

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2253 (Boerner) – As Amended April 8, 2026

Policy Committee: Natural Resources

Vote: 10 - 4

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires a recycled content claim to be based on the actual physical recycled content used in the production of the product without the use of credit-based mass balance accounting.

Specifically, this bill, among other things:

- 1) Strikes the definition of “plastic food container product” and instead defines “postconsumer” to mean a material that would otherwise be destined for disposal, having completed its intended end use and product life cycle, and provides that “postconsumer” does not include materials or byproducts generated from, and commonly reused within, an original manufacturing and fabrication process.
- 2) Expands the application of a provision in existing law relating to recycled content claims from a “plastic food container product” to any product.
- 3) Revises the reference to the Federal Trade Commission Guides for the Use of Environmental Marketing Claims to specifically refer to those guides as they read on January 1, 2026.
- 4) Requires a recycled content claim be based on the actual physical recycled content used in the production of the product, as calculated by methods including segregated model, controlled blending model, and rolling average percentage, without the use of credit-based mass balance accounting, including proportional credit and nonproportional credit allocation, “book-and-claim” accounting, or similar approaches not based on the actual physical recycled content used in the production of the product.

FISCAL EFFECT:

- 1) Existing law requires a manufacturer or supplier making an environmental marketing claim related to the recycled content of a plastic food container product to maintain certain information and documentation in support of that claim and authorizes a city, a county, or the state to impose specified civil penalties on violators. 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.

This bill may result in cost pressures (Trial Court Trust Fund) of an unknown amount, potentially in excess of \$150,000, 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.

- 2) The Department of Justice anticipates minor and absorbable costs.
- 3) The Department of Resources Recycling and Recovery anticipates minor and absorbable costs as a result of this bill because the bill affects only the legality of marketing claims and does not impact CalRecycle's existing compliance- or enforcement-related authority, nor does the bill give the department any new authority.

COMMENTS:

- 1) **Purpose.** According to the author:

AB 2253 ensures that consumers know whether the products they are purchasing actually contain recycled content. Currently, companies can utilize accounting to obscure the actual recycled content of their products. This practice of greenwashing means that Californians who think they are making better choices for the environment actually aren't.

- 2) **Background. *Recycled Content.*** The state has established recycled content requirements for numerous products including plastic beverage containers, trash bags, rigid plastic packaging, certain paper products, and glass containers.

Mass Balance. As described in the Assembly Natural Resources Committee's analysis of this bill, generally, mass balance is a term used to describe chain of custody systems used in the industry to track materials through the production process. Mass balance is widely used to trace materials in supply chains where it is not feasible to physically separate materials. Book-and-claim is similar to mass balance but differs in that it does not follow the physical path of a material. Book-and-claim is more like a credit trading system where no amount of physical recycled content may be used in the production process at all, but a "credit" for the amount used elsewhere is claimed as recycled content.

According to a coalition of organizations in support of this bill, in recent years, some plastics and consumer product companies have increasingly turned to "recycled content credit schemes or accounting gimmicks rather than using actual recycled material in their products." Supporters contend that under these systems (like mass balance and book-and-claim accounting,) "companies can purchase credits associated with debatably recycled material from elsewhere in the global supply chain or use convoluted accounting methods that generate credits untethered from recycled material."

Federal Guidance. Under the Biden administration, the U.S. Environmental Protection Agency essentially rejected the mass balance approach to plastics recycling, instead requiring

products labeled with the “Safer Choice” endorsement to contain at least 15% postconsumer recycled content, calculated by weight.

People v. Exxon Mobil Corp. In 2024, the California Department of Justice filed suit against ExxonMobil Corp and related plastic industry groups based on allegations that the industry has, and continues to, “mislead consumers by engaging in an aggressive campaign to deceive the public and perpetuate the myth that recycling will solve the crisis of plastic pollution.”

Opposition. Writing in opposition, a coalition of organizations objects to the bill’s ban on mass balance accounting, arguing it is a proven, independently audited, and internationally standardized method used across nearly every major industrial sector:

Eliminating mass balance as a compliance tool will reduce the amount of recycled content used in manufacturing. Without it, manufacturers lose the ability to track and verify recycled content through blended production processes, making recycling systems more expensive, less transparent, less effective and resulting in unintended environmental impacts. The result: less recycling, higher costs, and a regulated community set up to fail under the state's own packaging law.

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