

REQUEST FOR APPROVAL

To: Zoe Heller
Director

From: Kate Nitta
Assistant Chief Counsel, Legal Affairs Office

Request Date: May 18, 2026

Subject: SB 1013 Addition of New Beverage Containers Permanent Regulations

Action By: May 29, 2026

Summary of Request:

Senate Bill 1013 (2021-2022 Reg. Session, Chapter 610 of the Statutes of 2022) ("SB 1013") amended Public Resources Code ("PRC") sections 14504 and 14528.5 to expand the type of beverages covered by the California Beverage Container Recycling and Litter Reduction Act ("Act") to include wine, distilled spirits, and all wine and distilled spirits coolers. SB 1013 also expanded the types of beverage containers eligible for redemption under the Act to include a beverage container that is a box, bladder, or pouch, or similar container, regardless of the material type from which the beverage container is made, as long as the box, bladder, or pouch contains wine or distilled spirits. (PRC section 14504.)

The Department of Resources Recycling and Recovery ("CalRecycle" or "department") administers the Act, which was added to state law by Assembly Bill No. 2020 (1985-1986 Reg. Session, Chapter 1290 of the Statutes of 1986). The Act, commonly known as the "Bottle Bill," created the infrastructure to encourage large scale recycling of beverage containers and is administered by the Beverage Container Recycling Program ("BCRP") within the department. The intent of the Act is to encourage increased, and more convenient, beverage container redemption opportunities for all consumers, and to provide the opportunity to return beverage containers conveniently, efficiently, and economically, in every region of the State.

Originally, only beer, malt beverages, and carbonated soft drinks were eligible for California Refund Value ("CRV") under the Act. Each covered beverage in a beverage container constructed of metal, glass, or plastic had a CRV of 1 cent, which a consumer paid when purchasing a beverage (as defined in PRC section 14504) in a beverage container (as defined in PRC section 14505) and was refunded to the consumer when they redeemed the empty beverage container at a recycling center.

Prior to the passage of Senate Bill 1013 (2021-2022 Reg. Session, Chapter 610 of the Statutes of 2022) ("SB 1013"), the refund program could be summarized as follows:

- Eligible containers were made from aluminum, glass, plastic, or bimetal.
- Ineligible beverages included: wine, distilled spirits, wine and distilled spirit coolers exceeding 7 percent alcohol by volume, certain large fruit and juice containers, milk, medical food, and infant formula.
- CRV had increased to 5 cents for a beverage container less than 24 ounces, and 10 cents for a beverage container 24 ounces or larger.

The enactment of SB 1013 expanded the types of beverages and beverage containers that are eligible for redemption as part of the BCRP. Specifically, PRC section 14504(a)(12) was amended to expand the Act's definition of "beverage" to include "wine or distilled spirits contained in a beverage container that is a box, bladder, or pouch, or similar container, regardless of the material type from which the beverage container is made." However, there is no universal understanding of what types of beverage containers constitute a "box, bladder, or pouch, or similar container." Therefore, it is necessary to adopt the proposed regulations to clarify what constitutes a bag in box, multi-layer pouch, and paperboard carton containing wine, distilled spirits, and distilled spirit cooler (proposed 14 CCR sections 2000(a)(3.05), (31.7), and (33.5)).

In addition, SB 1013 included various provisions related to implementation of the new beverages and beverage containers that require clarification. For instance, under PRC section 14560(c), "a beverage container that is a box, bladder, or pouch, or similar container, containing wine or distilled spirits, as described in paragraph (12) of subdivision (a) of Section 14504, sold or offered for sale in the state shall have a redemption payment and refund value of twenty-five cents (\$0.25)." CalRecycle has determined it is necessary to clarify and make specific the beverages and beverage containers subject to the 25 cent CRV and redemption payment: bags in boxes, multi-layer pouches, paperboard cartons, and plastic #1-7 pouches containing wine, distilled spirits, or wine and distilled spirit cooler (proposed 14 CCR section 2900(b)(2)).

While CalRecycle was developing the regulations, AB 720 (Rogers, Ch. 562, Statutes of 2025) became law. AB 720 required additional revisions to the proposed regulations.

CalRecycle is proposing permanent regulations to amend California Code of Regulations (CCR), Title 14, Division 2, Subchapters 1, 3, 4, 5, 6, 11.1, and 12, sections 2000, 2200, 2230, 2231, 2235, 2240, 2300, 2301, 2305, 2310, 2320, 2400, 2401, 2500, 2501, 2525, 2535, 2830, 2831, 2831.1, 2831.5, 2834, 2835, and 2900. CalRecycle additionally proposes to adopt the California Code of Regulations, Title 14, Division 2, Chapter 5, Subchapters 3 and 4, specifically to add sections 2205, 2241, 2243, and 2311. The proposed rulemaking will permanently establish regulations to integrate the new types of beverage containers and beverages that SB 1013 added to the Act into the regulatory framework of the BCRP.

Background Information, Analysis, and Findings:

These proposed regulations will implement, interpret, and make specific SB 1013 by integrating the new types of beverage containers and beverages into the regulatory

framework of the Beverage Container Recycling Program. 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. The value of this benefit is not included in this analysis because it is intangible and unquantifiable.

These proposed regulations specify that wine and distilled spirit coolers sold in bags in boxes, multi-layer pouches, and paperboard cartons will have a refund value of 25 cents. The benefits consist of a set of BCRP payments that facilitate the collection and handling of wine and distilled spirit coolers sold in bags in boxes, multi-layer pouches, and paperboard cartons. 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. The associated program payments providing a benefit consist of the following: refund value, paid to consumers and recyclers; administrative fees, paid to processors and recyclers for administrative costs; handling fees (recycling centers operating at supermarket sites in convenience zones generally designated within one mile of supermarkets); and processing payments (a payment paid to recycling centers and other recyclers for handling material types having a scrap value less than the cost of recycling). The total statewide benefits from these proposed regulations over their lifetime is approximately \$2.8 million.

Economic and Fiscal Impact:

CalRecycle estimates the economic impact of this regulation for private sector and state costs totals approximately \$15.1 million due to costs associated with processor handling and beverage manufacturer reporting of plastic minimum content for bags in boxes, multi-layer pouches, and paperboard cartons containing wine, distilled spirits, or wine and distilled spirit coolers; handling costs for processors; as well as Beverage Container Recycling Program payments required to be paid into the California Beverage Container Recycling Fund associated with the inclusion of wine and distilled spirit coolers sold in those types of containers.

CalRecycle has determined that adoption of these regulations will have a cost to CalRecycle. Additional expenditures in the current State Fiscal Year (FY 2025-26) are estimated to equal \$52,708 as detailed in the STD 399 Economic and Fiscal Impact Statement Supplemental Information. State costs for each of the 2026-27 and 2027-28 fiscal years, and each fiscal year thereafter, are estimated to be \$35,121.

Recommendation:

The Legislature enacted SB 1013 to expand the types of beverages and beverage containers that are subject to CRV and eligible for redemption as part of the BCRP. Prior to the passage of SB 1013, Chapter 5, Division 2, Title 14 of the California Code of Regulations established a framework for the BCRP that includes a system of payments and procedures among a variety of program participants. This regulatory framework is built upon the previously eligible beverages and beverage containers. The newly eligible beverages and beverage containers are not accounted for in CalRecycle's existing

regulations, and CalRecycle is seeking to establish permanent regulations to incorporate these new beverages and beverage containers into the BCRP's regulatory framework.

Based on the information presented in this Request for Approval, staff recommends the Director to approve the proposed regulatory text for the SB 1013 regulations.

Upon approval of this request, staff will work with the Legal Office to make the necessary filings with the Office of Administrative Law to enact the regulations.

Director Action:

On the basis of the information and analysis in this Request for Approval, I hereby approve the amendments and additions of SB 1013 detailed in 14 CCR, sections 2000, 2200, 2205, 2230, 2231, 2235, 2240, 2241, 2243, 2300, 2301, 2305, 2310, 2311, 2320, 2400, 2401, 2500, 2501, 2525, 2535, 2830, 2831, 2831.1, 2831.5, 2834, 2835, and 2900 and in doing so, fulfill CalRecycle's obligations pursuant to PRC 14530.5 and 14536.

Signature on File

Zoe Heller
Director

5/26/26

Date Signed

Attachments:

1. Proposed Regulatory Text