

## **Department of Resources Recycling and Recovery**

### **AB 1311 Bag Drop Emergency Regulations**

#### **NOTICE OF PROPOSED EMERGENCY ACTION**

NOTICE IS HEREBY GIVEN that the Department of Resources Recycling and Recovery (CalRecycle) is proposing emergency regulations to amend sections 2000, 2045, 2060, 2500, 2505, 2525, and 2535 and adopt sections 2047, 2500.2, 2500.3, and 2500.5, Chapter 5, Division 2, Title 14, of the California Code of Regulations (CCR) to implement bag drop recycling centers and mobile recycling enhancements by clarifying and making specific electronic payments; the handling of bags containing beverage container materials for redemption; terms and conditions for bag drop recycling customers; applications for mobile recycling; and operational standards for mobile recycling.

CalRecycle has complied with the requirement to provide notice of the proposed emergency rulemaking pursuant to Government Code section 11346.1(a)(2) and Title 1, CCR, section 50(b)(3)(A).

In compliance with Title 1, CCR, section 48, the following statement is included in this document: Government Code section 11346.1(a)(2) requires that, at least five working days prior to submission of the proposed emergency action to the Office of Administrative Law (OAL), the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After submission of the proposed emergency regulation to OAL, OAL shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code section 11349.6.

The five-calendar day written comment period permits any interested person, or their authorized representative, to submit written comments addressing the proposed emergency amendments to OAL. Written comments, which offer a recommendation and/or objection, or support the proposed amendment, should indicate the amended section to which the comment or comments are directed.

Comments on the proposed emergency regulations must be submitted directly to OAL within five calendar days of when OAL posts the proposed emergency regulations on the OAL website. Comments on proposed emergency regulations should be submitted to the OAL Reference Attorney by mail to 300 Capitol Mall, Suite 1250, Sacramento, California 95814, by fax to (916) 323-6826, or by e-mail to [staff@oal.ca.gov](mailto:staff@oal.ca.gov).

When submitting a comment to OAL, a copy of the comment must also be submitted to CalRecycle via:

*Electronic Submittal:* [AB 1311 Bag Drop Emergency Regulations Comment Period](#)

OR

*Postal Mail:*

Claire Derksen  
AB 1311 Bag Drop Emergency Regulations  
Department of Resources Recycling and Recovery, Regulations Unit  
1001 "I" Street, MS-24B  
Sacramento, CA 95814

OAL will confirm that CalRecycle has received the comment before considering it. The comment must state that it is about an emergency regulation currently under OAL review and include the topic of the emergency.

The public comment period will commence on July 31, 2025, when the emergency regulations are posted on OAL's website. The public comment period will close on August 5, 2025. **Written comments should be sent to OAL and CalRecycle and received before the close of the public comment period on August 5, 2025.** Additionally, CalRecycle requests that written comments reference a subsection or section of the proposed emergency action. Written comments received during the five-calendar day written comment period for an emergency rulemaking are not required to be responded to by CalRecycle.

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

Copies of the proposed regulation text, the Finding of Emergency, and all of the information upon which this proposal is based are available upon request and on CalRecycle's website accessible at the following internet address:  
[www.calrecycle.ca.gov/Laws/Rulemaking/](http://www.calrecycle.ca.gov/Laws/Rulemaking/).

The rulemaking file is also available for review during normal business hours at CalRecycle, 1001 "I" Street, 23rd Floor, Sacramento, California 95814. Please contact the agency contact person, Claire Derksen, at (916) 327-0089 or [regulations@calrecycle.ca.gov](mailto:regulations@calrecycle.ca.gov), if you wish to review the rulemaking file in person. General or substantive questions regarding this file may also be directed to Claire Derksen.

## **FINDING OF EMERGENCY**

The adoption of these regulations is deemed to be an emergency pursuant to Public Resources Code (PRC) section 14536 which provides that "Any emergency regulations, if adopted, shall be adopted in accordance with Chapter 3.5 (commencing with Section

11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for the purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, including subdivision (e) of Section 11346.1 of the Government Code, any emergency regulations adopted pursuant to this section shall be filed with, but not be repealed by, the Office of Administrative Law and shall remain in effect until revised by the director.”

AB 1311 (Wood, Chapter 506, Statutes of 2021) amended PRC section 14538 allowing a bag drop recycling center to pay refund values electronically and allowing a bag drop recycling center to pay refund values within three business days; and made conforming changes to include bag drops in recycling center statutes. CalRecycle is proposing emergency regulations to implement AB 1311 by adopting and amending the following sections in the California Code of Regulations, Title 14, Division 2, Chapter 5:

Adopt sections 2047, 2500.2, 2500.3, and 2500.5

Amend sections 2000, 2045, 2060, 2500, 2505, 2525, and 2535

These proposed revisions to the regulations implement AB 1311 by clarifying and making specific the operational requirements for a recycling center authorized under PRC section 14538 that utilizes the bag drop recycling center method. These regulations would also allow mobile recycling as an extension of a certified recycling center. PRC section 14536(b)(1) expressly authorizes CalRecycle to adopt emergency regulations for purposes of implementing PRC section 14538.

## **FINDING OF NECESSITY**

Recycling centers are certified to operate in the Beverage Container Recycling Program (BCRP) under the requirements set in statute and implementing regulations. AB 1311 defines and clarifies that a bag drop recycling center is operated by a recycling center. Therefore, a bag drop recycling center must operate in accordance with the statutory and regulatory requirements of a recycling center. AB 1311 allows some deviation from the operating requirements of a traditional recycling center by allowing delayed payment of refund value for a bag drop recycling center.

§14503.5.1. “Bag drop recycling center” means a recycling location operated by a recycling center at which consumers can drop off bagged empty beverage containers for redemption.

§14538(d)(3)(B). A bag drop recycling center shall pay the refund value for beverage containers within a reasonable period of time, not to exceed three business days. The refund value may be paid electronically in accordance with Section 14531.

CalRecycle proposes to amend the following sections of the California Code of Regulations, Title 14, Division 2, Chapter 5 to effectuate bag drop recycling centers and to add mobile recycling as an extension of a recycling center:

Section 2000 will be amended to add definitions for “anchor recycling center”, “bag”, “bag drop receptacle” and “mobile unit”. These terms are needed to enable the bag drop recycling center and the mobile unit extension.

Section 2045 will be amended to add specific information to the certification application that pertains to bag drop recycling centers. These changes are needed to add information in the certification application that apply specifically to bag drop recycling centers and how they operate. Section 2045 will also be amended to clarify language relating to odd-sized containers. This is necessary throughout the regulations to enable bag drop recycling centers to discern which containers are not able to be accepted in a bag drop receptacle.

Section 2060 will be amended to add certification recordkeeping requirements unique to a bag drop recycling center. This change is needed to clarify a recordkeeping requirement that is different from a traditional recycling center. Section 2060 will also be amended to revise “Division” to “department”. This is necessary throughout the regulations to clarify that it is CalRecycle that is vested with the authority to enforce PRC Division 12.1 pursuant to PRC section 40401(a)(2) and is not limited to the Division of Recycling within CalRecycle.

Section 2500 will be amended to add operational requirements specific to a bag drop recycling center. This amendment is necessary where there is a departure in operational requirements from a traditional recycling center that is necessary to accommodate the structure of a bag drop recycling center. Section 2500 will also be amended to specify certain existing dropoff receptacles exist for consumers who want to drop off empty containers without receiving the refund value. This is necessary to distinguish those nonredemption dropoff receptacles from bag drop receptacles.

Section 2505 will be amended to add notification requirements unique to bag drop recycling centers. This amendment is necessary where there is a departure in notification requirements from a traditional recycling center that is necessary to accommodate the structure of a bag drop recycling center.

Section 2525 will be amended to add accounting and recordkeeping requirements unique to a bag drop recycling center. This amendment is necessary where there is a departure in accounting and recordkeeping requirements from a traditional recycling center that is necessary to accommodate the structure of a bag drop recycling center.

Section 2535 will be amended to add payment requirements that are unique to a bag drop recycling center. This amendment is necessary where there is a departure in payment requirements from a traditional recycling center that is necessary to accommodate the structure of a bag drop recycling center.

Additionally, CalRecycle proposes to adopt the following sections in Title 14, CCR, Division 2, Chapter 5 to effectuate bag drop recycling centers and to add mobile recycling as an extension of a recycling center:

Section 2047 will be added to establish a process for a certified recycling center to apply for a mobile unit extension. This adoption is necessary because an application process for a mobile unit add-on to a recycling center does not exist in the current regulations.

Section 2500.2 will be added to provide detail and standards for the operation of a bag drop recycling center. This adoption is necessary because bag drop recycling centers must meet the standards of a traditional recycling center, but standards are needed where bag drop recycling centers differ from traditional recycling centers authorized under PRC section 14538 and other recycling center requirements in statute.

Section 2500.3 will be added to authorize the operator of a bag drop receptacle to set terms and conditions for its customers. This adoption is necessary because the unique characteristics of a bag drop receptacle, such as electronic and delayed payments, may require agreements between the customer and the service provider.

Section 2500.5 will be added to provide detail and standards for the operation of a mobile unit and its anchor recycling center. This adoption is necessary because mobile units have unique characteristics and therefore unique operational requirements within the recycling center authority established under PRC section 14538 and other recycling center requirements in statute.

## **TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORT OR DOCUMENTS RELIED UPON**

CalRecycle utilized the following sources in the development of the proposed regulations:

- Attachment 1: Economic and Fiscal Impact Statement (STD 399)
- Attachment 2: STD 399 Supplemental Information

## **AUTHORITY**

These regulations are submitted pursuant to CalRecycle's authority under PRC section 14536.

## **REFERENCE**

The proposed regulations propose to adopt sections 2047, 2500.2, 2500.3, and 2500.5 and amend sections 2000, 2045, 2060, 2500, 2505, 2525, and 2535 in Title 14, CCR, Division 2, Chapter 5. These changes are intended to implement, interpret, and make specific PRC section 14538.

## **INFORMATIVE DIGEST**

The California Beverage Container Recycling and Litter Reduction Act (Act) (Chapter 1290, Statutes of 1986) was established to promote beverage container recycling and reduce litter by utilizing the California Refund Value (CRV) deposit and return system. Consumers pay the CRV when purchasing beverages in containers subject to the program. The CRV deposit is returned to the consumer when they redeem the empty beverage container at a certified recycling center, a certified pilot project recycler, or a registered dealer cooperative. PRC section 14538 requires recycling centers to apply for certification with the department before becoming operational. The statutes in the Act and its implementing regulations set standards and requirements for recycling centers such as business hours and the types of materials they accept.

The law allows for some variation for reverse vending machines and separate standards to allow for greater flexibility for the operation of pilot project recyclers, including bag drop recycling which successfully operates using a mobile model. Additionally, AB 179 (Chapter 249, Budget Act of 2022) and subsequent budget bills provide funding through the Beverage Container Redemption Innovation Grant Program that can be used for bag drop, mobile recycling, traditional recycling centers, and reverse vending machines. Including mobile recycling as a component of a recycling center that meets all other operational requirements allows for bag drop models to be utilized in other locations.

These regulations implement bag drop recycling centers and mobile recycling enhancements by clarifying and making specific electronic payments; the handling of bags containing materials for redemption; terms and conditions for bag drop recycling customers; applications for mobile recycling; and operational standards for mobile recycling.

### **Summary Of Existing Laws And Effect Of The Proposed Action**

AB 1311 added bag drop recycling centers as a type of recycling center that allows electronic and delayed payments. These regulations specify the application content and operational standards that apply only to bag drop recycling centers. These regulations also allow mobile recycling, which may include mobile bag drop receptacles, to be operated by recycling centers and specify the application content and operational standards that apply only to mobile recycling.

Existing regulations generally refer to the “Division” or “Division of Recycling”.

Existing regulations generally use the phrase “of these Regulations” after citing to a section of the regulations.

Existing regulations use various terms and capitalization for references such as section, subsection, and subdivision.

Existing regulations define specific terms for purposes of the Act and regulations.

Existing regulations describe certain existing dropoff receptacles.

Existing regulations prescribe requirements relating to odd-sized containers.

Existing regulations establish application procedures for traditional recycling centers.

Existing regulations establish operational standards for traditional recycling centers.

These regulations generally make conforming changes to replace “Division” with “Department” in any section being amended in this rulemaking action.

These regulations generally make conforming changes to remove “of these regulations” in any section being amended in this rulemaking action.

These regulations standardize references to various terms such as “section”, “subdivision”, and “article”.

These regulations add additional definitions for specific terms used in the regulations.

These regulations specify that certain existing dropoff receptacles are for customers who do not want to receive payment of refund value.

These regulations clarify language relating to odd-sized containers.

These regulations establish application procedures for bag drop recycling centers and a mobile unit extension of a recycling center.

These regulations establish operational standards for bag drop recycling centers and a mobile unit extension of a recycling center.

These regulations prescribe requirements for terms and conditions the operator of a bag drop receptacle imposes on a consumer.

### **Policy Statement Overview/Anticipated Benefits Of Proposal**

These regulations support the environment by enabling new types of redemption models to increase consumer accessibility to recycling beverage containers in the state. The regulations also give consumers a wider range of options that may be more convenient to return their empty beverage containers for a refund. These regulations stimulate the circular economy by implementing bag drop and mobile recycling so that recyclers are incentivized to open locations in California.

These proposed regulations will implement, interpret, and make specific AB 1311 by integrating bag drop recycling centers and mobile recycling extensions of recycling centers into the regulatory framework of the BCRP. This increases clean streams of recyclable materials to support a circular economy and reduces environmental litter and the associated negative effects on health and society.

Littered beverage containers can attract pests and spread disease, while beverage containers littered as pollution into natural spaces and waterways can leach chemicals and microplastics that are harmful to human health into the groundwater that supplies society's drinking water. By adding new methods of redemption to the BCRP, this increases the rate at which those containers will be redeemed at a recycling center for the return of the CRV deposit rather than littered. Taken as a whole, these regulations will benefit the health and safety of residents of California and the state's environment by ensuring that these beverage containers are recovered instead of littered.

### **Consistency and Compatibility With State Regulations**

Pursuant to Government Code Section 11346.5(a)(3)(D), CalRecycle conducted an evaluation of existing state regulations. CalRecycle determined that the proposed regulations are neither inconsistent nor incompatible with existing state regulations and that CalRecycle is the only agency that can implement this proposed regulation. (PRC section 14529.)

### **INCORPORATION BY REFERENCE**

No documents or forms are incorporated by reference in the proposed regulation.

### **EXISTING COMPARABLE FEDERAL REGULATION OR STATUTE**

CalRecycle has determined that the proposed regulations do not significantly differ from federal law because there are no existing comparable federal statutes or regulations in this subject area.

### **OTHER STATUTORY REQUIREMENTS (GOVERNMENT CODE SECTIONS 11346.1(b) AND 11346.5(a)(4))**

CalRecycle has determined that no other matters, as prescribed by statute, need to be addressed.

### **MANDATES ON LOCAL AGENCIES OR SCHOOL DISTRICTS**

CalRecycle has determined that the proposed regulations do not impose a mandate on local agencies or school districts.

### **FISCAL IMPACT**

#### **Local Agencies or School Districts Subject to Reimbursement**

CalRecycle has determined that the proposed regulations do not result in costs to any local agency or school district that must be reimbursed pursuant to Section 6 of Article XIII B of the California Constitution and Part 7 of Division 4 of the Government Code Section 17500 et seq.

## **Cost or Savings to Any State Agency**

CalRecycle has determined that adoption of these regulations does have a cost to state agencies. CalRecycle determined the total annual fiscal effect of these proposed regulations on state government for fiscal year (FY) 25/26 to be \$1,502.72. With the passage of AB 1311, CalRecycle determined that implementation would be minimal and that this cost would be absorbed within existing resources.

To determine the fiscal effects on state government of reviewing mobile unit applications for FY 25/26, CalRecycle calculated the price to process 4 mobile unit applications, assuming the labor cost to be \$78.17 per hour, and that each application would take approximately 4 hours to process. CalRecycle based the \$78.17 per hour labor cost on the salary of an Associate Governmental Program Analyst (AGPA), which is the civil service classification of the position that would review these applications. While CalRecycle anticipates that the Staff Services Analyst classification may also conduct these reviews, CalRecycle is basing labor cost on the salary of an AGPA as it represents the highest potential cost. Please see Table 1 in the STD 399 Supplemental Information for information on how the hourly labor cost of reviewing mobile unit applications was calculated. The total cost of reviewing mobile unit applications for FY 25/26 is estimated to be \$1,250.72 (4 x 4 x \$78.17).

To determine the fiscal effects on state government of providing a duplicate anchor recycling center certification sign for mobile units and bag drop programs for FY 25/26, CalRecycle calculated the price to create 42 physical signs, assuming the cost of materials to create each physical sign to be \$1 and the cost of postage to mail each sign to be \$5. The total cost of producing and mailing duplicate physical signs for FY 25/26 is estimated to be \$252 (\$6 x 42). Please see Table 2 in the STD 399 Supplemental Information for information on how the total cost of producing and mailing duplicate physical signs was calculated. CalRecycle has the ability to provide digital duplicate anchor recycling center signs at no additional cost.

Therefore, the total fiscal effect on state government for FY 25/26 is \$1,502.72 (\$1,250.72 + \$252).

To determine the fiscal effects on state government of reviewing mobile unit applications for FY 26/27, CalRecycle calculated the price to process 6 mobile unit applications, assuming the labor cost to be \$78.17 per hour, and that each application would take approximately 4 hours to process. CalRecycle based the \$78.17 per hour labor cost on the salary of an AGPA, in the same manner as described above for FY 25/26. The total cost of reviewing mobile unit applications for FY 26/27 is estimated to be \$1,876.08 (6 x 4 x \$78.17).

To determine the fiscal effects on state government of providing a duplicate anchor recycling center certification sign for mobile units and bag drop programs for FY 26/27, CalRecycle calculated the price to create 57 physical signs, assuming the cost of materials to create each physical sign to be \$1 and the cost of postage to mail each

sign to be \$5. The total cost of producing and mailing duplicate physical signs for FY 26/27 is estimated to be \$342 (\$6 x 57). Please see Table 3 in the STD 399 Supplemental Information for information on how the total cost of producing and mailing duplicate physical signs was calculated. CalRecycle has the ability to provide digital duplicate anchor recycling center signs at no additional cost.

Therefore, the total fiscal effect on state government for FY 26/27 is \$2,218.08 (\$1,876.08 + \$342).

For FY 27/28, the number of mobile recycler applicants are derived from the awarded grants from AB 179. The remaining funding may be allocated to entities other than mobile recyclers, due to the funding restrictions under AB 179. -The potential cost for FY 27/28 is unknown but likely less than \$2,218.08 because the existing mobile recycler applications will have already been processed and signs purchased in previous fiscal years.

### **Non–Discretionary Cost or Savings Imposed Upon Local Agencies**

CalRecycle has determined that there are not non–discretionary costs or savings imposed upon any local agencies.

### **Cost or Savings in Federal Funding to the State**

CalRecycle has determined that adoption of these regulations will not have an impact on costs or savings in federal funding to the State.