ASSEMBLY THIRD READING
AB 1812 (Aguiar-Curry)
As Amended March 23, 2026
Majority vote

SUMMARY

Prohibits, on and after January 1, 2027, a person from selling or offering for sale a product that is labeled with the term "compostable" or "home compostable" that is made wholly or partially of plastic. Updates and revises the requirements for labeling products "compostable" or "home compostable."

Major Provisions

1) Repeals the requirement that precheckout compostable bags must meet the standards set by Public Resources Code (PRC) 42357.5.

2) Repeals PRC 42356.1, which requires CalRecycle to review revisions to American Society for Testing and Materials (ASTM) standards and authorizes it to adopt revised standards.

3) Revises the requirement for CalRecycle to adopt a standard other than the prescribed ASTM standards if the standard is adopted or developed by a standard-setting organization recognized by CalRecycle. Authorizes CalRecycle to adopt a standard for compostable fiber products.

4) Revises the requirements for labeling products with the terms "compostable" or "home compostable" to remove references to the ASTM specifications and instead limits those labels to products that meet the OK compost HOME certification or a different standard adopted by CalRecycle.

5) Specifies that a fiber product that is demonstrated to not incorporate any plastics of polymers, including, but not limited to, through lamination, extrusion, or mixing, is not required to comply with specified labeling requirements, unless CalRecycle has adopted or approved a standard relevant to compostable fiber products.

6) Prohibits, on and after January 1, 2027, a person from selling or offering for sale a product that is labeled with the term "compostable" or "home compostable" that is made wholly or partially of plastic.

7) Repeals PRC 42357.5, which establishes labeling requirements for compostable plastic bags.

8) Requires CalRecycle to consider whether food service packaging meets the requirements for compostable products that meet the ASTM standard for "End Items that Incorporate Plastics and Polymers as Coatings or Additives with Paper and Other Substrates Designed Aerobically Composted in Municipal or Industrial Facilities," as specified.

9) States legislative findings and declarations relating to the scale and value of California's composting programs.

COMMENTS

Organic waste recycling. Nearly 40 million tons of waste are disposed of in California's landfills annually. Nearly half of those materials are organics (~48%). Organic waste includes food, yard, paper, and other organic materials. As that material decomposes in landfills, it generates significant amounts of methane, a potent greenhouse gas (GHG) with 84 times the climate impact as carbon dioxide. The Air Resources Board (ARB) states that about 20% of methane emissions in California comes from landfills.

SB 1383 (Lara), Chapter 395, Statutes of 2016, requires ARB to approve and implement a comprehensive short-lived climate pollutant (SLCP) strategy to achieve, from 2013 levels, a 40% reduction in methane, a 40% reduction in hydrofluorocarbon gases, and a 50% reduction in anthropogenic black carbon, by 2030. In order to accomplish these goals, the law specifies that the methane emission reduction goals include targets to reduce the landfill disposal of organic waste, including food, 50% by 2020 and 75% by 2025 from the 2014 level. SB 1383 also requires that 20% of edible food that would otherwise be sent to landfills is redirected to feed people by 2025.

To achieve this, California's waste management infrastructure is going to have to process and recycle much greater quantities of organic materials, involving significant investments in additional processing infrastructure. Organic waste is primarily recycled by composting the material, which generates compost that can be used in gardening and agriculture as a soil amendment and engineering purposes for things like slope stabilization. Composting operations in California range from large-scale commercial operations to onsite agricultural composting activities to backyards. Anaerobic digestion is also widely used to recycle organic wastes. This technology uses bacteria to break down the material in the absence of oxygen and produces biogas, which can be used as fuel, and digestate, which can also be used as a soil amendment. Tree trimmings and prunings can also be chipped or mulched and applied to agricultural land for beneficial use, known as land application.

SB 54. SB 54 (Allen), Chapter 75, Statutes of 2022, requires the development of a circular economy program for packaging and plastic foodware in the state. The law requires that producers meet ambitious recycling, composting, and source reduction targets through the creation of a producer responsibility organization, and to achieve specified source reduction requirements for plastic covered materials. The recycling and compostability requirements increase from 30% by 2028 to 65% by 2032, and source reduction requirements increase from 10% by 2027 to 25% by 2032.

Determining compostability. Compostable plastics are plastics that are designed to decompose under certain conditions. They can be fossil-fuel based or based on various "bio" materials, but essentially all compostable plastics include some amount of synthetic additives or include some percentage of fossil-based polymers. Prior to the state adopting standards in 2004, plastic with misleading claims of biodegradability and compostability were widely marketed to consumers, even though the material did not break down as claimed. Compostable materials are generally not recyclable and are instead a contaminant when mixed with recyclable plastic waste. Since 2004, the Legislature has enacted numerous bills that attempt to prevent misleading environmental marketing claims and ensure that the materials we use can be properly managed, including banning the use of terms like "biodegradable" for plastic products and requiring plastics labeled "compostable" to meet widely accepted standards for compostability.

ASTM is an international standards organization that develops and publishes consensus-based technical standards. ASTM standards include two for compostable plastics. For plastics designed to be composted in industrial compost facilities (D6400) and for paper and other products coated in plastic or other polymers designed to be composted in industrial compost facilities (D6868). The standards are intended to provide consistency and clarity for consumers and producers who want to ensure that their products are compostable; however, the standards are imperfect. Composting technology has advanced significantly since their adoption, and material is processed more quickly, so many compostable items, like utensils, often have to be removed from the finished compost and landfilled. Composting is designed to manage organic waste, like yard clippings and leaves, and is not an ideal management option for plastic waste.

In recognition of the issues with the current ASTM standards, SB 1335 (Allen), Chapter 610, Statutes of 2018, which establishes reuse, recycling, and compost requirements for food packaging used in state facilities, also required CalRecycle to adopt regulations to create standards for those terms. For composability, CalRecycle regulations require that the packaging must meet the ASTM standards D6400-19 or D6868-19, demonstrate 90% biodegradation within 60 days, and comply with related statutory requirements to be labeled "compostable" in the state. Pursuant to AB 1201 (Ting), Chapter 504, Statutes of 2021, the sale of offering for sale any product in the state that is labeled "compostable" or "home compostable" is prohibited unless it meets specified requirements, including that, beginning January 1, 2026, the product is an allowable organic input under the National Organic Program (NOP). This law additionally granted the director of CalRecycle the authority to issue an extension on this requirement for up to five years if the director determines that the product or substance is, or will soon be, an allowable organic input for compost. Last year, industry groups representing the compostable plastics industry requested that CalRecycle issue such an extension, which was granted by the director until June 30, 2027.

Federal standards. Unfair or deceptive acts or practices in or affecting commerce are illegal under federal law. The Federal Trade Commission (FTC) publishes the Green Guides to explain how the law applies to environmental labeling, advertising, and marketing, including the use of labels such as "degradable," "biodegradable," or "compostable."

The USDA's NOP requirements prohibit compostable plastic as a feedstock for compost that can be used on organic crops. In 2023, the Biodegradable Products Institute petitioned to revise the regulations to allow their use under the NOP. After a multi-year review of the petition and the associated science, the National Organics Standards Board unanimously rejected the petition in January of this year, finding that "synthetic compostable materials" do not meet necessity, environmental and human health, and sustainable agriculture criteria for the inclusion. However, the action did leave the possibility open for future consideration of individual materials for narrowly-defined uses (e.g., collection bags, produce stickers, etc.).

Where do they go? Consumers should have confidence that the items they sort into their compost and recycling bins are composted or recycled. However, few composters in the state accept compostable plastics for composting. Instead, these items are generally screened out and landfilled to avoid contaminating the finished compost. When items labeled compostable end up in the recycling bin, they act as a contaminant in the recycling system and are also landfilled.

Markets. As noted above, the state generates massive quantities of organic waste, of which a substantial portion is managed by the state's composters. The compost they produce is widely

used in agriculture, landscaping, and other beneficial uses, but because of the quantities of organic waste that need to be managed, supply outpaces demand. The state's composters actively pursue markets, and many local organics programs give away the finished compost for free to the communities they serve. For this reason, composters have an incentive to produce high-quality compost that is marketable to the state's vibrant agricultural industry, which uses approximately two-thirds of the state's compost. In order to do this, many composters work to maintain their organic eligibility. Even for those composters that don't produce organic compost, compostable plastic items that end up in feedstock are often indistinguishable from conventional plastic. Rather than trying to sort compostable plastic from conventional plastic, most composters simply screen out all plastic prior to composting.

According to the California Farm Bureau, compost is used as a soil conditioner, "sustainably improving the physical, chemical, and biological health of the soil, which leads to stronger crops and higher yields." Compost reduces the need for synthetic fertilizers and both reduces water use and improves water retention in the soil. Farmers rely on the NOP label to ensure "quality and purity" of the compost they purchase. According to the Marin Carbon Project, the use of compost is a "triple win." It increases carbon sequestration in the soil, mitigates emissions, and enhances the land's resilience to extreme weather, such as flooding and drought.

According to the Author
AB 1812 clarifies which products can be labeled as compostable to make sure that California's composters can produce high-quality compost and that California's farmers and vibrant agricultural community have access to affordable compost. Farmers purchase two-thirds of California's compost, making them critical to a viable compost market. Many farmers and growers undergo lengthy and expensive processes to attain and keep their certification as organic farming operations. This certification relies on the federal National Organics Program (NOP) standard, which prohibits any plastic materials or residues in compost feedstocks. Composters adhering to this standard are prohibited from accepting bioplastics. Even without this standard, breaking down the best-performing compostable plastics would require extending processing timelines, lowering temperatures below food safety thresholds, and producing lower-quality compost that few farmers can use. Removing contaminants accounts for over 20% of composting costs—expenses ultimately passed on to ratepayers and local governments. This bill will keep California's compost stream clean to reduce costs for communities, produce compost that works for farmers, and help California meet its organic waste diversion goals.

Arguments in Support
According to a coalition of supporters, "AB 1812 provides a clear, practical solution to the problems above by addressing the root of the problem: misleading labeling. By prohibiting plastics from being marketed as 'compostable,' the bill aligns consumer expectations with the realities of California's composting systems, protects local investments in composting infrastructure, and reinforces the state's climate and waste reduction goals."

Arguments in Opposition
According to the Consumer Brands Association, "AB 1812, at its core, would eliminate a pathway for producers to make their packaging more sustainable and comply with mandatory state requirements, and many producers have already initiated packaging redesign efforts, that would ultimately be rendered futile under AB 1812."

FISCAL COMMENTS

1) CalRecycle estimates ongoing annual costs of approximately $195,000 for one position and a one-time contract cost of $200,000 beginning in fiscal year (FY) 2027-28 (Integrated Waste Management Account). Tasks for the new position include, among other things, conducting stakeholder outreach and engagement, researching existing labeling standards, and conducting rulemaking. Contract costs are associated with evaluating existing standards and consulting with subject matter experts, standard-setting bodies, and producers.

2) Existing law authorizes a city, a county, or the state to impose specified civil penalties for violations of Chapter 5.7 of the PRC (which this bill amends). Current law authorizes the Attorney General to expend, upon appropriation by the Legislature, any civil penalties it collects to enforce existing law. The prohibitions in and requirements of this bill are subject to the same civil liability and enforcement mechanism.

   Therefore, this bill may result in cost pressures (Trial Court Trust Fund) of an unknown amount to the courts to adjudicate enforcement actions. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately $1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately $117.3 million in 2025-26. The Legislative Analyst's Office recently warned of General Fund structural deficits of around $35 billion per year in the 2027-28 fiscal year and ongoing.

VOTES

ASM NATURAL RESOURCES: 11-0-3
YES: Bryan, Alanis, Connolly, Garcia, Haney, Hoover, Kalra, Pellerin, Schultz, Hart, Zbur
ABS, ABST OR NV: Ellis, Macedo, Muratsuchi

ASM APPROPRIATIONS: 12-1-2
YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
NO: Dixon
ABS, ABST OR NV: Ta, Tangipa

UPDATED

VERSION: March 23, 2026

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