
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 899 (Ransom) - Beverage containers: recycled glass: market development

Version: August 18, 2025

Urgency: No

Hearing Date: August 25, 2025

Policy Vote: E.Q. 8 - 0

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would allow the Department of Resources Recycling and Recovery (CalRecycle) to set the market development payment at different levels, not to exceed \$150 per ton, and would authorize expenditures of \$20 million per year for these payments.

Fiscal Impact:

- Ongoing cost pressures of \$20 million each year for two years (Beverage Container Recycling Fund [BCRF]), from January 1, 2028 to January 1, 2030, for glass market development payments.
- CalRecycle anticipates its costs to administer glass market development payments for an additional two years would be minor and absorbable.

Background: The 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 the program guarantees 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: (1) reducing litter and (2) achieving a recycling rate of 80 percent for eligible containers.

Eligible beverage containers. Only certain beverage containers are part of the CRV program. Whether a particular container is part of the program depends on the material, size, and content of the container. Most containers made from glass, plastic, aluminum, and bimetal (consisting of one or more metals, including steel usually) are eligible, though there are exceptions. For example, containers for wine, spirits, milk, and soy drinks are not eligible for CRV, regardless of the container type. Container types that are not included in the CRV program are most cartons, such as milk cartons, and pouches made from multiple materials. Any container that holds 64 ounces or more is also not eligible.

Program expenditures. Not all CRV-eligible containers are recycled, and therefore the CRV deposit paid when a consumer purchased these containers is never redeemed. This means that distributors pay more CRV into the BCRF than is claimed by consumers. For example, for the past few years the BCRF has received roughly \$1.5 billion in deposits, but only about \$1.1 billion—or roughly 75 percent—was spent on redemption payments. State law requires that much of the unredeemed CRV be spent on specified recycling-related programs.

Glass is relatively expensive to recycle. Different materials go through different processes to be cleaned, sorted, and recycled, which result in different recycling costs for each material. Additionally, the recycled materials are used for different products, which means that some materials have higher post-recycled scrap value than others. These differences mean that some materials are generally profitable to recycle, while others would cause recyclers and processors to lose money if they did not receive processing payments from the BCRF. Recycling glass often results in a large loss, with the cost to recycle glass roughly 30 times greater than its scrap value.

According to the department, recyclers, and manufacturers, single-stream curbside collection frequently results in poor scrap quality, meaning that materials collected this way are more expensive to recycle and a greater portion of materials that are collected cannot be recycled due to contamination. Therefore, some materials returned via single stream will end up in a landfill rather than being recycled. Glass is especially affected by single-stream curbside collection because it is easily broken into small pieces that are difficult to sort and clean when mixed with other materials. Additionally, there is proportionally more glass in the curbside program than other material types. CalRecycle estimates that 21 percent of CRV-eligible glass is redeemed through curbside programs compared to just 6 percent of all CRV-eligible material. This is possibly due to the exclusion of many glass containers, such as wine and spirit bottles, from the BCRP.

These differences can have a significant impact on the value of the collected material. For example, glass scrap from a single-stream curbside collector may be worth almost nothing or even have negative value. In some cases, processors are paid to take away glass that come in through single-stream collection. Glass from BCRP redemption centers, on the other hand, can sell for as much as \$40 to \$60 per ton, according to some recyclers and processors.

Recent legislative efforts to support glass recycling. SB 1013 (Atkins), Chapter 610, Statutes of 2022, amended the program to include wine and distilled spirits, including those contained in boxes, bladders, pouches, or similar containers, beginning January 1, 2024. SB 353 (Dodd), Chapter 868, Statutes of 2023, further expands the program to include large containers for juice containers beginning January 1, 2026.

By adding new container types to the Bottle Bill, SB 1013 and SB 353 increased revenues in the BCRF due to an increase in unredeemed CRV funds. In order to incentivize recycling increased glass containers from the addition of wine and distilled spirits, SB 1013 authorized \$60 million annually from the BCRF for glass market development payments until January 1, 2028. However, CalRecycle awarded only \$4.2 million for market development payments in 2023 and \$9.9 million in 2024. The department expects to award \$11.2 million in payments this year. This bill directs CalRecycle to dedicate portion of the unallocated \$60 million authorized by SB 1013 to incentivize the recycling of in-state recycled glass to be used by in-state wine beverage manufacturers.

Proposed Law: This bill would:

1. Authorize CalRecycle to set the market development payment at different levels.
2. Prohibit the market development payment from exceeding \$150 per ton.

3. On and after January 1, 2028, and until January 1, 2030, authorize CalRecycle to expend \$20 million annually from the BCRF, upon appropriation by the Legislature, for glass market development payments.

Related Legislation:

SB 674 (Cabaldon, 2025) would reduce the CRV for small box, bladder, or pouched wine or distilled spirits in the bottle bill from 25 cents to 10 cents, and authorizes small beverage container distributors, as defined, to make a single annual payment of redemption payments.

SB 353 (Dodd, 2023) expands the CRV program to include large containers for juice containers beginning January 1, 2026.

SB 1013 (Atkins, Chapter 610, Statutes of 2022) brings wine and distilled spirits into the California Beverage Container Recycling Program, introduces new grant programs, expands the convenience zones, and creates dealer cooperatives to serve unserved areas.

Staff Comments: To date, CalRecycle has expended a relatively small percentage of the \$60 million authorized annually for glass market development payments.

CalRecycle reports that BCRF had an ending balance of about \$889 million in fiscal year (FY) 2023-24 and is projected to have an ending balance of about \$432 million at the end of this FY – although this figure could change based on actuals provided at the end of the FY.

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