

PROPOSED REGULATION TEXT

SB 156 Handling Fee Rate Determination

DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY
CALIFORNIA CODE OF REGULATIONS

Note: 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

AMEND

SUBCHAPTER 6, ARTICLE 2

Amend section 2518, California Code of Regulations, title 14

ARTICLE 2: Handling Fees

Section 2518. Calculations and Payments

(a) The department shall determine handling fee payments for a recycling center meeting the requirements of section 14585 of the Act and section 2516, above, or for a dealer cooperative, based on data contained in the Handling Fee Application Form (Form DR-14 (1/00)) by performing the following calculations:

(1) The reported redemption weights shall be converted to number of empty beverage containers using the department's statewide average containers-per-pound rate for each material type, and pursuant to section 14585(e) of the Act.

(2) The total number of empty beverage containers for the calendar month shall be calculated by summing the number of empty aluminum, glass, plastic and bimetal beverage containers.

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

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

(b) On and after July 1, 2025, the department shall set the beverage container handling fee, annually, at the higher of the following two amounts:

(1) The difference between the statewide weighted average cost of redeeming an empty beverage container for handling fee recipients and for non-handling fee recipients, as determined by the cost surveys conducted pursuant to section 14585(f)(1) of the Act; or

(2) \$0.0125 per empty beverage container.

(c) The department shall adjust the amount in 2518(b), annually, to reflect changes in California's cost of living as measured by the California Consumer Price Index for All Urban Consumers (California CPI-U) produced by the California Department of Finance or a successor agency using the data as posted on their website for Calendar Year Averages on the third Friday of May of the same calendar year the July 1 new handling fee rate is set.

(1) When the handling fee is set pursuant to section 2518(b)(1), the amount in that paragraph shall be adjusted by the percentage change of the California Index value between the calendar year of the department's most recent cost survey data and the most recently concluded calendar year.

(2) When the handling fee is set pursuant to section 2518(b)(2), the amount in that paragraph shall be adjusted by the California % Change for the most recently concluded calendar year.

(d) If the California CPI-U is no longer published on their website by the Department of Finance or a successor agency, the department shall adjust the handling fee, pursuant to subdivision (c), using another population-weighted average of local area CPI-U's, published by the United States Department of Labor's Bureau of Labor Statistics or a successor agency of the United States government.

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

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

(2) The department determines, based on information contained in the shipping reports filed pursuant to section 2530, that the recycling center or dealer cooperative has received handling fees for materials which were not redeemed for refund value and such discrepancies between reported redemption weights and shipping weights are more than two and one-half percent.

Authority: Section 14530.5, 14536, 14552, ~~and 14578.5~~ and 14585, Public Resources Code. Reference: Section 14504, 14513.4, 14526.6, 14578, 14578.5 and 14585, Public Resources Code.