

Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2481 (Soria) – As Amended April 16, 2026

Policy Committee: Natural Resources

Vote: 14 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill authorizes the Department of Resources Recycling and Recovery (CalRecycle), at the end of the calendar year and following the biannual disbursement of quality incentive payments (QIPs) from the Beverage Container Recycling Fund (BCRF) for color-sorted glass beverage containers and empty glass beverage containers used for the manufacturing of glass beverage containers in the state, to use any remaining funds to make a QIP disbursement for empty glass beverage containers that are substantially free from contamination and used by other manufacturers in the state, including manufacturers of fiberglass insulation in the state that use glass cullet.

FISCAL EFFECT:

- 1) Ongoing cost pressure of an unknown amount, likely in the low millions of dollars, for CalRecycle to provide QIPs to additional entities, including in-state manufacturers of fiberglass insulation that use glass cullet (BCRF).

Current law authorizes CalRecycle to allocate up to \$15 million annually from BCRF for QIPs 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. Of this \$15 million allocated for glass QIPs, the department expended about \$9.9 million in 2025, \$8.4 million in 2024, and \$5.7 million in 2023. This bill does not allocate new or additional funding from BCRF for additional entities; instead, it authorizes CalRecycle, subject to availability of funds in BCRF and after it makes QIPs for glass used in beverage containers, to use any remaining funds to make QIPs for fiberglass insulation manufacturers and other entities.

CalRecycle reports BCRF had an ending balance of about \$822 million in fiscal year (FY) 2024-25 and is projected to have an ending balance of about \$718 million at the end of this FY – although this figure could change based on actuals provided at the end of the FY.

- 2) CalRecycle anticipates minor and absorbable workload costs as a result of this bill (BCRF).

COMMENTS:

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

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.

- 2) **Background.** The Bottle Bill was established in 1986 to be a self-funded program to prevent littering and achieve an 80% recycling rate for eligible containers. The program requires consumers to pay a deposit for each eligible container purchased. The program then guarantees consumers repayment of that deposit, known as the California Redemption Value (CRV), for each eligible container returned to a certified recycler. CalRecycle administers the program and handles all program payments, including CRV, through the BCRF. Despite paying the CRV deposit, not all consumers recycle their CRV-eligible containers. The BCRF retains unredeemed deposits, and state law requires that much of the unredeemed CRV be spent on specified recycling related programs. Only certain containers containing certain beverages are part of the CRV program.

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 more glass containers from the addition of wine and distilled spirits to the Bottle Bill program, SB 1013 authorized up to \$15 million annually for QIPs 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 (MDPs) until January 1, 2028. AB 899 (Ransom), Chapter 627, Statutes of 2025, among other things, raised the cap on glass MDPs from \$50 to \$150 per ton and authorized CalRecycle to expend up to \$20 million annually for the payments from 2028 to 2030.

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.

According to the North American Insulation Manufacturers Association (NAIMA), the sponsor of this bill, the fiberglass insulation industry is the second largest end user of

recycled glass in California. Higher levels of recycled glass content reduce manufacturing costs, lower the embodied carbon of insulation, and reduce energy consumption for the life of the building. NAIMA argues that allowing payments to support recycled glass used in additional end markets strengthens the economics of glass recycling and helps processors produce high-quality cullet that meets the rigorous cleaning and color-sorting standards required for manufacturing new products in California.

Analysis Prepared by: Nikita Koraddi / APPR. / (916) 319-2081