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**SENATE COMMITTEE ON ENVIRONMENTAL QUALITY**

**Senator Blakespear, Chair**

**2025 - 2026 Regular**

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**Bill No:** AB 1780  
**Author:** Michelle Rodriguez  
**Version:** 2/9/2026  
**Urgency:** No  
**Consultant:** Alyssa Poletti

**Hearing Date:** 7/1/2026  
**Fiscal:** Yes

**SUBJECT:** Beverage containers: redemption payments: exemption

**DIGEST:** This bill exempts beverage distributors from paying the California Redemption Value (CRV) to CalRecycle on bottles of water and juice donated to a tax-exempt organization located in California.

**ANALYSIS:**

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.

## Background

- 1) *Bottle bill background.* The bottle bill was established through legislation in 1986 (AB 2020 Margolin, Chapter 1290, Statutes of 1986) with the joint goals of reducing litter and achieving an 80% recycling rate for all CRV containers in the program. In 2025, CalRecycle reported a 70% recycling rate for CRV containers in the “Biannual Report of Beverage Container Sales, Returns, Redemption, and Recycling Rates.” While the program does not encompass all containers, it does encompass most beverage containers made from glass, plastic, aluminum, and bimetal (consisting of one or more metals).

The bottle bill operates by adding a 5-25 cent CRV surcharge to beverage containers in the program. Beverage distributors pay CRV on all new beverage containers they sell in California into the Beverage Container Recycling Fund (BCRF). Distributors then pass the cost of the CRV on to retailers, who in turn pass that 5-25 cents per bottle on to consumers at checkout. Individuals and businesses are incentivized to return bottles to recycling centers where they can redeem the value of the CRV. Once a consumer is ready to dispose of a bottle, they can return bottles to a certified recycling center and redeem their CRV, or consumers can put their bottles in residential curbside recycling collection, wherein the curbside programs, not consumers, keep the CRV on these containers. The redemption rate (the rate at which CRV containers are returned at recycling centers and supermarkets) was 60% for 2024.<sup>1</sup> According to a CalRecycle 2022 Fact Sheet, curbside programs collect about 12% of CRV containers.<sup>2</sup>

- 2) *Bottle bill funding.* Distributors pay the CRV upfront 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) *Access to drinking water.* Marginalized communities and survivors of natural disasters may lack access to safe and clean drinking water. Low-income families may benefit from juice and water provided by charitable organizations. Communities without quality tap water may depend on charitable organizations for bottled water. Those who lack access to shelter

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<sup>1</sup> Container Recycling Institute (2025) *Bottle Bill Resource Guide: California*, <https://www.bottlebill.org/index.php/current-and-proposed-laws/usa/california>

<sup>2</sup> CalRecycle (2023) *Beverage Container Recycling in California Fact Sheet Calendar Year 2022* (DRRR-2023-1726), <https://www2.calrecycle.ca.gov/Docs/Publications/Details/1726>

during extreme heat events may need water for drinking and cooling. Finally, survivors of natural disasters such as earthquakes and wildfires may have to leave their homes and by extension, their access to tap water. The 2025 Palisades fire displaced 100,000 people; those 100,000 people suddenly lost access to the clean water in their homes.<sup>3</sup> As climate change increases the frequency and severity of extreme heat events and wildfires, the state may increasingly depend on bottled water donations.

## Comments

- 1) *Purpose of Bill.* According to the author, “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.

“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.

“Recently, CalRecycle 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

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<sup>3</sup> <https://www.calfund.org/news-and-events/one-year-after-devastating-wildfires-fire-survivors-and-residents-gather-to-grieve-remember-and-demand-action/>

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.”

- 2) *Removing barriers to beverage donations.* 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.

AB 1780 minimizes excess costs to distributors when making a charitable donation. As the conditions necessitating bottled water donations worsen (heat and wildfires under climate change), ***the committee may wish to consider allowing CalRecycle to adopt emergency regulations to implement AB 1780.***

Presently, AB 1780 only exempts donations to tax-exempt organizations in California. However, beverage distributors may make donations to other worthy organizations needing clean water. For example, some California schools experience extreme heat conditions without the proper air conditioning; bottled water could help to alleviate some of the associated health risks.<sup>4</sup> Additionally, first responders often provide resources to people during disasters, such as water to people evacuating from a wildfire. ***The committee may wish to consider expanding eligible organizations to the public school system and first responders.***

- 3) *Minimizing BRCF impacts, maximizing public good.* Depending on the labeling of the donated beverages, consumers may still return the containers to a

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<sup>4</sup> California State PTA (2026) *Extreme Heat is Getting Education Advocates Steamed*. <https://capta.org/extreme-heat-is-getting-education-advocates-steamed/>

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. CalRecycle should be assured that any fiscal impact to BCRF is balanced by a true benefit to Californians. *The committee may consider specifying that distributors who fail to retain evidence of their donation are disqualified from the exemption and must pay the redemption value.*

- 4) *Committee Amendments. Staff recommends the committee adopt the bolded amendments contained in comments 2 and 3.*

### **Related/Prior Legislation**

SB 746 (Alvarado-Gil) established in the department the Urban Water Community Drought Relief program and the Small Community Drought Relief program to provide grants for similar interim or immediate drought relief including for projects providing bottled water. This bill was held on suspense.

**SOURCE:** Primo Brands

### **SUPPORT:**

Californians Against Waste  
International Bottled Water Association

### **OPPOSITION:**

American Beverage Association

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