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AB-80 Carpet recycling. (2025-2026)

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AMENDED IN SENATE JULY 09, 2025

AMENDED IN SENATE JULY 07, 2025

AMENDED IN ASSEMBLY MAY 23, 2025

AMENDED IN ASSEMBLY MARCH 12, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 80

Introduced by Assembly Member Aguiar-Curry

December 19, 2024

An act to amend Sections 42968, 42968.1, 42968.4, 42968.21, 42968.23, 42968.30, 42968.32, 42968.40, 42968.62, 42973.7, 42976, and 42978 of the Public Resources Code, relating to recycling.

LEGISLATIVE COUNSEL'S DIGEST

AB 80, as amended, Aguiar-Curry. Carpet recycling.

(1) The California Integrated Waste Management Act of 1989, administered by the Department of Resources Recycling and Recovery, generally regulates the disposal, management, and recycling of solid waste. The act establishes stewardship programs for various products, including, among others, carpet. The act includes a product stewardship for carpet program and a successor carpet producer responsibility program, and requires the product stewardship for carpet program to become inoperative upon the completion of certain conditions related to the implementation of the successor carpet producer responsibility program.

Existing law, the product stewardship for carpet program, requires a manufacturer of carpets sold in this state, individually or through a carpet stewardship organization, to submit a carpet stewardship plan to the department, which is required to include specified elements, including achieving specified carpet recycling rates and a funding mechanism that provides sufficient funding to carry out the plan. Existing law authorizes the department to administratively impose a civil penalty of ~~\$25,000~~ **\$10,000** per day on any person in violation of the program **or \$25,000 per day** if the violation is intentional, knowing, ~~or negligent~~ **negligent, as specified**.

This bill would instead authorize ~~a civil~~ **the department to impose administrative, rather than civil, penalties in those amounts, and to impose an administrative** penalty of \$25,000 per day if the violation is intentional or knowing.

Existing law requires a carpet stewardship organization to include nonvoting board members with representation from, among others, a retailer that sells carpet.

This bill would instead require the stewardship organization to create a governing board for the stewardship program, as specified.

Existing law requires a manufacturer of carpets sold in this state, individually or through a carpet stewardship organization, to submit to the department an annual report describing its activities to achieve the purposes of the program, as provided. Existing law authorizes a carpet stewardship organization to award grants and subsidies to incentivize the recycling of carpet materials that have the highest recyclability.

This bill would require a carpet stewardship organization to include in its annual report specified information related to the grants and subsidies provided pursuant to the program, as specified.

(2) Existing law, the successor carpet producer responsibility program, requires producers of covered products to form and join a single producer responsibility organization (PRO) for the collection and recycling of a covered product. Existing law defines a “covered product” as carpet, as defined, and requires the PRO to develop a producer responsibility plan for the collection, transportation, recycling, and the safe and proper management of covered products in the state.

Existing law requires, no later than January 1, 2029, a person who removes a covered product as part of the installation of a covered product to transport, or contract to transport, all of the removed covered product to an approved collection site, as provided. Under existing law, an approved collection site is a solid waste facility that has agreed to be a collection site for the PRO.

This bill would exempt a covered product from this transport requirement if certain conditions are met, including that it is returned to the producer. The bill would expand approved collection sites to include certain carpet recycling centers, municipal facilities, and retailers.

Existing law requires the governing board of a PRO to include 4 nonvoting members, including, but not limited to, a nonvoting member representing a nonprofit organization established to promote a circular economy and to address environmental issues. Existing law requires the PRO to submit an annual report to the department on or before July 1 of each year, as provided. Existing law requires a producer to publish on its internet website, for each of its covered products, an environmental product declaration that identifies a covered product’s components, as provided.

This bill would instead require one voting and 5 nonvoting members, as specified. The bill would require the annual report to be submitted on or before September 1 of each year, instead of July 1 of each year. The bill would instead require a producer to publish on its internet website, for each of its covered products, the components that constitute more than 1% of the product’s weight and any component that is a hazardous chemical, as specified.

Existing law requires the PRO to submit to the department an annual report, as specified, and to make the report publicly available on the PRO’s internet website. Existing law requires the PRO to provide annual grants to apprenticeship programs for training carpet installers in proper carpet recycling techniques, as provided.

This bill would require the PRO to include in its annual report specified information related to the grants and incentive payments provided pursuant to the program, as specified.

Existing law requires a producer responsibility plan, among other things, to explain how producers will use standardized stamping or some other means to provide a visual mark on the back of a covered product that is a synthetic material to allow expeditious sorting of the carpet, as provided. Existing law requires the department to adopt regulations to implement the program with an effective date no earlier than December 31, 2026.

This bill would instead require a producer responsibility plan to explain how producers will use standardized stamping or some other means to provide a visual mark on the back of a covered product that provides the name of the producer, the date of manufacture, and a listing of the types of face fibers and backing materials contained in the product. The bill would instead require the department to adopt the regulations no later than December 31, 2026.

Existing law requires a producer responsibility plan in effect as of January 1, 2025, to continue in effect, as provided, until it expires or is revoked, except that the PRO is required to submit an amendment to conform the producer responsibility plan to certain requirements.

This bill would eliminate the requirement to submit an amendment to the producer responsibility plan.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 42968 of the Public Resources Code is amended to read:

42968. For purposes of this chapter, the following definitions apply:

(a) "Apprenticeship program" means a program approved by the Chief of the Division of Apprenticeship Standards for training apprentice and journey-level carpet installers in proper carpet installation, reuse, and recycling practices to maximize the chances of achieving the goals of the program.

(b) "Approved collection site" means a carpet recycling center, municipal facility that accepts carpet, retailer that sells a covered product, producer's regional distribution center, or solid waste facility that has agreed to be a collection site for the producer responsibility organization, as described in Section 42968.23.

(c) "Authorized collector" means a person or entity that has entered into an agreement with the producer responsibility organization to collect covered products.

(d) "Brand" means a name, symbol, word, or mark that identifies a covered product rather than its components, and attributes the covered product to the owner or licensee of the brand as the producer.

(e) (1) "Carpet" means a floor or stair covering made from thick woven fabric that is used in residential buildings, commercial buildings, conventions, and events, including modular carpet tiles.

(2) Carpet does not include area rugs that are 11 feet by 15 feet in size or smaller.

(f) "Closed loop recycling" means recycling in which products or materials are reclaimed and returned to the original process or processes in which they were generated and they are reused in the production process.

(g) "Consumer" means a purchaser, owner, or lessee of a covered product, including a person, business, corporation, limited partnership, nonprofit organization, or governmental entity.

(h) (1) "Covered product" means carpet.

(2) "Covered product" does not include carpet that meets the requirements in Section 42357 to be labeled "compostable."

(i) "Department" means the Department of Resources Recycling and Recovery.

(j) "Environmental nongovernmental organization" means a nonprofit organization established to address environmental issues related to waste and recycling.

(k) "Permanent collection site" means a permanent location in the state where discarded covered product may be returned at no cost, by a consumer or another party on behalf of a consumer, to be reused, recycled, or otherwise managed.

(l) "Postconsumer covered product" means a covered product that is no longer used for its manufactured purpose.

(m) (1) "Postconsumer recycled content" means material derived from postconsumer covered product.

(2) Postconsumer recycled content does not include material derived from recycled beverage containers, as defined in Section 14505.

(n) "Processor" means a company that uses a process, including, but not limited to, shredding, grinding, sheering, or depolymerization, to convert discarded covered products into finished recycled output that is ready to be used as an input material for manufacturing products.

(o) (1) "Producer" means a person who manufactures a covered product and who sells, offers for sale, or distributes a covered product in or into the state under that person's own name or brand.

(2) If there is no person in the state who is the producer for purposes of paragraph (1), the producer of the covered product is the owner or exclusive licensee of a brand or trademark under which the covered product is sold or distributed in or into the state, whether or not the trademark is registered. For purposes of this subdivision, an "exclusive licensee" is a person holding the exclusive right to use a trademark or brand in the state in connection with the manufacture, sale, or distribution for sale in or into the state of the covered product.

(3) If there is no person in the state who is the producer for purposes of paragraph (1) or (2), then the producer of the covered product is the party that imports the covered product into the state for sale, distribution, or installation.

(4) If there is no person in the state who is the producer for purposes of paragraph (1), (2), or (3), then the producer of the covered product is the distributor, wholesaler, or retailer who sells the product in or into the state.

(p) "Producer responsibility organization" means either of the following:

(1) An organization that is exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code of 1986, is formed for the purpose of implementing a producer responsibility plan to meet the requirements of this chapter, and is approved by the department pursuant to Section 42968.21.

(2) A carpet stewardship organization, as defined in Section 42971.

(q) "Producer responsibility plan" means the plan developed by the producer responsibility organization that complies with Section 42968.32 and is submitted to the department for approval pursuant to Section 42968.30.

(r) (1) "Recycle" or "recycling" means the process of sorting, cleansing, treating, and reconstituting materials that would otherwise ultimately be disposed of onto land or into water or the atmosphere, and returning them to, or maintaining them within, the economic mainstream in the form of recovered material for new, reused, or reconstituted products that meet the quality standards necessary to be used in the marketplace.

(2) "Recycle" or "recycling" does not include any of the following:

(A) Combustion.

(B) Incineration.

(C) Energy generation.

(D) Fuel production, except for anaerobic digestion of source separated organic materials.

(E) Other forms of disposal.

(3) To be considered recycled, covered products shall be sent to a responsible end market.

(s) "Retailer" means a person who offers new covered products in a retail sale, as defined in Section 6007 of the Revenue and Taxation Code, including a retail sale through any means, including remote offerings such as sales outlets, catalogs, or an internet website, online marketplace, or other similar electronic means.

(t) (1) "Sell" or "sale" means a transfer of title of a covered product for consideration, including a remote sale conducted through a sales outlet, catalog, or internet website, online marketplace, or similar electronic means.

(2) "Sell" or "sale" includes a lease through which a covered product is provided to a consumer by a manufacturer, wholesaler, or retailer.

(3) For the purposes of this chapter, the sale of a covered product shall be deemed to occur in the state if the covered product is delivered to the consumer in the state.

(u) "Solid waste facility" means a solid waste facility, as defined in Section 40194, that accepts under its normal operating conditions covered materials for collection, storing, and handling, whether for recycling or disposal.

(v) "Wholesaler" means a person who offers new covered product for sale in this state in a sale that is not a retail sale, as defined in Section 6007 of the Revenue and Taxation Code, and in which the covered product is intended to be resold.

SEC. 2. Section 42968.1 of the Public Resources Code is amended to read:

42968.1. The department shall adopt regulations to implement this chapter in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The regulations shall have an effective date no later than December 31, 2026.

SEC. 3. Section 42968.4 of the Public Resources Code is amended to read:

42968.4. (a) Subject to subdivision (b), a producer shall publish on its internet website, for each of its covered products, the components that constitute more than 1 percent of the total composition of the product by weight and any intentionally added component that is listed by the Department of Toxic Substances Control as a Candidate Chemical pursuant to Section 69502.2 of Title 22 of the California Code of Regulations.

(b) Subdivision (a) does not require a producer to reveal a trade secret, as defined in Section 3426.1 of the Civil Code.

SEC. 4. Section 42968.21 of the Public Resources Code is amended to read:

42968.21. (a) The department shall approve a producer responsibility organization if it meets the requirements of this chapter, including all of the following:

(1) The producer responsibility organization shall create a governing board for the program and shall determine the membership of the governing board, except that the governing board shall include both of the following:

(A) One voting member who is a representative of the Carpet and Rug Institute and producers and who represents the diversity of covered products placed in the market by those entities.

(B) Five nonvoting members, one representing each of the following:

(i) An environmental organization that is involved in promoting recycling programs and the circular economy.

(ii) A retailer that sells covered products in California.

(iii) A labor representative from a floor covering joint apprenticeship program in California that is approved by the Division of Apprenticeship Standards.

(iv) A collector or hauler who participates in the California carpet stewardship program.

(v) A recycler of carpet located in California.

(2) A producer responsibility organization shall pay the travel costs and other expenses for the nonvoting members identified in paragraph (1) to participate in all meetings of the governing board.

(3) The producer responsibility organization shall demonstrate in its producer responsibility plan that it has adequate financial responsibility and financial controls in place, including fraud prevention measures and an audit schedule, to ensure proper management of funds.

(4) The activities of the producer responsibility organization are limited to carrying out the requirements of this chapter.

(b) In the event that the department determines that the producer responsibility organization no longer meets the requirements of this chapter or fails to implement or administer an approved producer responsibility plan in a manner that effectuates the purposes of this chapter, the department may revoke its approval of the producer responsibility plan and may approve another producer responsibility plan pursuant to Section 42968.72.

(c) (1) Upon approval of a producer responsibility plan pursuant to Section 42968.30, or commencing January 1, 2029, whichever is sooner, a producer shall not sell, offer for sale, import, or distribute a covered product in the state unless all of the following are met:

(A) The producer is a participant of the producer responsibility organization.

(B) The covered product is accounted for in the producer responsibility plan.

(C) The department has approved the producer responsibility plan.

(2) If a person does not qualify as a producer and is not subject to this chapter before January 1, 2029, but, after January 1, 2029, meets the definition of a producer, then that person shall become a participant of the producer responsibility organization and comply with the requirements of this chapter prior to beginning to sell, offer for sale, import, or distribute covered products in the state.

(d) A producer not in compliance with this chapter is subject to penalties pursuant to this chapter if a covered product sold or offered for sale by the producer is not subject to a producer responsibility plan that has been approved by the department pursuant to Section 42968.30.

SEC. 5. Section 42968.23 of the Public Resources Code is amended to read:

42968.23. (a) The producer responsibility organization shall establish a method for fully funding the producer responsibility organization. The funding mechanism shall demonstrate adequate funding for all administrative and operational costs of the producer responsibility plan, to be borne by participating producers, and modulate the distribution of participating producers' costs based on the cost of managing their specific covered products according to the approved producer responsibility plan.

(b) (1) The producer responsibility organization shall include as an approved collection site under its producer responsibility plan a solid waste facility that offers in writing to participate in the producer responsibility plan and agrees to comply with any program operator requirements that are consistent with the approved producer responsibility plan.

(2) The producer responsibility organization shall include the solid waste facility as an approved collection site within 90 days of receiving the written offer to participate, confirming that the offering entity will comply with any producer responsibility organization requirements that are consistent with an approved producer responsibility plan.

(3) The producer responsibility organization shall not be required to respond to offers pursuant to this subdivision until its producer responsibility plan has been approved by the department.

(c) The producer responsibility organization may suspend or terminate use of an approved collection site that does not comply with all applicable state, federal, or municipal laws and regulations or adhere to the rules and conditions imposed by the producer responsibility organization pursuant to subdivision (h) of Section 42968.32.

(d) A participant of the producer responsibility organization with an approved producer responsibility plan shall comply with the requirements of this chapter. The producer responsibility organization shall notify the department within 30 calendar days of any the following:

(1) The end of any three-month period in which the producer responsibility organization unsuccessfully attempted to obtain a fee, records, or information from a participant producer, or received incomplete or incorrect records or information required by this chapter.

(2) The date a producer no longer participates in the producer responsibility organization's approved producer responsibility plan.

(3) Any instance of noncompliance by a participant producer.

SEC. 6. Section 42968.30 of the Public Resources Code is amended to read:

42968.30. (a) Within 12 months of the effective date of the regulations adopted by the department pursuant to Section 42968.1, the producer responsibility organization shall develop and submit to the department a complete producer responsibility plan, in accordance with the requirements of this chapter, for the collection, transportation, recycling, and the safe and proper management of covered products in the state.

(b) (1) The department shall review the producer responsibility plan for compliance with this chapter and may approve or disapprove the producer responsibility plan within 120 days of receipt of the producer responsibility plan.

(2) If the department disapproves a revised producer responsibility plan, the department shall explain how the revised producer responsibility plan does not comply with this chapter and provide written notice to the producer responsibility organization within 60 days of disapproval.

(c) If the department disapproves a producer responsibility plan submitted by the producer responsibility organization, the department shall explain how the producer responsibility plan does not comply with this chapter and provide written notice to the producer responsibility organization within 60 days of disapproval. The producer responsibility organization may resubmit to the department a revised producer responsibility plan within 30 days of the date the written notice was issued, and the department shall review the revised producer responsibility plan within 60 days of its receipt of the resubmittal. The producer responsibility organization shall then revise and resubmit the producer responsibility plan consistent with the department's direction within 30 days, otherwise the disapproval is final and the producer responsibility organization and producers may be subject to penalties. Within 24 months of the effective date of the regulations adopted by the department pursuant to Section 42968.1, the producer responsibility organization shall have a complete producer responsibility plan approved by the department and each producer shall be subject to an approved producer responsibility plan to be in compliance with this chapter.

(d) The approved producer responsibility plan shall be a public record, except that financial or sales data reported to the department by the producer responsibility organization is not a public record for purposes of the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code) and shall not be open to public inspection. The department may release financial, production, or sales data in summary form only so the information cannot be attributable to a specific producer or to any other entity.

(e) For any producer responsibility plan currently in effect as of January 1, 2025, that producer responsibility plan shall continue in effect under its current terms and assessment structure, operating based on the law in effect at the time of producer responsibility plan approval, until that producer responsibility plan expires or is revoked.

SEC. 7. Section 42968.32 of the Public Resources Code is amended to read:

42968.32. A producer responsibility plan for covered products shall do all of the following:

(a) Be designed to accept and manage all postconsumer covered products.

(b) Include the name and contact information of each producer and brand covered under the producer responsibility plan. The contact information shall include the producer's email address, phone number, and mailing and physical address.

(c) Explain the producer responsibility organization's funding methods, and explain how those methods will fully fund the producer responsibility organization.

(d) (1) Include the fee required by Section 42968.51 and a description of how it is calculated.

(2) Include the fee required by Section 42968.52, a description of how it is calculated, and an explanation of how it complies with Section 42968.52.

(e) Include a five-year budget that establishes a funding level sufficient to operate the producer responsibility organization in a prudent and responsible manner. The budget shall demonstrate how estimated revenues will cover all budgeted costs for each cost category. Budgeted costs shall include, but not be limited to, administrative costs, education and outreach costs, operational costs, capital costs, and a reserve.

(1) Administrative costs shall include the department's actual and reasonable regulatory costs, which include full personnel costs, to implement and enforce this chapter as the criteria for all the costs are defined in the regulations adopted pursuant to Section 42968.1. For purposes of this paragraph, producer responsibility organization implementation begins once the department approves the producer responsibility organization's producer responsibility plan, except the department's costs shall include actual regulatory development costs and other startup costs incurred prior to producer responsibility plan submittal and approval.

(2) The reserve shall include funds to operate the producer responsibility organization should there be unexpected events, losses of income, or large unbudgeted expenses. It shall also protect the recycling infrastructure the producer responsibility organization relies on in its producer responsibility plan during any lapse in producer participation during the life of the program. The reserve cost category shall include a reserve level amount and description justifying the reserve level amount indicated. The producer responsibility organization shall maintain reserve funds sufficient to operate the producer responsibility plan for no less than six months. In the event that a new producer responsibility organization is approved by the department, the producer responsibility organization shall establish its reserve and maintain the required reserve fund balance by the end of the second year of producer responsibility plan operation. In the event that the producer responsibility organization's producer responsibility plan expires or is revoked, the reserve balance shall be transferred to a successor producer responsibility organization or a trustee, pursuant to subdivision (j).

(f) Include quantifiable five-year and annual performance standards and metrics for each covered product category until such time as the department publishes performance standards pursuant to Section 42968.34. The producer responsibility organization shall amend its producer responsibility plan to meet the performance standards published by the department. Performance standards published by the department pursuant to this subdivision shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Performance standards may include, but are not limited to, collection, reduction in disposal, and maximizing recycling.

(g) (1) Describe how the producer responsibility organization will provide free dropoff and convenient collection system for covered products, which shall include approved collection sites in each county of the state that provide for a reasonable geographic spread of permanent collection sites and an explanation for the geographic spread.

(2) The department may by regulation adjust the minimum number of required approved collection sites described in paragraph (1) to ensure that consumers have sufficient convenient access to approved collection sites, applicable to a producer responsibility plan addressing collection of covered products, if the department has substantial evidence that allowing for this adjustment will increase the collection of covered products or is otherwise justified considering the population or geographic attributes of the county. For counties bordering another state, the number of approved collection sites within that county may include a facility located in an adjacent state if that facility is regularly involved in the management of that county's solid waste and recyclables.

(h) Describe how approved collection sites will be authorized and managed, including all of the following:

(1) The process by which the producer responsibility organization will provide for the collection, storage, and transport of covered products from the approved collection sites to an authorized recycling facility.

(2) How the producer responsibility organization will ensure the cost-effective sorting of covered products using the best available technology to avoid any recyclable materials from being disposed.

(3) How the producer responsibility organization will maintain all collection and transport records and make them available to the department upon request.

(4) A list of all proposed rules, conditions, and requirements for authorized collectors, including a template proposed agreement.

(5) How the producer responsibility organization will maximize the recycling of covered products, including prioritizing reuse and closed loop recycling.

(6) How the producer responsibility organization will maximize the collection and reuse of convention carpet, including no less than 20 percent reuse by 2028.

(7) The process by which covered products will be managed following collection at approved collection sites, including:

(A) How covered products will be handled and managed according to the waste hierarchy as defined in Section 40051.

(B) How the producer responsibility organization will maximize the recycling of covered products.

(C) How the producer responsibility organization will minimize disposal of covered products collected by the producer responsibility organization.

(8) A description of the producer responsibility organization's annual assessment and the metrics it will use to determine how collection, sorting, and transportation outcomes aligned with projections.

(9) How the producer responsibility organization will improve the collection, processing, and recycling operations for covered products, including, but not limited to, pilot programs to test new processes, methods, or equipment.

(10) How approved collection sites will be operated to ensure that covered products are collected at no cost, safely, and handle covered product in accordance with all applicable state and federal law.

(i) (1) Describe the statewide education and outreach program's efforts to various audiences, including, but not limited to, consumers, commercial building owners, covered product installation contractors, construction and demolition contractors, retailers, and wholesalers to promote their participation in achieving the purposes of the producer responsibility plan. These education and outreach materials shall include, but are not limited to, any of the following:

(A) Signage that is prominently displayed and easily visible.

(B) Written materials and templates of materials to be provided to covered product installation contractors and consumers at the time of purchase or delivery or both.

(C) Promotional materials or activities, or both, that explain the purpose of the producer responsibility organization and the means by which it is being carried out.

(D) An internet website that publicizes the location of approved collection sites and provides information on how to drop off covered products at the free and convenient network of approved collection sites offered by the producer responsibility organization, including any information reasonably necessary to safely and conveniently access the collection and recycling services offered by the producer responsibility organization.

(E) All signage and materials required for approved collection sites by the producer responsibility organization, and a description of the method by which approved collection sites can access replacement materials at no cost to the approved collection site.

(F) A description of efforts to support participation by all California communities, including a description of efforts to communicate in languages other than English.

(G) A description of strategies, goals, and metrics used to determine the success of the producer responsibility plan implementation and statewide education and outreach program.

(2) The statewide education and outreach program shall promote the safe and proper management of covered products, including source reduction and environmentally preferable purchasing of covered products.

(3) The statewide education and outreach plan program shall include information for consumers about how to avoid improper disposal of covered products.

(4) The statewide education and outreach program shall include a survey to consumers and contractors regarding their awareness of the producer responsibility plan, their use of resources available to them under the producer responsibility plan,

including collection sites, and why they do or do not use those resources. The survey shall occur once every three years.

(j) Include a contingency plan that takes effect in the event the producer responsibility plan expires or is revoked. The contingency plan shall guarantee that the contracts, financial data, and other necessary authority and assets to operate the program shall vest in a trustee approved by the department. The trustee shall operate the most recently approved producer responsibility plan, subject to the direction of the department, until that time as a new producer responsibility plan is approved. Upon producer responsibility plan expiration or revocation of the producer responsibility plan, the balance of the producer responsibility organization's operating reserves collected pursuant to subdivision (d) shall be transferred to the control of the trustee within five calendar days, along with all documents, digital records, contracts, and files related to the operation of the producer responsibility plan.

(k) Allocate annual grants to apprenticeship programs for training apprentices and journey-level carpet installers in proper carpet recycling techniques, including installation and removal techniques that maximize the recyclability of carpet. The producer responsibility plan shall provide for annual grants to joint apprenticeship programs approved by the Division of Apprenticeship Standards to train carpet installers, with the amount divided evenly between programs in northern California and southern California.

(l) (1) Prioritize expenditure of assessments collected pursuant to Section 42972 on activities to carry out the producer responsibility plan in California.

(2) Consistent with paragraph (4) of subdivision (a) of Section 42972, commencing with the fiscal year beginning July 1, 2025, and for each fiscal year thereafter, the program shall allocate 8 percent of assessments collected pursuant to Section 42972, as determined by the department, for grants to apprenticeship programs, subject to the requirements and conditions of this section. Any portion of the 8 percent that is not awarded and used in a fiscal year shall be credited to the amount to be allocated or awarded in the following fiscal year pursuant to this section, thereby reducing the amount allocated or awarded in the following fiscal year by the amount of the credit.

(3) An apprenticeship program shall apply to the producer responsibility organization for a grant. The apprenticeship program shall submit a report to the producer responsibility organization and the department outlining its expenditure of the grant funds for purposes of this program prior to receipt of new grants.

(m) Provide for the payment to an approved collection site for accepting, collecting, storing, transporting, and handling covered products in an amount determined by the approved collection site and the producer responsibility organization. Payment of these costs shall be reflected in the budget pursuant to subdivision (e).

(n) Explain how producers will, on and after January 1, 2027, use standardized stamping or some other means to provide a visual mark on the back of a covered product that provides the name of the producer, the date of manufacture, and a listing of the types of face fibers and backing materials contained in the product.

(o) Require carpet to contain 5 percent of postconsumer recycled carpet content by 2028. The department may, for the year 2029 and any year thereafter, set the rate for postconsumer recycled carpet to be required in carpet.

(p) Include written certification by an authorized representative of the producer responsibility organization that, at the time of submission to the department, the producer responsibility plan, including all aspects of the producer responsibility plan related to the collection, transportation, and management of covered products, is in compliance with all applicable state and federal laws and regulations.

SEC. 8. Section 42968.40 of the Public Resources Code is amended to read:

42968.40. (a) (1) No later than January 1, 2029, a person that, as part of the installation of a covered product, removes a covered product from a residence or business shall transport, or contract to transport, all of the removed covered products to an approved collection site. Covered material collected at an approved collection site shall be transported to a recycling facility designated by the producer responsibility organization.

(2) Paragraph (1) does not apply to a covered product if all of the following are met:

(A) The covered product is returned to its producer.

(B) The producer's return process and guidelines are included in the producer responsibility organization's approved producer responsibility plan.

(C) The producer collects, maintains, and provides to the producer responsibility organization, the information necessary for the collection to be included in the producer responsibility organizations performance metrics.

(D) The producer's return process is subject to audit by the producer responsibility organization and the department.

(b) An approved collection site shall ensure that covered products are collected in the prescribed conditions required by the approved producer responsibility plan. The conditions shall include, but are not limited to, the following requirements:

(1) A covered product shall be kept in a location that allows it to remain dry at all times.

(2) A container holding a collected covered product shall be free of all contaminated discarded waste items.

(3) An approved collection site shall permit a processor's prescribed container to be housed on site for loading and for pickup at the approved collection site, if the processor is approved by the producer responsibility plan.

SEC. 9. Section 42968.62 of the Public Resources Code is amended to read:

42968.62. On or before September 1 of each year, the producer responsibility organization shall submit in the form and manner determined by the department an annual report and make the report publicly available on the producer responsibility organization's internet website. The report shall include all of the following information for the preceding calendar year:

(a) The producer responsibility organization's revenues and costs, with the costs according to the cost categories established in the producer responsibility plan.

(b) A summary of any anticipated changes to allocations in cost categories for the following calendar year.

(c) Any changes to the distribution of participating producer's costs pursuant to subdivision (a) of Section 42968.23.

(d) The square footage, yardage, weight, or other metric, as determined by the department, of covered products, by carpet type, for each of the following:

(1) Covered product that was collected.

(2) Covered product that was processed.

(3) Covered product that was recycled.

(4) Covered product that was disposed.

(e) A list of the producer responsibility organization's collection sites, by name, location, and type.

(f) An updated list of the names and contact information, including email address, phone number, and physical and mailing addresses of producers.

(g) A description of methods used to collect, transport, recycle, and divert covered products by the producer responsibility organization including a description of all of the following:

(1) How the producer responsibility organization handled and managed covered products according to the priority of waste management practices provided in Section 40051.

(2) How the producer responsibility organization maximized recycling of all covered products.

(3) How the producer responsibility organization minimized disposal of all covered products collected by the producer responsibility organization.

(4) Results of the producer responsibility organization's assessment of the efficacy of the collection, sorting, and transportation process pursuant to paragraph (8) of subdivision (h) of Section 42968.32.

(h) A description of how the producer responsibility organization improved the collection, processing, and recycling operations for covered products, including, but not limited to, pilot programs to test new processes, methods, or equipment.

(i) A description of outreach efforts and education, including, but not limited to, education and outreach provided by the producer responsibility organization for the purpose of promoting the collection, reuse, and recycling of covered products. This includes messaging on environmentally preferable purchasing.

(j) Findings from the evaluation of the comprehensive statewide education and outreach program required by subdivision (i) of Section 42968.32.

(k) A report on activities the producer responsibility organization has undertaken to prioritize the use of sorting and recycling facilities located closer to the point of generation to minimize transportation emissions and increase accountability for the ultimate disposition of collected covered products.

(l) All of the following information related to grants and incentive payments provided by the producer responsibility organization pursuant to this chapter:

- (1) The name and address of each recipient of a grant or incentive payment.
- (2) The amount of each grant and incentive payment, with grant amounts broken down by category and incentive payment amounts broken down by recipient.
- (3) The number of applicants and recipients of a grant broken down by category.
- (4) A detailed description of the criteria used to evaluate applications and to award the grants.
- (5) A timeline of the process and a description of when applications were announced, the deadline to apply, the length of the review process, and the date the grants and incentive payments were awarded.
- (6) An explanation of why certain recipients are chosen for incentive payments and others are not.
- (7) A separate list identifying any grant or incentive payment provided to any of the following and an explanation as to why the grant or incentive payment does not involve a conflict of interest:

(A) A member of the producer responsibility organization's board of directors.

(B) A member of the governing board described in Section 42968.21.

(C) A family member or employee of a person described in subparagraph (A) or (B).

(m) Any other information deemed relevant by the producer responsibility organization for the department to determine compliance with the approved producer responsibility plan.

(n) Any other information required by regulations adopted pursuant to Section 42968.1.

SEC. 10. Section 42973.7 of the Public Resources Code is amended to read:

42973.7. (a) The carpet stewardship organization shall create a governing board for the program and shall determine the membership of the governing board, except that the governing board shall include both of the following:

(1) One voting member who is a representative of the Carpet and Rug Institute and producers and that represents the diversity of covered products placed in the market by those entities.

(2) Five nonvoting members, one representing each of the following:

(A) An environmental organization that is involved in promoting recycling programs and the circular economy.

(B) A retailer that sells covered products in California.

(C) A labor representative from a floor covering joint apprenticeship program in California that is approved by the Division of Apprenticeship Standards.

(D) A collector or hauler who participates in the California carpet stewardship program.

(E) A recycler of carpet located in California.

(b) A carpet stewardship organization shall pay the travel costs and other expenses for the nonvoting members identified in subdivision (a) to participate in all meetings of the governing board.

SEC. 11. Section 42976 of the Public Resources Code is amended to read:

42976. On or before September 1 of each year, a manufacturer of carpet sold in the state shall, individually or through a carpet stewardship organization, submit to the department a report describing its activities to achieve the purposes of this chapter, as described in Section 42970, and to comply with Section 42975. At a minimum, the report shall include all of the following:

(a) The amount of carpet sold by square yards and weight, in the state during the reporting period. A carpet stewardship organization with more than one manufacturer may use average weight.

(b) The amount of postconsumer carpet recycled, by weight, during the reporting period.

(c) The amount of postconsumer carpet recovered but not recycled, by weight, and its ultimate disposition.

- (d) The total cost of implementing the carpet stewardship plan.
- (e) An evaluation of the effectiveness of the carpet stewardship plan, and anticipated steps, if needed, to improve performance.
- (f) Examples of educational materials that were provided to consumers during the reporting period.
- (g) All of the following information related to grants awarded and subsidies provided by the carpet stewardship organization pursuant to this chapter:
 - (1) The name and address of each recipient of a grant or subsidy.
 - (2) The amount of each grant and subsidy, with grant amounts broken down by category and subsidy amounts broken down by recipient.
 - (3) The number of applicants and recipients of a grant broken down by category.
 - (4) A detailed description of the criteria used to evaluate applications and to award the grants.
 - (5) A timeline of the process and a description of when applications were announced, the deadline to apply, the length of the review process, and the date the grants and subsidies were awarded.
 - (6) An explanation of why certain recipients are chosen for subsidies and others are not.
 - (7) A separate list identifying any grant or subsidy provided to any of the following and an explanation as to why the grant or subsidy does not involve a conflict of interest:
 - (A) A member of the carpet stewardship organization's board of directors.
 - (B) A member of the governing board described in Section 42973.7.
 - (C) A family member or employee of a person described in subparagraph (A) or (B).

SEC. 12. Section 42978 of the Public Resources Code is amended to read:

42978. (a) ~~A civil~~ *An administrative* penalty up to the following amounts may be administratively imposed by the department on any person who is in violation of any provision of this chapter:

- (1) Ten thousand dollars (\$10,000) per day.
- (2) Twenty-five thousand dollars (\$25,000) per day if the violation is intentional or knowing.

(b) In assessing or reviewing the amount of ~~a civil~~ *an administrative* penalty imposed pursuant to subdivision (a) for a violation of this chapter, the department or the court shall consider all of the following:

- (1) The nature and extent of the violation.
- (2) The number and severity of the violation or violations.
- (3) The economic effect of the penalty on the violator.
- (4) Whether the violator took good faith measures to comply with this chapter and the period of time over which these measures were taken.
- (5) The willfulness of the violator's misconduct.
- (6) The deterrent effect that the imposition of the penalty would have on both the violator and the regulated community.
- (7) Any other factor that justice may require.