

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 955 (Blakespear) – As Amended May 18, 2026

**SENATE VOTE:** 33-0

**SUBJECT:** Beverage containers: supermarkets: reverse vending machines

**SUMMARY:** Clarifies that a reverse vending machine (RVM) can not serve as a convenience zone recycler and revises the definition of “supermarket” to include grocery stores with more than \$5 million in gross annual sales regardless of the presence of a bakery or deli.

**EXISTING LAW** establishes the Beverage Container Recycling and Litter Reduction Act (Bottle Bill), which:

- 1) Requires beverage containers, as defined, sold in-state to have a California redemption value (CRV) of 5 to 25 cents. Requires beverage distributors to pay a redemption payment to Department of Resources Recycling and Recovery (CalRecycle) for every beverage container sold in the state. Continuously appropriates these funds to CalRecycle for, among other things, the payment of refund values and processing payments. (Public Resources Code (PRC) 14500 *et seq.*)
- 2) Defines “beverage” as:
  - a) Beer and other malt beverages;
  - b) Wine and distilled spirit coolers;
  - c) Carbonated water;
  - d) Noncarbonated water;
  - e) Carbonated soft drinks;
  - f) Noncarbonated soft drinks and sports drinks;
  - g) Noncarbonated fruit juice drinks that contain any percentage of fruit juice;
  - h) Coffee and tea drinks;
  - i) Carbonated fruit drinks;
  - j) Vegetable juice;
  - k) Wine and sparkling wine; and,
  - l) Distilled spirits. (PRC 14505)
- 3) Defines “beverage container” as the individual, separate bottle, can, jar, carton, or other receptacle in which a beverage is sold, and which is constructed of metal, glass, plastic, or any other material, or any combination of these materials. Specifies that “beverage container” does not include cups or other similar open or loosely sealed receptacles. (PRC 14505)
- 4) Defines convenience zones as either the 1-mile radius around a supermarket (PRC 14509.4) or a 3- to 5-mile radius, as specified, in rural areas. (PRC 14571.5)
- 5) Requires there to be at least one certified recycling center or location within every convenience zone that pays the full refund for all types of empty CRV containers and is

open for business at least 30 hours per week, with a minimum of 5 hours and maximum of 50% of its hours of operation occurring during periods other than Monday to Friday from 9am to 5pm to be “served.” (PRC 14571).

- 6) Establishes the dealer cooperative program, which authorizes beverage dealers to collectively arrange for the redemption of beverage containers. Requires that dealer cooperatives redeem all beverage types and submit a redemption plan to CalRecycle for approval. (PRC 14578 *et seq.*)
- 7) Requires CalRecycle to pay handling fees to supermarket sites, non-profit convenience zone recyclers, and rural region recyclers to provide an incentive for the redemption of empty beverage containers in a convenience zone. (PRC 14585).
- 8) Requires the following for a reverse vending machine to be considered a certified recycling center:
  - a) Accepts all empty beverage containers or provides an attendant to accept all containers that the reverse vending machine cannot accept (such as large containers or pouches); and,
  - b) Operates a minimum of 30 hours per week. (PRC 14571)
- 9) Defines a “supermarket” as “a full-line, self-service retail store with gross annual sales of \$2 million, or more, and that sells a line of dry grocery, canned goods, or nonfood items and some perishable items. For purposes of determining which dealers are supermarkets, the department shall use the annual updates of the Progressive Grocer Marketing Guidebook and any computer printouts developed in conjunction with the guidebook.” (PRC 14526.5).

**THIS BILL:**

- 1) Revises the definition of “supermarket” by increasing the annual sales amount from \$2 million to \$5 million and expanding the list of sales items to include alcohol and nonalcoholic beverages, regardless of whether the store operates a bakery or deli.
- 2) Specifies that all of the following apply if an RVM is certified to operate as a recycling center:
  - a) The RVM shall not make an unserved convenience zone served, as specified, regardless of the number of hours it operates. Specifies that the RVM must operate the minimum hours required by PRC 14571.
  - b) An RVM located in a convenience zone shall not preclude a dealer cooperative or a mobile unit from operating or receiving program payments in the same convenience zone.
  - c) The RVM located in a convenience zone shall not make an existing recycling center certified in that convenience zone ineligible for handling fees.
- 3) Specifies that an RVM that is certified as a recycling center is subject to all laws and regulations applicable to recycling centers.

- 4) Makes technical, conforming changes to related laws.
- 5) Specifies that no reimbursement is required by this bill pursuant to Section 6 of Article XIII B of the California Constitution, as specified.
- 6) Declares that this bill is an urgency bill necessary for the immediate preservation of the public peace, health, or safety, as specified, and shall go into effect immediately.

**FISCAL EFFECT:** According to the Senate Appropriations Committee:

- Unknown, potentially significant one-time costs (Beverage Container Recycling Fund [BCRF]) for 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.

**COMMENTS:**

- 1) **Bottle Bill.** The Bottle Bill was established in 1986 to be a self-funded program that encourages consumers to recycle beverage containers and to prevent littering. The program accomplishes this goal by requiring consumers to pay a deposit for each eligible container purchased. Then the program guarantees consumers repayment of that deposit, the 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% for eligible containers. Containers recycled through the Bottle Bill's certified recycling centers also provide a consistent, clean, uncontaminated stream of recycled materials with minimal processing.
- 2) **Funding.** The CRV is paid up-front by distributors to CalRecycle for every covered beverage container sold in the state. Next, distributors are paid by retailers for the CRV collected on beverages sold, and retailers collect the CRV from consumers at the time of retail sale. CRV is paid into the BCRF, which is used to fund CRV redemption when consumers return beverage containers for recycling. Unredeemed CRV funds are used to fund the administration of the Bottle Bill, grants that advance recycling, and various payments that keep the program running.

When the recycling rate increases, less funding is available to make all the budgeted payments prescribed in statute, including funding CRV redemptions, administration, local grants, and other payments. A structural deficit occurs when funding needs exceed revenue. When recycling rates are high, the BCRF operates in a structural deficit. If a structural deficit persists long enough to threaten funding sufficiency, CalRecycle is required to "proportionally reduce" spending equally across nearly all funding expenditures to preserve sufficient funding to refund CRV to consumers.

- 3) **Ways to redeem containers.** Consumers have a handful of options to redeem their empty beverage containers:

- a) Return the container to a “convenience zone” recycling center located within 1-mile radius of a supermarket. These are generally small centers that only accept beverage containers and receive handling fees from the BCRF.
- b) Return to a dealer or a dealer cooperative recycling center. In convenience zones without a convenience zone recycler, beverage dealers, primarily supermarkets, are required to either accept containers for redemption or join a dealer cooperative that meets specified statutory requirements and accepts all beverage containers in the zone.
- c) Return the container to an “old line” recycling center, which refers to a recycler that does not receive handling fees and usually accepts large quantities of materials, frequently by truckload from municipal or commercial waste collection services.
- d) Consumers can also forfeit their CRV and “donate” their containers to residential curbside recycling collection. Curbside programs keep the CRV on these containers.

California currently has approximately 1,200 certified recycling centers throughout the state. However, many recycling zones are “unserved,” meaning they don’t have a certified recycling center. Additionally, many rural counties have only one or two recycling centers to service large geographic areas. Alpine and Sierra County have none. Between 2014 to 2024, approximately half of California’s recycling centers closed.

Though dealers are required to redeem CRV containers if they are in an unserved convenience zone, they don’t always accept them, and many individuals don’t realize that the option for in-store redemption is an option. If recycling centers are scarce or lack capacity, not only do recycling rates decline, but consumers are left without an opportunity to recover the 5-25 cents per bottle deposit they paid at the time of purchase.

- 4) **Dealers.** All supermarkets are dealers, but not all dealers are supermarkets. Under the Bottle Bill, a “dealer” is a retail establishment that offers the sale of beverages in beverage containers to consumers in the state. A supermarket is defined as a "full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items," in conjunction with the Progressive Grocers Guidebook. Both are tasked with collecting and remitting the CRV, but only supermarkets anchor convenience zones. Within a convenience zone, every dealer bears some responsibility for CRV container redemption. In an unserved convenience zone, every dealer is obligated to redeem CRV containers. Therefore, every dealer is incentivized in the creation of a certified recycling center or dealer cooperative within their zone.
- 5) **Dealer cooperatives.** SB 1013 (Atkins), Chapter 610, Statutes of 2022, among other changes to the Bottle Bill, established the requirement that dealers must either redeem beverage containers in-store or join a dealer cooperative to serve unserved zones. Dealer cooperatives allow beverage dealers to jointly form an organization to plan and arrange for the redemption of CRV containers in an unserved zone. There is currently only one approved dealer cooperative, the Circular CRV Association, whose stewardship plan was approved by CalRecycle in 2025.

- 6) **Reverse Vending Machines.** A RVM is a machine that allows a person to insert an empty beverage container and redeem the CRV. The RVM identifies the CRV container (typically by scanning the barcode) to pay out the proper amount. The machine sorts and stores the containers until the RVM is serviced. RVMs can offer consumers an accessible and easy to use system to redeem beverage containers for an immediate payout. While RVMs increase convenience in some cases, they can reduce convenience in other ways. For example, they can only process one beverage container at a time and they generally cannot accept all container types. Moreover, they have to be properly maintained; a RVM that is full or broken cannot redeem containers. RVMs vary in size but typically accept between 200 and 600 containers, with some accepting more than one thousand containers before they need to be emptied. In contrast, recycling centers can take up to 200 containers or 1,200 pounds of containers per person 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. RVMs are exempted from the staffing requirement and are instead considered "open for business" as long as the equipment is functioning.

Currently, a RVM alone cannot serve a convenience zone. However, RVMs operated by a certified recycling center or dealer cooperative and collocated with a dealer (a host dealer) can serve a convenience zone. The host dealer is responsible for maintaining the RVM, posting signage, and accepting some CRV containers, including those that the RVM cannot redeem, at the register.

7) **Author's statement:**

California's Beverage Container Recycling Program, originally enacted in 1984, significantly reduced litter and dramatically improved recycling rates. It did this by establishing a California Redemption Value (CRV) paid on beverage containers when purchased that could be collected when the containers were returned. However, outdated definitions and limited infrastructure have created recycling "dead zones" in some parts of the state where consumers have few or no practical redemption options, thereby undercutting the state's recycling efforts.

Under current law, some high-volume beverage retailers are not required to participate due to antiquated grocery store definitions, and a single reverse vending machine can qualify as "serving" an area even when its limited capacity cannot accommodate the volume of containers sold in that area.

SB 955 builds on reforms enacted in SB 1013 by requiring all high-volume beverage retailers to participate in the program and mandating that collection facilities within each community have sufficient capacity to collect all bottles and cans sold there.

- 8) **This bill.** SB 955 updates and clarifies the definition of "supermarket" by increasing the gross annual sales threshold from \$2 million to \$5 million, to adjust for inflation and to shift the burden of CRV redemption to larger stores, and specifying that dealers can be supermarkets "regardless of whether the retail store operates a bakery or deli."

Additionally, this bill revises the requirements for RVM operations to ensure that consumers continue to have access to recycling for all beverage container types and that the presence of an RVM does not unintentionally de-fund other recycling centers in a convenience zone.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

A Voice for Choice Advocacy  
Cal Pac Recycling, INC.  
California Grocers Association  
California State Association of Counties  
Circular-CRV Association  
Climate Reality Project, California Coalition  
Container Recycling Institute  
Ivan's Recycling  
Our Planet Recycling SF  
Rural County Representatives of California  
Simply Recycle  
Stopwaste  
The Climate Reality Project, Los Angeles Chapter  
The Climate Reality Project, Orange County Chapter  
The Climate Reality Project, Sacramento Chapter  
The Climate Reality Project, San Diego Chapter  
The Climate Reality Project, San Fernando Valley CA Chapter

**Opposition**

None on file

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