

Yana Garcia
Secretary for Environmental Protection
Zoe Heller
CalRecycle Director

February 24, 2025

# Dealer Registration and Dealer Cooperatives Permanent Regulations NOTICE OF 15-DAY CHANGES TO PROPOSED RULEMAKING

The Department of Resources Recycling and Recovery (CalRecycle) proposes to revise the regulations relative to dealer registration and dealer cooperatives. The proposed regulations establish and clarify requirements related to dealers and dealer cooperatives under the California Beverage Container Recycling and Litter Reduction Act. CalRecycle intends to adopt the proposed regulations described herein after considering all recommendations, alternatives, comments, and objections regarding the proposed action.

On February 24, 2025, CalRecycle will initiate a 15-day written comment period for the proposed revisions to the proposed dealer registration and dealer cooperative regulations. An initial 45-day public comment period began on March 15, 2024 and ended on April 30, 2024, which was also the day of the public hearing to receive public comments. After considering the comments received from interested parties, CalRecycle made revisions to the proposed regulatory language that were made available for a 15-day public comment period that began on August 19, 2024 and ended on September 3, 2024.

#### **AVAILABILITY OF MODIFIED TEXT OF PROPOSED REGULATIONS**

A copy of the proposed revised regulations is available on the <u>SB 1013 Dealer</u> Registration and <u>Dealer Cooperatives Permanent Regulations webpage</u> and attached to this notice. A summary of the proposed changes is also included within this notice. Additionally, these documents are available for public inspection during normal business hours at CalRecycle, 1001 "I" Street, 24th Floor, Sacramento, CA 95814. To schedule a time to inspect these documents, please contact Csilla Richmond at regulations@calrecycle.ca.gov or (916) 327-0089.

#### **15-DAY WRITTEN COMMENT PERIOD**

The 15-day written comment period permits any interested person, or their authorized representative, to submit written comments addressing the proposed amendments to CalRecycle. Written comments, which offer a recommendation and/or objection, or support the proposed amendment, should reference a section of the proposed action to which the comment or comments are directed. CalRecycle will only consider written comments sent to CalRecycle and received during the 15-day written comment period which begins on February 24, 2025, and ends on March 11, 2025. Written comments received by CalRecycle after the close of the public comment period are

considered untimely. CalRecycle may, but is not required to, respond to untimely comments, including those raising significant environmental issues.

CalRecycle is only required to respond to comments received during this 15-day public comment period that are related to the newly proposed changes to the regulations.

In the Final Statement of Reasons, CalRecycle will respond to all relevant comments received during the initial 45-day comment period, the first 15-day comment period, and this new second 15-day comment period.

Comments submitted in writing must be addressed to one of the following:

Postal Mail:

Csilla Richmond

SB 1013 Dealer Registration and Dealer Cooperatives Permanent Regulations Department of Resources Recycling and Recovery, Regulations Unit 1001 "I" St., MS-24B, Sacramento, CA 95814

Electronic Submittal: <u>SB 1013 Dealer Registration and Dealer Cooperatives Regulations</u> (Second 15-Day Public Comment Period)

Please note that under the California Public Records Act (Government Code section 7920.000 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

#### **SUMMARY OF PROPOSED REVISIONS**

As stated above, a copy of the proposed revised regulations is available on the <u>SB 1013</u> <u>Dealer Registration and Dealer Cooperatives Permanent Regulations webpage</u> and attached to this notice.

The modified proposed regulatory language that was made available during the first 15-day comment period is shown in plain, clean text because it is not being made available for public comment by this notice.

The newly revised regulatory language that is being made available via this notice is shown in strikeout to indicate deletions and <u>underline</u> to indicate additions.

The specific changes to the originally proposed regulatory language are summarized below.

This summary does not contain all the modifications made to correct typographical or grammatical errors, changes in numbering or formatting, nor does it contain all the non-substantive revisions made to the proposed regulatory language. These changes do not alter the meaning of any provisions in the regulations and ensure consistent use of terminology and grammar.

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

SUBCHAPTER 4.5. DEALERS AND DEALER COOPERATIVES

**ARTICLE 3. STEWARDSHIP PLAN** 

SECTION 2375. STEWARDSHIP PLAN SUBMISSION

Subsection (a)(4)

The regulatory language has been changed to add the website address where the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 can be found.

This is a non-substantial change to the regulations without any change in regulatory effect.

# SECTION 2376. STEWARDSHIP PLAN REVIEW AND APPROVAL OR DISAPPROVAL; OPERATIONAL NOTICE

## Subsection (b)

The regulatory language has been changed to delete subsection (b)(2) in its entirety and renumber (b)(1) to (b), since only one subsection remains.

The purpose of this amendment is to remove ambiguity around how the department will conduct a public comment process for a submitted stewardship plan. CalRecycle is committed to engaging in a robust public comment process for any submitted stewardship plan and because this is a new program, anticipates that the development of this process will be iterative over time. Codifying the process into regulation would unnecessarily constrain CalRecycle's ability to refine and improve the process over time to best ensure the goals of transparency and openness are achieved.

#### **SECTION 2377. STEWARDSHIP PLAN FIVE-YEAR UPDATES**

#### Subsection (b)(2)

The regulatory language has been changed to delete the word "may" and replace with the word "shall."

The purpose of this amendment is to remove any ambiguity as to what action CalRecycle will take if it concludes that a dealer cooperative cannot implement the applicable requirements of the Act and regulations without updating a stewardship plan. In that instance, the department will reject a determination that a stewardship plan update is unnecessary.

ARTICLE 4. RECORDKEEPING, REPORTING, AND OPERATION SECTION 2381. REPORTING

Subsection (a)(3)

The regulatory language has been changed to add the website address where the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 can be found.

This is a non-substantial change to the regulations without any change in regulatory effect.

#### **SECTION 2382. DEALER COOPERATIVE OPERATION**

## Subsection (o)

The regulation text has been changed to delete the language "...if it submits a Handling Fee Application Form pursuant to section 2530(h)."

This deletion removes an unnecessary cross-reference to a form and regulation section as the purpose of section 2382(o) is to make explicitly clear that dealer cooperatives with an approved and fully operational stewardship plan are eligible for handling fees. The cross-reference is unnecessary because section 2530(h) already cross-references, and thereby incorporates, section 2516, which is cited in section 2382(o). The requirements, organizationally, are better preserved in 2530.

#### **ARTICLE 5. ENFORCEMENT**

# SECTION 2385. STEWARDSHIP PLAN REVOCATION; ENFORCEMENT MECHANISMS

## Subsection (a)(1)

The regulatory language has been changed to specify that failing to comply any applicable requirement of the Act or these regulations constitutes grounds for CalRecycle to require a dealer cooperative to take corrective action.

The purpose of this change is to promote clarity by placing the regulated entity on notice that the consequence of noncompliance of a stewardship plan results in the imposition of corrective action.

# Subsection (a)(2), (a)(2)(A), and (a)(2)(B)

The regulatory language has been changed to describe what can constitute a corrective action, which for purposes of these regulations is resubmission of a previously approved stewardship plan within 30 days of written notification by CalRecycle or additional reporting to verify compliance with any applicable provision of the Act or these regulations.

The purpose of this change is to promote clarity by placing the regulated entity on notice regarding what constitutes corrective action.

#### Subsection (b)

The regulatory language has been changed to specify that failing to comply with any applicable requirement of the Act or these regulations constitutes grounds for CalRecycle to partially or entirely revoke an approved stewardship plan.

The purpose of this change is to promote clarity by placing the regulated entity on notice that noncompliance in regards to a corrective action or failing to implement the approved stewardship results in the partial or total revocation of an approved stewardship plan.

# Subsection (d)

The regulation text has been changed to delete the word "may" and replace with the word "shall."

The purpose of this amendment is to remove any ambiguity as to what happens when there is a failure to submit a timely hearing request. In that instance, the right to a hearing will be deemed as waived.

Additionally, the regulation text has been changed to add that when there is good cause for an untimely request for hearing, then the right to a hearing has not been deemed as waived.

This purpose of this amendment is to provide clarity as to what condition an untimely hearing request will not result in the right to a hearing being deemed as waived.

#### **SECTION 2386. PENALTIES AND INTEREST CHARGES**

#### Subsection (a)

The regulatory language has been changed to clarify what constitutes the grounds for CalRecycle to issue a notice of violation.

This amendment promotes clarity as the purpose of the section is to put the regulated entity on notice as to the consequence of violating the dealer or dealer cooperative regulations or section 14578 or 14578.5 of the Act.

# Subsection (a)(3)

The regulation text has been changed to delete the word "may" and replace with the word "shall."

The purpose of this amendment is to remove any ambiguity as to what happens when there is a failure to submit a timely hearing request. In that instance, the right to a hearing will be deemed as waived.

Additionally, the regulation text has been changed to add that when there is good cause for an untimely request for hearing, then the right to a hearing has not been deemed as waived.

This purpose of this amendment is to provide clarity as to what condition an untimely hearing request will not result in the right to a hearing being deemed as waived.

#### **CONTACT PERSONS**

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Csilla Richmond 1001 "I" Street, MS-24B Sacramento, CA 95814

E-Mail: Regulations@calrecycle.ca.gov

Telephone: (916) 327-0089

The backup contact person is:

Craig Castleton 1001 "I" Street, MS-24B Sacramento, CA 95814

E-Mail: Regulations@calrecycle.ca.gov

Telephone: (916) 327-0089