Department of Resources Recycling and Recovery
SB 1113 Pilot Projects Program Emergency Regulations

Economic Impact Statement Supplemental Information

Background of Bill and Regulations

CalRecycle finds that the proposed regulations are needed to amend existing regulations in order to implement the statutory mandates of Public Resources Code (PRC) section 14571.9. The proposed regulations would amend sections 2754, and 2759, of the California Code of Regulations (CCR), Title 14 and extend the expiration of the regulations until January 1, 2034. Natural Resources, Division 2. Department of Conservation, Chapter 5. Division of Recycling, Subchapter 9.5, Article 1. The amendment and adoption of these regulations is deemed to be an emergency pursuant to PRC section 14571.9 (j).

The California Beverage Container Recycling Program (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 section 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 application deadlines from January 1, 2022, to June 30, 2025; extending sunset date of the pilot projects 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, 2034; 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 time that CalRecycle has to approve pilot projects and supplemental applications, and pilot projects amendments under the authority of PRC section 14571.9(a)(1) and 14571.9(a)(4).

Anticipated Benefits from this Regulatory Action

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 projects program does not expire prematurely. Extending the effective date of these regulations will ensure the operational requirements remain in place until the authorizing statute expires.

Assumptions, Data Sources, and Calculation

There are no monetary or numerical calculations associated with this regulation update.

There are no fiscal impacts from these proposed regulations. Statute established the Pilot Projects 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 the timeframe that CalRecycle has to approve pilot projects and supplemental applications, and pilot projects amendments. These changes are statutorily driven and these regulations will not introduce independent changes that will have a cost impact.

STD. 399: Economic and Fiscal Impact Statement

There are no monetary or numerical calculations associated with this regulation update.

There are no economic or fiscal impacts from these regulations. Statute established the Pilot Projects 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 the timeframe for CalRecycle to approve pilot projects and supplemental applications, and pilot projects amendments. These changes are statutorily driven and these regulations will not introduce independent changes that will have a cost impact.

Methodologies for Individual Answers – Fiscal Impact Statement

A. Fiscal Effects on Local Governments

5) No fiscal impact exists. This regulation does not affect any local entity or program.

There is no fiscal impact to the local, state, or federal government as a result of these regulations that will conform regulatory expiration dates with the statutory deadlines established through SB 1113. There are no changes or costs to the existing program that can be attributed to the proposed regulations.

B. Fiscal Effects on State Government

3) No Fiscal Impact Exists: There is no anticipated fiscal effect on state government. No state agency will have any costs, savings, or revenue changes.

There is no fiscal impact to the local, state, or federal government as a result of these regulations that will conform regulatory expiration dates with the statutory deadlines established through SB 1113. There are no changes or costs to the existing program that can be attributed to the proposed regulations.

C. Fiscal Effects on Federal Funding of State Programs

3) No fiscal impact exists. The proposed emergency regulation will not have any impact on the federal funding of any state program.