

AMENDED IN SENATE MAY 27, 2008
AMENDED IN SENATE APRIL 23, 2008
AMENDED IN SENATE APRIL 9, 2008
AMENDED IN SENATE MARCH 24, 2008

SENATE BILL

No. 1357

Introduced by Senator Padilla
(Principal coauthor: Assembly Member Fuentes)

February 20, 2008

An act to amend Sections 14575 and 14581 of the Public Resources Code, relating to beverage containers, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1357, as amended, Padilla. Beverage containers: processing payments: grants.

(1) The California Beverage Container Recycling and Litter Reduction Act requires a distributor of specified beverage containers to pay a redemption payment to the Department of Conservation for each beverage container sold or transferred for deposit in the California Beverage Container Recycling Fund. The moneys in the fund are continuously appropriated to the department to pay refund values, administrative fees, and a reserve for contingencies. The department is authorized to expend the moneys in the fund for administrative costs only upon appropriation by the Legislature. The department is then authorized to make other specified expenditures from the moneys remaining in the fund after the moneys for those purposes have been set aside, including the expenditure of \$1,500,000 annually for grants for beverage container recycling and litter reduction programs.

This bill would additionally authorize the department to expend up to \$20,000,000 from ~~January~~ July 1, 2009, through January 1, 2012, for either grants for beverage container recycling and litter reduction programs or focused, regional community beverage container recycling and litter reduction programs that meet specified requirements, thereby making an appropriation.

(2) Existing law requires the department to calculate a processing fee and a processing payment for each beverage container with a specified scrap value. The processing fees are required to be paid by beverage manufacturers to the department and are deposited in the fund. The department is continuously appropriated the money in the fund to pay, among other things, processing payments to processors. The department is required to calculate processing payments by conducting a survey every 2nd year to determine the actual recycling costs for certified recycling centers.

This bill would require the department, on and after January 1, 2010, to use the most recently published, measured actual costs of recycling for a beverage container, if the department determines the number of beverage containers of a material type returned for recycling is less than 5% of the total number of beverage containers returned for recycling, for all material types. The bill would also require the department to adjust the costs of recycling by a material type every 2nd year by the percentage change in the most recently measured cost of recycling high density polyethylene (HDPE) plastic beverage containers.

(3) The bill would make an appropriation by revising the requirements for, and increasing the amounts of, the processing payments paid by the department from the continuously appropriated fund.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14575 of the Public Resources Code is
2 amended to read:

1 14575. (a) If any type of empty beverage container with a
2 refund value established pursuant to Section 14560 has a scrap
3 value less than the cost of recycling, the department shall, on
4 January 1, 2000, and on or before January 1 annually thereafter,
5 establish a processing fee and a processing payment for the
6 container by the type of the material of the container.

7 (b) The processing payment shall be at least equal to the
8 difference between the scrap value offered to a statistically
9 significant sample of recyclers by willing purchasers, and except
10 for the initial calculation made pursuant to subdivision (d), the
11 sum of both of the following:

12 (1) The actual cost for certified recycling centers, excluding
13 centers receiving a handling fee, of receiving, handling, storing,
14 transporting, and maintaining equipment for each container sold
15 for recycling or, only if the container is not recyclable, the actual
16 cost of disposal, calculated pursuant to subdivision (c). The
17 department shall determine the statewide weighted average cost
18 to recycle each beverage container type, which shall serve as the
19 actual recycling costs for purposes of paragraphs (2) and (3) of
20 subdivision (c), by conducting a survey of the costs of a statistically
21 significant sample of certified recycling centers, excluding those
22 recycling centers receiving a handling fee, for receiving, handling,
23 storing, transporting, and maintaining equipment.

24 (2) A reasonable financial return for recycling centers.

25 (c) The department shall base the processing payment pursuant
26 to this section upon all of the following:

27 (1) Except as provided in paragraph (2), for calculating
28 processing payments that will be in effect on and after January 1,
29 2004, the department shall determine the actual costs for certified
30 recycling centers, every second year, pursuant to paragraph (1) of
31 subdivision (b). The department shall adjust the recycling costs
32 annually to reflect changes in the cost of living, as measured by
33 the Bureau of Labor Statistics of the United States Department of
34 Labor or a successor agency of the United States government.

35 (2) On and after January 1, 2010, the department shall use the
36 most recently published, measured actual costs of recycling for a
37 specific beverage material type if the department determines the
38 number of beverage containers for that material type that is returned
39 for recycling pursuant to Section 14551, based on the most recently
40 published calendar year number of beverage containers returned

1 for recycling, is less than 5 percent of the total number of beverage
2 containers returned for recycling for all material types. The
3 department shall determine the actual recycling cost to be used for
4 calculating processing payments for those beverage containers in
5 the following manner:

6 (A) The department shall adjust the costs of recycling that
7 material type every second year by the percentage change in the
8 most recently measured cost of recycling HDPE plastic beverage
9 containers, as determined by the department. The department shall
10 use the percentage change in costs of recycling HDPE plastic
11 beverage containers for this purpose even if HDPE plastic beverage
12 containers are less than 5 percent of the total volume of returned
13 beverage containers.

14 (B) The department shall adjust the recycling costs annually for
15 that material type to reflect changes in the cost of living, as
16 measured by the Bureau of Labor Statistics of the United States
17 Department of Labor or a successor agency of the United States
18 government.

19 (d) Except as specified in subdivision (e), the actual processing
20 fee paid by a beverage manufacturer shall equal 65 percent of the
21 processing payment calculated pursuant to subdivision (b).

22 (e) The department, consistent with Section 14581 and subject
23 to the availability of funds, shall reduce the processing fee paid
24 by beverage manufacturers by expending funds in each material
25 processing fee account, in the following manner:

26 (1) On January 1, 2005, and annually thereafter, the processing
27 fee shall equal the following amounts:

28 (A) Ten percent of the processing payment for a container type
29 with a recycling rate equal to or greater than 75 percent.

30 (B) Eleven percent of the processing payment for a container
31 type with a recycling rate equal to or greater than 65 percent, but
32 less than 75 percent.

33 (C) Twelve percent of the processing payment for a container
34 type with a recycling rate equal to or greater than 60 percent, but
35 less than 65 percent.

36 (D) Thirteen percent of the processing payment for a container
37 type with a recycling rate equal to or greater than 55 percent, but
38 less than 60 percent.

1 (E) Fourteen percent of the processing payment for a container
2 type with a recycling rate equal to or greater than 50 percent, but
3 less than 55 percent.

4 (F) Fifteen percent of the processing payment for a container
5 type with a recycling rate equal to or greater than 45 percent, but
6 less than 50 percent.

7 (G) Eighteen percent of the processing payment for a container
8 type with a recycling rate equal to or greater than 40 percent, but
9 less than 45 percent.

10 (H) Twenty percent of the processing payment for a container
11 type with a recycling rate equal to or greater than 30 percent, but
12 less than 40 percent.

13 (I) Sixty-five percent of the processing payment for a container
14 type with a recycling rate less than 30 percent.

15 (2) The department shall calculate the recycling rate for purposes
16 of paragraph (1) based on the 12-month period ending on June 30
17 that directly precedes the date of the January 1 processing fee
18 determination.

19 (f) Not more than once every three months, the department may
20 make an adjustment in the amount of the processing payment
21 established pursuant to this section notwithstanding any change
22 in the amount of the processing fee established pursuant to this
23 section, for any beverage container, if the department makes the
24 following determinations:

25 (1) The statewide scrap value paid by processors for the material
26 type for the most recent available 12-month period directly
27 preceding the quarter in which the processing payment is to be
28 adjusted is 5 percent more or 5 percent less than the average scrap
29 value used as the basis for the processing payment currently in
30 effect.

31 (2) Funds are available in the processing fee account for the
32 material type.

33 (3) Adjusting the processing payment is necessary to further
34 the objectives of this division.

35 (g) (1) Except as provided in paragraphs (2) and (3), every
36 beverage manufacturer shall pay to the department the applicable
37 processing fee for each container sold or transferred to a distributor
38 or dealer within 40 days of the sale in the form and in the manner
39 which the department may prescribe.

1 (2) (A) Notwithstanding Section 14506, with respect to the
2 payment of processing fees for beer and other malt beverages
3 manufactured outside the state, the beverage manufacturer shall
4 be deemed to be the person or entity named on the certificate of
5 compliance issued pursuant to Section 23671 of the Business and
6 Professions Code. If the department is unable to collect the
7 processing fee from the person or entity named on the certificate
8 of compliance, the department shall give written notice by certified
9 mail, return receipt requested, to that person or entity. The notice
10 shall state that the processing fee shall be remitted in full within
11 30 days of issuance of the notice or the person or entity shall not
12 be permitted to offer that beverage brand for sale within the state.
13 If the person or entity fails to remit the processing fee within 30
14 days of issuance of the notice, the department shall notify the
15 Department of Alcoholic Beverage Control that the certificate
16 holder has failed to comply, and the Department of Alcoholic
17 Beverage Control shall prohibit the offering for sale of that
18 beverage brand within the state.

19 (B) The department shall enter into a contract with the
20 Department of Alcoholic Beverage Control, pursuant to Section
21 14536.5, concerning the implementation of this paragraph, which
22 shall include a provision reimbursing the Department of Alcoholic
23 Beverage Control for its costs incurred in implementing this
24 paragraph.

25 (3) (A) Notwithstanding paragraph (1), if a beverage
26 manufacturer displays a pattern of operation in compliance with
27 this division and the regulations adopted pursuant to this division,
28 to the satisfaction of the department, the beverage manufacturer
29 may make a single annual payment of processing fees, if the
30 beverage manufacturer meets either of the following conditions:

31 (i) If the redemption payment and refund value is not increased
32 pursuant to paragraph (3) of subdivision (a) of Section 14560, the
33 beverage manufacturer's projected processing fees for a calendar
34 year total less than ten thousand dollars (\$10,000).

35 (ii) If the redemption payment and refund value is increased
36 pursuant to paragraph (3) of subdivision (a) of Section 14560, the
37 beverage manufacturer's projected processing fees for a calendar
38 year total less than fifteen thousand dollars (\$15,000).

39 (B) An annual processing fee payment made pursuant to this
40 paragraph is due and payable on or before February 1 for every

1 beverage container sold or transferred by the beverage
2 manufacturer to a distributor or dealer in the previous calendar
3 year.

4 (C) A beverage manufacturer shall notify the department of its
5 intent to make an annual processing fee payment pursuant to this
6 paragraph on or before January 31 of the calendar year for which
7 the payment will be due.

8 (4) The department shall pay the processing payments on
9 redeemed containers to processors, in the same manner as it pays
10 refund values pursuant to Sections 14573 and 14573.5. The
11 processor shall pay the recycling center the entire processing
12 payment representing the actual costs and financial return incurred
13 by the recycling center, as specified in subdivision (b).

14 (h) When assessing processing fees pursuant to subdivision (a),
15 the department shall assess the processing fee on each container
16 sold, as provided in subdivisions (d) and (e), by the type of material
17 of the container, assuming that every container sold will be
18 redeemed for recycling, whether or not the container is actually
19 recycled.

20 (i) The container manufacturer, or a designated agent, shall pay
21 to, or credit, the account of the beverage manufacturer in an amount
22 equal to the processing fee.

23 (j) If, at the end of any calendar year for which glass recycling
24 rates equal or exceed 45 percent and sufficient surplus funds remain
25 in the glass processing fee account to make the reduction pursuant
26 to this subdivision or if, at the end of any calendar year for which
27 PET recycling rates equal or exceed 45 percent and sufficient
28 surplus funds remain in the PET processing fee account to make
29 the reduction pursuant to this subdivision, the department shall
30 use these surplus funds in the respective processing fee accounts
31 in the following calendar year to reduce the amount of the
32 processing fee that would otherwise be due from glass or PET
33 beverage manufacturers pursuant to this subdivision.

34 (1) The department shall reduce the glass or PET processing
35 fee amount pursuant to this subdivision in addition to any reduction
36 for which the glass or PET beverage container qualifies under
37 subdivision (e).

38 (2) The department shall determine the processing fee reduction
39 by dividing two million dollars (\$2,000,000) from each processing
40 fee account by an estimate of the number of containers sold or

1 transferred to a distributor during the previous calendar year, based
2 upon the latest available data.

3 SEC. 2. Section 14581 of the Public Resources Code is
4 amended to read:

5 14581. (a) Subject to the availability of funds, and pursuant
6 to subdivision (c), the department shall expend the moneys set
7 aside in the fund, pursuant to subdivision (c) of Section 14580, for
8 the purposes of this section:

9 (1) (A) On and after July 1, 2005, to June 30, 2006, inclusive,
10 up to thirty-one million dollars (\$31,000,000) may be expended
11 for that fiscal year for the payment of handling fees pursuant to
12 Section 14585.

13 (B) On and after July 1, 2006, to June 30, 2007, inclusive, up
14 to thirty-three million dollars (\$33,000,000) may be expended for
15 that fiscal year for the payment of handling fees pursuant to Section
16 14585.

17 (C) On and after July 1, 2007, to June 30, 2008, inclusive, up
18 to thirty-five million dollars (\$35,000,000) may be expended for
19 that fiscal year for the payment of handling fees pursuant to Section
20 14585.

21 (D) For each fiscal year commencing July 1, 2008, the
22 department may expend the amount necessary to make the required
23 handling fee payment pursuant to Section 14585.

24 (2) Fifteen million dollars (\$15,000,000) shall be expended
25 annually for payments for curbside programs and neighborhood
26 dropoff programs pursuant to Section 14549.6.

27 (3) (A) Fifteen million dollars (\$15,000,000), plus the
28 proportional share of the cost-of-living adjustment, as provided in
29 subdivision (b), shall be expended annually in the form of grants
30 for beverage container litter reduction programs and recycling
31 programs issued to either of the following:

32 (i) Certified community conservation corps that were in
33 existence on September 30, 1999, or that are formed subsequent
34 to that date, that are designated by a city or a city and county to
35 perform litter abatement, recycling, and related activities, if the
36 city or the city and county has a population, as determined by the
37 most recent census, of more than 250,000 persons.

38 (ii) Community conservation corps that are designated by a
39 county to perform litter abatement, recycling, and related activities,
40 and are certified by the California Conservation Corps as having

1 operated for a minimum of two years and as meeting all other
2 criteria of Section 14507.5.

3 (B) Any grants provided pursuant to this paragraph shall not
4 comprise more than 75 percent of the annual budget of a
5 community conservation corps.

6 (4) (A) On or after July 1, 2007, until June 30, 2008, for only
7 that fiscal year, up to twenty million dollars (\$20,000,000) may
8 be expended in the form of competitive grants issued to community
9 conservation corps that are designated by a city or county, and that
10 meet all of the following criteria:

11 (i) Are certified by the California Conservation Corps as having
12 operated for a minimum of two years.

13 (ii) Meet all other requirements under Section 14507.5.

14 (B) The department shall prepare and adopt criteria and
15 procedures for evaluating grant applications on a competitive basis.
16 Eligible activities for the use of these funds shall include
17 developing new projects, or enhancing or assisting existing
18 projects, to increase beverage container recycling and increasing
19 the quality of recycled material at the following locations:

20 (i) Multifamily dwellings.

21 (ii) Schools.

22 (iii) Commercial, state, and local government buildings.

23 (iv) Bars, restaurants, hotels, and lodging establishments, and
24 entertainment venues.

25 (v) Parks and beaches.

26 (C) Any grants provided pursuant to this paragraph shall not
27 comprise more than 75 percent of the annual budget of a
28 community conservation corps.

29 (D) Any grants provided pursuant to this paragraph shall support
30 one-time capital improvement projects and shall not be used to
31 support ongoing staff activities.

32 (E) Any grant funds appropriated pursuant to this paragraph
33 that have not been awarded to a grantee prior to the end of the
34 2007–08 fiscal year shall revert to the fund.

35 (5) (A) Ten million five hundred thousand dollars (\$10,500,000)
36 may be expended annually for payments of five thousand dollars
37 (\$5,000) to cities and ten thousand dollars (\$10,000) for payments
38 to counties for beverage container recycling and litter cleanup
39 activities, or the department may calculate the payments to counties

1 and cities on a per capita basis, and may pay whichever amount
2 is greater, for those activities.

3 (B) Eligible activities for the use of these funds may include,
4 but are not necessarily limited to, support for new or existing
5 curbside recycling programs, neighborhood dropoff recycling
6 programs, public education-promoting beverage container
7 recycling, litter prevention, and cleanup, cooperative regional
8 efforts among two or more cities or counties, or both, or other
9 beverage container recycling programs.

10 (C) These funds may not be used for activities unrelated to
11 beverage container recycling or litter reduction.

12 (D) To receive these funds, a city, county, or city and county
13 shall fill out and return a funding request form to the Department
14 of Conservation. The form shall specify the beverage container
15 recycling or litter reduction activities for which the funds will be
16 used.

17 (E) The Department of Conservation shall annually prepare and
18 distribute a funding request form to each city, county, or city and
19 county. The form shall specify the amount of beverage container
20 recycling and litter cleanup funds for which the jurisdiction is
21 eligible. The form shall not exceed one double-sided page in length,
22 and may be submitted electronically. If a city, county, or city and
23 county does not return the funding request form within 90 days of
24 receipt of the form from the department, the city, county, or city
25 and county is not eligible to receive the funds for that funding
26 cycle.

27 (F) For the purposes of this paragraph, per capita population
28 shall be based on the population of the incorporated area of a city
29 or city and county and the unincorporated area of a county. The
30 department may withhold payment to any city, county, or city and
31 county that has prohibited the siting of a supermarket site, caused
32 a supermarket site to close its business, or adopted a land use policy
33 that restricts or prohibits the siting of a supermarket site within its
34 jurisdiction.

35 (6) One million five hundred thousand dollars (\$1,500,000) may
36 be expended annually in the form of grants for beverage container
37 recycling and litter reduction programs.

38 (7) (A) The department shall expend the amount necessary to
39 pay the processing payment and supplemental processing payment
40 established pursuant to Sections 14575 and 14575.5 and pay

1 processing fee rebates pursuant to Section 14575.2. The department
2 shall establish separate processing fee accounts in the fund for
3 each beverage container material type for which a processing
4 payment and processing fee are calculated pursuant to Section
5 14575, or for which a processing payment is calculated pursuant
6 to Section 14575 and a voluntary artificial scrap value is calculated
7 pursuant to Section 14575.1, into which account shall be deposited
8 all of the following:

9 (i) All amounts paid as processing fees for each beverage
10 container material type pursuant to Section 14575.

11 (ii) Funds equal to the difference between the amount in clause
12 (i) and the amount of the processing payments established in
13 subdivision (b) of Section 14575, and adjusted pursuant to
14 paragraphs (2) and (3) of subdivision (c) of, and subdivision (f)
15 of, Section 14575, to reduce the processing fee to the level provided
16 in subdivision (f) of Section 14575, or to reflect the agreement by
17 a willing purchaser to pay a voluntary artificial scrap value pursuant
18 to Section 14575.1.

19 (iii) Funds equal to an amount sufficient to pay the total amount
20 of the supplemental processing payments established pursuant to
21 Section 14575.5.

22 (B) Notwithstanding Section 13340 of the Government Code,
23 the moneys in each processing fee account are hereby continuously
24 appropriated to the department for expenditure without regard to
25 fiscal years, for purposes of making processing payments and
26 supplemental processing payments, and reducing processing fees,
27 pursuant to Sections 14575 and 14575.5, and paying processing
28 fee rebates pursuant to Section 14575.2.

29 (8) Up to five million dollars (\$5,000,000) may be annually
30 expended by the department for the purposes of undertaking a
31 statewide public education and information campaign aimed at
32 promoting increased recycling of beverage containers.

33 (9) Until January 1, 2008, the department may expend up to
34 five million dollars (\$5,000,000) for the purposes of undertaking
35 a statewide public education and information campaign aimed at
36 promoting increased recycling of beverage containers that meets
37 both of the following requirements:

38 (A) The public education and information campaign is
39 multimedia and includes print, radio, and television.

1 (B) The public education and information campaign is
2 multilingual.

3 (10) Up to fifteen million dollars (\$15,000,000) may be
4 expended annually by the department for quality incentive
5 payments for empty beverage containers pursuant to Section
6 14549.1.

7 (11) Up to twenty million dollars (\$20,000,000) may be
8 expended annually by the department, until January 1, 2012, to
9 issue grants for recycling market development and
10 expansion-related activities aimed at increasing the recycling of
11 beverage containers, including, but not limited to, the following:

12 (A) Research and development of collecting, sorting, processing,
13 cleaning, or otherwise upgrading the market value of recycled
14 beverage containers.

15 (B) Identification, development, and expansion of markets for
16 recycled beverage containers.

17 (C) Research and development for products manufactured using
18 recycled beverage containers.

19 (D) Research and development to provide high-quality materials
20 that are substantially free of contamination.

21 (E) Payments to California manufacturers who recycle beverage
22 containers that are marked by resin type identification code “3,”
23 “4,” “5,” “6,” or “7,” pursuant to Section 18015.

24 (12) Up to ten million dollars (\$10,000,000) may be transferred
25 on a one-time basis by the department to the Recycling
26 Infrastructure Loan Guarantee Account, for expenditure pursuant
27 to Section 14582.

28 (13) Up to ten million dollars (\$10,000,000) may be expended
29 annually by the department for the payment of recycling incentive
30 payments pursuant to Section 14549.7 until payments for eligible
31 beverage containers redeemed or collected for recycling on or
32 before December 31, 2009, have been paid.

33 (14) Up to five million dollars (\$5,000,000) may be expended
34 annually by the department for market development payments for
35 empty plastic beverage containers pursuant to Section 14549.2,
36 until January 1, 2012.

37 (15) Up to five million dollars (\$5,000,000) may be expended,
38 by the department, on a one-time basis beginning on January 1,
39 2007, in coordination with the Department of Parks and Recreation
40 for the purposes of installing source separated beverage container

1 recycling receptacles at each of the state parks, starting with those
2 parks that have the highest day use.

3 (16) Up to five million dollars (\$5,000,000) may be expended,
4 from January 1, 2007, to January 1, 2008, to provide grants to local
5 governments or nonprofit agencies to place multifamily housing
6 source separated beverage container recycling receptacles in
7 low-income communities.

8 (17) (A) Up to fifteen million dollars (\$15,000,000) may be
9 expended from January 1, 2008, to January 1, 2009, to provide
10 grants to place source separated beverage container recycling
11 receptacles in multifamily housing.

12 (B) Notwithstanding subdivision (b) of Section 14580, the
13 amount of one hundred ninety-eight thousand dollars (\$198,000)
14 may be expended by the department from the fund, on a one-time
15 basis, for the administrative costs of implementing the grant
16 program established by subparagraph (A).

17 (18) Up to twenty million dollars (\$20,000,000) may be
18 expended from ~~January 1, July 1, 2009~~, through January 1, 2012,
19 for either of the following:

20 (A) Grants for beverage container recycling and litter reduction
21 programs that emphasize the greatest and most effective collection
22 of beverage containers per dollar spent to ensure the program's
23 performance and accountability.

24 (B) Focused, regional community beverage container recycling
25 and litter reduction programs that enable the department to more
26 effectively organize the amount and type of resources needed for
27 regional and statewide efforts to increase recycling.

28 (b) The fifteen million dollars (\$15,000,000) that is set aside
29 pursuant to paragraph (3) of subdivision (a) is a base amount that
30 the department shall adjust annually to reflect any increases or
31 decreases in the cost of living, as measured by the Department of
32 Labor, or a successor agency, of the federal government.

33 (c) (1) The department shall review all funds on a quarterly
34 basis to ensure that there are adequate funds to make the payments
35 specified in this section and the processing fee reductions required
36 pursuant to Section 14575.

37 (2) If the department determines, pursuant to a review made
38 pursuant to paragraph (1), that there may be inadequate funds to
39 pay the payments required by this section and the processing fee
40 reductions required pursuant to Section 14575, the department

1 shall immediately notify the appropriate policy and fiscal
2 committees of the Legislature regarding the inadequacy.

3 (3) On or before 180 days after the notice is sent pursuant to
4 paragraph (2), the department may reduce or eliminate
5 expenditures, or both, from the funds as necessary, according to
6 the procedure set forth in subdivision (d).

7 (d) If the department determines that there are insufficient funds
8 to make the payments specified pursuant to this section and Section
9 14575, the department shall reduce all payments proportionally.

10 (e) Prior to making an expenditure pursuant to paragraph (7) of
11 subdivision (a), the department shall convene an advisory
12 committee consisting of representatives of the beverage industry,
13 beverage container manufacturers, environmental organizations,
14 the recycling industry, nonprofit organizations, and retailers to
15 advise the department on the most cost-effective and efficient
16 method of the expenditure of the funds for that education and
17 information campaign.

18 (f) After setting aside money for the expenditures required
19 pursuant to subdivisions (a) and (b) and Section 14580, the
20 department may, on and after January 1, 2007, but not after July
21 1, 2007, expend remaining moneys in the fund to pay a refund
22 value in an amount greater than the refund value established
23 pursuant to subdivision (b) of Section 14560.