

UNFINISHED BUSINESS

Bill No: SB 955
Author: Blakespear (D), et al.
Amended: 8/13/26
Vote: 27 - Urgency

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 6-0, 4/8/26
AYES: Blakespear, Valladares, Allen, Gonzalez, Hurtado, Menjivar
NO VOTE RECORDED: Dahle

SENATE APPROPRIATIONS COMMITTEE: 7-0, 5/14/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SENATE FLOOR: 33-0, 5/22/26
AYES: 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
NO VOTE RECORDED: Allen, Alvarado-Gil, Becker, Hurtado, Niello, Padilla, Stern

ASSEMBLY FLOOR: Passed, 8/24/26

SUBJECT: Beverage containers: supermarkets: reverse vending machines

SOURCE: Circular CRV

DIGEST: This bill 1) precludes a reverse vending machine from serving a convenience zone; and 2) redefines “supermarket” to grocery stores with more than \$6 million of gross annual sales regardless of the presence of a bakery or deli.

Assembly Amendments increase the annual sales to be defined as a “supermarket” from \$5 million to \$6 million, clarify that recycling centers currently eligible for handling fees remain eligible, and allow CalRecycle to continue to use their methodology for calculating handling fees until 2032.

ANALYSIS:

Existing law:

- 1) Establishes the California Beverage Container Recycling and Litter Reduction Act (Bottle Bill), which requires beverage containers, as defined, to have a California redemption value (CRV) of 5 to 10 cents. Requires beverage distributors to pay a redemption payment to CalRecycle for every beverage container sold in the state. Provides that these funds are continuously appropriated to CalRecycle for, among other things, the payment of refund values and processing payments. (Public Resources Code (PRC) § 14500 et seq.)
- 2) Defines convenience zones as a 1-mile radius around a supermarket (PRC § 14509.4), or a 3- to 5-mile radius in rural areas (PRC § 14571.5)
- 3) Requires there to be at least one certified recycling center or location within every convenience zone which pays the full refund price 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 (a)). Allows recycling centers to operate fewer than 30 hours in rural areas or on an alternative schedule with approval from CalRecycle (PRC § 14571 (c)).
- 4) Requires beverage dealers in unserved convenience zones to redeem CRV containers at the register (PRC § 14571.6).
- 5) Establishes dealer cooperative program through SB 1013 (Atkins, Chapter 610, Statutes of 2022) through which beverage dealers may collectively arrange for the collection of beverage containers. Requires that dealer cooperatives redeem all beverage types and submit a redemption plan to CalRecycle for approval. (PRC § 14578 et seq.)
- 6) 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).
- 7) Allows CalRecycle to develop a methodology for establishing handling fees reflecting the cost of providing and maintaining recycling in convenience zones by handling fee recipients, including transportation, labor, volume, consumer convenience, and increasing recycling rates, until July 1, 2027. (PRC § 14585)

- 8) Requires the following for a reverse vending machine to be considered a certified recycling center, through AB 1311 (Wood, Chapter 506, Statutes of 2021):
 - a) Accepts all empty beverage containers; or
 - b) Provides an attendant to accept all containers that the reverse vending machine cannot accept (such as large containers or pouches); and
 - c) Operates a minimum of 30 hours per week. (PRC § 14571 (f-j))
- 9) Defines a “supermarket” 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. 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) Defines supermarkets as a full-line, self-service retail store which:
 - a) Has at least six million dollars of gross annual sales;
 - b) Sells a line of groceries, canned goods, alcoholic or nonalcoholic beverages, nonfood items, or some perishable items; and
 - c) Regardless of whether the retail store operates a bakery or deli
- 2) Requires CalRecycle to consult the Progressive Grocer Marketing Guidebook when determining which beverage dealers are supermarkets;
- 3) Stipulates 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
 - c) Shall not make an existing recycling center ineligible for handling fees pursuant to Section 14585(c).
- 4) Stipulates that a recycling center that was eligible to receive handling fees immediately before the effective date of the bill will continue to be eligible.

- 5) Allows CalRecycle to continue to determine handling fees using the methodology developed pursuant to PRC § 14585 until July 1, 2032.
- 6) Includes an urgency clause.

Background

- 1) *Bottle bill background.* The bottle bill was established through legislation in 1986 (AB 2020 Margolin, Chapter 1290, Statutes of 1986) with the joint goals of reducing litter and achieving an 80% recycling rate for all CRV containers in the program. In 2025, CalRecycle reported a 70% recycling rate for CRV containers in the “Biannual Report of Beverage Container Sales, Returns, Redemption, and Recycling Rates.”

The bottle bill operates by adding a 5-25 cent CRV payment to beverage containers in the program. Beverage distributors pay CRV on all new beverage containers they sell in California into the Beverage Container Recycling Fund (BCRF). Distributors then pass the cost of the CRV on to retailers, who in turn pass that 5-25 cents per bottle on to consumers at checkout. Individuals and businesses are incentivized to return bottles to recycling centers where they can redeem the value of the CRV. Once a consumer is ready to dispose of a bottle, they can return bottles to a certified recycling center and redeem their CRV, or consumers can put their bottles in residential curbside recycling collection, wherein the curbside programs, not consumers, keep the CRV on these containers. The redemption rate (the rate at which CRV containers are returned at recycling centers and supermarkets) was 60% for 2024.¹ According to a CalRecycle 2022 Fact Sheet, curbside programs collect about 12% of CRV containers.²

- 2) *Recycling center scarcity.* The Beverage Container Recycling Program (BCRP) requires CalRecycle to set convenience zones and requires that each convenience zone have at least one certified recycling center. A convenience zone is typically a 1-mile radius around a large supermarket in an urban area and a 3- to 5-mile radius in a rural area. Convenience zones without certified recycling centers are considered “unserved.” Dealers, any retailer which sells CRV containers, are required to collect and provide redemption for CRV if they are in unserved zones.

¹ Container Recycling Institute (2025) *Bottle Bill Resource Guide: California*, <https://www.bottlebill.org/index.php/current-and-proposed-laws/usa/california>

² CalRecycle (2023) *Beverage Container Recycling in California Fact Sheet Calendar Year 2022* (DRRR-2023-1726), <https://www2.calrecycle.ca.gov/Docs/Publications/Details/1726>

California currently has approximately 1,200 certified recycling centers (or buy back centers) across the state.^{2,3} Many rural counties have only one or two recycling centers to service large geographic areas. Alpine and Sierra County have none.⁴ Between 2014 to 2024, approximately half of California's recycling centers closed.⁵

Though dealers are required to redeem CRV containers if they are in an unserved convenience zone, this does not always happen. Without proper communication to customers (and enforcement from CalRecycle), customers might not realize they can redeem beverage containers at the cash register. 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 they paid up-front at check-out.

- 3) *Supermarkets and beverage dealers.* 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 (PRC § 14526, California Code of Regulations (California Code of Regulations (CCR) Tit. 14, § 17987.2). The Progressive Grocer Guidebook is a useful tool which provides estimates of gross sales of food retail locations and whether those locations carry a full line of groceries. Notably, the Progressive Grocery Guide is a proprietary, industry tool which is not openly available.

Additionally, there is an important distinction between supermarkets and dealers. All supermarkets are dealers, but not all dealers are supermarkets. Supermarkets are both beverage dealers and anchor convenience zones. Within a convenience zone, every dealer (supermarket or not) bears some responsibility for CRV container redemption. In an unserved convenience zone, every dealer is obligated to redeem CRV containers at the register. Therefore, every dealer is incentivized in the creation of a certified recycling center or dealer cooperative within their zone.

³ CalRecycle (2025) *Beverage Container Recycling in California Fact Sheet Calendar Year 2023* (DRRR-2025-1749), <https://www2.calrecycle.ca.gov/Docs/Publications/Details/1750>

⁴ CalRecycle (2026) *Beverage Container Recycling Centers*, <https://www2.calrecycle.ca.gov/BevContainer/RecyclingCenters/>

⁵ Rodd, S. (2024) *Diminishing returns: California's unclaimed bottle deposits hit \$820M as recycling centers close*, KPBS, <https://www.kpbs.org/news/environment/2024/06/20/californias-unclaimed-bottle-deposits-820m-recycling-centers-close>

- 4) *Reverse vending machines in convenience zones.* 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.^{6,7} 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.⁸

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. 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.

Comments

- 1) *Purpose of Bill.* According to the author, “California’s Beverage Container Recycling Program, originally enacted in 1984, significantly reduced litter and

⁶ Fortune Business Insights (2026) *Reverse Vending Machine (RVM) Market Size, Share, and Industry Analysis*, <https://www.fortunebusinessinsights.com/reverse-vending-machine-market-113029>

⁷ Recyclever, *RVM5-1200 Reverse Vending Machine*, <https://www.recyclever.com/blog/articles-10/rvm5-1200-reverse-vending-machine-323>

⁸ CalRecycle (2023) *Beverage Container Recycling Program Fact Sheet*, <https://www2.calrecycle.ca.gov/BevContainer/RecyclingCenters/>

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 (Atkins, 2021) 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.”

- 2) *A Supermarket by any other name.* SB 955 aims to shift the responsibility of CRV redemption from small, full line grocers to large beverage dealers which may not be considered a supermarket under existing statute. Under existing law, some beverage dealers aren’t supermarkets and therefore are not contributing to the bottle bill by anchoring a convenience zone, despite acting as a grocery store for an area. Often, these beverage dealers sell a *partial* line of groceries (such as a limited selection of fruits and vegetables) and a large volume of CRV containers. In such cases, a smaller grocer with a full line of groceries could bear more responsibility for CRV redemption in a convenience zone than a megastore with a partial line of groceries.

Beverage dealers *outside* of a convenience zone do not have the same responsibilities. These beverage dealers could have millions in sales of CRV containers without increasing redemption opportunities for customers. Importantly, any change to statute which decreases the number of convenience zones could exacerbate this problem.

SB 955 increases the gross annual sales threshold for a supermarket from \$2 million to \$6 million, to adjust for inflation and to shift the burden of CRV redemption from small, full line grocers. While increasing the gross sales to \$6 million could decrease the number of eligible supermarkets, it is still less than if the value had been adjusted for inflation (which would be upward of \$8 million according to the Bureau of Labor Statistics CPI Inflation Calculator between 1980 and 2026). It is unclear to what extent raising the gross sales from \$2 million to \$6 million will impact the number of “supermarkets.”

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: Yes

According to the Assembly Appropriations Committee:

“1) The Department of Resources Recycling and Recovery (CalRecycle) estimates ongoing annual costs of about \$328,000 for two positions (Beverage Container Recycling Fund (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.”

SUPPORT: (Verified 8/24/26)

Circular CRV (source)

A Voice for Choice Advocacy

California Grocers Association

Glass Packaging Institute

Pet Recycling Corp of California

Rural County Representatives of California

Tomra North America, INC.

OPPOSITION: (Verified 8/24/26)

Allan Company
Olyns

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