
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 955 (Blakespear) - Beverage containers: supermarkets: reverse vending machines

Version: April 9, 2026

Urgency: Yes

Hearing Date: April 20, 2026

Policy Vote: E.Q. 6 - 0

Mandate: Yes

Consultant: Ashley Ames

Bill Summary: This bill would preclude a reverse vending machine from serving a convenience zone. It would also redefine “supermarket” to grocery stores with more than \$5 million of gross annual sales regardless of the presence of a bakery or deli.

Fiscal Impact:

- Unknown, potentially significant one-time costs (Beverage Container Recycling Fund [BCRF]) for the Department of Resources Recycling and Recovery (CalRecycle) to update administration and enforcement in response to the provisions of this bill.
- To the extent this bill results in increased beverage container redemptions and BCRF program payments, unknown but potentially significant ongoing costs (BCRF) due to increased program expenditures.

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.

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.

Reverse vending machines. A reverse vending machine (RVM) is an automated system in which a user can insert an eligible bottle and redeem the CRV. The machine

identifies the CRV container (typically by scanning the barcode) to pay out the proper amount. The machine then cleans, sorts, and stores the containers. RVMs offer consumers an accessible and easy to use system to redeem CRV containers for an immediate payout. In contrast, other recycling centers have more limited operating or are further away.

However, RVMs also have disadvantages: the machines can only accept one bottle at a time, may be limited in the material or size of container accepted, and have a smaller capacity than other recycling centers. Once an RVM is full, it cannot accept more containers until it is emptied. RVMs vary in size but typically accept between 200 and 600 containers, with some accepting more than one thousand. In contrast, recycling centers can take up to 200 containers or 1,200 pounds of containers per person per day; there is effectively no limit on what a certified recycling center can accept per day. RVMs have different requirements for hours of operation than traditional recycling centers. A certified recycling center must be open for 30 hours per week with between 30 and 50% of those hours occurring outside of 9am to 5pm, Monday to Friday and sufficiently staffed to accept all beverage types (PRC § 14571 (a-e)). RVMs are exempted from the staffing requirement and are instead considered “open for business” as long as the equipment is functioning (PRC § 14571 (f)).

Currently, reverse vending machines alone cannot serve a convenience zone. However, reverse vending machines operated by a certified recycling center or dealer cooperative and with a host dealer (the beverage dealer collocated with the reverse vending machine) can serve a convenience zone. The host dealer has responsibilities such as maintaining the RVM, posting signage, and accepting some CRV containers at the register. An RVM which cannot accept large bottles or boxed wine pouches requires the host dealer to accept such items at the cash register (PRC § 14571 (i)). Host dealers must post a sign on the RVM that “states that beverage containers may be redeemed by the host dealer if the machine is nonoperational at any time during the required hours of operation” (PRC § 14571 (j)). However, enforcing the above requirements is burdensome on CalRecycle.

Due to the limited capacity of RVMs and limited capacity for enforcement, a full or broken RVM without sufficient signage may leave customers without the ability to redeem containers within a “served” convenience zone.

Proposed Law: This bill would:

- 1) Define supermarkets as a full-line, self-service retail stores which:
 - a) Have at least five million dollars of gross annual sales;
 - b) Sell a line of groceries, canned goods, alcoholic or nonalcoholic beverages, nonfood items, or some perishable items;
 - c) Regardless of whether the retail store operates a bakery or deli.
- 2) Stipulate that a reverse vending machine:
 - a) Shall not make an unserved convenience zone served;

- b) Shall not preclude a dealer cooperative (pursuant to Section 14578) or a mobile unit (pursuant to Section 2000) from operating or receiving payments in the same convenience zone; and
- 3) Include an urgency clause.

Related Legislation:

SB 1341 (Cabaldon, 2026) allows CalRecycle to reduce the processing fee (paid by a beverage manufacturer for a CRV beverage container) if the processing fee is larger than the processing payment (paid from CalRecycle to processor and recycling centers) by an unspecified amount. This bill has been referred to this committee.

AB 2381 (Choi, 2020) required supplemental handling fees of \$0.0015 to \$0.002 to recycling centers and suspend the use of surveys and calculations of recycling costs to calculate processing payments. This bill died in committee.

SB 402 (Wolk, 2009) made many changes to the bottle bill including setting goals and creating incentives to reduce the number of unserved convenience zones. This bill was vetoed.

Staff Comments: By far, the largest expenditure from the BCRF is the CRV paid out when containers are returned. Total CRV expenditure amounts fluctuate based on the recycling rate but have made up more than 80 percent of all BCRF spending in recent years. When additional containers are redeemed and recycling rates increase, it results in additional BCRF expenditures to pay out the CRV on those containers. Moreover, some supplemental program expenditures—such as handling fees and processing payments—are paid on a per container basis, and therefore these expenditures also increase as the number of containers redeemed increases.

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