

THIRD READING

Bill No: SB 811
Author: Caballero (D)
Amended: 1/22/26
Vote: 21

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 5-0, 1/13/26

AYES: Blakespear, Valladares, Dahle, Pérez, Reyes

NO VOTE RECORDED: Gonzalez, Hurtado, Menjivar

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26

AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Hazardous materials: metal shredding facilities

SOURCE: California Metal Recyclers Coalition

DIGEST: This bill establishes a new regulatory structure at the Department of Toxic Substances Control (DTSC) for metal shredding facilities.

ANALYSIS:

Existing law:

- 1) Defines a “metal shredding facility” as an operation that uses a shredding technique to process end-of-life vehicles, appliances, and other forms of scrap metal to help separate and sort ferrous metals, nonferrous metals, and other recyclable materials from non-recyclable materials.
- 2) Allows DTSC in consultation with the Department of Resources Recycling and Recovery (CalRecycle), the State Water Resources Control Board (SWRCB), and local air districts to adopt regulations to set management standards for metal shredding facilities. These standards are used to regulate these facilities in lieu of standards set out in the Hazardous Waste Control Law (HWCL).
- 3) Precludes DTSC from adopting management standards that are less stringent than standards set by federal law.

- 4) Allows waste from a metal shredder (known as metal shredder residue or MSR) to be classified and managed as nonhazardous waste, provided certain standards are met. Such nonhazardous waste can be used as alternative daily cover or for beneficial reuse, or it may be disposed of if it complies with regulations in the Water Code.
- 5) Allows DTSC to assess a fee on metal shredding facilities to cover the cost of the program.
- 6) Deems treated MSR managed under the standards set in law as solid waste when it is accepted by a solid waste landfill or other authorized location for disposal or for use as alternative daily cover or other beneficial use.

This bill:

- 1) Prohibits a metal shredding facility from operating in California, unless it has a permit issued by DTSC.
- 2) Provides metal shredding facilities regulated under this bill are not hazardous waste facilities, but does not alter or override the authority of DTSC or a CUPA to regulate ancillary hazardous waste generated at a metal shredding facility.
- 3) Makes it clear local air pollution control districts, air quality management districts, CUPAs, and local environmental health departments do not lose any authority to regulate metal shredding facilities.
- 4) Authorizes DTSC to adopt, update and revise regulations to implement this bill.
- 5) Authorizes an existing metal shredding facility operating in compliance with this bill, to continue to operate pending final action on a permit application. Facilities must have developed and continuously implement a fire prevention, detection, and response plan and comply with the limitations on pile volume and duration set forth in this bill. DTSC is permitted to take enforcement action against a non-compliant facility prior to issuing a final permit, as well as during facility operation and offsite releases, as specified.
- 6) Requires DTSC, before issuing a permit, to determine the facility does not pose a significant threat to public health or the environment and will not cause disproportionate and potentially discriminatory impacts on local communities.

- 7) Requires DTSC to impose any additional facility-specific conditions necessary to ensure compliance with this bill and for the protection of human health and the environment.
- 8) Requires an applicant, before submitting a permit application or application for permit renewal, to hold at least one public meeting, or other community engagement activity approved by DTSC, to inform the community of metal processing activities and any potential impacts to nearby communities – and to solicit questions and input from the public.
- 9) Authorizes a metal shredding facility to make certain physical or operational changes to the facility without getting prior approval from DTSC.
- 10) Subjects metal shredder aggregate, including light fibrous material (LFM), which is either released into the environment during transportation, or released beyond the property boundaries of the metal shredding facility, to regulation as hazardous waste under the Hazardous Waste Control Law (HWCL), if it exhibits a characteristic of hazardous waste.
- 11) Requires a metal shredding facility to provide DTSC with immediate notice of a fire or other incident at the metal shredding facility that requires the assistance of a local fire department or other first responder.
- 12) Requires a metal shredding facility to establish an effective means of providing public notice to members of the surrounding community when a fire or other incident that poses a threat to human health or the environment outside of the facility takes place.
- 13) Authorizes DTSC to deny, revoke, or suspend a permit authorizing the operation of a metal shredding facility under this bill.
- 14) Exempts from the definition of hazardous waste, under the HWCL: chemically treated metal shredder residue (if treated according to the provisions of this bill); scrap metal; metal shredder aggregate (managed in accordance with the requirements of this bill); intermediate metal products that are subject to further processing to improve product quality; finished ferrous and nonferrous metal commodities that are separated or removed from metal shredder aggregate at a metal shredding facility; and, nonmetallic recyclable items recovered from metal shredder aggregate for which a market exists.

Background

California Hazardous Waste Control Law (HWCL). The HWCL is the state's program that implements and enforces federal hazardous waste laws in California and directs DTSC to oversee and implement the state's hazardous waste laws and regulations. Any person who stores, treats, or disposes of hazardous waste must obtain a permit from DTSC. The HWCL covers the entire management lifecycle of hazardous waste, from generation, to management, transportation, and ultimately disposal into a state or federal authorized facility.

What Do Metal Shredders Do & Produce? DTSC defines a metal shredder as an entity that processes end-of-life vehicles, appliances, and other forms of scrap metal, separates recyclable materials from non-recyclable materials, and then sells the recyclable materials and disposes of the non-recyclable materials. There are about 10 metal shredding operations in the state today.

A brief history of California metal shredder regulation and litigation. Based on the hazardous characteristics of MSR, metal shredding facilities do generate hazardous waste and – prior to the late 1980s – were subject to hazardous waste requirements, including permitting, transportation and disposal.

However, in the late 1980s, in an effort to relax the requirements on metal shredding facilities, the Department of Health Services (DHS) – the predecessor of DTSC – determined treating MSR using chemical stabilization techniques could effectively eliminate the harm posed by MSR. As a result, this waste was determined – when properly treated – to no longer pose a significant hazard to human health and safety, livestock, and wildlife.

Following this determination, seven metal shredding facilities applied for and were granted nonhazardous waste classification letters by DHS, and later DTSC, as long as they used the metal treatment fixation technologies approved by the state. Known as “f letters,” these classifications ultimately allowed treated MSR to be handled, transported, and disposed of as non-hazardous waste in class III landfills (i.e., solid (non-hazardous) waste landfills).

In November 1988, DTSC issued “Official Policy/Procedures #88-6 Auto Shredder Waste Policy and Procedures”, better known as OPP #88-6. The policy classified metal shredder aggregate as in-process material, not a waste that needed to be regulated under the state's HWCL.

More than 30 years after it was established OPP #88-6 was unilaterally

administratively rescinded by DTSC in October 2021. DTSC stated the policy was inexact, self-contradictory and in conflict with federal and state law.

One month later, in November 2021, Pacific Auto Recycling Center (PARC) filed a complaint against DTSC asking for OPP #88-6 to be re-instated. PARC argued the DTSC policy was actually a regulation under the state's Administrative Procedure Act (APA) and as such, DTSC couldn't simply erase OPP #88-6 without going through the APA's regulatory process. In June 2023, the trial court agreed with PARC, ordered DTSC to re-instate OPP #88-6, and stated DTSC needed to go through the APA if it wished to rescind OPP #88-6.

In November 2021, the Institute of Scrap Recycling Industries (ISRI) and several individual companies filed suit against DTSC following its adoption of emergency regulations to remove metal shredder aggregate – the ferrous and non-ferrous metals that are recycled – from the definition of scrap metal, which effectively subjected the material to the state's HWCL.

In March 2022, the court granted ISRI's request to prevent the regulation from taking effect but did not rule on the underlying merits of the case and after the injunction was granted, DTSC allowed the emergency regulation to expire. The remaining claims on the merits have been consolidated with a different 2019 case pending before the court and is expected to go to trial in late 2026.

Comments

Purpose of Bill. According to the author, "Metal shredding facilities recycle millions of end-of-life vehicles, household appliances, and other metallic items produced, used, and discarded annually in California. Unless recycled, these metal materials would rapidly overwhelm all available landfill capacity, creating a massive accumulation of damaged and abandoned cars, appliances, and other items.

"Metal shredding poses environmental concerns to surrounding communities because the shredding process has the potential to release particulate materials and has a risk of causing fire. The current framework for hazardous waste does not include metal shredding facilities and therefore the facilities are not required to obtain a permit and are not regulated by the California Department of Toxics and Substance Control (DTSC). Without a comprehensive regulatory framework, DTSC on their own has begun to regulate the industry on a facility-by-facility basis using a hazardous waste enforcement framework, creating an uncertain and inconsistent legal environment, which has resulted in litigation.

“SB 811 will resolve this uncertainty, end the litigation, and ensure comprehensive and robust oversight and enforcement of metal shredding facilities under DTSC’s authority. This bill will ensure that California remains a sustainability leader in ‘reducing, reusing and recycling’ by fostering the recycling of scrap metal into new metal products, while at the same time protecting adjoining communities from environmental pollution.

“SB 811 includes provisions to address the governor’s veto message on SB 404.”

Why are we seeing this again? Despite clearing the Legislature with a 35-0 vote in the Senate and a 65-1 vote in the Assembly, SB 404 was vetoed by Governor Newsom on 10/13/2025. In his veto message, the Governor wrote, in part:

“...this bill lacks clear definitions regarding the materials processed at these facilities, including what "hazardous waste" requirements are applicable. Without this clarity, this bill is not as protective, places a significant burden on DTSC, and cannot be successfully implemented.

“I encourage the author to work closely with DTSC and interested parties to remedy this issue, as well as ensure that any future legislation requires metal shredding facilities operate, and be permitted to operate, in a health-protective manner.”

This bill represents the author’s efforts to do just that. There are minimal changes in this bill as compared to the version of SB 404 that was sent to the Governor’s desk, which will be discussed individually below.

- a) *Clarifying applicability.* In SB 404, provisions created in sections 25095.5 and 29095.8 apply requirements from existing hazardous waste regulations and statutes to “metal processing operations” authorized by framework the bill creates. In SB 811, the applicability of those regulations and statutes is clarified to apply some of the existing requirements in the HWCL and implementing regulations to metal shredding operations.
- b) *Applying requirements but not labels.* The other noteworthy change in this bill as compared to SB 404 involves the technical requirements regarding and classification of hazardous waste.

The last version of SB 404 before its final form that was sent to the Governor included a provision that would have applied any requirements from existing hazardous waste regulations and statutes to terms relating to hazardous waste in the

bill. This was struck in the final version of the bill, and this bill brings it back.

However, beyond the language that was previously included in SB 404, this bill includes a new concept as well. That is that despite applying the “technical requirements” that pertain to hazardous waste to the material generated by metal shredders under certain circumstances, the bill would ensure those materials are not themselves classified as waste or hazardous waste.

By including this provision, this bill will apply some specific requirements that pertain to hazardous waste (e.g. site security, seismic safety, containment, and signage requirements, among others) that will help ensure the safety of metal shredding operations. However, by not classifying it as waste or hazardous, metal shredders will not be held to uniquely high standards for all elements of handling aggregate and MSR. This seems to be a reasonable attempt to strike a balance between applying existing best practices for safe handling while not stifling normal metal shredding operations, which may include materials that have hazardous properties during processing.

What is at stake? Regardless of the convoluted history or uncertain future of litigation surrounded metal shredders, two facts remain: the materials processed at these facilities represent a significant and complex waste stream, and processing those materials into more manageable or useful forms runs the risk of harming public health.

By proposing a new regulatory framework under DTSC, this bill attempts to thread these needles and assist metal shredders in their continued, reliable operation. If the new approach makes it too burdensome or costly to operate a metal shredding facility, the state may find itself ill-equipped to handle the volume of metal waste that is generated today. If, on the other hand, the new approach lowers the standards that currently apply to metal shredders, it could potentially worsen environmental injustices in a number of communities near metal shredders.

Although SB 404 was approved by the Legislature last year, this bill represents another opportunity to ensure all voices and views are adequately considered in the Legislation. As this bill moves forward, the author is encouraged to continue working closely with the affected communities, the regulated businesses, and the implementing entities.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According the Senate Appropriations Committee:

DTSC estimates ongoing costs of about \$1.6 million annually beginning in fiscal year 2027-28 (Metal Shredders Facility Account or other special fund) for four positions due to increased oversight and regulatory workload as a result of this bill. Staff note that SB 811 would require that all oversight and permitting costs be reimbursed by metal shredder facilities and be deposited in the newly established Metal Shredders Facility Account. DTSC notes that this cost estimate is based on the number of shredders that currently operate in the state and DTSC's current resources for metal shredder activities as authorized in the 2025 Budget Act. An increase or decrease in the number of metal shredders seeking permits and needing oversight, or a change in the department's appropriation, might result in a change in resources required to implement this bill.

SUPPORT: (Verified 1/22/2026)

California Metal Recycling Coalition (Source)
Boys & Girls Clubs of the Los Angeles Harbor
California State Association of Electrical Workers
California State Pipe Trades Council
Central City Association of Los Angeles
Councilmember John Echavarria
Ecology Recycling Services
Grand Vision Foundation
South Colton Diversity Committee
Strength Based Community Change
Western States Council Sheet Metal, Air, Rail and Transportation

OPPOSITION: (Verified 1/22/2026)

Action Now
Alameda County Office of Education
Alameda; County of
California Communities Against Toxics
California Safe Schools
Clean Air Coalition of North Whittier and Avocado Heights
Comite Civico Del Valle
Comite Pro Uno
Del Amo Action Committee
Earthjustice
East Yard Communities for Environmental Justice
Greenaction for Health and Environmental Justice

Lincoln Heights Community Coalition
Los Angeles Unified School District
Natural Resources Defense Council
Phillipine Action Group for the Environment
San Francisco Baykeeper
West Oakland Environmental Indicators Project

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