
THIRD READING

Bill No: AB 2481
Author: Soria (D)
Amended: 6/22/26 in Senate
Vote: 27

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 7-0, 7/1/26
AYES: Blakespear, Valladares, Allen, Dahle, Gonzalez, Hurtado, Menjivar

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 78-0, 5/26/26 - See last page for vote

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

SOURCE: Author

DIGEST: This bill allows Department of Resources Recycling and Recovery (CalRecycle) to use any money left in the quality incentive payments on an annual basis to in-state manufacturers of glass products other than beverage containers.

ANALYSIS:

Existing law:

- 1) Establishes the Bottle bill administered by the Department of Resources Recycling and Recovery (CalRecycle). The bottle bill requires beverage containers 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. The Bottle bill further sets a CRV of 25 cents for boxes, bladders, or pouches containing wine, distilled spirits, wine coolers, or distilled spirit coolers. (Public Resources Code (PRC) § 14500 et seq.)

- 2) Establishes the California Beverage Container Recycling Fund (BCRF) and continuously appropriates moneys in the BCRF to CalRecycle for specified purposes for the Bottle bill, including paying operation costs, paying grants, and paying handling fees. (PRC § 14580)
- 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, and beginning January 1, 2024, includes wine and distilled spirits beverage containers. (PRC § 14505)
- 4) Authorizes CalRecycle to make quality incentive payments (QIP) meeting specified criteria, including the department the amount of quality incentive payment for glass empty glass beverage containers should be up to \$60.00 per ton, and that the payments shall go to color sorted empty glass beverage containers that are collected by curbside recycling programs or drop off collection programs (PRC 14549.1)
- 5) Authorizes CalRecycle to allocate up to \$60 million annually for glass market development payments through 2028. (PRC 14581(a)(13)(A))
- 6) Authorizes CalRecycle to allocate up to \$20 million annually for glass market development payments in years 2029-2030. (PRC 14581(a)(13)(B))

This bill:

- 1) Authorizes CalRecycle to expend any QIP funds for glass that are unspent at the end of the calendar year (and following the second biannual disbursement of QIPs) to manufacturers in the state that make products other than beverage containers.
- 2) Specifies that eligible empty glass beverage containers must be substantially free from contamination.
- 3) Limits this QIP money going to in-state non-beverage container manufacturers to a maximum of \$30/ton (half of what it is for beverage container manufacturers).

Background

Bottle bill Background. The bottle bill was established by the Legislature in 1986, with the twin goals of reducing litter and achieving a recycling rate of 80% for containers in the program. In 2023, the recycling rate for bottles in the program was 70%. This rate of recycling is only slightly higher than it was during the COVID-19 pandemic, where it dipped from higher than 75% in 2016-2019 down to 68% in 2021. In broad strokes, the program operates by adding a small CRV (between 5-25 cents per container) on beverages which consumers pay at check out, and can then be redeemed when the bottles are brought to a collection site or recycling center in the program. The CRV incentivizes consumers and businesses to bring bottles back into the recycling system, reducing the likelihood of bottles ending up as litter or in a landfill.

Money moves in the bottle bill. The CRV is paid up-front by distributors who pay the CRV to CalRecycle for every beverage container sold in the state. Next, retailers pay the CRV to distributors, and consumers pay the CRV to retailers. CRV is paid into the California Beverage Container Recycling Fund (BCRF) and CalRecycle pays out of this Fund for CRV redemption (CRV-out). If beverages are not redeemed, however, that money stays in the BCRF as surplus. This surplus is used to operate the bottle bill program: unredeemed CRV is the primary funding source for the bottle bill, and is used to fund the administration of the program, grants that advance recycling, and various incentive payments that keep the program running. As the recycling rate increases, less funding is available to make all the budgeted payments prescribed in statute, including CRV-out, BCRP administration, local conservation corps grants, and other payments. A structural deficit occurs when program payments exceed program revenue for a given timeline. The structural deficit can exist even if there are still funds left over in the BCRF pot. When recycling rates were at their peak for the bottle bill program, the BCRF was running at a structural deficit. Because the number of beverage containers in the bottle bill in a given year is very large, small changes to the rate of CRV-in vs. CRV-out translate to large changes (and large sums of money) in the BCRF.

QIP and other funding for glass recycling. QIPS are subsidies awarded to certified recycling entities that sort and clean CRV glass beverage containers. Only color-sorted glass beverage containers that are substantially free of contamination and are used for the manufacturing of glass beverage containers in this state are currently eligible for QIP. This incentivizes a closed loop system in California, where glass bottles are collected and converted into new glass bottles all within the

state. Currently, eligible processors can receive QIP of up to \$60 per ton of clean and color sorted glass, and there is \$15 million annually available for eligible QIP.

To date, the glass quality incentive payment program has been underutilized. Of the \$15 million available each year, CalRecycle distributed just under \$8.4 million in 2024 and \$5.7 million in 2023.

The Bottle Bill provides several grant programs to strengthen California's glass recycling infrastructure in addition to QIP. Up to \$4 million annually is available for glass processing incentive grants that support the expansion of in-state glass cullet processing capacity. Another \$4 million per year is available for grants that increase the collection and recycling of empty glass beverage containers from restaurants and other on-site retail establishments. An additional \$1 million annually supports grants that help offset transportation costs associated with moving glass beverage containers for recycling. CalRecycle is also authorized to expend up to \$60 million annually for glass market development payments through January 1, 2028.

Glass recycling is expensive. According CalRecycle's January-June 2025 Biannual Rates History, recycling rate (based on CRV) for glass was lower than that of aluminum or PET plastic (the most recyclable form of plastic), but slightly better than for HDPE or other plastics. The recycling rate for aluminum was 74%, 78% for PET, and only 62% for glass.

While glass is very recyclable, it is also expensive to recycle due to a number of characteristics of glass in the recycling stream. For instance, glass can be easily broken, especially when it lands in curbside bins, and can be broken up and contaminated with other materials. Glass is also heavy to transport, making its CRV value per pound lower than for aluminum and plastic. According to CalRecycle's 2025 Recycling Program Rates report as of January 1, 2025, the Refund Value Per Segregated Pound of glass was just a fraction (at \$0.102 per pound) of the value for aluminum (\$1.65 per pound) or PET (\$1.47 per pound). Likewise, the scrap value per ton for aluminum is currently \$1,245.48, PET is \$211.62, whereas glass is just \$3.82 per ton.

Comments

Purpose of Bill. According to the author, “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”

Revisiting QIPs for fiberglass. In SB 1013, the Legislature limited glass QIP only to glass going towards beverage container manufacturing, beginning January 1st, 2023. This policy incentivizes closed-loop, bottle-to-bottle recycling in the state, and was a departure from previous law where QIP money could go towards processors selling cullet to other entities such as manufacturers of fiberglass.

However, since SB 1013 was implemented, there have been remaining funds in the QIP. In 2023, of the \$15 million allocated for QIP, \$9,281,706 went unspent. In 2024, \$ 6,612,528 was left in the fund. Given that there has, at least in recent years, been unspent QIP funds remaining after cullet going to bottle-to-bottle has been paid and that this bill specifies that QIP money can only go to benefit non-bottle manufacturers if there are funds leftover in the QIP pot, this bill creates an opportunity to support glass processors and down cycling only when closed-loop recycling is not a viable option.

Related/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.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- 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).

SUPPORT: (Verified 8/14/2026)

Californians Against Waste

Knauf Insulation

North American Insulation Manufacturers Association

Saint-gobain North America

Sibelco Glass Recycling North America

OPPOSITION: (Verified 8/14/2026)

None received

ASSEMBLY FLOOR: 78-0, 5/26/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Muratsuchi, Celeste Rodriguez

Prepared by: Brynn Cook / E.Q. / (916) 651-4108
8/15/26 11:27:08

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