



January 9, 2023

To: Store Manager

RE: Legislative Changes

NOTICE

The Department of Resources Recycling and Recovery (CalRecycle) administers California's Beverage Container Recycling and Litter Reduction Act (Act). Under the Act, dealers of beverage containers have certain obligations.

Your store is identified as a beverage *dealer* located within a *convenience zone* under the Act. This notice provides you with information about legislative changes taking effect January 1, 2023 that may impact your business. On February 8, 2023, CalRecycle will hold a virtual webinar to provide more information about these changes. More information about this webinar can be found on page 3 of this notice.

- A *dealer* is a retail establishment that offers the sale of California Redemption Value beverages to consumers for off-site consumption. Examples of dealers include, but are not limited to, supermarkets, community markets, gas marts, convenience stores, liquor stores, membership bulk stores and health food stores. (Public Resources Code (PRC) Section 14510.)
- A *convenience zone* is the area within a specified radius of a supermarket that must be served by a recycling center (PRC Section 14509.4, 14571(a)). (*SB 1013 expands the radius from one half mile to 1-mile in urban areas, and from 3-miles to 5-miles in rural areas, effective January 1, 2023.*)

The Act requires convenience zones to be “served” by a recycling center located within the zone. Unless an exemption has been granted, a convenience zone without a recycling center is referred to as an “unserved zone”.

All dealers in an unserved zone must redeem empty beverage containers and provide consumers with California Refund Value (CRV) in-store or pay a \$100 per day fee (PRC Section 14571.6 (a) and (b)).

This notice provides you with information about legislative changes taking effect January 1, 2023, that impact obligations for dealers under the Act:

1. **Expiration of Senate Bill 155** (SB 155, Committee on Budget and Fiscal Review, Chapter 258, Statutes of 2021, Section 22)
(https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB155)

SB 155 provided a temporary pause on small dealer obligations to redeem in store or pay the daily fee in Unserved Zones. This pause provided by SB 155 expired January 1, 2023. If your store was exempted under SB 155, your store is subject to resuming either redeeming in-store or paying \$100 per day fee effective January 1, 2023.

2. **Enactment of Senate Bill 1013** (SB 1013, Atkins, Chapter 610, Statutes of 2022)
(https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1013)

SB 1013 makes a number of changes to the Act, including expanding the convenience zones and modifying the role of dealers. While a number of key provisions will not take effect until 2024 or 2025, dealers should note the following changes that will be effective January 1, 2023, and the implications for dealer responsibilities.

- SB 1013 expands the convenience zone radius from within a one-half mile to a 1-mile of a supermarket (or in a rural region, from up to 3-mile to up to 5-mile radius from a supermarket).
 - The expansion of the convenience zones results in approximately 700 zones that will shift to served status as of January 1, 2023, based on service from existing recycling centers.

Dealers in zones that shift from unserved to served status on January 1, 2023, will no longer be subject to in-store redemption or daily fees.

CalRecycle will send notifications in late January to dealers regarding zone status changes from unserved to served.

- The expansion of convenience zones will result in additional dealers included within the boundary of convenience zones.

If an expanded zone is unserved, these additional dealers will be obligated to redeem in-store or pay the daily fee.

Dealers will be notified if they are located within the new boundary of an unserved zone. Notifications may take up to 60 days.

- SB 1013 reduces the total number of convenience zone exemptions granted by CalRecycle from a maximum 35 percent to a maximum 15 percent of the total number of convenience zones. This reduction in exemptions may result in a change in status from exempt to served or unserved zones. **CalRecycle will notify dealers if a change to zone status occurs.**

Some key provisions of SB 1013 will not be effective until 2024 or later. CalRecycle will hold workshops and provide information regarding those changes as effective dates approach. Of note, SB 1013 allows dealers to establish voluntary dealer cooperatives as an alternative to in-store takeback or the daily fee obligations after January 1, 2025. While these options will not be available until January 1, 2025, CalRecycle will begin public outreach and workshops to develop implementing regulations for the dealer cooperatives starting in early 2023. Dealers will be notified of regulatory workshops and are encouraged to comment and engage in the process.

To Learn More and Stay Informed

Sign up for the BCRP General Information listserv to receive notices and updates on activities related to SB 1013 including public workshops and rulemaking via link: <https://www2.calrecycle.ca.gov/Listservs/Subscribe/132>.

Register for the February 8, 2023 Webinar

The webinar on February 8th will explain the changes to the size of convenience zones as a result of the enactment of SB 1013. CalRecycle will be holding three sessions. Each session is limited to 1,000 attendees, and dealers must register for the time they wish to attend. Please use the links below to register for the time slot of your choice.

9:00a.m.	https://us02web.zoom.us/j/89456300970?pwd=c0cxa0pmRU50T1Vya2dtOUtlUG8wQT09
11:00a.m.	https://us02web.zoom.us/j/81835760189?pwd=RWxUdHIWTENCc3RKVUY2ditjTlIOdz09
2:00p.m.	https://us02web.zoom.us/j/87644405263?pwd=Z0lwSW42dFVHNWN5aG51cnFJWFZQdz09

For questions, please visit our webpage: <https://calrecycle.ca.gov/BevContainer/Retailers/>, or email: SB1013DealerInfo@CalRecycle.ca.gov.