

Department of Resources Recycling and Recovery

SB 1113 Pilot Projects Program 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 2754 and 2759, Article 1, Subchapter 9.5, Chapter 5, Division 2, Title 14, of the California Code of Regulations (CCR) that establishes the Pilot Projects Program in the California Beverage Container Recycling Program (BCRP).

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 CalRecycle. 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.

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

Electronic Submittal: [SB 1113 Pilot Projects Program Emergency Comment Period](#)

OR

Postal Mail:

Mitchell Haddon
SB 1113 Pilot Projects Program Emergency Regulations
Department of Resources Recycling and Recovery, Regulations Unit
1001 "I" Street, MS-24B
Sacramento, CA 95814

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 September 17, 2026, when the emergency regulations are posted on OAL's website. The public comment period will close on September 22, 2026. **Written comments received by OAL and CalRecycle after the close of the public comment period are considered untimely.** Additionally, CalRecycle requests that written comments reference a subsection or section of the proposed emergency action.

By submitting a written comment to CalRecycle in connection with this rulemaking action you shall be deemed to have expressly indicated a willingness to receive a notice by means of an electronic written communication via email unless you specifically request CalRecycle to deliver its notice(s) via non-electronic communication.

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/.

The rulemaking file is also available for review during normal business hours at CalRecycle, 1001 I Street, 23rd Floor, Sacramento, California. Please contact the agency contact person, Mitchell Haddon, at (916) 327-0089 or 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 Mitchell Haddon.

FINDING OF EMERGENCY

CalRecycle finds that an emergency exists and seeks to readopt and amend the regulations commencing with Article 1, Section 2750, Subchapter 9.5, Chapter 5, Division 2, Title 14, of the CCR to extend the expiration date of these emergency regulations from January 1, 2027, to January 1, 2034.

The readoption and amendment of these regulations is deemed to be an emergency pursuant to Public Resources Code (PRC) section 14571.9 (j), which provides that: "The department may adopt emergency regulations for the purpose of implementing this

section. 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 readoption and amendment 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. 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 amended or repealed by the department or January 1, 2034, whichever comes first."

FINDING OF NECESSITY

CalRecycle finds that the proposed regulations need to be readopted and amended to extend their expiration date in order to implement statutory mandates of PRC section 14571.9. The proposed regulations would amend sections 2754 and 2759 to the CCR, Title 14. Natural Resources, Division 2. Department of Conservation, Chapter 5. Division of Recycling, Subchapter 9.5, Article 1. The readoption and amendment of these regulations is deemed to be an emergency pursuant to PRC section 14571.9 (j).

The BCRP was established as a California Redemption Value (CRV) deposit and return system to create convenient beverage container recycling opportunities in the state. Recycling centers that redeem CRV containers located throughout the state provide redemption opportunities for consumers to return their CRV beverage containers to claim their refund.

SB 458 (Wiener, Chapter 648, Statutes of 2017) became law effective October 10, 2017, authorizing CalRecycle to approve up to five pilot projects proposed by jurisdictions to provide convenient beverage container redemption opportunities in convenience zones unserved by a recycling center. The Office of Administrative law approved emergency regulations to implement PRC sections 14515.8 and 14571.9 on February 22, 2019.

AB 54 (Ting, Chapter 793, Statutes of 2019) amended PRC section 14571.9 to allow pilot project recyclers to operate and be eligible for handling fees anywhere within the pilot project area. Under prior law they were limited to operating within a convenience zone. The date when a pilot project application must meet the conditions for eligibility was amended from October 12, 2019, to the date of the pilot project application.

AB 148 (Committee on Budget, Chapter 115, Statutes of 2021) became law effective July 22, 2021, increasing the pilot projects from 5 to 10; extending the time that CalRecycle may approve pilot projects from January 1, 2022 to June 30, 2025; extending the sunset date of the pilot project program from July 1, 2022 to June 30, 2026; and extending the sunset date of the emergency regulations from July 1, 2022 to January 1, 2027.

The Office of Administrative Law approved the regulations to implement the changes from AB 54 and AB 148 effective February 4, 2022, and expiring on January 1, 2027.

SB 1113 (Newman, Chapter 182, Statutes of 2024) became law effective January 1, 2025. SB 1113 made changes to PRC section 14571.9 to extend the sunset date of the program and emergency regulations to January 1, 2034; extend the time that CalRecycle may approve pilot projects from June 30, 2025 to January 1, 2032; and beginning January 1, 2027, provides that pilot projects will no longer serve convenience zones in the jurisdictions which they operate.

The regulations to implement PRC section 14571.9 expire on January 1, 2027. SB 1113 extends the sunset date of the pilot project program to January 1, 2034. CalRecycle proposes to extend the expiration date of these regulations to the new sunset date set by PRC section 14571.9(j) and 14571.9(l) and to amend CCR sections 2754(a) and 2759(a)(6) to align with the extended application deadlines specified in PRC section 14571.9(a)(1) and 14571.9(a)(4).

To implement these changes, CalRecycle proposes to readopt the emergency regulations and amend, specifically, the following sections of the California Code of Regulations, Title 14, Division 2, Chapter 5:

The readoption of these regulations is necessary to align the expiration of the regulations with current law.

Section 2754(a) will be amended to extend the time that CalRecycle may approve pilot projects from June 30, 2025 to January 1, 2032. This amendment is necessary to align the regulations with current law.

Section 2759(a)(6) will be amended to extend the time that CalRecycle may consider an approved pilot project's submission of supplemental pilot project applications and pilot project amendments from June 30, 2025 to January 1, 2032. This amendment is necessary to align the regulations with current law.

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
- Attachment 3: For Filing - SB1113 Proposed Regulatory Text

AUTHORITY

These regulations are submitted pursuant to CalRecycle's authority under PRC sections 14530.5(b), 14536, and 14571.9(j).

REFERENCE

Title 14 CCR amended sections commencing with 2750 of Title 14, Division 2, Chapter 5, Subdivision 9.5 of the California Code of Regulations. These changes are intended to implement, interpret and make specific PRC sections 14571.9.

INFORMATIVE DIGEST

Summary Of Existing Laws And Effect Of The Proposed Action

The California Beverage Container Recycling and Litter Reduction Act, AB 2020/Margolin, Chapter 1290, Statutes of 1986 (Act), created the BCRP and established the Division of Recycling to administer the BCRP. PRC sections 14538, 14571, and 14585 certify recycling centers, determine if a convenience zone is served, and provide the basis for handling fee payment eligibility. The regulations implementing the act provide the framework for the application process for certifying recycling centers and operational standards for recycling centers.

SB 458 became law effective October 10, 2017, authorizing CalRecycle to approve up to five pilot projects proposed by jurisdictions to provide consumers with convenient beverage container redemption opportunities in convenience zones unserved by a recycling center. CalRecycle adopted emergency regulations on April 2, 2019, as authorized by PRC section 14571.9 to implement the pilot project program. These emergency regulations were approved by OAL on April 2, 2019, to be effective until January 1, 2022.

AB 54 and AB 148 made substantive changes to the statute necessitating the amendment of existing regulations to conform to current law. AB 148 extended the effective date of emergency regulations promulgated under the authority of 14571.9 through January 1, 2027 (PRC section 14571.9(j)). AB 54 allowed pilot project recyclers to operate outside of convenience zones and changed the eligibility criteria, for purposes of applying for a pilot project, to be based on eligibility at the time of the application. AB 148 expanded the number of pilot projects, from five to ten, and extended the sunset date of the program from July 1, 2022, to June 30, 2026.

SB 1113 (Newman, Chapter 182, Statutes of 2024) became law effective January 1, 2025. SB 1113 made changes to PRC section 14571.9 to extend the sunset date of the program to January 1, 2034; extend the time that CalRecycle may approve pilot projects and supplemental pilot project applications from June 30, 2025 to January 1, 2032; and effective January 1, 2027, provides that pilot projects will no longer serve convenience zones in the jurisdictions which they operate.

Policy Statement Overview/Anticipated Benefits Of Proposal

The intent of the BCRP is to provide increased and convenient beverage container redemption and recycling opportunities for consumers (PRC section 14501(e)). It is also

the intent of the Act that the responsibility to provide convenient, efficient, and economical redemption opportunities rests jointly with manufacturers, distributors, dealers, recyclers, processors, and CalRecycle (PRC section 14501(g)).

In order to meet the objectives of the BCRP, CalRecycle certifies recycling centers where consumers can redeem their eligible CRV beverage containers for refund (PRC section 14538). The Act establishes convenience zones within a one-half mile radius of a supermarket to provide convenient redemption opportunities for consumers (PRC section 14509.4). Recycling centers at supermarket sites are eligible to receive handling fee payments from CalRecycle (PRC section 14585).

In recent years, several recycling centers have closed in part because some locations and municipalities do not want to zone and permit recycling centers to operate within their jurisdictions. SB 458 (Wiener, Chapter 648, Statutes of 2017) was signed into law on October 10, 2017, authorizing CalRecycle to approve up to five pilot projects to improve consumer redemption opportunities. Pilot project recyclers are subject to the statutes and regulations pertaining to recycling centers unless otherwise specified (PRC section 14571.9(a)(2)) and are eligible to receive payments (PRC section 14571.9(j)).

One of the primary objectives of the pilot project program is to reduce gaps in CRV redemption availability through partnership between the state and local jurisdictions to increase the number of convenient locations for recycling centers and beneficial collaboration between local jurisdictions and operators of recycling centers. Approved pilot projects and the regulatory reporting requirements are being used to explore different ways to meet the goals of the Act to determine if they can be adopted statewide on a permanent basis. The proposed readoption of emergency regulations with amendments, will maintain the work that expanded jurisdictional membership and types of jurisdictions due to the increased timeframe to receive and approve supplemental applications. Additionally, continuing to allow pilot project recyclers to utilize new and innovative methods of consumer recycling is in the best interest of CalRecycle. The very minor amendments to the readoption of emergency language are solely year changes to account for the extension granted by the authorizing statute.

Pilot projects allow convenience zones currently unserved by a recycling center to be served by a pilot project recycler. Aligning with the statutory amendments to operate outside of convenience zones and expanding pilot project jurisdiction participation creates more opportunities for consumers to redeem beverage containers. Pilot projects include new operational models that allow for the exploration and evaluation of new methods of redemption in more locations. The pilot projects encourage the cooperation of jurisdictions, recyclers, and dealers to provide mutually beneficial solutions to improve and modernize the BCRP. The strength of the BCRP and its participants ultimately benefit the environment through the collection of beverage containers for recycling.

CalRecycle has approved 10 pilot projects, the maximum number of pilot projects allowed under the law. The pilot project program now has 9 pilot project recyclers

operating in multiple jurisdictions throughout the state. This emergency rulemaking will ensure the regulations that provide the operational framework for the pilot project program do not expire prematurely. Extending the effective date of these regulations will ensure the operational requirements remain in place until the authorizing statute expires.

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.

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.

INCORPORATION BY REFERENCE

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

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

There are no fiscal impacts from these regulations. Statute established the Pilot Project Program and emergency regulations have been adopted and implemented. The proposed changes in this emergency rulemaking will align the existing regulations with recent amendments to the statute that extend the expiration date of the program and application deadlines. These changes are statutorily driven and these regulations will not introduce independent changes that will have a cost 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 not have a cost to state agencies. The proposed changes in this emergency rulemaking will align the existing regulations with recent amendments to the statute that extend the expiration date of the program and application deadlines. These changes are statutorily driven and these regulations will not introduce independent changes that will have a cost impact.

Non–Discretionary Cost or Savings Imposed Upon Local Agencies

CalRecycle has determined that there are no non– discretionary costs or savings imposed upon any local agencies. The proposed changes in this emergency rulemaking will align the existing regulations with recent amendments to the statute that extend the expiration date of the program and application deadlines. These changes are statutorily driven and these regulations will not introduce independent changes that will have a cost impact.

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.