

Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 1031 (Blakespear) – As Amended May 14, 2026

Policy Committee: Natural Resources

Vote: 10 - 4

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill updates compostable plastic labelling requirements so compostable plastics are distinguishable in the solid waste stream.

Specifically, this bill, among other things:

- 1) Revises the labeling requirement for compostable products to specify that the labeling distinguishes the product from non-compostable products upon reasonable inspection by consumers and solid waste processing facilities during receiving and processing.
- 2) Allows a person to sell or offer for sale a plastic product in the state labeled “compostable” or “home compostable” if the product meets a specified “ASTM standard specification” and is labeled in a manner that meets one of the following:
 - a) The product is uniformly green and is labeled with the word “compostable” on one side of the product, with the lettering being at least one inch in height.
 - b) The product displays the word “compostable” on both sides of the product and the label has green colored lettering at least one inch in height or has lettering at least one-half inch in height with a contrasting green band that is at least one inch in height.
- 3) Requires the Office of Environmental Health Hazard Assessment (OEHHA) to conduct a study evaluating the health effects of degraded compostable plastics and their additives to evaluate toxicity characteristics and levels of compostable plastics that are not anticipated to cause or contribute to adverse health effects, or to identify data gaps that would need to be addressed to establish those levels.
- 4) Requires OEHHA to provide biennial status updates that may contain a compilation of findings from the study into a report and post the final report on its website.

FISCAL EFFECT:

- 1) OEHHA estimates one-time costs of about \$1 million and ongoing annual costs of at least \$625,000 (General Fund) to manage and implement the study required by this bill, including study design, contract oversight, interagency coordination, evaluation of findings, and preparation of biennial updates and the final report. OEHHA contends that ongoing contract funding is needed because the health effects of compostable plastics are an emerging issue,

and ongoing contracting dollars would support sampling and assessment as research on compostable plastics continues to evolve.

- 2) Existing law authorizes a city, a county, or the state to impose specified civil penalties for violations of Chapter 5.7 of the Public Resources Code (which this bill amends). Current law authorizes the Attorney General to expend, upon appropriation by the Legislature, any civil penalties it collects to enforce existing law. The provisions of this bill are subject to the same civil liability and enforcement mechanism.

Therefore, this bill may result in cost pressures (Trial Court Trust Fund) of an unknown amount to the courts to adjudicate enforcement actions. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately \$117.3 million in 2025-26.

COMMENTS:

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

While compostable materials are often promoted as a sustainable alternative to conventional plastics, in practice they are frequently indistinguishable from traditional plastics, creating confusion for consumers and contamination challenges for composting facilities. As a result, many composters do not process them, undermining California's circular economy goals. To address this problem, SB 1031 establishes labeling requirements to ensure compostable products are clearly identifiable and reinforces product safety standards. The bill also directs the Office of Environmental Health Hazard Assessment (OEHHA) to study the breakdown, toxicity, and environmental public health impacts of compostable plastics.

- 2) **Background. *Determining Compostability.*** Compostable plastics are plastics designed to decompose under certain conditions. Prior to the state adopting standards in 2004, plastic with misleading claims of biodegradability and compostability were widely marketed to consumers, even though the material did not break down as claimed. Compostable materials are generally not recyclable and are instead a contaminant when mixed with recyclable plastic waste. Since 2004, the Legislature has enacted numerous bills that attempt to prevent misleading environmental marketing claims and ensure that the materials Californians use can be properly managed, including banning the use of terms like "biodegradable" for plastic products and requiring plastics labeled "compostable" to meet widely accepted standards for compostability.

ASTM is an international standards organization that develops and publishes consensus-based technical standards, including two standards for compostable plastics that are intended to provide consistency and clarity for consumers and producers who want to ensure their products are compostable; however, according to the Assembly Natural Resources Committee, the standards are imperfect. Composting technology has advanced significantly

since the adoption of these standards, and material is processed more quickly, so many compostable items, like utensils, often must be removed from the finished compost and landfilled. Composting is designed to manage organic waste, like yard clippings and leaves, and is not an ideal management option for plastic waste.

In recognition of the issues with the current ASTM standards, SB 1335 (Allen), Chapter 610, Statutes of 2018, which establishes reuse, recycling, and compost requirements for food packaging used in state facilities, also required CalRecycle to adopt regulations to create standards for those terms. For composability, CalRecycle regulations require that a product labeled as “compostable” in California must (a) have packaging that meets specified ASTM standards, (b) demonstrate 90% biodegradation within 60 days, and (c) comply with related statutory requirements.

Pursuant to AB 1201 (Ting), Chapter 504, Statutes of 2021, the sale or offering for sale of any product in the state labeled “compostable” or “home compostable” is prohibited unless it meets specified requirements, including that, beginning January 1, 2026, the product is an allowable organic input under the National Organic Program (NOP). This law additionally granted the director of CalRecycle the authority to issue an extension on this requirement for up to five years if the director determines the product or substance is, or will soon be, an allowable organic input for compost. Last year, industry groups representing the compostable plastics industry requested that CalRecycle issue such an extension, which the director granted until June 30, 2027.

Federal Standards. Unfair or deceptive acts or practices in or affecting commerce are illegal under federal law. The Federal Trade Commission publishes the Green Guides to explain how the law applies to environmental labeling, advertising, and marketing, including the use of labels such as “degradable,” “biodegradable,” or “compostable.” The USDA’s NOP requirements prohibit compostable plastic as a feedstock for compost that may be used on organic crops. In 2023, the Biodegradable Products Institute petitioned to revise the regulations to allow their use under the NOP. After a multi-year review of the petition and the associated science, the National Organics Standards Board unanimously rejected the petition in January of this year, finding that “synthetic compostable materials” do not meet necessity, environmental and human health, and sustainable agriculture criteria for the inclusion. However, the action did leave open the possibility for future consideration of individual materials for narrowly defined uses (like collection bags and produce stickers).

SB 54. SB 54 (Allen), Chapter 75, Statutes of 2022, requires that producers meet ambitious recycling, composting, and source reduction targets through the creation of a producer responsibility organization, and to achieve specified source reduction requirements for plastic covered materials. Under SB 54, plastic producers are responsible for ensuring there is a “responsible end market” for their recycled plastic products to ensure the plastic is used in a new product and is not taken to a landfill, sold internationally, or downcycled. However, plastic producers are not responsible for finding an end market for compostable alternatives. Therefore, even if compostable packaging is landfill-bound, plastic producers can still meet their SB 54 requirements even though compostable plastics do not currently have a responsible end market. This means that single-use plastic products made from compostable plastics may be in compliance with the letter of SB 54 without meeting the spirit of the law.

- 3) ***Stakeholder Perspectives.*** Among others in support of this bill, StopWaste argues that despite compostable plastics being promoted as a promising alternative to conventional plastics, particularly for hard-to-recycle products, “California’s composting infrastructure is not currently equipped to process compostable plastics at scale.” One major reason composters reject compostable plastics, according to StopWaste, is that “they are indistinguishable from traditional plastics. Without targeted policy intervention, compostable plastics could disrupt California’s existing composting systems and recycling, rather than advancing a circular economy.”

Writing in a support-if-amended position, the Biodegradable Products Institute (BPI) notes its appreciation for amendments taken by the author over the last several months but argues the bill “contains timelines and implementation requirements that could create significant compliance costs and operational challenges for affected stakeholders.” Among other concerns and amendments, BPI requests that the bill extend the statutory deadline for compostable products to be allowed in organic compost to 2032 (as opposed to the June 2027 deadline referenced above) and establish a policy framework for the eventual removal of this AB 1201 NOP requirement to preserve compostability as a compliance pathway under SB 54.

- 4) **Related Legislation.** AB 1812 (Aguilar-Curry) of the current legislative session prohibits a person from selling or offering for sale a product labeled with the term “compostable” or “home compostable” that is made wholly or partially of plastic and updates and revises requirements for labeling products “compostable” or “home compostable”. AB 1812 is pending in the Senate Appropriations Committee.

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