

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2549 (Zbur) – As Amended April 22, 2026

Policy Committee:	Environmental Safety and Toxic Materials	Vote:	7 - 0
	Natural Resources		14 - 0

Urgency: No                      State Mandated Local Program: Yes                      Reimbursable: No

**SUMMARY:**

This bill revises various requirements for manufacturers and retailers of covered battery-embedded products (CBEPs) under the Electronic Waste Recycling Act of 2003 (Act).

Specifically, this bill, among other things:

- 1) Requires a manufacturer of a CBEP to send a notice that identifies the CBEP by brand, model number, and universal product code, to the Department of Resources Recycling and Recovery (CalRecycle) in accordance with specified timeframes set forth in the bill, and to inform CalRecycle that the CBEP is regulated under the Act and subject to a recycling fee.
- 2) Provides that a retailer has 60 days to comply with the fee requirements of the Act from the earlier of the date of receipt of the notice directly from a manufacturer or the date the notice is first published in the online database maintained by CalRecycle.
- 3) Requires CalRecycle, on or before March 1, 2027, to:
  - a) Consult with manufacturers and retailers and develop a standardized online form for a manufacturer to send electronic notices to CalRecycle, as specified.
  - b) Create and maintain a searchable online database for the notices sent by a manufacturer, and to post that information on its website within 60 days from the date of receipt of the notice. The bill requires the database to identify CBEPs by brand, model number, and UPC, and the applicable covered battery-embedded waste recycling fee for each device.
- 4) Specifies that a retailer is in compliance with the Act and not subject to civil and criminal penalties for a violation of the Act when relying on the aforementioned list on CalRecycle's website or in the electronic notices from manufacturers as of the date a product is made available for retail sale.
- 5) Specifies that, in the event of an audit or determination by the California Department of Tax and Fee Administration (CDTFA) that a fee was improperly collected or remitted due to inaccurate information in the database maintained by CalRecycle, CalRecycle or CDTFA must coordinate with the manufacturer to correct the data. The bill specifies that retailers are not subject to penalties or interest for errors attributable to those inaccuracies.
- 6) Strikes the July 1, 2027, date by which manufacturers of CBEPs are required to comply with certain provisions of the Act and instead requires manufacturers to comply on or before

March 1 of each year; repeals an existing requirement for a manufacturer of a CBEP to provide CalRecycle with a list of retailers, as specified; and specifies that a retailer is deemed to have actual knowledge of any covered electronic device or CBEP waste fee until 60 business days after a retailer receives the notice from the manufacturer or distributor, as specified.

- 7) States the intent of the Legislature to enact legislation to (a) exempt thrift retail stores (as defined) from the scope of the Act and (b) delay implementation of certain provisions of the Act as applied to discount stores (as defined).

#### **FISCAL EFFECT:**

- 1) CalRecycle estimates annual costs of approximately \$404,000 in FY 2027-2028 (E-Waste Fund) and ongoing for two positions to create, update, and maintain the required database, including updating the CBPE recycling fee for each device; conduct stakeholder outreach and workshops; provide training and technical assistance, particularly regarding fee collection; conduct rulemaking, compliance, and enforcement; and coordinate with CDTFA and DTSC on implementation. The committee notes that while exempting thrift stores from the Act and delaying implementation of certain provisions of the Act as applied to discount stores are currently in intent language, implementing these provisions – should they be included in the bill’s operative language – will add to CalRecycle’s workload.
- 2) CDTFA estimates ongoing annual costs ranging from \$250,000 to \$1 million (E-Waste Fund, CBE Fund) to implement this bill. Under current law, when CDTFA audits an e-waste fee return (the program most like the CBEP fee – see background for more information), the auditor calculates the total taxable sales of tangible personal property subject to the fee. CDTFA notes this process is straightforward because each product is either fully subject to the fee or exempt. In contrast, under this bill, auditing a CBEP fee return will likely require significantly more work. Auditors must determine the specific date on which a retailer became responsible for collecting the CBEP fee for every CBEP sold. CDTFA asserts this determination is challenging, particularly because a single retailer may carry hundreds of eligible items and the retailer’s product inventory frequently changes as new items are added and others are discontinued. Accordingly, CDTFA anticipates an increase in workload related to audits, appeals, system programming, outreach, training, and penalty and interest relief claims.
- 3) The Department of Toxic Substances Control (DTSC) anticipates minor and absorbable costs.

The fiscal year (FY) 2025-26 budget approved \$1.1 million in FY 2025-26, \$862,000 in FY 2026-27, \$828,000 in FY 2027-28, and \$1.4 million in 2028-29 and ongoing from the Covered Battery-Embedded Waste Recycling Fee Subaccount in the Electronic Waste Recovery and Recycling Account (CBE Fund) for CDTFA to implement the new CBEP recycling fee under SB 1215 (Newman), Chapter 370, Statutes of 2022 (see background for more information). This fee is imposed on consumers and collected by retailers at the time of the retail sale of a CBEP. CalRecycle establishes the CBE waste recycling fee rate, which is currently 1.5% of the retail sales price for each CBE product, not to exceed \$15 per product.

In its budget change proposal, CDTFA stated it would receive a \$1.9 million loan from CalRecycle’s Electronic Waste Recovery and Recycling Account in FYs 2025-26 and 2026-27,

with the expectation that fee revenues may begin coming in around fall 2026. According to CDTFA, there are approximately 15,000 identified retailers that sell CBEPs within the state; CDTFA administers this fee in cooperation with CalRecycle and DTSC.

The FY 2023-24 budget approved \$2.2 million for 14 permanent positions for CalRecycle, to be phased in over three years, to implement SB 1215 (Covered Battery-Embedded Waste Recycling Fee Subaccount) as well as budget bill language to provide loan authority of \$6.2 million in FY 2023-24 from the Electronic Waste Recovery and Recycling Account to the Subaccount to ensure that adequate cash is available to implement SB 1215 and support all direct appropriations drawing from the fund.

#### COMMENTS:

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

Reporting requirements are critical to tracking progress and ensuring compliance with our state's environmental standards and laws. AB 2549 provides necessary improvements to California's Covered Battery-Embedded Product (CBEP) Program, which was established to help with the management and recycling of battery-embedded products. In order to advance California's environmental goals, this bill is essential for ensuring compliance with the CBEP program by streamlining the regulatory notification process to CalRecycle, while also achieving critical cost-savings to consumers, businesses and the state.

2) **Background.** To address the challenge of managing electronic waste, the Legislature enacted the Act via SB 20 (Sher), Chapter 526, Statutes of 2003, which established the Electronic Waste Recycling Fee Program and requires a retailer selling a "covered electronic device" within the state to collect a covered electronic waste recycling fee from a consumer at the time of the retail sale. The legislation defines "covered electronic device" as a video display device containing a screen greater than four inches, measured diagonally. CDTFA collects the fee, which provides funding for the collection and recycling of these video products, in cooperation with CalRecycle. The Act requires all fees collected to be deposited in the Electronic Waste Recovery and Recycling Account.

SB 1215 expanded the definition of covered electronic device to include a CBEP, thereby expanding the scope of the Act. A CBEP is defined as a new or refurbished product containing a battery that is not intended to be easily removed from the product by the consumer. Examples include toys, toothbrushes, keyboards, laser pointers, flashlights, wireless earbuds, vacuum cleaners, lighters, and smart watches. Under the Electronic Waste Recycling Fee Program, the new CBEP recycling fee will be tracked in a new fund, separate from other types of electronic waste.

The California Retailers Association (CRA), the sponsor of this bill, notes that leading up to the January 1, 2026, implementation of the Act and throughout the rulemaking process, CRA worked with CalRecycle and its retail members to identify statutory changes necessary to ensure this product stewardship program works for California "in achieving the state's environmental sustainability goals while also keeping products affordable." CRA writes:

AB 2549 makes important, practical improvements to California's CBEP program by streamlining the notification and reporting process for manufacturers, retailers, and CalRecycle. Current implementation of the program has created unnecessary compliance burdens and liability exposure for retailers, while increasing costs for products that fall within the program's scope. AB 2549 addresses these issues by requiring Universal Product Codes in manufacturer notices, standardizing notice templates and file formats, and clarifying CalRecycle's role as the single source of truth for product scope.

CRA notes the bill's intent language to enact legislation to delay enforcement for discount stores will help smaller and lower-margin retailers comply without disrupting operations, and that it makes sense to exempt thrift stores because these stores "cannot know where exactly products come from and how they are made as they serve as second, third and even fourth-hand sellers of products."

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