

ASSEMBLY THIRD READING  
AB 1780 (Michelle Rodriguez)  
As Introduced February 9, 2026  
Majority vote

## SUMMARY

This bill 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.

### Major Provisions

- 1) Exempts a distributor from making redemption payments to the Department of Resources Recycling and Recovery (CalRecycle) for filled beverage containers containing water or juice, as specified, that the distributor donates to a tax-exempt organization located in California.
- 2) Specifies that donations, samples, giveaways, or any other transaction, of filled beverage containers by a distributor other than those enumerated in this bill are subject to the redemption payment and all other applicable payments under the Bottle Bill.
- 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 and requires the records to include specified information.

## COMMENTS

The Bottle Bill was established in 1986 to be a self-funded program to prevent littering and achieve an 80% recycling rate for eligible containers. The program requires consumers to pay a deposit for each eligible container purchased. The program then guarantees consumers repayment of that deposit, known as the California Redemption Value (CRV), for each eligible container returned to a certified recycler. CalRecycle administers the program and handles all program payments, including CRV, through the Beverage Container Recycling Fund (BCRF). Despite paying the CRV deposit, not all consumers recycle their CRV-eligible containers. The BCRF retains unredeemed deposits, and state law requires that much of the unredeemed CRV be spent on specified recycling related programs. Only certain containers containing certain beverages are part of the CRV program.

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, 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.

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.

#### **According to the Author**

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.

#### **Arguments in Support**

According to Californians Against Waste, "AB 1780 would provide clarity on CRV obligations for beverage distributors on their CRV obligations while preserving the current practice of donating beverages to California communities."

#### **Arguments in Opposition**

None on file

### **FISCAL COMMENTS**

By exempting certain donated beverage containers from California Redemption Value (CRV) payments and processing fees, this bill will result in a reduction of revenue coming into the BCRF. Currently, CalRecycle expects payment on all beverages in the Bottle Bill program, including donations. It is unknown to the department or the committee approximately how many bottles are donated in the state every year. Based on the latest "Biannual Report of Beverage Container Sales, Returns, Redemption, and Recycling Rates," about 30 billion beverage containers were sold in the state from July 2024 to June 2025. If, for example, three million bottles (with a \$0.05 CRV) are donated in one year and are exempt from making redemption payments, BCRF would forego \$150,000 in revenue.

In addition, if the same donated beverage container is later redeemed at a recycling center, BCRF must cover the redemption payment on behalf of the distributor. This may also include other

CRV payments for empty beverage containers such as comingled rate payments to other types of recyclers (like curbside programs). In addition, these beverage containers may be eligible for supplemental payments such as plastic market development payments and quality incentive payments – resulting in a cost to BCRF.

CalRecycle reports BCRF had an ending balance of about \$822 million in fiscal year (FY) 2024-25 and is projected to have an ending balance of about \$718 million at the end of this FY – although this figure could change based on actuals provided at the end of the FY. According to CalRecycle, in FY 2024-25, the department collected about \$1.6 billion in redemption payments and paid about \$1.1 billion in CRV refunds.

## **VOTES**

### **ASM NATURAL RESOURCES: 14-0-0**

**YES:** Bryan, Ellis, Alanis, Connolly, Garcia, Haney, Hoover, Kalra, Macedo, Muratsuchi, Pellerin, Schultz, Wicks, Zbur

### **ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

## **UPDATED**

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