

File No. 210618

Committee Item No. _____

Board Item No. 35

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: June 8, 2021

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Award Letter
- Application
- Public Correspondence

OTHER

- Assembly Bill 1454
- CA State Association of Counties and League of CA Cities position
- _____
- _____
- _____
- _____
- _____

Prepared by: Jocelyn Wong
Prepared by: _____

Date: June 4, 2021
Date: _____

1 [Supporting California State Assembly Bill No. 1454 (Bloom) - The California Beverage
2 Container and Litter Reduction Act]

3 **Resolution supporting California State Assembly Bill No. 1454, authored by Assembly**
4 **Member Richard Bloom, The California Beverage Container and Litter Reduction Act,**
5 **which is administered by the Department of Resources Recycling and Recovery,**
6 **would establish to promote beverage container recycling and provide for the payment,**
7 **collection, and distribution of certain payments and fees based on minimum refund**
8 **values established for beverage containers.**

9
10 WHEREAS, San Francisco recycles 81% of what residents deposit into their blue bins
11 at a rate that is among the highest in the nation; and

12 WHEREAS, California’s beverage container redemption program also known as the
13 Bottle Bill is struggling due to lowered commodity prices, closed facilities, and falling rates;
14 and

15 WHEREAS, The program attaches a 5 or 10 cent California Redemption Value or CRV
16 to beverages in metal, glass or plastic container which consumers may redeem at recycling
17 centers; and

18 WHEREAS, The program also supports curbside recyclers by reimbursing them for
19 containers deposited in blue bins; and

20 WHEREAS, Over 1000 California recycling centers, which make up about half of the
21 state’s supply, have closed over the past eight years and numbers are especially scarce here
22 in the Bay Area; and

23 WHEREAS, San Francisco currently only has one functioning CRV recycling center
24 open at this time which is a drastic decrease from the 30 recycling centers we had in the past;
25 and

1 WHEREAS, The San Francisco recycling center is one of the highest if not the highest
2 volume recycling centers in the state; and

3 WHEREAS, Assembly Bill No. 1454 (AB 1454) by Assembly Member Richard Bloom
4 would support this existing program by loosening some of the requirements to start a recycling
5 center; and

6 WHEREAS, The legislation could provide up to \$25,000 worth of start up financing per
7 location to any certified entity that opens and operates a recycling center in one of the 400-
8 600 underserved areas while authorizing loan forgiveness after 18 months of successful
9 operation; and

10 WHEREAS, AB 1454 would provide recycling opportunities throughout the state which
11 would effectively assist moving towards San Francisco's goal of zero waste; and

12 WHEREAS, The legislation is on file with the Clerk of the Board of Supervisors in File
13 No. 210618, which is hereby declared to be a part of this resolution as if set forth fully herein;
14 and; now, therefore, be it

15 RESOLVED, That the Board of Supervisors requests that the California legislature
16 enact AB 1454 to support the existing Bottle Bill program and enable the state to use the
17 substantial surplus of unredeemed fees to increase payments to recycling centers and
18 incentives for new recyclers in underserved areas; and, be it

19 FURTHER RESOLVED, That the Clerk of the Board of Supervisors of the City and
20 County of San Francisco distribute this Resolution to San Francisco's State Legislative
21 Delegation and to California Governor Gavin Newsom.

22
23
24
25

AMENDED IN ASSEMBLY APRIL 22, 2021

AMENDED IN ASSEMBLY MARCH 4, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 1454

Introduced by Assembly Members Bloom and O'Donnell

February 19, 2021

An act to amend Sections 14509.4, 14571.1, 14572, and 14585 of, ~~to add Sections 14506.4 and to add and repeal Section 14575.2 to, and to add Chapter 4.5 (commencing with Section 14557) to Division 12.1~~ of, the Public Resources Code, relating to solid waste.

LEGISLATIVE COUNSEL'S DIGEST

AB 1454, as amended, Bloom. The California Beverage Container and Litter Reduction Act.

(1) The California Beverage Container Recycling and Litter Reduction Act, which is administered by the Department of Resources Recycling and Recovery, is established to promote beverage container recycling and provides for the payment, collection, and distribution of certain payments and fees based on minimum refund values established for beverage containers.

~~This bill would establish the Beverage Container Recycling Program Advisory Board, consisting of 9 members in specified categories appointed by the Director of Resources Recycling and Recovery, and would require the department to consult with the board when initiating, reviewing, or expanding policies, guidelines, or budgetary changes impacting the beverage container recycling program. The bill would provide that board members are entitled to payment of necessary traveling expenses, to be paid, upon appropriation by the Legislature~~

from the California Beverage Container Recycling Fund, to the board for that purpose. The bill would require the board to keep confidential all proprietary information that the board gathers or becomes aware of. The bill would require the director to adopt regulations and procedures to be used by the board to administer these provisions:

~~(2) The~~

The act requires the department to annually designate convenience zones on a statewide basis and requires that at least one certified recycling center or location that meets certain requirements be located within every convenience zone, with exemptions. The act defines convenience zone as either the area within a ½ mile radius of a supermarket or the area designated by the department in a rural region.

This bill would allow the department to designate a regional convenience zone serving ~~multiple up to 5~~ unserved supermarket-based zones based on specified factors.

~~(3)~~

(2) The act requires a certified recycling center to accept from any consumer or dropoff or collection program any empty beverage container and to pay to the consumer or dropoff or collection program the refund value of the beverage container. A violation of the act is an infraction.

This bill would require *a certified bottle drop recycling program to pay the refund value to be paid onsite at the time of redemption, through a voucher, or through an electronic payment of the beverage container as an electronic payment within 5 3 business days: days of redemption, if not paid onsite at the time of redemption.* Because a violation of this requirement would be a crime under the act, the bill would impose a state-mandated local program.

~~(4)~~

(3) Under the act, the department is required to calculate a processing fee for each beverage container with a specified scrap value, which is required to be paid by beverage manufacturers for each beverage container sold or transferred to a distributor or dealer. The department is required to calculate the processing fee in a specified manner, so that the processing fee generally equals 65% of the processing payment that the department is required to pay to processors if the scrap value of the container having a refund value pursuant to the act is less than the cost of recycling. The department is required to determine the statewide weighted average cost to recycle each beverage container type, as described, for purposes of determining processing payments.

This bill ~~would~~ *would, until January 1, 2025,* authorize the director, upon appropriation by the Legislature from the California Beverage Container Recycling Fund, to increase processing payments to a certified recycling center by up to 50% higher than statewide rates for the first 40,000 glass containers and the first 200,000 plastic containers claimed by a certified recycling center each month. The bill would require the department, upon appropriation by the Legislature from the California Beverage Container Recycling Fund, to pay the first operator of a recycling center certified to operate in a convenience zone that, as of January 1, 2021, has been continuously unserved by a recycling center for at least 6 months a handling fee payment regardless of the physical location of the certified recycling center within that convenience zone.

This bill would express the intent of the Legislature to appropriate in a future Budget Act or other bill the sum of \$25,000,000 from the California Beverage Container Recycling Fund to the department for plastic quality incentive payments and startup loans in the amount of \$25,000 to entities that establish and operate certified recycling centers in unserved or underserved areas in the state. The bill would require a startup loan to be forgiven if the entity continually maintains operations for 18 months.

~~(5) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.~~

~~This bill would make legislative findings to that effect.~~

~~(6)~~

(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: no. Fiscal committee: yes.
State-mandated local program: yes.

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

- 1 SECTION 1. (a) Consistent with the recommendations in the
- 2 report prepared by the Department of Resources Recycling and
- 3 Recovery pursuant to paragraph (3) of subdivision (a) of Section

1 5 of Chapter 793 of the Statutes of 2019, and with meeting the
2 mandatory minimum content requirements put in statute by Chapter
3 115 of the Statutes of 2020, it is the intent of the Legislature in
4 enacting this act to do ~~all~~ *both* of the following:

- 5 (1) Modernize the state’s beverage container recycling program.
- 6 (2) Promote efficiencies within the existing program by
- 7 reconfiguring convenient zones and providing flexible payment
- 8 methods for consumers to collect their refund.

9 ~~(3) Create a nine-member advisory board that will consist of~~
10 ~~active stakeholders in the program.~~

11 (b) It is the intent of the Legislature that the state’s beverage
12 container recycling program support a circular economy and to
13 further enable the fulfillment of the state’s minimum recycled
14 content requirements for beverage containers and that the
15 department, when drafting regulations, rules, and payment
16 schedules, prioritize activities that further those goals.

17 ~~SEC. 2. Section 14506.4 is added to the Public Resources Code,~~
18 ~~to read:~~

19 ~~14506.4. “Board” means the Beverage Container Recycling~~
20 ~~Program Advisory Board established pursuant to Section 14557.~~

21 ~~SEC. 3.~~

22 ~~SEC. 2.~~ Section 14509.4 of the Public Resources Code is
23 amended to read:

24 14509.4. “Convenience zone” means any of the following:

- 25 (a) The area within a one-half mile radius of a supermarket.
- 26 (b) The regional area designated by the department pursuant to
- 27 Section 14571.1.

28 (c) The area designated by the department pursuant to Section
29 14571.5.

30 ~~SEC. 4. Chapter 4.5 (commencing with Section 14557) is added~~
31 ~~to Division 12.1 of the Public Resources Code, to read:~~

32

33 ~~CHAPTER 4.5. BEVERAGE CONTAINER RECYCLING PROGRAM~~
34 ~~ADVISORY BOARD~~

35

36 ~~14557. (a) The Beverage Container Recycling Program~~
37 ~~Advisory Board is hereby established.~~

38 ~~(b) The board shall consist of nine members who actively~~
39 ~~participate in the beverage container recycling program established~~

- 1 by this division. The board shall consist of one member from each
2 of the following categories, appointed by the director:
- 3 (1) Beverage manufacturer.
 - 4 (2) Certified recycler.
 - 5 (3) Reclaimer.
 - 6 (4) Nongovernmental organization.
 - 7 (5) Waste hauler.
 - 8 (6) A local government representative from a rural area.
 - 9 (7) A local government representative from an urban area.
 - 10 (8) Consumer advocate.
 - 11 (9) A public member without a financial interest in the beverage
12 container recycling program.
- 13 (e) The department shall consult with the board when initiating,
14 reviewing, or expanding policies, guidelines, or budgetary changes
15 impacting the beverage container recycling program.
- 16 (d) The board shall meet at a minimum of two times per year.
- 17 (e) The members of the board shall receive no salary, but are
18 entitled to payment of necessary traveling expenses in accordance
19 with applicable rules and regulations of the Department of Human
20 Resources. These expenses shall be paid, upon appropriation by
21 the Legislature from the fund, to the board for that purpose.
- 22 14557.2. (a) The board shall advise the director and may make
23 recommendations to the director concerning all of the following:
- 24 (1) Adoption, modification, and repeal of regulations and
25 procedures.
 - 26 (2) Procedures for employment, training, supervision, and
27 compensation of inspectors and other personnel.
 - 28 (3) Rate and collection of fees and related penalties.
 - 29 (4) Posting and noticing changes in bylaws, general procedures,
30 or orders.
 - 31 (5) Calculation, distribution, and amending fees, payments, and
32 program elements.
 - 33 (6) All matters pertaining to this division, including, but not
34 limited to, the inspection and enforcement program, annual budget,
35 necessary fees to provide adequate services, and regulations
36 required to accomplish the purposes of this chapter.
- 37 (b) The board shall keep accurate books and records of its
38 activities, which shall be subject to annual audit by an auditing
39 firm approved by the director. The audit shall be included in an

1 annual report that the board shall submit to all persons certified
2 under this division.

3 ~~14557.4. The board shall keep confidential all proprietary~~
4 ~~information that the board gathers or becomes aware of through~~
5 ~~the course of implementing this chapter, including, but not limited~~
6 ~~to, material test results, individual fee or license payments,~~
7 ~~rendering processes, or formula information. Proprietary~~
8 ~~information obtained pursuant to this chapter is not subject to the~~
9 ~~California Public Records Act (Chapter 3.5 (commencing with~~
10 ~~Section 6250) of Division 7 of Title 1 of the Government Code).~~

11 ~~14557.6. (a) The director shall adopt regulations and~~
12 ~~procedures to be used by the board to administer this chapter.~~

13 ~~(b) In adopting regulations and procedures, the director shall~~
14 ~~accept the recommendations of the board if the director finds the~~
15 ~~recommendations to be practicable and in the interest of the~~
16 ~~beverage container recycling industry and the public.~~

17 ~~14557.8. The director shall, within 30 days of receiving a~~
18 ~~recommendation from the board in accordance with this chapter,~~
19 ~~provide the board with notice of the acceptance of the~~
20 ~~recommendation or with a written statement of the reasons for~~
21 ~~denial if the director does not accept the recommendation.~~

22 ~~SEC. 5.~~

23 ~~SEC. 3. Section 14571.1 of the Public Resources Code is~~
24 ~~amended to read:~~

25 ~~14571.1. (a) On or before January 1 of each year, the~~
26 ~~department shall, on a statewide basis, designate all convenience~~
27 ~~zones as of that date, including convenience zones in underserved~~
28 ~~areas, and shall prepare a map or maps showing these convenience~~
29 ~~zones.~~

30 ~~(b) The department may designate a regional convenience zone~~
31 ~~serving multiple up to five unserved supermarket-based zones~~
32 ~~based on community need.~~

33 ~~(c) In designating a regional convenience zone, the department~~
34 ~~shall consider the following factors:~~

- 35 ~~(1) Population density.~~
- 36 ~~(2) Distance between recycling centers.~~
- 37 ~~(3) Geography.~~
- 38 ~~(4) Consumer transportation times.~~

1 ~~SEC. 6.~~

2 *SEC. 4.* Section 14572 of the Public Resources Code is
3 amended to read:

4 14572. (a) (1) Except as provided in subdivision (b), a certified
5 recycling center shall accept from any consumer or dropoff or
6 collection program any empty beverage container, and shall pay
7 to the consumer or dropoff or collection program the refund value
8 of the beverage container onsite at the time of redemption, through
9 a voucher or electronic payment. An electronic payment shall be
10 provided within five of the recycling center's business days. A
11 reasonable administrative fee of up to 2 percent of the transaction
12 amount may be deducted from the electronic transaction to cover
13 banking and sorting fees. *container.*

14 (2) Except as provided in paragraph (3), the recycling center
15 may pay the refund value based on the weight of returned
16 containers.

17 (3) On and after September 1, 2013, for beverage containers
18 redeemed by consumers, a certified recycling center shall pay the
19 refund value using the applicable segregated rate, as defined in
20 paragraph (43) of subdivision (a) of Section 2000 of Title 14 of
21 the California Code of Regulations, as that section read on
22 September 1, 2013, which shall be based on the weight of the
23 redeemed beverage containers.

24 (4) *A certified bottle drop program shall pay the refund value*
25 *of the beverage container onsite at the time of redemption or as*
26 *an electronic payment within three business days of redemption.*

27 (b) Any recycling center or processor that was in existence on
28 January 1, 1986, and that refused, as of January 1, 1986, to accept
29 at a particular location a certain type of empty beverage container
30 may continue to refuse to accept at the location the type or types
31 of empty beverage containers that the recycling center or processor
32 refused to accept as of January 1, 1986. A certified recycling center
33 that refuses, pursuant to this subdivision, to accept a certain type
34 or types of empty beverage containers is not eligible to receive
35 handling fees unless the center agrees to accept all types of empty
36 beverage containers and is a supermarket site. This subdivision
37 does not preclude the certified recycling center from receiving a
38 handling fee for beverage containers redeemed at supermarket
39 sites that do accept all types of containers.

1 (c) The department shall develop procedures by which recycling
2 centers and processors that meet the criteria of subdivision (b) may
3 recertify to change the material types accepted.

4 (d) (1) Only a certified recycling center may pay the refund
5 value to consumers or dropoff or collection programs. A person
6 shall not pay a noncertified recycler for empty beverage containers
7 an amount that exceeds the current scrap value for each container
8 type, which shall be determined in the following manner:

9 (A) For a plastic or glass beverage container, the current scrap
10 value shall be determined by the department.

11 (B) For an aluminum beverage container, the current scrap value
12 shall be not greater than the amount paid to the processor for that
13 aluminum beverage container, on the date the container was
14 purchased, by the location of end use, as defined in the regulations
15 of the department.

16 (2) A person shall not receive or retain, for empty beverage
17 containers that come from out of state, any refund values,
18 processing payments, or administrative fees for which a claim is
19 made to the department against the fund.

20 (3) Paragraph (1) does not affect curbside programs under
21 contract with cities or counties.

22 ~~SEC. 7.~~

23 *SEC. 5.* Section 14575.2 is added to the Public Resources Code,
24 to read:

25 14575.2. (a) The Legislature finds and declares all of the
26 following:

27 (1) Ten years of biannual recycling cost surveys conducted by
28 the department have demonstrated that the statutorily required
29 “weighted average” cost calculation pursuant to Section 14575
30 has consistently resulted in a processing payment that is insufficient
31 to cover the actual, surveyed cost of recycling for a majority of
32 the state’s certified recycling centers.

33 (2) The current statutorily required cost calculation methodology
34 is inadvertently failing to satisfy the Legislature’s intent in
35 establishing this division, as expressed in Section 14501, which
36 is to “create and maintain a marketplace where it is profitable to
37 establish sufficient recycling centers and locations to provide
38 consumers with convenient recycling opportunities through the
39 establishment of minimum refund values and processing fees and,
40 through the proper application of these elements, to enhance the

1 profitability of recycling centers, recycling locations, and other
2 beverage container recycling programs.”

3 (3) As a result of these insufficient payments, the state has lost
4 more than 600 certified recycling centers in the last five years,
5 equivalent to one-third of the certified recycling centers that existed
6 in 2015.

7 (4) The beverage container recycling rate in California has
8 dropped from 81 percent in 2015 to 70 percent in fiscal year
9 2019–20.

10 (5) The department’s recycling cost surveys demonstrate that
11 the cost to recycle the same type of beverage container is twice as
12 high at a recycling center in a community that is only able to collect
13 a low volume of beverage containers for recycling versus a
14 recycling center in a community that is able to collect a high
15 volume of beverage containers for recycling.

16 (6) The department, in its June 1, 2020, “2018 Processing Fee
17 Cost Survey: Final Report,” recognizes that the “cost to recycle
18 varies between large, medium, and small recyclers,” and that small
19 recyclers face higher costs, which, on average, are not covered by
20 processing payments.

21 (7) Therefore, it is the intent of the Legislature to require the
22 department to establish processing payments to groupings of
23 certified recycling centers that reflect the actual cost of recycling
24 at those centers based on the relative monthly volume of beverage
25 containers collected for recycling.

26 (8) It is further the intent of the Legislature that the methodology
27 for calculating processing fees remain as set forth in Section 14575.

28 (b) (1) Notwithstanding Section 14575, the director may, upon
29 appropriation by the Legislature from the fund for purposes of this
30 paragraph, increase processing payments to a certified recycling
31 center by up to 50 percent higher than statewide rates for the first
32 40,000 glass containers and the first 200,000 plastic containers
33 claimed by the certified recycling center each month.
34 Notwithstanding this paragraph, the department shall not impose
35 a processing fee on beverage container manufacturers that is higher
36 than the processing fee that would be imposed without this
37 paragraph.

38 (2) All actions taken by the department to implement this
39 subdivision prior to April 1, 2022, are exempt from the rulemaking
40 provisions of the Administrative Procedure Act (Chapter 3.5

1 (commencing with Section 11340) of Part 1 of Division 3 of Title
 2 2 of the Government Code).

3 (c) *This section shall remain in effect only until January 1, 2025,*
 4 *and as of that date is repealed.*

5 ~~SEC. 8.~~

6 SEC. 6. Section 14585 of the Public Resources Code is
 7 amended to read:

8 14585. (a) The department shall adopt guidelines and methods
 9 for paying handling fees to supermarket sites, nonprofit
 10 convenience zone recyclers, or rural region recyclers to provide
 11 an incentive for the redemption of empty beverage containers in
 12 convenience zones. The guidelines shall include, but not be limited
 13 to, all of the following:

14 (1) Handling fees shall be paid on a monthly basis, in the form
 15 and manner adopted by the department. The department shall
 16 require that claims for the handling fee be filed with the department
 17 not later than the first day of the second month following the month
 18 for which the handling fee is claimed as a condition of receiving
 19 any handling fee.

20 (2) The department shall determine the number of eligible
 21 containers per site for which a handling fee will be paid in the
 22 following manner:

23 (A) Each eligible site’s combined monthly volume of glass and
 24 plastic beverage containers shall be divided by the site’s total
 25 monthly volume of all empty beverage container types.

26 (B) If the quotient determined pursuant to subparagraph (A) is
 27 equal to, or more than, 10 percent, the total monthly volume of
 28 the site shall be the maximum volume that is eligible for a handling
 29 fee for that month.

30 (C) If the quotient determined pursuant to subparagraph (A) is
 31 less than 10 percent, the department shall divide the volume of
 32 glass and plastic beverage containers by 10 percent. That quotient
 33 shall be the maximum volume that is eligible for a handling fee
 34 for that month.

35 (3) The department shall pay a handling fee per eligible
 36 container in the amount determined pursuant to subdivision (f).

37 (4) If the eligible volume in any given month would result in
 38 handling fee payments that exceed the allocation of funds for that
 39 month, as provided in subdivision (b), sites with higher eligible
 40 monthly volumes shall receive handling fees for their entire eligible

1 monthly volume before sites with lower eligible monthly volumes
2 receive any handling fees.

3 (5) (A) If a dealer where a supermarket site, nonprofit
4 convenience zone recycler, or rural region recycler is located ceases
5 operation for remodeling or for a change of ownership, the operator
6 of that supermarket site, nonprofit convenience zone recycler, or
7 rural region recycler shall be eligible to apply for handling fees
8 for that site for a period of three months following the date of the
9 closure of the dealer.

10 (B) Every supermarket site operator, nonprofit convenience
11 zone recycler, or rural region recycler shall promptly notify the
12 department of the closure of the dealer where the supermarket site,
13 nonprofit convenience zone recycler, or rural region recycler is
14 located.

15 (C) Notwithstanding subparagraph (A), any operator who fails
16 to provide notification to the department pursuant to subparagraph
17 (B) shall not be eligible to apply for handling fees.

18 (b) The department may allocate the amount authorized for
19 expenditure for the payment of handling fees pursuant to paragraph
20 (1) of subdivision (a) of Section 14581 on a monthly basis and
21 may carry over any unexpended monthly allocation to a subsequent
22 month or months. However, unexpended monthly allocations shall
23 not be carried over to a subsequent fiscal year for the purpose of
24 paying handling fees but may be carried over for any other purpose
25 pursuant to Section 14581.

26 (c) (1) The department shall not make handling fee payments
27 to more than one certified recycling center in a convenience zone.
28 If a dealer is located in more than one convenience zone, the
29 department shall offer a single handling fee payment to a
30 supermarket site located at that dealer. This handling fee payment
31 shall not be split between the affected zones. The department shall
32 stop making handling fee payments if another recycling center
33 certifies to operate within the convenience zone without receiving
34 payments pursuant to this section, if the department monitors the
35 performance of the other recycling center for 60 days and
36 determines that the recycling center is in compliance with this
37 division. Any recycling center that locates in a convenience zone,
38 thereby causing a preexisting recycling center to become ineligible
39 to receive handling fee payments, is ineligible to receive any
40 handling fee payments in that convenience zone.

1 (2) The department shall offer a single handling fee payment
2 to a rural region recycler located anywhere inside a convenience
3 zone, if that convenience zone is not served by another certified
4 recycling center and the rural region recycler does either of the
5 following:

6 (A) Operates a minimum of 30 hours per week in one
7 convenience zone.

8 (B) Serves two or more convenience zones, and meets all of the
9 following criteria:

10 (i) Is the only certified recycler within each convenience zone.

11 (ii) Is open and operating at least eight hours per week in each
12 convenience zone and is certified at each location.

13 (iii) Operates at least 30 hours per week in total for all
14 convenience zones served.

15 (3) Notwithstanding Section 14513.4, upon appropriation by
16 the Legislature from the fund for purposes of this paragraph, the
17 department shall pay the first operator of a recycling center certified
18 to operate in a convenience zone that, as of January 1, 2021, has
19 been continuously unserved by a recycling center for at least six
20 months a handling fee payment pursuant to this section regardless
21 of the physical location of the certified recycling center within that
22 convenience zone.

23 (d) The department may require an operator of a supermarket
24 site, or an operator of a rural region recycler, receiving handling
25 fees to maintain records for each location where beverage
26 containers are redeemed, and may require the supermarket site or
27 rural region recycler to take any other action necessary for the
28 department to determine that the supermarket site or rural region
29 recycler does not receive an excessive handling fee.

30 (e) The department may determine and use a standard container
31 per pound rate, for each material type, for purposes of calculating
32 volumes and making handling fee payments.

33 (f) (1) On or before January 1, 2008, and every two years
34 thereafter, the department shall conduct a survey pursuant to this
35 subdivision of a statistically significant sample of certified
36 recycling centers that receive handling fee payments to determine
37 the actual cost incurred for the redemption of empty beverage
38 containers by those certified recycling centers. The department
39 shall conduct these cost surveys in conjunction with the cost
40 surveys performed by the department pursuant to subdivision (b)

1 of Section 14575 to determine processing payments and processing
2 fees. The department shall include, in determining the actual costs,
3 only those allowable costs contained in the regulations adopted
4 pursuant to this division that are used by the department to conduct
5 cost surveys pursuant to subdivision (b) of Section 14575.

6 (2) Using the information obtained pursuant to paragraph (1),
7 the department shall then determine the statewide weighted average
8 cost incurred for the redemption of empty beverage containers,
9 per empty beverage container, at recycling centers that receive
10 handling fees.

11 (3) The department shall determine the amount of the handling
12 fee to be paid for each empty beverage container by subtracting
13 the amount of the statewide weighted average cost per container
14 to redeem empty beverage containers by recycling centers that do
15 not receive handling fees from the amount of the statewide
16 weighted average cost per container determined pursuant to
17 paragraph (2).

18 (4) The department shall adjust the statewide average cost
19 determined pursuant to paragraph (2) for each beverage container
20 annually to reflect changes in the cost of living, as measured by
21 the Bureau of Labor Statistics of the United States Department of
22 Labor or a successor agency of the United States government.

23 (5) The cost information collected pursuant to this section at
24 recycling centers that receive handling fees shall not be used in
25 the calculation of the processing payments determined pursuant
26 to Section 14575.

27 (g) The department may update the methodology and scrap
28 values used for calculating the handling fee from the most recent
29 cost survey if it finds that the handling fee resulting from the most
30 recent cost survey does not accurately represent the actual cost
31 incurred for the redemption of empty beverage containers by those
32 certified recycling centers.

33 ~~SEC. 9.~~

34 *SEC. 7.* It is the intent of the Legislature to appropriate in a
35 future Budget Act or other bill the sum of \$25,000,000 from the
36 California Beverage Container Recycling Fund created pursuant
37 to subdivision (a) of Section 14580 of the Public Resources Code
38 to the Department of Resources Recycling and Recovery for relief
39 for recycling infrastructure. Upon that appropriation, the

1 Department of Resources Recycling and Recovery shall expend
2 the moneys only as follows:

3 (a) Plastic quality incentive payments pursuant to Section
4 14549.1 of the Public Resources Code. For PET containers, as
5 defined in Section 14515.5 of the Public Resources Code, loads
6 eligible for payment shall be substantially free of PET thermoform
7 and other contaminants to closed-loop recycling, as determined
8 by the Department of Resources Recycling and Recovery.

9 (b) Startup loans in the amount of up to \$25,000 for an entity
10 that certifies and intends to establish and operate a recycling center
11 in an unserved or underserved area of the state. If the entity
12 continually maintains operations for 18 months, the loan shall be
13 forgiven.

14 ~~SEC. 10. The Legislature finds and declares that Section 4 of~~
15 ~~this act, which adds Chapter 4.5 (commencing with Section 14557)~~
16 ~~to Division 12.1 of the Public Resources Code, imposes a limitation~~
17 ~~on the public's right of access to the meetings of public bodies or~~
18 ~~the writings of public officials and agencies within the meaning~~
19 ~~of Section 3 of Article I of the California Constitution. Pursuant~~
20 ~~to that constitutional provision, the Legislature makes the following~~
21 ~~findings to demonstrate the interest protected by this limitation~~
22 ~~and the need for protecting that interest:~~

23 ~~In order to protect the proprietary information of participants in~~
24 ~~the state's beverage container recycling program, it is necessary~~
25 ~~to limit access to the proprietary information of those participants~~
26 ~~that the Beverage Container Recycling Program Advisory Board~~
27 ~~gathers or becomes aware of through the course of implementing~~
28 ~~its duties.~~

29 ~~SEC. 11.~~

30 *SEC. 8.* No reimbursement is required by this act pursuant to
31 Section 6 of Article XIII B of the California Constitution because
32 the only costs that may be incurred by a local agency or school
33 district will be incurred because this act creates a new crime or
34 infraction, eliminates a crime or infraction, or changes the penalty
35 for a crime or infraction, within the meaning of Section 17556 of
36 the Government Code, or changes the definition of a crime within
37 the meaning of Section 6 of Article XIII B of the California
38 Constitution.

O

From: [Jones, Ernest \(BOS\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Chung, Lauren \(BOS\)](#); [Morris, Geoffrea \(BOS\)](#); [Safai, Ahsha \(BOS\)](#); [Berenson, Samuel \(BOS\)](#)
Subject: For Introduction: Resolution Supporting Assembly Bill 1454 The California Beverage Container and Litter Reduction Act (Bloom)
Date: Tuesday, May 25, 2021 10:44:24 AM
Attachments: [ab_1454_97_A_bill.pdf](#)
[1454 Introduction Form Executed.pdf](#)
[AB1454 Resolution \(F\).doc](#)

Dear BOS Legislation,

On behalf of Supervisor Safai, please find the attached resolution for introduction, introduction form, and AB1454 legislation. The League of California Cities and Association of Counties have not taken a position on this legislation.

Please let me know if you need anything further from our office.

Ernest “EJ” Jones (he/him) | Legislative Aide
Office of District 11 **Supervisor Ahsha Safai**
1 Dr. Carlton B. Goodlett Pl, San Francisco | Room 256
Direct: 415-554-7897 | **Office:** 415-554-6975

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Supervisor Safai

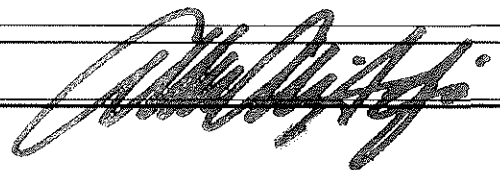
Subject:

Resolution Supporting Assembly Bill 1454 The California Beverage Container and Litter Reduction Act (Bloom)

The text is listed:

Resolution supporting Assembly Bill 1454 The California Beverage Container and Litter Reduction Act which is administered by the Department of Resources Recycling and Recovery, is established to promote beverage container recycling and provides for the payment, collection, and distribution of certain payments and fees based on minimum refund values established for beverage containers.

Signature of Sponsoring Supervisor: []



For Clerk's Use Only