



DEALERS AND THE BEVERAGE CONTAINER RECYCLING PROGRAM

Recent Legislative Changes &
Convenience Zone Expansion
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PANEL & GROUND RULES



Amy Cameron,
Assistant Director for Recycling

Jennifer Akins,
Certification & Registration Branch Chief



We will review the presentation and then open it up for questions specific to dealers and convenience zones at the end, as time allows.



Objective of today's webinar:

Inform you of recent legislative changes

Provide dealers with information on convenience zone expansion

AGENDA

Overview of Recent Legislation

The Beverage Container Recycling Program

Dealers

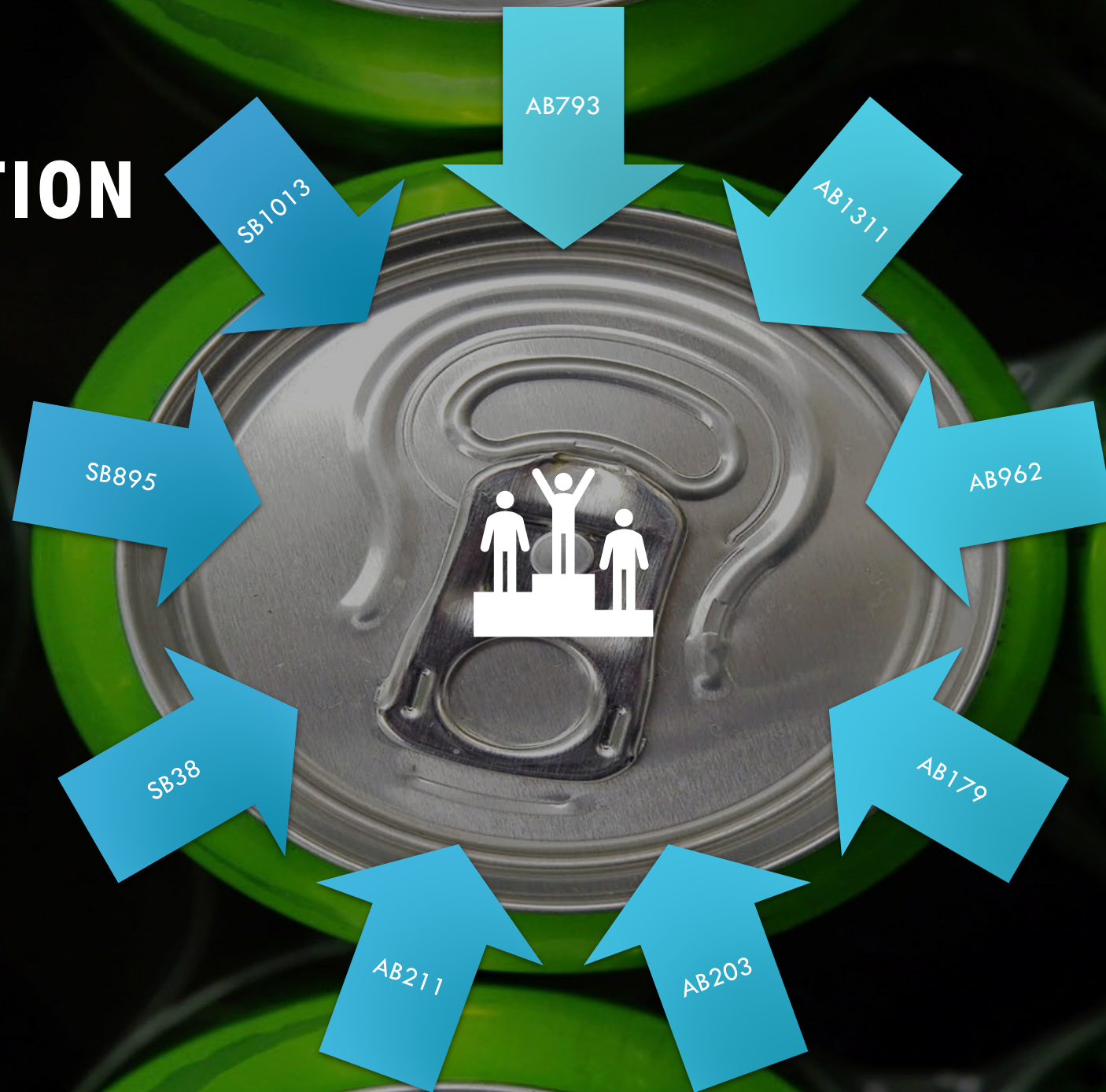
Convenience Zones

Convenience Zone Expansion

Note for SB155 Dealers



LEGISLATION



LEGISLATION

AB 179 (Ting, Chapter 249, Statutes of 2022)

- Budget appropriation to provide funding to increase Consumer Access through additional redemption opportunities and invest in recycling infrastructure to produce Cleaner Material Streams.
 - \$73M Funding for Recycling Centers, RVM, Mobile, and Bag Drop Recycling
 - \$50M for quality incentive payment program
 - \$40M for thermoform material
 - \$30M for start up loans for processors and recyclers
 - \$5M for workforce development
 - \$10M for plastic market development payments
 - \$25M for reusable containers

LEGISLATION

AB 793 (Ting, Chapter XXX, Statutes of 2021)

- Regulation language has been submitted to OAL and is available for comment now through March 21, 2023
- Text may be found on our website: <https://calrecycle.ca.gov/Laws/Rulemaking/>

AB 203 (Committee on Budget, Chapter 60, 2022)

AB 1311 (Wood, Chapter 506, Statutes of 2021)

AB 211 (Committee on Budget, Chapter 574, 2022)

LEGISLATION

SB 38 (Wieckowski, Chapter 977, Statutes of 2022)

SB 895 (Laird, Chapter 262, Statutes of 2022)

AB 962 (Kamlager, Chapter 502, Statutes of 2021)

LEGISLATION

SB 1013 (Atkins, Chapter 610, Statutes of 2022)

- Expands convenience zones from 1/2 to one-mile
- Adds wine and distilled spirits January 1, 2024
- Requires wine and distilled spirits be labeled July 1, 2025
- Exempts “small” dealers starting January 1, 2025
- Authorizes dealer cooperatives January 1, 2025

DEALER COOPERATIVES

Dealer cooperatives are 501(c)(3) nonprofit stewardship organizations that dealers may join in lieu of redeeming in store when in an unserved and unexempt convenience zone. The Dealer cooperative will operate according to a department approved plan to redeem used beverage containers from consumers in convenience zones that are unserved by a recycling center and are not otherwise exempt.

Timeline:

- **March/April-** Workshops on Dealer Registration and Dealer Cooperatives
- **June/July-** Submission to OAL with 45-day comment period
- **January 1, 2024 through July 1, 2024-** Regulations take effect on Dealer Registration and Dealer Cooperatives
- **January 1, 2025-** Dealers in unserved unexempt convenience zones can either redeem in-store or join a dealer cooperative

UP NEXT

For more information on Legislation implementation, please subscribe to the Beverage Container Recycling Program listservs at:

Calrecycle.ca.gov/listservs/

Now, we will move to the information about Convenience Zones for dealers.

CALIFORNIA'S BEVERAGE CONTAINER RECYCLING PROGRAM

OVERVIEW

AB 2020 (Margolin, Chapter 1290, **Statutes of 1986**) enacted the California Beverage Container Recycling and Litter Reduction Act (Act) also known as the “Bottle Bill”.

Established the **California Refund Value (CRV)** deposit on beverage containers and an **80%** recycling goal.

CRV is **5¢** for bottles and cans less than 24 ounces, and **10¢** for larger ones.

DEALERS

“Dealer” means a retail establishment which offers the sale of beverages in beverage containers to consumers.

- No limit in number of beverages sold
- No limit on what type or focus of retail sales
- Tasting rooms and consumers are not considered dealers for on-site consumption

If you received a notice about being a dealer in an unserved zone and you do not sell beverages, please e-mail us at DealerServices@CalRecycle.ca.gov.

DEALER RESPONSIBILITIES

Ensure CRV beverages are labeled with a CRV message.

The CRV portion is subject to sales tax if the sale of the beverage is subject to sales tax.

Dealers with a location greater than 4,000 sq ft (sales and storage combined) must display CRV separately from the sales price on all advertising and shelf labels.

Post required signage regarding the nearest redemption opportunities.

Provide redemption in-store or pay \$100 per day to CalRecycle if the dealer is located in an unserved convenience zone.

WHAT IS A CONVENIENCE ZONE?

- A convenience zone (CZ or “zone”) is the area within 1-mile (previously 1/2 mile) of a supermarket.
 - Rural may be up to 5 miles of a supermarket
- All CZs must have a recycling center operating within each zone unless certain conditions exist that allow for granting an exemption for the entire zone.
 - CZs with a recycling center are “Served”
 - CZs without a recycling center are either “Unserved” or “Exempt”

CZ STATUSES IMPACT DEALERS

- Dealers in “served” or “exempt” zones are not required to redeem in-store or pay \$100 per day.
- Dealers in “unserved convenience zones” are required to either redeem empty CRV containers in-store or pay \$100 per day to CalRecycle to avoid having to redeem in-store.
 - If you are in an unserved zone, you may choose to host a recycling center at your location to serve the zone; please contact us for more information
 - You may apply for a convenience zone exemption

Dealers in unserved CZs are subject to the Notice Series based on PRC 14571.7. These notices will be mailed to your store.

First Notice

Second Notice (Will be sent approx. 30 days after the first notice)

Final Notice (Will be sent approx. 30 days after the second notice)

In the notice process, you will be informed of the date that your affidavit choosing Option A (redeem in-store) or Option B (pay \$100 per day) is due.

Option B dealers will receive courtesy invoices for the \$100 per day. It is vital that dealers verify the address on the notices received is correct as that will be the same address where the invoices are sent. It is the dealer's responsibility to pay the \$100 per day, even if the invoice is not received.

UNSERVED CZ PROCESS AND APPROXIMATE TIMELINE

Zone Status as of 10/12/2022	Count	Percentage
Served	1,166	30.5%
Exempt	1,039	27.2%
Unserved	1,533	40.1%
Hold	86	2.2%
Total	3,824	100.0%

Zone Status after 1-Mile Expansion	Count	Percentage
Served	1,827	47.4%
Exempt	486	12.6%
Unserved	1,463	38.0%
Hold	78	2.0%
Total	3,854*	100.0%

THE CZ SB 1013 LANDSCAPE

*Zone numbers increased due to new supermarkets



www2.calrecycle.ca.gov/BevContainer/ConvenienceZones



Provides the status (served, unserved, etc) of convenience zones organized by county or city.



Only supermarkets are listed; not every dealer in the zone.

CONVENIENCE ZONE STATUS REPORT

CONVENIENCE ZONE EXEMPTIONS

SB 1013 limits the number of CZ exemptions to a maximum of 15%.

Interested parties may apply for a CZ Exemption:

- Submit application for convenience zone exemption (CZ remains unserved during the exemption review)
- CalRecycle solicits public comment
- CalRecycle notifies affected party of exemption decision
 - Statutory timeline CalRecycle has to process exemption applications is 6 months

SPECIAL NOTE FOR SB 155 DEALERS

Dealers that were notified during the exempt period that they are in an unserved convenience zone, but were exempt as a small business under SB 155 – your affidavits are due.

- *If you haven't submitted your affidavit due to your cycle starting during the exemption period, your affidavit must be returned by **February 15th** or you will be defaulted into Option B (paying \$100 per day)*

Submit affidavit via email to DealerSigns@CalRecycle.ca.gov or mail to the address on the affidavit.

If you need another affidavit, please visit our website:
<https://calrecycle.ca.gov/BevContainer/Retailers/>

QUESTIONS & ANSWERS

Please type your question in the Q & A box.

Alternatively, you may raise your hand and our staff will unmute your mic.

Please limit your questions to Convenience Zones. We will not be able to answer questions about other aspects of SB 1013 (or other legislation) today.

We will also not be able to address your specific store location during our Q & A. Please email our Dealer Services Unit regarding your store location.

CONTACT

Email

SB1013DealerInfo@CalRecycle.ca.gov

Contact

Dealer Services Unit

DealerServices@calrecycle.ca.gov

1-800-RECYCLE



THANK YOU

The video and accompanying slide show from today's presentation will be available on our website.

Don't forget to subscribe to our listserv for more information:
Calrecycle.ca.gov/listservs/