

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES
Isaac G. Bryan, Chair
AB 2245 (Michelle Rodriguez) – As Amended April 7, 2026

SUBJECT: Lubricants waste: packaging: producer responsibility

SUMMARY: Establishes the Lubricant Waste and Packaging Producer Responsibility Act of 2026 (Act), which requires manufacturers of lubricant waste products and packaging products to be responsible for the safe collection and management of lubricant wastes and packaging at no cost to residents through the creation of an expanded producer responsibility (EPR) program.

EXISTING LAW:

- 1) Pursuant to the California Oil Recycling Enhancement Act (CORE Act), requires the Department of Resources Recycling and Recovery (CalRecycle) to adopt a used oil recycling program to promote and develop alternatives to the illegal disposal of used oil. (Public Resources Code (PRC) 48600 *et seq.*)
 - a) Requires the used oil program to include a recycling incentive system; public and private grants and contracts, including between CalRecycle and local governments, nonprofits, and public entities; an education program; and, a reporting, monitoring, and enforcement program. (PRC 48631)
 - b) Requires every oil manufacturer to pay an amount equal to \$0.06 for every quart or \$0.24 for every gallon of lubricating oil sold, transferred, or imported into the state to CalRecycle on a quarterly basis, as specified. Reduces the amounts charged for rerefined oil. Provides that these amounts are deposited into the California Used Oil Recycling Fund. (PRC 48650)
 - c) Requires CalRecycle pay a recycling incentive of not less than \$0.10 per quart to every industrial generator, curbside collection program, and certified used oil collection center for used oil collected from the public or generated by the certified used oil collection center or industrial generator, as specified. (PRC 48651.5)
 - d) Requires CalRecycle to pay a rerefining incentive of not less than \$0.02 per gallon to a recycling facility for rerefined oil produced, as specified. (PRC 48651.5)
 - e) Establishes certification requirements for collection centers. (PRC 48660)
 - f) Requires CalRecycle to annually inspect used oil recycling facilities. (PRC 48661)
 - g) Establishes reporting requirements for sellers, haulers, industrial generators, used oil collection centers, curbside collection programs, and local governments. (PRC 48670)
 - h) Establishes labeling requirements for lubricating oil. (PRC 48671.5)
 - i) Establishes enforcement provisions for the Act. (PRC 48680)

- j) Authorizes local governments to develop local used oil collection programs and provides for payments for those local governments to support those programs. (PRC 48690)
- 2) Establishes requirements for the management of used oil. (Health and Safety Code (HSC) 25250 *et seq.*)
- a) Establishes standards and purity requirements for recycled oil.
 - b) Requires used oil to be managed as hazardous waste, unless it is excluded by federal law or has been shown by the generator to meet specified standards.
 - c) Prohibits the disposal of used oil by discharge to sewers, drainage systems, surface water or groundwater, watercourses, marine waters, incineration or burning, onto land, and for use as a dust, weed, or insect repellent, except as specified.
 - d) Establishes requirements for transporters of used oil.
 - e) Establishes requirements for storage, transfer, and recycling facilities of used oil.
 - f) Establishes testing requirements for used oil.
- 3) Pursuant to SB 54 (Allen), Chapter 75, Statutes of 2022, establishes the Plastic Pollution Prevention and Packaging Producer Responsibility Act (PRC 42040 *et seq.*), which:
- a) Imposes minimum recycled content requirements and source reduction requirements for single-use packaging and plastic food service ware, to be achieved through an EPR program.
 - b) Requires CalRecycle to conduct a material characterization study of covered material categories that are disposed of in California landfills before July 1, 2025, and to report to the Legislature on the status of materials at solid waste facilities by January 1, 2024. Requires CalRecycle to update the material characterization study required pursuant in 2028, 2030, 2032, and at least every four years thereafter.
 - c) Requires producers, through the producer responsibility organization (SB 54 PRO), to pay \$500 million per year from January 1, 2027, through January 1, 2037, to be deposited into the California Plastic Pollution Mitigation Fund. Authorizes the SB 54 PRO to collect up to \$150 million from plastic resin manufacturers to fund plastic mitigation activities, as specified.

THIS BILL:

- 1) Defines terms used in the bill, including:
- a) “Covered liquid product” (covered liquid) as petroleum-based, petroleum-derived, synthetic, bio-based, or glycol-based lubricant, coolant, or similar chemical formulations, including coolants, antifreeze, fuel additives, greases, oil-based lubricants, and two-cycle oils that are commercially available to nonbusiness consumers. Specifies that “covered liquid product” does not include used oil subject to the CORE Act; fuels; cosmetics,

drugs, or personal care products; food products; and, liquid products used by business consumers.

- b) “Covered packaging product” (covered packaging) as:
- i) Primary packaging and containers designed and intended to hold a covered liquid for sale or distribution with a capacity of 15 gallons or less, including, but not limited to, a bottle, pail, cartridge, and bag-in-box system, that is customarily generated, collected or managed with a used oil or antifreeze container at a generator site; and,
 - ii) Packaging and containers for a product subject to the CORE Act.

Specifies that “covered packaging product” does not include packaging over 15 gallons, packaging subject to SB 54, and metal ring containers.

- c) “Covered product” as a covered liquid product and a covered packaging product.
- d) “Waste lubricant product” as any oil that has not been used for its intended purpose and is contained in its original packaging.
- 2) Exempts covered packaging from the requirements of SB 54.
- 3) Requires that the stewardship plan required pursuant to SB 54 to explain how the SB 54 PRO will reconcile reporting data from a producer for a product covered by another stewardship program when any of the following occurs:
- a) A covered product is collected by another stewardship program;
 - b) A covered product is reported by a producer to another stewardship program;
 - c) A product subject to another stewardship program is collected by the SB 54 PRO; or,
 - d) A product subject to another stewardship program is reported by a producer to the SB 54 PRO.
- 4) Requires the stewardship plan required by SB 54 to include an agreement with any relevant stewardship organization to effectuate the reconciliation.
- 5) Establishes the Act to provide for the safe and proper management of waste lubricant products that are not covered by the CORE Act, including coolants and antifreeze, engine additives designed to remain in the lubricating system, fuel additives and treatments designed to remain in mechanical systems for operational use, grease, marine lubricants, hydraulic fluids, heat transfer fluids, specialty industrial oils, oil-based lubricants, two-cycle oils, and other functional fluids typically used in automotive and transportation mechanical applications that are commercially available to nonbusiness consumers, as specified.
- 6) Requires CalRecycle, the producer responsibility organization (PRO), and any approved producer responsibility plan (Plan) to maintain and build off the existing infrastructure and funding of the CORE Act.
- 7) Requires CalRecycle, in coordination with the Department of Toxic Substances Control (DTSC), to adopt amend, or repeal regulations to implement the bill with an effective date no earlier than January 1, 2029.

- 8) Requires the PRO to retain a third-party expert to determine a baseline amount of covered liquid disposed of in a household hazardous waste (HHW) collection facility and to ensure that the PRO can measure progress toward meeting the performance-based standards.
- 9) Requires CalRecycle, on or before January 1, 2028, to establish and post a list of covered products on its website.
- 10) Requires CalRecycle, on or before January 1, 2028, to approve a PRO to implement the Act.
- 11) Requires CalRecycle to include in the material characterization study required by SB 54 to include the amount of covered packaging disposed in California landfills and the amount of covered packaging being properly collected and managed through HHW collection facilities. Requires the PRO to pay its pro rata share of the actual and reasonable cost of the material characterization study.
- 12) Requires producers of covered products to register with the PRO no later than 90 days after CalRecycle's approval of the PRO, as specified.
- 13) Beginning January 1, 2031, or upon approval of a Plan, whichever is sooner, prohibits producers from selling, offering for sale, importing, or distributing a covered product in the state unless:
 - a) The producer is registered with the PRO;
 - b) The covered product is accounted for in the Plan; and,
 - c) CalRecycle has not rejected the Plan.
- 14) Requires a producer, within 180 days of the effective date of the regulations, to provide CalRecycle and DTSC with the producer's contact information, a list of covered products and brands that the producer sells, distributes, imports, or offers for sale in the state. Requires producers to update the information on or before January 15th of each year.
- 15) Requires the PRO to have a governing board consisting of participant producers that represent the diversity of covered products.
- 16) Authorizes CalRecycle to revoke its approval of the Plan and approve a Plan submitted by another PRO if it finds that the PRO no longer meets the requirements of the bill or fails to implement or administer an approved Plan.
- 17) Requires the PRO with an approved Plan to provide a convenient collection and management system for covered products at no cost to residents within 24 months of the effective date of the regulations.
- 18) Establishes timelines and requirements for the Plan, including:
 - a) Requires CalRecycle, in collaboration with DTSC, to approve, approve in part, or disapprove the Plan;
 - b) Requires CalRecycle and DTSC to ensure that they each retain oversight commensurate with their jurisdictions and authority to minimize the cost and burden to producers.

- c) Requires CalRecycle to notify the PRO of the approval of a Plan and requires the PRO to begin implementing the Plan within 90 days of receipt of the notice.
 - d) Requires CalRecycle to notify the PRO of disapproval or approval in part of the Plan and the reasons for the disapproval or partial approval. Requires the PRO to submit a revised Plan within 30 days.
 - e) Authorizes CalRecycle to impose additional requirements for any portion of a Plan or revised Plan that does not comply with the Act.
 - f) Authorizes CalRecycle and DTSC to review an approved Plan at any time and authorizes them to recommend modifications.
 - g) Requires CalRecycle to post an approved Plan on its website within 90 days of approval.
 - h) Requires that the PRO have an approved Plan within 24 months of the effective date of the regulations.
 - i) Specifies that a participant producer is deemed in compliance with the Act during the review process of a Plan if the producer follows the proposed Plan, as applicable.
- 19) Establishes requirements for the Plan, including that the Plan:
- a) Be designed to ensure the safe and convenient collection and management of covered products statewide.
 - b) Describe how the PRO will meet the “collection and recycling metrics” established by CalRecycle in regulation.
 - c) Include collection strategies to ensure elderly and disabled consumers to have access to the safe and proper collection and a management of covered products.
 - d) Include contact information for each participant producer.
 - e) Include a financial section that demonstrates how the PRO will comply with the financial requirements of the Act.
 - f) Include a comprehensive statewide education and outreach program, as specified.
 - g) Explain how the PRO will reconcile reporting data from a producer for a product covered by another stewardship program, as specified.
 - h) Describe how a covered product will be transported and disposed if it is not recyclable.
 - i) Include a description of how the PRO will consult with and mutually agree upon terms and amounts to reimburse local jurisdictions for their costs associated with managing covered products.
- 20) Establishes procedures and timelines for the review and revision of Plans.
- 21) Requires the PRO to establish a method to fully fund the Plan that equitably distributes the costs among participant producers, as specified, and operate a budget that demonstrates how the PRO’s revenues will cover the PRO’s budgeted costs.
- 22) Establishes recordkeeping requirements for the PRO.
- 23) Requires producers and the PRO to provide CalRecycle with reasonable and timely access to its facilities and operations, as necessary, and to provide relevant records necessary to determine compliance with the Act.
- 24) Requires the PRO to obtain an independent certified public accountant to annually audit the accounting books of the PRO. Requires CalRecycle to review the audits, as specified.

- 25) Requires a PRO to annually submit a report to CalRecycle that includes:
- a) The PRO's costs and revenues;
 - b) A summary of any anticipated changes to allocations;
 - c) Any changes to the distribution of costs to participant producers;
 - d) Updated contact information;
 - e) The quantity of covered products sold in or into the state by participant producers;
 - f) A summary of efforts made to implement the elements of the Plan, including an evaluation of the effectiveness of the program;
 - g) Recommendations for future proposed substantial changes to the Plan; and,
 - h) Any other information required by CalRecycle.
- 26) Requires CalRecycle to notify the PRO if the annual report is compliant or noncompliant within 120 days, and specifies procedures in the case a report is noncompliant.
- 27) Prohibits a retailer, producer, or distributor from selling, offering for sale, or importing a covered product in or into the state unless the producer is in compliance with the Act. If CalRecycle determines that a producer is not in compliance, requires CalRecycle to remove the producer and its brands of covered products from the compliance list published on its website.
- 28) Establishes administrative civil penalties for violations of the Act.
- 29) Establishes antitrust immunity provisions to the extent that a producer or PRO is exercising its authority under the Act.

FISCAL EFFECT: Unknown

COMMENTS:

- 1) **Used oil.** State law defines used oil as "any oil that has been refined from crude oil, or any synthetic oil, that has been used, and, as a result of use or as a consequence of extended storage, or spillage, has been contaminated with physical or chemical impurities." Used oil includes, but is not limited to, the following: used motor oils, used industrial oils, vehicle crankcase oils, hydraulic oils, transformer oils, engine lubricating oils, compressor oils, refrigeration oils, transmission fluids, turbine oils, metalworking oils, gearbox and differential oils, bearing oils, railroad oils, gear oils, and vegetable oils used for lubrication. Waste synthetic oils that may be managed as used oil include oil derived from coal, oil shale, or polymers; water-soluble petroleum-based oils; vegetable or animal oil used as a lubricant; hydraulic fluid; and, heat transfer fluid. Used oil does not include antifreeze, brake fluid, other automotive wastes, fuels, and solvents.
- 2) **Used oil management.** Used oil must be managed properly to avoid risks to waterways and the environment. Used oil can contain contaminants like lead, magnesium, copper, zinc, chromium, arsenic, chlorides, cadmium, and chlorinated compounds. Oil that is illegally poured down drains, into storm drains, or onto the ground can seep into waterways and groundwater. According to CalRecycle, one gallon of used oil can contaminate one million gallons of drinking water.

In order to ensure that used oil is collected and properly managed, California has a number of statutory requirements relating to used oil. DTSC's used oil program regulates the proper management of used oil through inspections and enforcement of used oil recyclers, transfer facilities, and transporters. The CORE Act implemented by CalRecycle establishes requirements for the responsible management of used oil in California to reduce the amount of illegal disposal of used oil and encourage recycling and reuse, thereby minimizing impacts on the environment.

State law requires that used oil be managed as a hazardous waste in California unless it has been recycled and is shown to meet the specifications for recycled oil in statute or qualifies for a recycling exclusion under the law. Consumers who change their own oil must manage their used oil appropriately (e.g., by taking it to a used oil collection center and not illegally disposing of it on land, water, or storm drains). Consumers are allowed to transport their own used oil to a used oil collection center or to a used oil recycling facility without any permits or a hazardous waste manifest. Businesses that generate used oil and used oil collection centers are required to meet all hazardous waste generator requirements. There are specific requirements for the types of containers that used oil is stored in and how long the used oil can be stored by the generator of the used oil. Prior to transporting individual containers of used oil, regulations require that the generator label shipping containers for used oil as follows: "HAZARDOUS WASTE - State and Federal Law Prohibit Improper Disposal. If found, contact the nearest police or public safety authority, or the U.S. Environmental Protection Agency."

According to DTSC, California's used oil programs collect and recycle approximately 100 million gallons of used oil in-state each year, and another 14 million gallons are sent to out-of-state recycling facilities.

- 3) **CORE Act.** The goals of the CORE Act are to provide the public with convenient collection locations for used oil and oil filters, develop ways to motivate the public to recycle their used oil, provide payments to local governments for used oil and oil filter collection and recycling programs, and to provide grants for research project. Widely viewed as a successful program, it is funded by a fee on used oil at the point of sale (\$0.24 per gallon or \$0.12 per gallon for oil containing 70% re-refined oil). The funding is used to provide incentives for the collection and recycling of used oil.

Under the Act, California has certified more than 3,000 used oil collection centers that are eligible to receive up to \$0.40 per gallon for used oil brought in by consumers and \$0.16 per gallon for oil generated by the center itself.

Cities and counties are eligible for funding to create and maintain used oil collection programs. Payments can also be made to an entity implementing a program on behalf of a local government. Currently, up to \$11 million is allocated annually for local governments' used oil and filter collection programs through the Act. Cities can receive a minimum of \$5,000 per award, and counties may receive a minimum of \$10,000 per award. Payments are calculated on a per capita basis. Local programs may include collection centers, drop off programs, and curbside collection programs. The 2024-25 cycle awarded 181 payments to local governments totaling \$6 million.

California's local conservation corps also receive funding from the CORE Act for used oil

recycling collection activities, including certified collection center signage reviews; staffing filter exchange events, filter draining, and filter crushing; and, internships with used oil recycling businesses. The amount available for the 2025-26 funding cycle for local conservation corps is \$2 million.

Additionally, the CORE Act supports the recycling of used oil. Under the Act, CalRecycle pays an incentive of \$0.03 per gallon to certified used oil recycling facilities for rerefined oil produced from used oil generated in California if it meets certain requirements.

- 4) **EPR.** EPR, also known as product stewardship, is a strategy to place a shared responsibility for end-of-life product management on the producers and all entities involved in the product life-cycle, instead of local governments and ratepayers. Product stewardship encourages product design changes that minimize negative impacts on human health and the environment at every stage of the product's lifecycle. This allows the costs of treatment and disposal to be incorporated into the total cost of a product. It places primary responsibility on the producer, or brand owner, who makes design and marketing decisions. CalRecycle has developed a product stewardship framework and checklists to guide statutory proposals that would allow CalRecycle and other stakeholders to successfully implement product stewardship programs.

There are several statewide stewardship programs in California, all of which are overseen by CalRecycle, including carpet materials management, paint product management, mattress product management, household batteries, and home-generated pharmaceutical waste and sharps waste.

- 5) **This bill.** AB 2245 establishes an EPR program for the management of common automotive fluids used by consumers and the packing of those fluids and used oil. The program established by this bill is complex. It is complicated by the fact it contains two similar, but distinct, waste streams (the lubricant products and the packaging products). Should this bill continue through the legislative process, the author and stakeholders may wish to consider continuing their work with the committee, CalRecycle and DTSC, and stakeholders to address the roles and responsibilities of all parties; clarify the requirements for those implementing the Act, such as manufacturers, retailers, distributors, HHW facilities, and hazardous waste haulers; and, consider the Act's interaction and coordination with the Plastic Pollution Prevention and Packaging Producer Responsibility Act.
- 6) **Author's statement:**

Improper disposal of petroleum-based automotive fluids—such as antifreeze, lubricants, and fuel additives—can contaminate soil, waterways, and waste streams if they are not properly managed at the end of their useful life. While California has a successful recycling program for used motor oil and oil filters, many similar automotive products and their packaging are not covered by a comprehensive statewide system. As a result, local governments and household hazardous waste programs often bear the responsibility and cost of collecting and managing these materials.

The Lubricant Waste and Packaging Producer Responsibility Act of 2026 builds on California's leadership in extended producer responsibility by requiring

producers of these products to fund and operate a statewide system for their safe collection and management. By shifting responsibility to the producers that manufacture and sell these products, this bill will expand convenient disposal options for consumers, reduce improper disposal, and relieve local governments of the financial burden associated with managing these materials.

This measure ensures that petroleum-based automotive products and their packaging are managed safely and responsibly while protecting California's environment and communities.

7) **Suggested amendments.** The *committee may wish to make cleanup and technical amendments* to the bill:

- Clarify CalRecycle's authority to adopt recycling and collection rates for covered products.
- Strike an unnecessary definition of "collection center."
- Extend the due date for annual reports from January 1 to July 1 of each year.

8) **Related legislation.**

AB 1325 (Michelle Rodriguez, 2005) would have repealed the California Oil Enhancement Program and replaces it with a Lubricant and Waste Oil Producer Responsibility Program, which establishes an EPR program for used oil and other automotive fluids. This bill was referred to the Assembly Natural Resources Committee, but was not heard.

SB 501 (Allen) establishes an EPR for specified HHW products for the purposes of providing a convenient collection and management system for products in the program at no cost to residents or local governments that achieves a 40% diversion rate for covered HHW products by Jan 1, 2036. This bill was held on the Senate Floor.

SB 1143 (Allen), Chapter 989, Statutes of 2024, would have established an EPR program for specified HHW products for the purposes of providing a convenient collection and management system for covered products at no cost to residents or local governments. This bill was gut-and-amended to revise the state's Paint EPR program.

9) **Double referral.** This bill passed the Environmental Safety and Toxic Materials Committee on April 14th 5-1.

REGISTERED SUPPORT / OPPOSITION:

Support

Los Angeles County Sanitation Districts
National Lubricant Container Recycling Coalition
National Stewardship Action Council

Opposition

Auto Care Association
California Automotive Wholesalers' Association
Can Manufacturers Institute
Household and Commercial Products Association

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