

Introduced by Senator PanFebruary 27, 2015

An act to repeal and add Section 14575.1 of the Public Resources Code, relating to beverage containers.

LEGISLATIVE COUNSEL'S DIGEST

SB 732, as introduced, Pan. Beverage container recycling: processing fees: PET beverage containers.

Existing law, the California Beverage Container Recycling and Litter Reduction Act, requires that every beverage container sold or offered for sale in this state have a minimum refund value. Existing law requires the department to calculate a processing fee and a processing payment for any type of empty beverage container with a refund value less than the cost of recycling in accordance with a specified formula. The department is prohibited from imposing a processing fee on PET beverage containers if a willing purchaser offers to purchase empty PET containers at a voluntary artificial scrap value that is equal to the processing fee, as specified.

This bill would delete the provisions prohibiting the department from imposing a processing fee on PET beverage containers for which there is such a willing purchaser.

Existing law requires the department to reduce the processing fee paid by beverage manufacturers based on the recycling rate of the container, subject to specified requirements and the availability of funds.

This bill would prohibit the department from reducing the processing fee requirements for any beverage manufacturer for any beverage container sold in the state unless the beverage manufacturer demonstrates to the department that the beverage container is manufactured at a facility that meets or exceeds a certain percentage of

recycled content, regardless of whether the container is manufactured in the state.

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

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

- 1 SECTION 1. Section 14575.1 of the Public Resources Code
- 2 is repealed.
- 3 14575.1. ~~(a) Notwithstanding subdivision (b) of Section 14575,~~
- 4 ~~if a willing purchaser offers to purchase empty PET containers at~~
- 5 ~~a voluntary artificial scrap value that is equal to the processing fee~~
- 6 ~~reduced pursuant to subdivision (f) of Section 14575 when applied~~
- 7 ~~to all containers sold, no processing fee shall be imposed on PET~~
- 8 ~~containers pursuant to Section 14575.~~
- 9 ~~(b) If a willing purchaser offers to pay a voluntary artificial~~
- 10 ~~scrap value, the department shall, on a monthly basis, determine~~
- 11 ~~whether the sum of the voluntary artificial scrap value and~~
- 12 ~~payments made from the PET Processing Fee Account pursuant~~
- 13 ~~to subdivision (f) of Section 14575, are equal to, or more than, the~~
- 14 ~~recycling cost for empty PET containers determined pursuant to~~
- 15 ~~subdivision (d) of Section 14575.~~
- 16 ~~(c) If the department determines that, for any monthly period,~~
- 17 ~~the sum of the voluntary artificial scrap value and payments made~~
- 18 ~~from the PET Processing Fee Account pursuant to subdivision (f)~~
- 19 ~~of Section 14575, is less than the recycling cost for empty PET~~
- 20 ~~containers, determined pursuant to Section 14575, the following~~
- 21 ~~requirements shall apply:~~
- 22 ~~(1) The department shall immediately provide written~~
- 23 ~~notification of the deficiency for that monthly period and the~~
- 24 ~~amount of that deficiency to any willing purchaser.~~
- 25 ~~(2) A willing purchaser shall correct the deficiency in the next~~
- 26 ~~monthly period by adjusting the voluntary artificial scrap value~~
- 27 ~~by an amount sufficient to equal the recycling cost for empty PET~~
- 28 ~~containers plus the previous monthly period's deficiency.~~
- 29 ~~(3) If the deficiency and amount in arrears is not corrected within~~
- 30 ~~30 days of providing written notice to willing purchasers of empty~~
- 31 ~~PET containers, the department shall impose a processing fee~~
- 32 ~~pursuant to Section 14575 which includes any amount necessary,~~

1 including any amount in arrears, to cover the cost of recycling
2 empty PET containers.

3 ~~(d) If the department determines that, for any monthly period,~~
4 ~~the sum of the voluntary artificial scrap value and payments made~~
5 ~~from the PET Processing Fee Account pursuant to subdivision (f)~~
6 ~~of Section 14575, is greater than the recycling cost for empty PET~~
7 ~~containers, the department shall do both of the following:~~

8 ~~(1) Immediately provide written notification of the deviation~~
9 ~~for that monthly period and the amount of that deviation to any~~
10 ~~willing purchaser.~~

11 ~~(2) Provide a credit equal to the amount of the deviation for any~~
12 ~~future monthly period wherein the voluntary artificial scrap value,~~
13 ~~and payments made from the PET Processing Fee Account, are~~
14 ~~less than the recycling cost of empty PET containers determined~~
15 ~~pursuant to subdivision (d) of Section 14575.~~

16 ~~(e) Nothing in this section is intended to affect any litigation~~
17 ~~that was pending on January 1, 1996, in which the department is~~
18 ~~a party of record.~~

19 SEC. 2. Section 14575.1 is added to the Public Resources Code,
20 to read:

21 14575.1. Notwithstanding subdivision (e) of Section 14575,
22 the department shall not reduce the processing fee requirements
23 for any beverage manufacturer for any beverage container sold in
24 this state unless the beverage manufacturer demonstrates to the
25 department that the beverage container is manufactured at a facility
26 that meets or exceeds the percentage of recycled content specified
27 pursuant to Section 14549, regardless of whether the container is
28 manufactured in this state.