Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 615 (Allen) – As Amended July 7, 2025

Policy Committee:	Environmental Safety and Toxic Materials	Vote:	5 - 1
	Natural Resources		10 - 1

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

SUMMARY:

This bill requires battery suppliers to ensure the responsible end-of-life (EOL) management of vehicle traction batteries (electric vehicle [EV] batteries) under specified circumstances and gives the Department of Toxic Substances Control (DTSC) regulatory and enforcement authority.

Specifically, this bill, among other things:

1) Requires battery suppliers to: (a) ensure the responsible EOL management of an EV battery under specified circumstances, (b) adhere to the battery management hierarchy, as defined, for an EV battery in their possession, (c) report information regarding the sale, transfer, or receipt of an EV battery or battery module to DTSC, (d) fully fund the cost of collection of an EV battery for which they are required to ensure responsible EOL management, as specified, and (e) ensure battery state of health data that is easily interpretable and accessible to secondary handlers and secondary users.

2) Specifies various obligations for a secondary user, secondary handler, auctioneer, and specified battery facility, and subjects these entities to civil penalties for failing to comply with the bill's requirements.

3) Requires DTSC to adopt regulations to implement and enforce the bill's requirements, with an effective date no later than July 1, 2028. Requires DTSC to, among other things, develop regulations related to the unique identifier of an EV battery in consultation with the Air Resources Board (ARB).

4) Specifies various reporting and other related requirements for battery suppliers, and prohibits a battery supplier from selling, offering for sale, importing, or distributing an EV battery in the state unless the EV battery has been reported to DTSC.

5) Requires DTSC, within four months of the effective date of the regulations, to notify the battery supplier of the estimated regulatory costs related to implementing and enforcing the bill's requirements and requires battery suppliers to pay DTSC's actual and reasonable regulatory costs to implement and enforce the bill. Requires DTSC to deposit all moneys received from battery suppliers into the Vehicle Traction Battery Recovery Fund, and requires moneys in the fund, upon appropriation, be expended to implement and enforce this bill, as well as reimburse any standing loans made from other funds used to finance DTSC's regulatory and startup costs. Provides that, upon appropriation, the Director of Finance may

make a loan from the Greenhouse Gas Reduction Fund (GGRF) to the Vehicle Traction Battery Recovery Fund to fund DTSC's regulatory and startup costs.

6) Requires DTSC to (a) conduct a study – and post a report with its findings by January 1, 2030 and every five years thereafter – to determine whether there is evidence of abandonment of orphaned batteries leading to environmental and health and safety hazards and (b), if DTSC determines it necessary, revise its regulations to address orphaned batteries.

7) Requires DTSC to publish the names of battery suppliers that are compliant with the bill and prohibits a retailer, dealer, or distributor from selling, distributing, offering for sale, or importing an EV battery in or into the state, unless the EV battery's supplier is on DTSC's list. Requires DTSC to notify any battery supplier that is not in compliance and remove any such supplier from the list.

8) Requires DTSC to publish a list of qualified battery recyclers on its website.

9) Authorizes DTSC to impose civil or administrative penalties.

FISCAL EFFECT:

1) Ongoing annual costs of an unknown amount, likely in the low millions of dollars, for DTSC to implement provisions of this bill, including regulation development, system development, IT contract and licensing costs, and oversight and enforcement activities, among other things. The bill requires battery suppliers to pay DTSC's actual and reasonable regulatory costs to implement and enforce the bill. DTSC would need to secure a loan from GGRF or a different fund source to cover its regulation development and startup costs. These costs would be reimbursed by, and ongoing implementation costs would be borne by, the Vehicle Traction Battery Recovery Fund.

   For its part, DTSC estimates costs of up to approximately $5.9 million to hire 24 staff as well for contracting and licensing needs. These costs would be phased in between fiscal year (FY) 2026-27 and FY 2029-30. DTSC anticipates requiring additional staff as the waste stream increases, data becomes more readily available, and the scope of its enforcement expands.

   The Department of Finance, which has taken a neutral position on this bill, notes concern that the bill "creates new GGRF cost pressures in the near-term before the Cap-and-Invest program has been extended," and further notes it is not clear if other special funds besides GGRF could be used to make a loan to the Vehicle Traction Battery Recovery Fund to support DTSC's regulatory and startup costs.

2) ARB anticipates minor and absorbable costs.

COMMENTS:

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

   > As number of EVs on the road increases and the market matures, so does the number of EV batteries reaching the end of their useful life. California is beginning to see piecemeal development of a market and infrastructure designed to capture the value imbedded in these batteries once removed

> from a vehicle; including high-value critical materials...California lacks a policy framework to encourage reuse, repair, and repurposing, or ensure that batteries are recycled when no longer useful. SB 615 will establish a program to ensure EV batteries are properly managed at every stage of their lives, including mechanisms to hold producers accountable for end-of-life management, and establish clear responsibilities for entities throughout the value chain.

2) **Background**. Most batteries, regardless of size, are considered universal waste or hazardous waste when they are discarded and must be handled and transported accordingly. Some batteries, particularly lithium-ion, are extremely flammable and can combust or explode if they are damaged. Other batteries, like lead-acid car batteries, have components that are highly toxic and must be very carefully controlled during recycling or disposal to prevent exposure to workers or nearby residents. While batteries at the end of their life may pose toxicity or fire risks, they also contain precious materials that can be reclaimed and recycled. For these reasons, California has established several laws and regulations to promote the safe management, reduction, and recycling of battery waste. Most of these regulations are focused on smaller batteries, used primarily in consumer products.

   Among others in support of this bill, the California State Association of Counties (CSAC) writes, "As an early driver and adopter of zero emission vehicle (ZEV) technology, California is also at the forefront of dealing with the EOL management of [EV] batteries." CSAC notes that batteries that are still under warranty are typically returned to the original equipment manufacturer (OEM) for repair or replacement, but if EV batteries are outside of their warranty, OEMS are not required to take them back. Therefore, CSAC contends, "a coherent state policy must be designed to ensure all vehicle traction batteries are reused, repaired, repurposed, remanufactured, and recycled." Accordingly, this bill requires a battery supplier to be responsible for ensuring the proper EOL management of EV battery if it is removed from a vehicle that is still in service, or if an EV battery is offered or returned to its battery supplier. The bill also requires reporting to DTSC regarding the sale, transfer, or receipt of an EV battery or battery module.

   Second Attempt. This bill is very similar to SB 615 (Allen), of the 2023-24 Legislative session, which was vetoed by the Governor. The veto message stated, in part:

   > California has successfully implemented many reuse and recycling systems. These market-based solutions significantly reduce waste and create jobs by turning a challenging product into a resource. However, this legislation places a significant burden on DTSC to implement the policy, instead of building on the success of existing producer responsibility [EPR] models. I encourage the author to continue working with stakeholders to explore if a producer responsibility organization would yield more equilibrium among public agencies and industry in sharing the administrative burden required by this policy.

   As discussed in the Assembly Natural Resources (ANR) Committee's analysis of this bill, stakeholders and the author's office have considered the use of a traditional EPR program for EV batteries. EPR programs rely on industry, formalized in a product stewardship organization, to develop and implement approaches to create a circular economy that makes

business sense, with oversight and enforcement provided by a government entity. The ANR committee notes, however, that the limited number of producers, the uniqueness of having a recycled product with a positive value, and concerns with the cost and implementation difficulty of an EPR program for EV batteries create significant concerns for that approach. The ANR committee further contends that while the state has adopted several EPR programs, many of them have faced significant implementation challenges, and that it is not clear that EPR programs are, in fact, less burdensome for regulatory bodies.

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