

PROPOSED REGULATION TEXT
Dealer Registration and Dealer Cooperatives Permanent Regulations
Division of Circular Economy
DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY
CALIFORNIA CODE OF REGULATIONS

Note:

All amendments are shown in underline to indicate additions and ~~strikeout~~ to indicate deletions from the existing regulatory text. The symbol “* * *” means that intervening text not proposed for amendment is not shown.

TITLE 14

DIVISION 2

CHAPTER 5. Division of Recycling

ADOPT

SUBCHAPTER 4.5, ARTICLES 1-5

AMEND

SUBCHAPTER 1

SUBCHAPTER 2, ARTICLE 1

SUBCHAPTER 5, ARTICLES 1 and 3

SUBCHAPTER 6, ARTICLES 1, 2, and 3

Adopt sections 2370, 2371, 2372, 2373, 2375, 2375.2, 2375.4, 2375.6, 2375.8, 2376, 2377, 2378, 2380, 2381, 2382, 2385, 2386, California Code of Regulations, title 14.

Amend sections 2000, 2030, 2400, 2401, 2420, 2425, 2430, 2501, 2516, 2518, 2519, 2530, California Code of Regulations, title 14.

SUBCHAPTER 1. Definitions

Section 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.

* * * *

(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.

* * * *

~~(11.1) "Consolidated Shipping Report" documents the delivery and receipt of material for processors or recycling centers that operate multiple recycling centers or receive material from dropoff or collection programs, community service programs, or curbside programs and is prepared pursuant to subsection 2000(f) of these regulations.~~

* * * *

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

* * * *

(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) ~~of these regulations~~.

* * * *

(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.

* * * *

(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 ~~Division~~ department pursuant to ~~Section~~ section 14573 of the Act.

* * * *

Authority cited: Sections 14530.5, 14536~~(b)~~, 14536.1, 14539, 14578.5 and 14599, Public Resources Code. Reference: Sections 14500, 14501, 14503, 14503.6, 14504, 14505, 14506.5, 14509.5, 14511.7, 14512, 14512.5, 14513, 14514.4.1, 14514.7, 14517, 14518, 14518.5, 14519.5, 14520, 14520.5, 14520.6, 14522.5, 14524, 14525.5.1, 14526, 14530, 14530.2, 14536, 14537, 14538, 14539, 14547, 14549.3, 14550, 14552, 14561, 14571.2, 14571.8, 14572, 14573, 14573.5, 14573.51, 14574~~and~~, 14575, 14578 and 14578.5, Public Resources Code.

SUBCHAPTER 2. General Requirements

ARTICLE 1. Certification Application Procedures

Section 2030. Review of Applications.

- (a) All applications for certification shall be reviewed by the ~~Division~~ department for compliance with these regulations.
- (b) The ~~Division~~ 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 ~~Division~~ 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 ~~Division~~ 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 these regulations, the ~~Division~~ 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 ~~Division~~ 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 ~~Division~~ 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 ~~Division's~~ 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 ~~of these regulations~~;

(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; ~~or~~

(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 ~~Division's~~ 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) Notwithstanding paragraph (3) of ~~subsection~~ subdivision (g) above, the ~~Division~~ department may allow the applicant to operate less than 30 hours per week if all of the following conditions are met:

(1) the recycling center will be located in a designated rural region; and,

- (2) the recycling center will not be located within a convenience zone; and,
- (3) 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.

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

SUBCHAPTER 4.5. Dealers and Dealer Cooperatives

ARTICLE 1. Definitions

Section 2370. Definitions.

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14571, 14571.9, 14578 and 14578.5, Public Resources Code.

ARTICLE 2. Dealers

Section 2371. Dealer Registration.

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

Section 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.

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "Required".

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "Requirements".

Authority cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

Section 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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

ARTICLE 3. Stewardship Plan

Section 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.

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "Submission".

(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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

Section 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.

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(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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14510.2, 14578 and 14578.5, Public Resources Code.

Section 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

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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.

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(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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14571, 14571.9, 14578 and 14578.5, Public Resources Code.

Section 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

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businesses; and estimated amount of beverage containers an average consumer will seek to redeem.

Authority cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

Section 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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

Section 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

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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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

Section 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).

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "Updates".

Highlighted text is a non-substantive edit made post second 15-day comment period. "2375(i)" was changed to "2375.2(i)" to correct cross-reference. 2375(i) does not exist.

(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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

Section 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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

ARTICLE 4. Recordkeeping, Reporting, and Operation

Section 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:

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "Notification".

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "Recordkeeping".

(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 cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14552, 14553, 14578 and 14578.5, Public Resources Code.

Section 2381. Reporting.

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "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.

Authority cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14554, 14578 and 14578.5, Public Resources Code.

Section 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.

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "Operation".

(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).

Highlighted text is a non-substantive edit made post second 15-day comment period. "of the date" was added after "days" to clarify when the 30 day deadline begins.

(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) if it submits a Handling Fee Application Form pursuant to section 2530(h).

Authority cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference Sections 14578, 14578.5 and 14597, Public Resources Code.

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "Mechanisms".

ARTICLE 5. Enforcement

Section 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.

Highlighted text is a non-substantive edit made post second 15-day comment period. "," was added after "plan" to set the clause apart.

(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 30 days of receipt of the notice issued pursuant to

Highlighted text is a non-substantive edit made post second 15-day comment period. "of any of the components listed in section 2381" was added after "reporting".

Highlighted text is a non-substantive edit made post second 15-day comment period. "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" was added after "notification". "," was also added after "department" to set the clause apart.

Highlighted text is a non-substantive edit made post second 15-day comment period. To clarify that a conforming request for hearing initiates a proceeding under subdivision (e), the sentence "A conforming request for hearing causes a hearing to be undertaken" was added after "action."

subdivision (c). The hearing request 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. A conforming request for hearing causes a hearing to be undertaken. Failure to submit a timely hearing request under this subdivision may be deemed a waiver of the right to a hearing and the department shall proceed with the action specified in the written notice. The right to a hearing need not be deemed waived for an untimely hearing request if the dealer cooperative demonstrates good cause for the untimely hearing request.

(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.

(f) The Director or the Director's designee shall issue a written decision within 60 days from the date the hearing is concluded.

Authority cited: Sections 14530.5 and 14578.5, Public Resources Code. Reference: Sections 14578 and 14578.5, Public Resources Code.

Highlighted text is a non-substantive edit made post second 15-day comment period. "." was added after "Charges".

Section 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 Article 10 (commencing with section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code, upon request, at which the dealer cooperative may be represented by counsel.

(3) The right to a hearing shall be deemed waived if the dealer cooperative fails to respond within 30 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 right to a hearing need not be deemed waived for an untimely hearing request if the dealer cooperative demonstrates good cause for the untimely hearing request. The hearing request shall be submitted electronically in writing to an email address that the department specifies in the Notice of Violation.

(4) A statement, signed by the department inspector issuing the violation(s), verifying 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 cited: 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

Section 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) The processor shall accept one or more type(s) of redeemable beverage container(s).

(3) Certified processors shall redeem empty beverage containers from any certified or registered operators of recycling centers, dealer cooperatives, dropoff or collection programs, ~~or community service programs and operators of~~ 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 cited: Sections 14530.5, 14536 ~~and~~, 14539, and 14578.5, Public Resources Code. Reference: Sections 14539, 14573, 14573.5 ~~and~~, 14573.6, 14578 and 14578.5, Public Resources Code.

Section 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.

(b) In addition to the requirements of section 2110 ~~of these regulations~~, 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.

(c) Once eligibility is determined, payment shall be calculated pursuant to section 2430 ~~of these regulations~~.

(d) All out-of-state material, whether labeled with the message required in ~~Section section~~ 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 section~~ section 2530(b)(1) ~~of these regulations~~, 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 required in ~~Section 1451~~ section 14561 of the Act, must be excluded from the received weight of the load.

Authority cited: Sections 14530.5 ~~and~~, 14536, and 14578.5, Public Resources Code.
Reference: Sections 14539 ~~and~~, 14553, 14578 and 14578.5, Public Resources Code.

ARTICLE 3. Accounting and Reporting Requirements

Section 2420. Recordkeeping.

Processors shall maintain the following records in accordance with the general requirements set forth in section 2085 ~~of these regulations~~.

- (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 ~~Division~~ department. Processors shall retain copies of reports to the ~~Division~~ department pursuant to section 2425 ~~of these regulations~~.
- (d) Verification of cancellation. Processors shall retain proof that the processor canceled or had canceled in accordance with section 2000(a)(4) ~~of these regulations~~ 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) ~~of these regulations~~, proof shall be a certification prepared in accordance with ~~subsection~~ section 2090(d) ~~of these regulations~~ 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 ~~subsections~~ section 2000(a)(4)(A), (B), (C), (D), (E), or (F) ~~of these regulations~~.
- (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 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 ~~Division~~ department pursuant to section 2410 ~~of these regulations~~.

(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 ~~Division~~ department on the Scrap Value Purchases Survey Form DOR - SV (10/00) required by ~~Section~~ section 2425(f) ~~of this subchapter~~.

Authority cited: Sections 14530.5, 14536 ~~and~~, 14536.1, and 14578.5, Public Resources Code. Reference: Sections 14504, 14537, 14539, 14550, 14552 ~~and~~, 14575, 14578 and 15478.5, Public Resources Code.

Section 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 ~~Division~~ 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 ~~Division's~~ 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 ~~of these regulations~~.

(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 ~~Division~~ 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~~ 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 ~~Division~~ 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-~~of these regulations~~, 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 ~~item 3~~ 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 ~~Division~~ department to request the use of alternative methods for preparing the corresponding shipping reports. The ~~Division~~ 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 ~~Division~~ 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~~ section 2000(a)(3.1)(A).

(B) Clearly state:

~~4.~~(i) That the received weight, for beverage container redemption purposes, shall be determined from the cullet produced in subparagraph (A) above.

~~2.~~(ii) That the redemption weight shall be determined using the applicable commingled rates and the received weight from ~~4.~~ clause (i).

~~3.~~(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~~ 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 ~~subsection~~ subdivision, “waste reduction facility” means a dropoff or collection program certified by the ~~Department~~ department, which separates beverage container material types from mixed waste.

Authority cited: Sections 14530.5, 14536 ~~and~~, 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.

Section 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) ~~Verify~~ 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 ~~of these regulations~~; and

(B) The delivery to a location of end use and cancellation are verified in accordance with section 2420(d) ~~of these regulations~~.

(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 ~~subsection~~ section 2535(e) ~~of these regulations.~~

(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 ~~subsection~~ section 2425(c) ~~of these regulations.~~ 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 ~~Division's~~ 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:

~~1-(i)~~ the statewide commingled rate, or the ~~Division's~~ department's approved individual commingled rate in effect on the date received; and

~~2-(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 ~~subsection~~ section 2535(e) ~~of subchapter 6 these regulations.~~ 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 ~~Division's~~ 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 ~~subsection~~ section 2425(c) ~~of these regulations.~~ 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:

~~1.~~(i) the statewide commingled rate, or the ~~Division's~~ department's approved individual commingled rate in effect on the date received; and

~~2.~~(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~~ 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 ~~Division~~ department to processors issuing the written authorization to cancel. Program payments will not be issued by the ~~Division~~ department to processors for loads for which they have received authorization to cancel.

Authority cited: Sections 14530.5 ~~and~~, 14536 and 14578.5, Public Resources Code.

Reference: Sections 14518.5, 14539, 14552 ~~(a)~~, 14572 ~~and~~, 14573.5, 14578 and 14578.5, Public Resources Code.

SUBCHAPTER 6. Recycling Centers

ARTICLE 1. Requirements for Recycling Centers

Section 2501. Load Inspection Requirements.

~~(a) Certified~~ A certified recycling centers 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 other~~ 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.

(b) In addition to the requirements of section 2110 ~~of these regulations~~, 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~~ 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 dollars (\$50.00); and,

(C) The load is not ineligible pursuant to subsection (b)(1), above.

(c) Once eligibility is determined payment shall be calculated pursuant to section 2535(d), ~~of these regulations~~.

(d) All out-of-state material, whether labeled with the message required in ~~Section~~ 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 ~~another~~ a dealer cooperative, recycling center, dropoff or collection program, community service program or curbside program, whether labeled or not with the message required in ~~Section~~ section 14561 of the Act, must be excluded from the received weight of the load.

(f) ~~Certified~~ A certified recycling centers 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 required in ~~Section~~ 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 cited: Sections 14530.5, 14536, 14578.5, 14596 and 14599, Public Resources Code. Reference: Sections 14538, 14539, 14539.5, 14553, 14572~~(d)~~(2), 14578, 14578.5, 14595, 14595.4, 14595.5, 14596 and 14597, Public Resources Code.

ARTICLE 2. Handling Fees

Section 2516. Eligibility Criteria.

(a) In addition to meeting the requirements of ~~Section~~ 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~~ section 14526.6 of the Act, or a nonprofit convenience zone recycler as defined in ~~Section~~ section 14514.7 of the Act, or a rural region recycler as defined in ~~Section~~ section 14525.5.1 of the Act; and

(4) the only certified, non-grandfathered recycling center in the convenience zone.

(b) The ~~Division~~ 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) ~~Commencing January 1, 1993, a~~ 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 ~~subsection~~ 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 ~~subsection~~ 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 cited: Sections 14530.5 ~~and~~, 14536 ~~and~~ 14578.5, Public Resources Code.
Reference: Sections 14513.4, 14514.7, 14525.5.1, 14526.6, 14552, 14571.8 ~~(b)~~, 14572, 14578, 14578.5 and 14585, Public Resources Code.

Section 2518. Calculations and Payments.

(a) The ~~Division~~ department shall determine handling fee payments for a recycling center meeting the requirements of ~~Section~~ section 14585 of the Act and ~~Section~~ 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 ~~Division's~~ department's statewide average containers-per-pound rate for each material type, and pursuant to ~~Subsection~~ 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. ~~If the total number of empty beverage containers is less than the minimum number required by Section 14585(a)(2)(A) of the Act, the recycling center is not eligible for handling fees for that calendar month.~~

(3) The ~~Division~~ department shall determine the number of empty beverage containers eligible for handling fees pursuant to ~~Subsection~~ section 14585(a) ~~(4)(2)~~ of the Act.

(4) On and after July 1, 2008, the ~~Department~~ department shall pay a handling fee per eligible beverage container as determined by the handling fee cost survey required by Section section 14585(f) of the Act.

(b) Prior to release of handling fees for each month during which a recycling center or dealer cooperative is eligible, the ~~Division~~ department may determine that such fees should be withheld for any of the following reasons:

(1) The ~~Division~~ department has prevailed against the ~~recycler~~ recycling center or dealer cooperative in a civil or administrative action and money is owed to the ~~Division~~ department as a result of the action.

(2) The ~~Division~~ department determines, based on information contained in the shipping reports filed pursuant to ~~Section~~ section 2530 ~~of Article 3 of Subchapter 6~~, that the ~~recycler~~ 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 cited: Sections 14530.5, 14536 ~~and~~, 14552 ~~(e)~~ and 14578.5, Public Resources Code. Reference: Sections 14504, 14526.6, 14578, 14578.5 and 14585, Public Resources Code.

Section 2519. Handling Fee Appeals.

(a) Recycling centers may file a formal appeal by writing to the ~~Division~~ 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 cited: Sections 14530.5 ~~and~~, 14536 and 14578.5, Public Resources Code.

Reference: Sections 14526.6 ~~and~~, 14578, 14578.5 and 14585, Public Resources Code.

ARTICLE 3. Accounting and Reporting Requirements

Section 2530. Reporting.

Recycling centers shall prepare and submit all of the following reports in accordance with the general requirements for reporting of section 2090 ~~of these regulations~~.

(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 ~~subsection~~ 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) ~~of these regulations~~.

(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 ~~subsection~~ 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 ~~subsection~~ 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~~ 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 ~~subsection~~ 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 ~~Division~~ 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 ~~of these regulations~~:

- (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 ~~subsections~~ sections 2090(d)(4) and (5) ~~of subchapter 2 of these regulations;~~ 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 Division department to request the use of alternative methods for preparing the corresponding shipping reports. The ~~Division 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 cited: Sections 14530.5~~(b)~~ and 14536 and 14578.5, Public Resources Code.

Reference: Sections 14526.6, 14538, 14549.1, 14578, 14578.5 and 14585, Public Resources Code.