) "Reusable grocery bag" has the same meaning as in section 42280 of the Public
- Resources Code, and includes, but is not limited to, a reusable grocery bag made with

- 63 plastic film, compostable plastic film, or with natural or synthetic fiber, including, but not
- 64 limited to, woven or non-woven nylon, polypropylene, polyethylene-terephthalate, or
- 65 Tyvek.
- 66 (k) "Reusable Grocery Bag Reporting System" means the department's online
- 67 database established to receive proofs of certification from reusable grocery bag
- 68 producers for reusable grocery bags.
- 69 (I) "Third-party certification entity" means an independent laboratory that is ISO/IEC
- 70 17025 accredited, and performs applicable testing and certifies that a reusable grocery
- 71 bag meets the requirements of section 42281 and 42281.5 of the Public Resources Code.
- 72 (m) "Type of reusable grocery bag" means a reusable grocery bag manufactured,
- 73 imported, sold, or distributed by a certified reusable grocery bag producer that has a
- 74 different material composition, decoration (that is not an aesthetic change), size, or
- 75 construction than another reusable grocery bag manufactured, imported, sold, or
- 76 <u>distributed by the same certified reusable grocery bag producer.</u>
- 77 Authority cited: Sections 40401 and 40502, Public Resources Code, Reference: Sections
- 78 <u>42280, 42281, 42281.5, and 42282, Public Resources Code.</u>

79 § 17988.3. Submittal and Resubmittal of a Proof of Certification.

- 80 (a) A reusable grocery bag producer shall submit a proof of certification to the
- 81 Reusable Grocery Bag Reporting System for each type of reusable grocery bag that it
- 82 manufactures, imports, sells, or distributes and that is provided to a store in the state for
- 83 sale or distribution at the point of sale. The proof of certification shall have been completed
- 84 by a third-party certification entity within three months prior to the date it is submitted to
- 85 the department and it shall include an accreditation number confirming the third-party
- 86 certification entity is an accredited ISO/IEC 17025 laboratory.
- 87 (b) A proof of certification, completed by a third-party certification entity, shall be
- 88 printed in English and shall include documentation to verify that a reusable grocery bag
- 89 meets each requirement specific to the reusable grocery bag material type, including, but
- 90 not limited to:

91	(1) Compile	ance with the requirements of section 42281 of the Public Resources
92	Code, i	ncluding identification of the test methods used, corresponding test
93	<u>results</u>	for the reusable grocery bag, and the following, as applicable:
94	(A)	Test results for all inks, dyes, pigments, decals, or other methods used
95		in the decoration of a reusable grocery bag pursuant to section
96		42281(a)(5) of the Public Resources Code. A proof of certification may
97		include test results for a suite of inks (e.g., cyan, magenta, yellow, and
98		key), dyes, pigments, decals, or other methods that may be used in
99	And Samuel Control	any variation or combination for the decoration of a type of reusable
100		grocery bag and would constitute an aesthetic change.
101	, <u>s. 25. 25. 25. 1</u>	Images of the complete front, back, and gusset of the reusable grocery
102		bag that clearly show the handles, style of bag, and the colors of inks,
103		dyes, pigments, decals, or other images printed on the bag. A reusable
104		grocery bag producer may submit images of aesthetic changes made
05		to a certified reusable grocery bag.
06	(C)	Images of the reusable grocery bag or affixed tags that demonstrate
107		the labeling requirements specified in sections 42281(a)(4) and
801		42281(b)(1)(D) of the Public Resources Code. The text for these
109		labelling requirements shall be printed in English, legible, and may
10	最多是 _这 是是是是	include more than one phrase or sentence.
11		Pursuant to Public Resources Code section 42281(b)(1), the
12	Barrio de Le	percentage of postconsumer recycled material and the numbers used
13	是 2000年2月1日	in the equation to calculate that percentage. The percentage of
14		postconsumer recycled material shall be determined for each type of
15		reusable grocery bag using the following equation:
16		$Percent PCR = \frac{W_{PCR}}{}$
	sás conseptative	$\underbrace{Percent\ PCR} = \frac{W_{PCR}}{W_{RGB}\ x\ N_{RGB}}$
17		where:
18		Weck = the total weight in pounds of postconsumer recycled
19		material used in each type of reusable grocery bag

120	W_{RGB} = the weight in pounds of the specific type of reusable		
121	grocery bag		
122	N_{RGB} = the number of reusable grocery bags distributed in		
123	California for each type of reusable grocery bag		
124	(2) Compliance with the requirements of section 42281.5 of the Public Resources		
125	Code, including, but not limited to:		
126	(A) <u>Invoices containing the supplier's name, location, contact</u>		
127	information, date(s), quantities, and type of postconsumer recycled		
128	material (e.g. low density polyethylene) purchased during the		
129	preceding 24 consecutive months.		
130	(B) A table summarizing the names, locations, and total quantities		
131	(pounds) of postconsumer recycled material purchased from each		
132	supplier during the preceding 24 consecutive months. The table shall		
133	include a description for each supplier's source (e.g. irrigation pipe,		
134	hoop housing, bags), location, and contact information of the		
135	postconsumer recycled material.		
136	(C) Images and diagrams of the equipment and a description of the		
137	process of how the postconsumer recycled material is cleaned to		
138	remove physical and/or chemical contaminants using the appropriate		
139	washing equipment.		
140	(c) On a biennial basis, a reusable grocery bag producer shall resubmit a proof of		
141	certification to the Reusable Grocery Bag Reporting System for each type of reusable		
142	grocery bag that it manufactures, imports, sells, or distributes in the state that includes all		
143	of the applicable information specified in subdivisions (a) and (b), and as follows:		
144	(1) A proof of certification for a reusable grocery bag shall be completed by a third-		
145	party certification entity within three months prior to the date the proof of		
146	certification is submitted to the department.		
147	(2) A proof of certification for a reusable grocery bag may be resubmitted if no		
148	modifications, other than aesthetic changes, have been made to a previously		

149	certified reusable grocery bag. Modifications include anything that may alter
150	compliance with requirements of section 42281 and section 42281.5 of the Public
151	Resources Code. Modifications that may require recertification include, but are not
152	limited to, changes in washing methods or equipment, changes in suppliers of inks,
153	dyes, pigments, decals or other methods printed on the bag, or changes in
154	suppliers of postconsumer recycled material.
155	(d) A reusable grocery bag producer shall label or identify any portions of its proof of
156	certification it believes are confidential or proprietary that it wants the department to
157	maintain as confidential pursuant to section 17988.7. Proofs of certification submitted to
158	the department shall not contain redactions. Any portion(s) of a proof of certification that
159	are not labelled or identified as confidential shall be deemed a public document.
160	Authority cited: Sections 40401 and 40502, Public Resources Code, Reference: Sections
161	42281, 42281.5, and 42282, Public Resources Code.
162	§ 17988.4. Completeness Review.
163	(a) The department shall review each proof of certification submitted or resubmitted to
164	the Reusable Grocery Bag Reporting System to determine if the proof of certification is
165	complete.
166	(1) For purposes of this review, "complete" means that all of the documentation
167	required by sections 42281 and 42281.5 of the Public Resources Code has
168	been submitted.
169	(2) Within 30 days of receipt, the department shall notify a reusable grocery bag
170	producer if the proof of certification is complete or incomplete.
171	(3) If the proof of certification is complete, the department shall add the name of
172	the reusable grocery bag producer and the name and type of bag to the
173	Certified Reusable Grocery Bags and Producers List.
174	(4) If a proof of certification is incomplete, the department shall notify the
175	reusable grocery bag producer and describe the deficiencies in writing.
176	Authority cited: Sections 40401 and 40502, Public Resources Code, Reference: Sections
177	42281, 42281.5, and 42282, Public Resources Code.

		ative Certification Fee Schedule.
(a)		tive certification fee schedule shall be implemented using Tables 1-
<u>3 as</u>	follows:	aan kan hinka his kiin maan ka ka ka ka hin hinka hinka ka k
	(1) <u>All reusat</u>	ole grocery bag producers who submit proof of certification shall
	<u>biennially</u>	pay a base fee, as follows:
	(A)	From July 2019 through June 2021, the base fee shall be
		<u>\$12,000.</u>
	(B)	From July 2021 through June 2023, the base fee shall be \$6,000.
	(C)	Beginning July 2023, the base fee shall be \$6,000.
	(2) <u>For a reu</u>	sable grocery bag producer that manufactures, imports, sells, or
	distributes	reusable grocery bags made from plastic film, the administrative
	<u>certificatio</u>	n fee shall be the sum of the base fee and a tiered quantity fee, as
	shown in	Tables 1-3. The tiered quantity fee shall be determined based on
	<u>either:</u>	
	(A)	The total quantity of postconsumer recycled material used (in
		pounds) in the consecutive 24 months preceding the proof of
		certification date as reported, under penalty of perjury, in the
		proof of certification(s) to the department in compliance with
		section 42281.5(b) of the Public Resources Code, or
	(B)	If a higher percentage of postconsumer recycled material than
		statutorily required is utilized, the total number of reusable
		grocery bags manufactured, imported, sold, or distributed in the
		consecutive 24 months preceding the proof of certification date
		as reported, under penalty of perjury, in the proof of
		certification(s) to the department in compliance with section
	성을 하였다. 하고 하고 있었다. 그 : 생생들이 하고 있으면 하였다.	42281 of the Public Resources Code and section 17988.3(b).

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Table 1 – July 2019 to June 2021 Biennial Fee

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20 Percent Postconsumer Recycled Material (PCR)

	PCR Quantity or Number of Bags Per Biennial Period		<u>Tiered</u> Quantity	<u>Base</u>	<u>Total</u>
	PCR Quantity (lbs)	Number of Bags	Fee	<u>Fee</u>	<u>Fee</u>
Non-plastic film	N/A	<u>N/A</u>	<u>\$0</u>	\$12,000	\$12,000
Plastic film	1-199,999	1-19,999,999	\$16,000	\$12,000	\$28,000
Plastic film	200,000-1,999,999	20,000,000-199,999,999	\$23,000	\$12,000	\$35,000
<u>Plastic film</u>	2,000,000 +	200,000,000 +	\$29,000	\$12,000	<u>\$41,000</u>

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Table 2 – July 2021 to June 2023 Biennial Fee

20 Percent Postconsumer Recycled Material (PCR) January 1, 2016 - December

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210

<u>31, 2019</u>

40 Percent Postconsumer Recycled Material (PCR) on and after January 1, 2020

	PCR Quantity or Number of Bags Per Biennial Period		<u>Tiered</u> Quantity	Base	<u>Total</u>
	PCR Quantity (lbs)	Number of Bags	<u>Fee</u>	<u>Fee</u>	<u>Fee</u>
Non-plastic film	N/A	N/A	<u>\$0</u>	\$6,000	\$6,000
Plastic film	1-349,999	1-19,999,999	\$4,000	\$6,000	\$10,000
Plastic film	350,000-3,499,999	20,000,000-199,999,999	\$5,000	\$6,000	<u>\$11,000</u>
Plastic film	3,500,000 +	200,000,000 +	\$7,000	\$6,000	<u>\$13,000</u>

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Table 3 - July 2023 and Ongoing

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40 Percent Postconsumer Recycled Material (PCR)

	PCR Quantity or Number of Bags Per Biennial Period		<u>Tiered</u> Quantity	<u>Base</u>	<u>Total</u>
	PCR Quantity (lbs)	Number of Bags	Fee	<u>Fee</u>	<u>Fee</u>
Non-plastic film	<u>N/A</u>	<u>N/A</u>	<u>\$0</u>	<u>\$6,000</u>	<u>\$6,000</u>
Plastic film	1-399,999	<u>1-19,999,999</u>	<u>\$4,000</u>	<u>\$6,000</u>	<u>\$10,000</u>
<u>Plastic film</u>	400,000-3,999,999	20,000,000-199,999,999	<u>\$5,000</u>	\$6,000	<u>\$11,000</u>
<u>Plastic film</u>	4,000,000 +	200,000,000 +	<u>\$7,000</u>	<u>\$6,000</u>	\$13,000

- 213 Authority cited: Sections 40401 and 40502, Public Resources Code, Reference: Section
- 214 42282.1, Public Resources Code.

- 215 § 17988.6 Procedures for Submitting Payment to the Department.
- 216 (a) All reusable grocery bag producers on the Certified Reusable Grocery Bags and
 217 Producers List on July 1, 2019, shall pay the administrative certification fee by July
- 218 31, 2019, in order to remain on the list.
- 219 (b) A reusable grocery bag producer not included on the Certified Reusable Grocery Bags
- 220 and Producers List that submits a proof of certification after July 1, 2019, shall pay the
- administrative certification fee in effect at that time.
- 222 (c) All reusable grocery bag producers on the Certified Reusable Grocery Bags and
- 223 Producers List shall pay the administrative certification fee on a biennial basis
- 224 thereafter.
- 225 (d) A person submitting proof of certification documentation shall use the Reusable
- 226 Grocery Bag Reporting System or other system designated by the department for
- 227 making payments or for providing other information required pursuant to this article.
- 228 (e) Reusable grocery bag producers shall submit payment to the department. All financial
- 229 transactions shall be reported and recorded in currency of the United States of
- 230 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.
- 233 (f) Administrative certification fee payments shall be deposited into the Reusable Grocery
- 234 Bag Fund by the department. Moneys in the fund shall be expended by the department
- 235 to implement Article 2 of Chapter 5.3 of Part 3, Division 30, of the Public Resources
- 236 Code, and may be used to make repayment to other funds that financed startup costs
- of the department's activities pursuant to this chapter.
- 238 (g) Reusable grocery bag producers with delinquent accounts will be removed from the
- 239 <u>department's Reusable Grocery Bag Reporting System and Certified Grocery Bags</u>
- 240 and Producers List until fees are paid in full.
- 241 (h) Administrative certification fee payments are not refundable.
- 242 (i) Failure to comply with the requirements set forth in this article will result in immediate
- 243 removal of the reusable grocery bag producer from the department's Certified
- 244 Reusable Grocery Bags and Producers List, pursuant to subdivision (b) of section
- 245 <u>42282 of the Public Resources Code.</u>

246 Authority cited: Sections 40401 and 40502, Public Resources Code, Reference: 42280, 247 42281.5, 42282, and 42282.1, Public Resources Code. 248 §17988.7. Confidential and Proprietary Information 249 The department shall maintain the confidentiality of information submitted to the 250 department pursuant to the California Public Records Act (Chapter 3.5 (commencing with 251 section 6250) of Division 7 of Title 1 of the Government Code), section 40062 of the Public 252 Resources Code, and California Code of Regulations, Title 14, Division 7, Chapter 1, 253 Article 4 (commencing with section 17041). 254 Authority cited: Sections 40401 and 40502, Public Resources Code, Reference: Sections

상상 어떤 상인은 역 선생님은 이 가지는 일본 회생들은 이 분들은 것은 이 것은 경험을 보냈다. 기가 되고 있다.

42281.5 and 42282. Public Resources Code.

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