

Date of Hearing: March 23, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES
Isaac G. Bryan, Chair
AB 1780 (Michelle Rodriguez) – As Introduced February 9, 2026

SUBJECT: Beverage containers: redemption payments: exemption

SUMMARY: Exempts distributors of beverages subject to the California Beverage Container and Litter Reduction Act (Bottle Bill) from redemption payments for water or juice beverages donated to California-based nonprofit organizations.

EXISTING LAW:

- 1) Establishes the Bottle Bill, which is administered by the Department of Resources Recycling and Recovery (CalRecycle). The Bottle Bill requires beverage containers to have a California Redemption Value CRV of 5 cents for most beverage containers that hold fewer than 24 ounces and 10 cents for most containers that hold 24 ounces or more. The Bottle Bill additionally sets a CRV of 25 cents for boxes, bladders, or pouches containing wine, distilled spirits, wine coolers, or distilled spirit coolers. (Public Resources Code (PRC) 14500 *et seq.*)
- 2) Establishes the California Beverage Container Recycling Fund (BCRF) and continuously appropriates moneys in the BCRF to CalRecycle for specified purposes for the Bottle Bill, including paying operation costs, paying grants, and paying handling fees. (PRC 14580)
- 3) Defines “beverage” to include beer and malt beverages, wine and distilled spirit coolers, carbonated and noncarbonated water, soft drinks, sport drinks, fruit drinks, coffee and tea drinks, vegetable juice, distilled spirits, and wine. (PRC 14504)
- 4) Defines “beverage container” as the individual, separate bottle, can, jar, carton, or other receptacle in which a beverage is sold, and that is constructed of metal, glass, plastic, or any other material, or any combination of these materials. (PRC 14505)
- 5) Defines “distributor” as every person who engages in the sale of beverages in beverage containers to a dealer in the state, including any manufacturer who engages in these sales and any person who imports beverages from outside of the state for sale to dealers or consumers in the state. (PRC 14511)
- 6) Requires distributors to pay CalRecycle the redemption payment (i.e., the CRV), minus 1.5%, for every beverage container sold or transferred to a dealer. (PRC 14574)

THIS BILL:

- 1) Exempts distributors from paying redemption payments to CalRecycle for beverage containers filled with water or juice that the distributor donates to a tax-exempt organization located in California.
- 2) Specifies that donations, samples, giveaways, or other transactions other than those identified above are subject to the redemption payment.

- 3) Requires a distributor to prepare and maintain records of any donations for not less than five years and to make the records available to CalRecycle upon request, including:
 - a) A charitable donation receipt issued by the recipient organization;
 - b) The date of the donation;
 - c) The number, size, and material type of beverage containers donated;
 - d) The amount of redemption payments that would have been paid if not exempted; and,
 - e) The original bill of lading and similar third-party shipping document or receipt indicating the entity that received the shipment.

FISCAL EFFECT: Unknown

COMMENTS:

- 1) **Bottle Bill.** The Bottle Bill was established in 1986 to be a self-funded program that encourages consumers to recycle beverage containers and to prevent littering. The program accomplishes this goal by requiring consumers to pay a deposit for each eligible container purchased. Then the program guarantees consumers repayment of that deposit, the CRV, for each eligible container returned to a certified recycler. Statute includes two main goals for the program: (1) reducing litter; and, (2) achieving a recycling rate of 80% for eligible containers. Containers recycled through the Bottle Bill's certified recycling centers also provide a consistent, clean, uncontaminated stream of recycled materials with minimal processing.
- 2) **Funding.** The CRV is paid up-front by distributors to CalRecycle for every covered beverage container sold in the state. Next, distributors are paid by retailers for the CRV collected on beverages sold, and retailers collect the CRV from consumers at the time of retail sale. CRV is paid into the BCRF, which is used to fund CRV redemption when consumers return beverage containers for recycling. Unredeemed CRV funds are used to fund the administration of the Bottle Bill, grants that advance recycling, and various payments that keep the program running.

When the recycling rate increases, less funding is available to make all the budgeted payments prescribed in statute, including funding CRV redemptions, administration, local grants, and other payments. A structural deficit occurs when funding needs exceed revenue. When recycling rates are high, the BCRF operates in a structural deficit. If a structural deficit persists long enough to threaten funding sufficiency, CalRecycle is required to "proportionally reduce" spending equally across nearly all funding expenditures to preserve sufficient funding to refund CRV to consumers.

- 3) **This bill.** This bill exempts distributors from the requirement to pay the CRV for containers for noncarbonated water and juice donated to a California-based nonprofit organization.

The Bottle Bill requires distributors to pay the CRV for every covered beverage container "sold or offered for sale" in the state. According to the bill's proponents, CalRecycle has interpreted this provision to include beverages donated by distributors to California-based

nonprofit organizations, including during states of emergency. For example, Anheuser-Busch has donated nearly 300,000 cans of drinking water to the Los Angeles area following wildfires that struck the area in January 2025. Under the current interpretation of the law, this donation would require Anheuser-Busch to remit nearly \$15,000 to CalRecycle for the CRV, even though this deposit was not collected from consumers.

Depending on the labeling of the donated beverages, consumers may still return the containers to a recycling center and receive the CRV from a certified recycler, which would impose a cost to the BCRF. It is unknown how many beverage containers would fall under this exemption; however, given that more than 33 billion beverage containers are sold in the state annually, it is likely to have a minor impact on the program.

4) Author's statement:

California has long demonstrated leadership in environmental stewardship and emergency response. However, recent administrative interpretations of the state's Beverage Container Recycling Program threaten to undermine a critical lifeline for communities in need: the donation of bottled water to charitable organizations and disaster survivors.

AB 1780 is necessary to clarify that bottled water donated to charitable organizations — including donations directed by the California Governor's Office of Emergency Services (Cal OES) during times of state emergencies — is not subject to California Redemption Value (CRV) redemption payments and processing fees.

Continued access to donated bottled water is critically important to charitable organizations throughout California. During natural disasters, extreme heat events, infrastructure failures, and other emergencies, communities can lose access to safe drinking water. In those moments, bottled water donations are not a commercial transaction — they are an act of public service that protects health and safety.

It has come to our attention that CalRecycle has determined that beverage manufacturers and distributors must remit CRV redemption payments and processing fees for bottled water that is donated rather than sold. This interpretation creates unintended financial and administrative burdens on companies that step up to support communities in crisis. It risks discouraging donations at the very time they are needed most.

The Public Resources Code governing CRV clearly applies to beverage containers that are sold in California. Charitable donations are not sales. The Legislature did not intend for emergency relief donations to be treated as retail transactions. AB 1780 provides needed statutory clarification to ensure that charitable donations of bottled water are expressly exempt from CRV requirements.

This bill protects the integrity of California's recycling program while ensuring that humanitarian aid is not penalized. It supports charitable organizations, strengthens our emergency response infrastructure, and removes barriers to lifesaving donations.

AB 1780 is a common-sense clarification that ensures California's environmental policies work hand in hand with our commitment to public health, disaster response, and community support.

REGISTERED SUPPORT / OPPOSITION:

Support

International Bottled Water Association

Niagara Bottling

Primo Brands

Opposition

None on file

Analysis Prepared by: Elizabeth MacMillan / NAT. RES. /