SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2481 (Soria) - Beverage containers: recycling: glass: quality incentive payments

Version: June 22, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: E.Q. 7 - 0
Mandate: No
Consultant: Ashley Ames

Bill Summary: This bill would allow the Department of Resources Recycling and Recovery (CalRecycle) to use any money left in the quality incentive payments (QIPs) on an annual basis for the manufacturing of glass products in the state that are not beverage containers.

Fiscal Impact:

- To the extent that QIP funds would have otherwise remained unspent or expended for other purposes absent this bill following the disbursement for glass used in beverage containers, ongoing cost pressure of an unknown amount, likely in the low millions of dollars, for CalRecycle to provide QIPs to manufacturers of glass products in the state that are not beverage containers (BCRF).
- CalRecycle anticipates minor and absorbable workload costs as a result of this bill (BCRF).

Background: The Beverage Container Recycling Program (BCRP) was established over 30 years ago with the enactment of Chapter 1290, Statutes of 1986 (AB 2020, Margolin). The purpose of the program is to be a self-funded program that encourages consumers to recycle certain beverage containers. The program accomplishes this goal by first requiring consumers to pay a deposit for each eligible container purchased, then guaranteeing consumers repayment of that deposit — the California Redemption Value, or CRV — for each eligible container returned to a certified recycler. Statute includes two main goals for the program: reducing litter and achieving a recycling rate of 80 percent for eligible containers. As of 2023, the recycling rate was 70 percent, down from more than 75 percent in 2016-2019.

Eligible beverage containers. Most containers made from glass, plastic, aluminum, and bimetal are eligible. Cartons, pouches, and containers holding 64 ounces or more are excluded, as are containers for milk, fruit juices over 46 ounces, vegetable juices over 16 ounces, and soy drinks. SB 1013 (Atkins, 2022) added wine and distilled spirits, and SB 353 (Dodd, 2023) added large fruit and vegetable juice containers.

Flow of CRV and program funding. CRV moves between consumers, retailers, distributors, recyclers, and manufacturers, with the California Beverage Container Recycling Fund (BCRF) collecting and distributing payments. Because not every eligible container is redeemed, distributors pay more CRV into the fund than consumers claim, and state law directs much of that unredeemed CRV to specified recycling-related programs, program administration, and incentive payments. That structure means the program's funding shrinks as the recycling rate rises: when recycling rates peaked, the

BCRF ran a structural deficit, and because container volumes are so large, small changes in the redemption rate translate into large swings in the fund. CalRecycle reports the BCRF had an ending balance of about $822 million in FY 2024-25 and projects an ending balance of about $718 million at the close of the current fiscal year.

Recent BCRF commitments. The Budget Act of 2026 committed substantial new BCRF resources, including $100 million one-time for the Beverage Container Quality Infrastructure Grant Program to improve processors' sorting capacity and material quality, $90 million over three years for the Plastic Market Development Payment Program along with an increase in the maximum rate from $150 to $250 per ton, $50 million one-time to help up to 40 rural local governments establish CRV redemption locations, and $5 million annually over three years for a plastic reclaimers and manufacturers grant program.

Glass recycling. Glass recycles at a lower rate than aluminum or PET — 62 percent, against 74 percent and 78 percent respectively — and is costlier to handle. It breaks easily in curbside collection and becomes contaminated, and it is heavy relative to its value: the refund value per segregated pound is $0.102, against $1.65 for aluminum and $1.47 for PET, and the scrap value per ton is $3.82, against $1,245.48 for aluminum and $211.62 for PET.

Quality incentive payments. QIPs are subsidies awarded to certified recycling entities that sort and clean CRV glass beverage containers. Eligibility is currently limited to color-sorted containers substantially free of contamination and used to manufacture glass beverage containers in California, which incentivizes a closed-loop system. Processors can receive up to $60 per ton, with $15 million available annually. The program has been underutilized, though utilization is rising: CalRecycle distributed about $5.7 million in 2023, $8.4 million in 2024, and $9.9 million in 2025, leaving roughly $9.3 million, $6.6 million, and $5.1 million unspent in those years respectively.

Proposed Law: This bill would:

1. Authorize CalRecycle, at the end of the calendar year and following the second biannual disbursement of quality incentive payments (QIP) for color-sorted glass beverage containers and empty glass beverage containers used for manufacturing glass beverage containers in the state, to use any remaining funds from the annual appropriation to make quality incentive payments for empty glass beverage containers used for the manufacturing of glass products in the state that are not beverage containers.

2. Specify that eligible empty glass beverage containers must be substantially free from contamination.

3. Limit the payment to up to $30 per ton, as determined by CalRecycle, and make it available only for material that would otherwise qualify for quality incentive payments for color-sorted glass beverage containers.

Related Legislation:

AB 899 (Ransom, 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. The 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, 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. The bill also established certain extensions on labeling requirements for new containers added to the Bottle Bill, authorized CalRecycle to use either the three-month average or 12-month average for scrap material values when adjusting processing payments, and established a per-ton temporary payment to rural recyclers for glass until 2030.

SB 1013 (Atkins, 2022) among other things, added wine and distilled spirits to the Bottle Bill. The 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. The 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.

Staff Comments:

Fund condition. CalRecycle reports the BCRF had an ending balance of about $822 million in FY 2024-25 and projects an ending balance of about $718 million at the close of the current fiscal year, though that figure could change based on year-end actuals.

Recent BCRF allocations. The Budget Act of 2026 increased the maximum payment rate per ton from $150 to $250 for the Plastic Market Development Payment Program until July 1, 2029, and appropriated $90 million from the BCRF over three years: $35 million in 2026-27, $30 million in 2027-28, and $25 million in 2028-29. It also included $5 million annually from the BCRF in 2026-27 through 2028-29 for a plastic reclaimers and manufacturers grant program to support investments in recycling infrastructure. The budget included $100 million one-time from the BCRF to support grants for the Beverage Container Quality Infrastructure Grant Program to improve California processors' capacity to sort CRV materials and produce cleaner, higher-quality material streams, and $282,000 and 2.0 positions ongoing and $50 million one-time from the BCRF for allocations to support up to 40 rural local governments over five years to establish CRV redemption locations. The budget further included 7.0 permanent positions and $1.002 million from the BCRF in 2026-27 and ongoing to perform compliance and enforcement tasks associated with the Beverage Container Recycling and Litter Reduction Program new dealer requirements and dealer cooperatives authorized under SB 1013 (Atkins, 2022), along with various reversions from the BCRF for the Beverage Container Loan Program, the Workforce Development Program, the Beverage Container Quality Infrastructure Grant Program, and the Reusable Beverage Containers Infrastructure Grant Program.

Glass. No item in the Budget Act of 2026 addresses glass quality incentive payments, the $15 million annual allocation, or the underutilization this bill would address. The budget's new BCRF allocations run heavily toward plastic — $90 million in market development payments plus $5 million annually in reclaimer grants — while glass, which has the lowest scrap value of the major container materials and recycles at a lower rate than aluminum or PET, receives no new funding.

-- END --