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

AB 2549 (Zbur) - Electronic Waste Recycling Act of 2003: manufacturer notices

Version: June 22, 2026
Urgency: No
Hearing Date: August 3, 2026
Policy Vote: E.Q. 7 - 0
Mandate: Yes
Consultant: Ashley Ames

Bill Summary: This bill would make changes to various requirements for manufacturers and retailers for covered battery-embedded products (CBEPs) under the Electronic Waste Recycling Act of 2003 (E-Waste Act).

Fiscal Impact:
- The California Department of Resources Recycling and Recovery (CalRecycle) estimates ongoing costs of about $404,000 annually beginning in fiscal year (FY) 2027-28 (Electronic Waste Recovery and Recycling Account [E-Waste Account]) to conduct stakeholder outreach and workshops, provide training and technical assistance, conduct rulemaking, carry out compliance and enforcement, and coordinate with the California Department of Tax and Fee Administration (CDTFA) and the Department of Toxic Substances Control (DTSC) — among other things.
- CDTFA estimates costs of $113,000 in the first year, $32,000 in the second, and about $35,000 annually thereafter (E-Waste Account or other fund) to notify taxpayers, revise publications, respond to taxpayer inquiries, reprogram its computer system, and handle additional audits and appeals.
- CDTFA estimates forgone revenue in the tens of millions of dollars (E-Waste Account). Revenue losses are estimated to be $25 million from the discount store exemption alone for calendar year 2027. CDTFA notes that the revenue loss associated with the bill's proposed 60-day grace period cannot be quantified because CDTFA lacks sufficient data on how many retailers would delay fee collection and how many manufacturers may fail to comply with the notification requirement.
- DTSC anticipates its costs would be minor and absorbable.

Background:

Electronic waste. Electronic waste (e-waste) refers to unwanted or waste consumer and business electronic equipment, including computers, printers, monitors, and similar devices. As defined in California law, e-waste refers to any device with a screen that is more than four inches and any product with an embedded battery. Most e-waste includes components that render it hazardous under California's hazardous waste law, such as lithium-ion batteries. Rapid advancements in technology as well as designed and perceived obsolescence have resulted in many electronic products becoming obsolete within a very short time period, creating a surplus of e-waste. California generates 200,000 tons of e-waste annually. Disposing of e-waste in landfills poses a risk to human and environmental health.

SB 20. To meet the challenge of managing e-waste, California enacted the Electronic Waste Recycling Act (SB 20, Sher, 2003) to establish a program for consumers to return, recycle, and ensure the safe and environmentally sound disposal of video display devices, or "covered electronic devices," such as televisions and computer monitors, which are considered hazardous waste when discarded. The primary goals of SB 20 are to limit the amount of toxic substances such as lead, mercury, cadmium, and hexavalent chromium in certain electronic products sold in the state, and to establish a funding system for the collection and recycling of discarded covered electronic devices. Since the enactment of SB 20, over 2.2 billion pounds — more than 1 million tons — of e-waste has been collected and recycled.

SB 1215. In 2022, California enacted SB 1215 (Newman, 2022) to include CBEPs, which are consumer products with embedded batteries that are not intended to be removed by the consumer. Like other forms of e-waste, batteries are considered hazardous and are not safe to dispose of in the municipal waste stream. Some batteries, particularly lithium-ion, are extremely flammable and can combust or explode if damaged. When these batteries enter the waste stream, they are likely to be damaged during normal solid waste handling activities, and when that happens they can ignite, causing fires in solid waste vehicles and facilities and posing a risk to the health and safety of solid waste workers and the public. Despite their hazardous nature, many consumer products contain embedded batteries, from children's toys to power tools. Under SB 1215, CBEPs are subject to the Act beginning January 1, 2026.

Proposed Law: This bill would:

1. Define terms, including “discount store”, “thrift retail store”, and “universal product code.”
   a. Specify that "discount store" does not include a general merchandise supercenter, hypermarket, warehouse club, membership club, or other big box retail format with a gross floor area exceeding 100,000 square feet or that devotes more than 10% of its sales floor area to grocery, food, or other consumable goods.
2. Require a manufacturer of a CBEP to send a notice, that identifies the CBEP by brand, model number, and UPC, to CalRecycle, and inform CalRecycle that the CBEP is regulated under the Act and is subject to a recycling fee, no later than March 1 of each year, according to the following schedule:
   a. Within 60 days from the dYate of first sale to a retailer or purchaser in this state for any CBEP manufactured by that manufacturer that is subject to the Act; and,
   b. Within 60 days from the date of first sale to a retailer or purchaser in this state for a CBEP manufactured by that manufacturer that is exempt from the Act.
3. Provide that a retailer would have not less than 60 days from 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, whichever is earlier, to begin collecting the fee required by the Act regarding the product identified in the notice.
4. Require CalRecycle:

   a. To develop a standardized online form for a manufacturer to send electronic notices, on or before March 1, 2027;

   b. To develop a searchable database for notices sent by the manufacturer, on or before May 1, 2027;

   c. To post the notices to the website within 60 days of the date of receipt of the notice; and

   d. To consult with manufacturers and retailers to develop a standardized online upload process.

5. Exempt a thrift retail store that accepts a battery-embedded product as a donation from the following requirements:

   a. Collecting personal donor data, including name and address, from the individual making the donation;

   b. Maintaining records identifying the donor of such products; and

   c. Providing or transmitting donor-identifying information to any governmental entity, producer, stewardship organization, or third party.

6. Specify that manufacturers are not required to send notices to thrift retail stores.

7. Provide that the obligations of the E-Waste Act would not apply to CBEPs sold, offered for sale, or distributed through discount stores until January 1, 2028; that until that date a discount store would be deemed in compliance with respect to CBEPs if those products were legally sold, offered for sale, or distributed in the state; and that on and after that date a discount store would comply with all applicable obligations under the Act on the same terms as other retailers.

8. Specify that complaints or information alleging a violation of this chapter relating to CBEPs may be submitted through the California EPA's environmental complaint system.

   a. The California EPA may refer complaints to CalRecycle for review, investigation, and enforcement.

9. Provide that any information submitted to CalRecycle that is proprietary in nature or a trade secret would be subject to protection under state laws and regulations governing that information.

10. Repeal:

   a. The July 1, 2027 date by which manufacturers of CBEPs are required to comply with the Act, and replace it with March 1 of each year.

   b. The requirement that manufacturers of CBEPs provide a list of retailers, including, but not limited to, internet and catalog retailers, as specified.

Related Legislation:

SB 568 (Newman, 2023) requires a person exporting covered electronic waste (e-waste) or a covered electronic device intended for recycling or disposal to include, in a report submitted to DTSC, a demonstration that before export, they attempted to locate an in-state covered e-waste recycler, and that the waste or device could not be managed by an in-state covered e-waste recycler.

SB 1215 (Newman, 2022) expands the E-Waste Act to include CBEPs.

AB 2440 (Irwin, 2022) establishes the Responsible Battery Recycling Act, which establishes a stewardship program for the collection and recycling of certain batteries, as defined.

SB 20 (Sher, 2003) enacts the E-Waste Act to provide for the convenient recycling of covered electronic devices in California.

Staff Comments:

Forgone revenue estimate. CalRecycle establishes the new CBE fee rate every year by October 1, with the rate taking effect the following January 1. CDTFA's forgone revenue estimate assumes the CBE fee will not change for 2027. It also assumes that revenue from the CBE fee will stay relatively stable between the first quarter of 2026 and the last quarter of 2027. CDTFA only started collecting the CBE fee at the beginning of 2026, so it expects the number of registrants to increase in coming quarters. However, CDTFA also expects that most of the accounts that have not registered yet are small and therefore will not have a huge impact on CBE revenue. This revenue estimate does not account for any economic changes that may occur as a result of this bill.

Budget context. The 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 E-Waste Account (CBE Fund) for CDTFA to implement the new CBEP recycling fee under SB 1215 (Newman), Chapter 370, Statutes of 2022. 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 E-Waste 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 (CBE Fund) as well as budget bill language to provide loan authority of $6.2 million in FY 2023-24 from the E-Waste Account to the Subaccount to ensure that adequate cash is available to implement SB 1215 and support all direct appropriations drawing from the fund.

-- END --