SENATE THIRD READING
SB 955 (Blakespear)
As Amended August 13, 2026
2/3 vote. Urgency

SUMMARY

Clarifies that a reverse vending machine (RVM) cannot serve as a convenience zone (CZ) recycler and revises the definition of "supermarket" to include grocery stores with more than $6 million in gross annual sales regardless of the presence of a bakery or deli.

Major Provisions

1) Defines a "supermarket" as a store with annual sales of $6 million or more, rather than $2 million or more as under existing law, and expands the list of items sold at a store that meets the legal definition of a supermarket 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 CZ "served", as specified, regardless of the number of hours it operates and specifies that the RVM is still required to operate the minimum hours specified in existing law (in the Bottle Bill, a CZ is considered served when there is at least one certified recycling center operating within its boundaries.)

   b) An RVM located in a CZ shall not preclude a dealer cooperative or a mobile unit from operating or receiving program payments in the same convenience zone, as specified.

   c) The RVM located in a CZ shall not make an existing recycling center certified in that CZ ineligible for handling fees, as specified.

3) Specifies that, except as provided in item 2, above, an RVM that is certified as a recycling center is subject to all laws and regulations applicable to recycling centers.

4) Specifies that recycling centers that are eligible to receive handling fees prior to the effective date of this bill will continue to be eligible to receive handling fees.

5) Extends the date, from June 30, 2027, to June 30, 2032, for the formula used by the Department of Resources Recycling and Recovery (CalRecycle) to determine handling fees.

COMMENTS

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.

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 Beverage Container Recycling Fund (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.

Ways to redeem containers. Consumers have a handful of options to redeem their empty beverage containers:

1) 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.

2) 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.

3) 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.

4) 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.

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.

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.

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.

According to the Author

> 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.

Arguments in Support
According to StopWaste, "SB 955 restores accountability and strengthens the infrastructure necessary for the program to work equitably across communities."

Arguments in Opposition
According to the Allan Company, "Dealer cooperatives were created to fill real gaps in redemption service and give retailers in unserved zones an alternative to in-store takeback. They should not be used to subsidize competition with established CRV operators that have already invested in facilities, equipment, employees, and regulatory compliance. Spreading a limited volume of containers among several publicly supported operations could make existing services less viable and ultimately leave consumers with fewer dependable redemption options."

FISCAL COMMENTS

1) CalRecycle estimates ongoing annual costs of about $328,000 for two positions (BCRF)) to implement the bill. CalRecycle asserts the proposed changes to the definition of "supermarket" will alter CZs and require the department to (a) redefine the maps associated with CZs and (2) provide ongoing technical assistance to recycling centers and dealer cooperatives related to their monthly handling fees.

   The Budget Act of 2026 includes seven permanent positions and about $1 million ongoing (BCRF) for CalRecycle to perform compliance and enforcement tasks associated with the requirements related to dealers and dealer cooperatives enacted by SB 1013 (Atkins), Chapter 610, Statutes of 2023. Given these recently approved resources, it is not clear to the committee that the workload associated with implementing this bill requires two additional positions in an ongoing capacity.

2) CalRecycle does not anticipate an increase in California Redemption Value (CRV) redemption, processing payments, or handling fees, because the department does not expect the volume of CRV containers returned to change significantly because of this bill. Dealers redeeming in-store are not reimbursed for redemption and are not eligible for program payments, such as handling fees, so even if there is a large increase in dealers required to redeem in-store, CalRecycle does not anticipate there will be a corresponding increase in expenditures from the BCRF.

   CalRecycle reports BCRF had an ending balance of about $822 million in fiscal year (FY) 2024-25 and is projected to have an ending balance of about $718 million at the end of this FY – although this figure could change based on actuals provided at the end of the FY.

VOTES

SENATE FLOOR: 33-0-7
YES: Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
ABS, ABST OR NV: Allen, Alvarado-Gil, Becker, Hurtado, Niello, Padilla, Stern

ASM NATURAL RESOURCES: 14-0-0
YES: Bryan, Ellis, Alanis, Connolly, Garcia, Haney, Hoover, Kalra, Macedo, Muratsuchi, Pellerin, Schultz, Wicks, Zbur

ASM APPROPRIATIONS: 11-0-4
YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
ABS, ABST OR NV: Hoover, Dixon, Ta, Tangipa

UPDATED

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