
SENATE COMMITTEE ON ENVIRONMENTAL QUALITY

Senator Blakespear, Chair

2025 - 2026 Regular

Bill No: AB 720

Author: Rogers

Version: 9/5/2025

Hearing Date: 9/9/2025

Urgency: No

Fiscal: Yes

Consultant: Brynn Cook

SUBJECT: Beverages: alcohol permits: container labeling

DIGEST: This bill delays the requirements for labeling as part of the Beverage Container Recycling Program (Bottle Bill) for beverage containers including wine and distilled spirits, that were added to the Bottle Bill program by January 1, 2024. The bill also authorizes the Department of Alcoholic Beverage Control (ABC) to issue an estate tasting event permit to a licensed winegrower that would authorize the licensee to exercise its tasting room privileges at either a property adjacent to the licensed premises or a nonadjacent vineyard that is owned by the licensee, as specified, and other clarifying changes.

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) Establishes requirements around the permissible use of the “chasing arrows” recycling symbol and when claims regarding recyclability can be made. (PRC § 42355.51)
- 5) Establishes requirements for labeling for glass containers in the Bottle Bill, including requirements that the container’s label have minimum lettering size of 3/16th inch in height or be labeled in contrasting colors with legible lettering in minimum lettering size at least 1/8 inch in height. (California Code of Regulations (CCR) § 2200)
- 6) Establishes the Department of ABC with authority to license individuals and businesses associated with the manufacture, importation, and sale of alcoholic beverages in this State and the collection of license fees.
- 7) Authorizes the issuance of a caterer’s permit, upon application to the Department of ABC, to a licensee under an on-sale general license, an on-sale beer and wine license, a club license, or a veterans’ club license that authorizes the holder of the permit to sell alcoholic beverages at specified locations and events.
 - a) Requires the permit holder, for the above described provisions, to obtain consent from the Department of ABC for each event, in the form of a catering authorization with certain limitations, and imposes a fee for the authorization based on the estimated attendance at each day of the event.
- 8) Allows a licensed winegrower or brandy manufacturer, in addition to exercising all the privileges of their license at their licensed premises, to exercise all the license privileges at or from branch offices or warehouses, or United States bonded wine cellars located away from the place of production or manufacture, other than the following privileges:
 - a) Production or manufacture.
 - b) The sale of wine or brandy to consumers for consumption on the premises in a bona fide eating place.
- 9) Provides that the Department of ABC may issue to a winegrower or brandy manufacturer a duplicate of the original license for a location or locations other than the wine production or brandy manufacturing premises. A duplicate license authorizes the maintenance and operation of each branch or warehouse or United States bonded wine cellar declared and designated by the winegrower or brandy manufacturer at the location for which the duplicate license is issued.

This bill:

- 1) Extends the delay on the requirement that beverage containers added to the Bottle Bill through SB 1013 be labeled according to those requirements from July 1, 2025 to July 1, 2026.
- 2) Extends the exemption from labeling requirements for beverage containers that added to the program by January 1, 2024 for bottles that were filled and labeled before January 1, 2024, to include beverage containers filled and labeled before July 1, 2025.
- 3) Establishes specific criteria for Bottle Bill QR code labels on beverage containers, including that the label shall be ½ inch in size.
- 4) Authorizes manufacturers to etch CRV labels on beverage containers.
- 5) Authorizes a winegrower licensee to apply to the Department of ABC for an estate tasting event permit. If approved, the permit would authorize the winegrower to exercise its tasting room privileges on both of the following:
 - a) Property adjacent to the licensed premises and owned or under the control of the licensee; or
 - b) A nonadjacent vineyard that is owned or under the control of the licensee
- 6) Requires the licensee, for each tasting event, to obtain consent from the Department of ABC in the form of an estate tasting event authorization, and establishes related criteria.
- 7) Excludes the storage or topping off of wine barrels from the definition of “production or manufacture” for certain purposes, provided specified criteria are met.
- 8) Makes other conforming and clarifying amendments related to winegrower licensee and tasting event authorizations.

Background

- 1) *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.

- 2) *New-ish additions to the Bottle Bill.* The Bottle Bill has historically included most glass, aluminum, and plastic beverage containers for water, beer, soda, sports drinks, fruit juice, tea, and coffee. Recent legislation expanded the Bottle Bill to include wine and distilled spirits, including alcoholic beverages in boxes, pouches, or bladders (SB 1013, Atkins, Chapter 610, Statutes of 2022). These containers were added to the program January 1, 2024. Fruit juice containers of 46 ounces or more and vegetable juice containers over 16 ounces were also recently added to the program beginning January 1, 2024 (SB 353 Dodd, Chapter 868, Statutes of 2023).

As part of being included in the Bottle Bill, beverage containers are required to be labeled as such and include the CRV. SB 1013 specifically authorized the use of QR codes for labeling, which can be an effective way to communicate more information with less space. That can be useful especially if a beverage container needs to meet numerous different or overlapping labeling requirements, such as might occur if the bottle is sold in numerous states and countries or must meet both state and federal labeling requirements.

Comments

- 1) *Purpose of Bill.* According to the author, “AB 720 is crucial for small, family-owned wineries that rely on traditional winemaking processes, including the aging and storage of wine in wooden barrels. This bill will provide clarification that the practice of ‘topping off’, or replacing evaporated wine in the storage barrels during the aging process, is not misclassified as a production activity, allowing this essential process to continue without unnecessary penalties.”

Furthermore, the author’s offices argues that, “the bill will allow winegrowers to hold a permit similar to a ‘beer caterer’s permit’, allowing winegrowers to host tasting events outside the licensed premises on their property (essentially a ‘pop-up tasting’), increasing customer interaction opportunities. Picture the beauty and interaction of having a tasting outside among the very vines that

produced the wine you are drinking, rather than inside. These reforms can help a cherished industry in my district, which like many others right now, is facing economic uncertainty.”

- 2) *Ironing out bottlenecks.* Recent amendments to AB 720 make several changes to the Bottle Bill to address labeling requirements for wine, spirits and other bottles that were recently added to the bottle bill (by January 1, 2024). Primarily, the changes to AB 720 delay the timeline on which these newly-added beverage containers must be labeled. Bottles that were added to the program in 2024 must now be labeled by July 1, 2026, instead of July 1, 2025. Likewise, the date by which already filled and labeled bottles can skip out on meeting the new labeling requirements was extended from January 1, 2024 (the date when the bottles were officially included in the program) until July 1, 2025.

These delays give newly added beverage containers more time to comply with the labeling requirements of SB 1013. While delays in labeling bottles with CRV also delays the opportunity for consumers to recognize and return these bottles for their redemption value, the delays in labeling are responsive to delays in CalRecycle implementing the SB 1013 regulations.

In addition to delaying labeling requirements, AB 720 also adds specificity on what those labels look like. This includes specifications that the QR code label be at least one half inch in size. According to proponents of the bill, some industry partners have already begun formatting labels meeting these criteria, which could entail changing over labeling equipment and labeling bottles. While it is unusual for statute to include the level of implementation specificity that AB 720 adds for labeling requirements, the intent is to align with industries that have already prepared labels that meet these criteria and prevent a scenario in which they have to change over their labels again.

- 3) *Topping off wine barrels.* According to the Senate Governmental Operations Committee analysis: “According to the Wine Institute, the Department of ABC has recently interpreted the practice of topping off barrels as a production activity. As explained by the bill’s supporters, evaporation of wine from wine barrels occurs naturally, requiring the addition of small amounts of wine to limit oxygenation and preserve wine quality. This traditional method of “topping off” barrels is a long-established industry practice. The current interpretation has meant that if Type 02 license holders have their barrel storage facility located on a separate property from their production facility, they could face administrative penalties for noncompliance with their license type if the activity at the barrel storage facility involves topping off barrels.

This bill, among other things, simply clarifies that the storage of wine or topping of wine barrels does not constitute offsite production or manufacturing by a licensed winegrower or brandy manufacturer.”

Related/Prior Legislation

AB 899 (Ransom, 2025) authorizes CalRecycle to increase the cap on market development payments for glass beverage container manufacturers from \$50 to \$150 per ton and to expend \$20 million per year from the bottle bill fund for these payments. This bill is pending hearing on the Senate Floor.

SB 674 (Cabaldon, 2025) would have reduced from 25 cents to 10 cents, the CRV on a beverage container subject to the Bottle Bill that is a box, bladder, pouch, or similar container with a capacity of less than 24 fluid ounces containing wine or distilled spirits. This bill was held in the Assembly Appropriations committee.

SB 1013 (Atkins) Chapter 610, Statutes of 2022) brought wine and distilled spirits into the Bottle Bill, introduced new grant programs, expanded the convenience zones, and created dealer cooperatives to serve unserved areas.

SUPPORT:

California Distillers Association

OPPOSITION:

None received

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