

Date of Hearing: April 13, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2481 (Soria) – As Introduced February 20, 2026

**SUBJECT:** Beverage containers: recycling: glass: quality incentive payments

**SUMMARY:** Authorizes the Department of Resources Recycling and Recovery (CalRecycle) to use any remaining funds left for glass quality incentive payments at the end of the calendar year and following the biannual disbursement of quality incentive payments for glass beverage containers for additional entities, including, but not limited to, fiberglass insulation manufacturers located in-state that use glass cullet.

**EXISTING LAW** establishes the Beverage Container Recycling and Litter Reduction Act (Bottle Bill), which:

- 1) Requires beverage containers, as defined, sold in-state to have a California redemption value (CRV) of 5 cents for containers that hold fewer than 24 ounces and 10 cents for containers that hold 24 ounces or more. Requires beverage distributors to pay a redemption payment to CalRecycle for every beverage container sold in the state. Provides that these funds are continuously appropriated to CalRecycle for, among other things, the payment of refund values and processing payments. (Public Resources Code (PRC) 14500 *et seq.*)
- 2) Defines “beverage” as:
  - a) Beer and other malt beverages;
  - b) Wine and distilled spirit coolers;
  - c) Carbonated water;
  - d) Noncarbonated water;
  - e) Carbonated soft drinks;
  - f) Noncarbonated soft drinks and sports drinks;
  - g) Noncarbonated fruit juice drinks that contain any percentage of fruit juice;
  - h) Coffee and tea drinks;
  - i) Carbonated fruit drinks;
  - j) Vegetable juice;
  - k) Wine and sparkling wine; and,
  - l) Distilled spirits. (PRC 14505)
- 3) Defines “beverage container” as the individual, separate bottle, can, jar, carton, or other receptacle in which a beverage is sold, and which is constructed of metal, glass, plastic, or any other material, or any combination of these materials. Specifies that “beverage container” does not include cups or other similar open or loosely sealed receptacles. (PRC 14505)
- 4) Authorizes CalRecycle to pay a quality incentive payment to improve the quality and marketability of empty beverage containers collected for recycling in the state, including a quality incentive payment of up to \$60 per ton for glass beverage containers that are:

- a) Color-sorted and substantially free from contamination and used for the manufacturing of glass beverage containers in the state; or
  - b) Empty glass beverage containers that are either collected color sorted by curbside recycling programs or dropoff collection programs, or that are collected mixed color by curbside recycling programs or dropoff or collection programs and are subsequently color sorted by the collector or any other entity, as specified. (PRC 14549.1)
- 5) Authorizes CalRecycle to pay a market development payment to glass beverage container manufacturers who purchases recycled glass collected within the state for use in manufacturing new beverage containers in the state to develop markets for glass beverage containers. Specifies that the recycled glass must be collected, washed, processed, and used for manufacturing in the state. (PRC 14549.7)
- 6) Limits the glass market development payments to not more than \$150 per ton, and requires CalRecycle to consider the following when establishing the payments:
- a) The minimum funding level needed to encourage in-state washing and processing of empty glass beverage containers collected for recycling in the state;
  - b) The minimum funding level needed to encourage in-state manufacturing that utilizes empty glass beverage containers collected for recycling in the state; and,
  - c) The total amount of funds projected to be available for glass market development payments, and the desire to maintain the minimum funding level throughout the year. (PRC 14549.7)
- 7) Authorizes CalRecycle to allocate up to \$60 million annually for glass market development payments through 2028. (PRC 14581(a)(13)(A))
- 8) Authorizes CalRecycle to allocate up to \$20 million annually for glass market development payments in years 2029-2030. (PRC 14581(a)(13)(B))

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Bottle Bill.** The Bottle Bill was established in 1986 to be a self-funded program that encourages consumers to recycle beverage containers and to prevent littering. The program accomplishes this goal by requiring consumers to pay a deposit for each eligible container purchased. Then the program guarantees consumers repayment of that deposit, the CRV, for each eligible container returned to a certified recycler. Statute includes two main goals for the program: (1) reducing litter; and, (2) achieving a recycling rate of 80% for eligible containers. Containers recycled through the Bottle Bill's certified recycling centers also provides a consistent, clean, uncontaminated stream of recycled materials with minimal processing.
- 2) **Eligible beverage containers.** Only certain containers containing certain beverages are part of the CRV program. Most containers made from glass, plastic, aluminum, and bimetal (consisting of one or more metals) are included. Containers for wine, spirits, milk, fruit

juices over 46 ounces, vegetable juice over 16 ounces, and soy drinks have historically been excluded from the program. Container types that are cartons, pouches, and any container that holds 64 ounces or more have also historically been exempted. SB 1013 (Atkins), Chapter 610, Statutes of 2022, amended the program to include wine and distilled spirits, including those contained in boxes, bladders, pouches, or similar containers, beginning January 1, 2024. SB 353 (Dodd), Chapter 868, Statutes of 2023, further expands the program to include large juice containers beginning January 1, 2026.

- 3) **Ways to redeem containers.** Consumers have four potential options to redeem their empty beverage containers:
- Return the container to a “convenience zone” recycling center located within ½-mile radius of a supermarket. These are generally small centers that only accept beverage containers and receive handling fees from the Beverage Container Recycling Fund (BCRF). During fiscal year (FY) 2019-20, convenience zone recyclers redeemed about 30% of beverage containers.
  - Return to a dealer that accepts them. In convenience zones without a convenience zone recycler, beverage dealers, primarily supermarkets, are required to either accept containers for redemption or pay CalRecycle an “in lieu” fee of \$100 per day. Few stores accept beverage containers for redemption.
  - Return the container to an “old line” recycling center, which refers to a recycler that does not receive handling fees and usually accepts large quantities of materials, frequently by truckload from municipal or commercial waste collection services. Traditional recyclers collect a little more than half of all CRV containers (58%).
  - Consumers can also forfeit their CRV and “donate” their containers to residential curbside recycling collection. In the 2019-20 FY, curbside programs collected about 12% of CRV containers. Curbside programs keep the CRV on these containers.
- 4) **Funding.** Recent legislation, SB 1013 (Atkins), Chapter 610, Statutes of 2022, and SB 353 (Dodd), Chapter 868, Statutes of 2023, increased revenues in the BCRF by adding new container types to the Bottle Bill triggering an increase in unredeemed CRV funds. This increase is likely to be temporary and dissipate as consumers increase redemptions of the newer container types. In order to incentivize recycling increased glass containers from the addition of wine and distilled spirits, SB 1013 authorized up to \$15 million annually for quality incentive payments for color-sorted glass beverage containers that are substantially free of contamination and that are used for the manufacturing of glass beverage containers in the state and \$60 million annually for glass market development payments until January 1, 2028.

The glass quality incentive payments are under-subscribed. Of the \$15 million allocated for glass quality incentive payments, CalRecycle expended just under \$8.4 million in 2024 and \$5.7 million in 2023. According to the most recent report on the status of the BCRF, which was released last October and covers January through June 2024, the fund is operating at a modest surplus. However, as recycling rates for containers that were recently added, such as wine bottles, rise, the fund status may change. Prior Bottle Bill expansions have tended to result in increased revenues initially, and increased expenditures for CRV deposits further

out as recycling rates increase.

The Bottle Bill also establishes glass processing incentive grants for expanding glass cullet processing in the state, as specified; \$4 million is available annually for this grant program. Another \$4 million is available annually for grants to increase the recycling of empty glass beverage containers from restaurants and on-site retail establishments. An additional \$1 million is available annually for grants to fund transportation costs for glass beverage containers.

- 5) **Glass disposal and recycling.** CalRecycle’s most recent comprehensive waste characterization study was conducted in 2021 and found that glass makes up approximately 2.3% of California’s waste stream. According to *What’s in California’s Landfills: Measuring Single-Use Packaging and Plastic Food Service Ware Disposal (2025)*, approximately 154,000 tons of glass bottles and jars are disposed in California’s landfills, making up 0.39% of California’s waste stream.

In recent years, California has moved toward funding circular recycling to support the development of a circular economy. For example, SB 1013 limited the glass market development payments to bottle-to-bottle recycling in 2022. This bill would provide funding for “downcycling,” or recycling materials into products that won’t continue to be recycled in the future. This bill seeks to provide funding for other forms of in-state glass recycling, including the manufacture of fiberglass insulation, using the unexpended funds available for glass quality incentive payments.

- 6) **Author’s statement:**

California has the ambitious goal of achieving an 80% recycling rate for beverage containers sold in the state, and established Quality Incentive Payments (QIP) to help reach this goal. By paying entities that clean and sort recycled glass, the state helps cover the costly processing of recycled glass suitable for manufacturing new products. In 2022, SB 1013 (Atkins) increased the amount allocated for QIP from \$10 million to \$15 million annually, while at the same time restricting eligibility to only recycled glass used for beverage containers. This change has led to the unintended consequences of lower recycling rates, decreased support to glass processors, and rising costs in producing the fiberglass insulation necessary weatherizing new homes and bringing down heating and air conditioning costs, all while millions of dollars authorized for the QIP go unspent every year.

AB 2481 fixes this problem by authorizing CalRecycle to make QIP payments for glass used for products besides beverage containers, but only using leftover funds after all QIP payments for glass used in beverage containers has been made. This simple, targeted solution maintains priority for the use of recycled glass in glass beverage containers without putting other significant end users of recycled glass in the state at an insurmountable disadvantage. Through this small change, AB 2481 ensures the efficient use of state funds to promote glass recycling and lowers the cost of producing fiberglass insulation for building critically needed new homes and bringing down electric bills in existing houses.

**7) Prior legislation:**

AB 899 (Ransom), Chapter 627, Statutes of 2025, raised the cap on glass market development payments from \$50 to \$150 per ton and authorized CalRecycle to expend up to \$20 million annually for the payments through 2030. This bill also expanded the focus of these payments from glass wine bottles to all glass beverage containers and authorized CalRecycle to set different limits.

SB 353 (Dodd), Chapter 868, Statutes of 2023, added large fruit and vegetable juice containers to the Bottle Bill and extended the date by which beverage containers for large fruit and vegetable juice containers are required to comply with statutory postconsumer recycled content requirements until 2026. This bill also established certain extensions on labeling requirements for new containers added to the Bottle Bill. This bill authorized CalRecycle to use either the three month average or 12 month average for scrap material values when adjusting processing payments. Finally, this bill established a per-ton temporary payment to rural recyclers for glass until 2030.

SB 1013 (Atkins), Chapter 610, Statutes of 2022, among other things, added wine and distilled spirits to the Bottle Bill. This bill established various small grant programs to incentivize the recycling of beverage container glass in the state and clarified that glass quality incentive payments may be awarded for glass beverage containers that meet specified criteria. This bill also established a glass market development payment of up to \$50 per ton for glass beverage container manufacturers who purchase recycled glass collected within the state for use in the manufacture of new beverage containers and appropriated up to \$60 million annually for this program through 2028.

- 8) **Suggested amendment.** The *committee may wish to amend the bill* to make technical and clarifying changes to conform to the structure of the code section being amended.

**REGISTERED SUPPORT / OPPOSITION:****Support**

Californians Against Waste  
Knauf Insulation  
North American Insulation Manufacturers Association  
Saint-Gobain North America

**Opposition**

None on file

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