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**AB-973 Recycling: plastic trash bags: plastic packaging and products.** (2025-2026)

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AMENDED IN ASSEMBLY APRIL 22, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**ASSEMBLY BILL**

**NO. 973**

Introduced by Assembly Member Hoover  
(Coauthor: [Assembly Member Berman](#))

February 20, 2025

An act to [repeal Chapter 5.4 \(commencing with Section 42290\) of Part 3 of Division 30 of](#), and to repeal and add Chapter 5.5 (commencing with Section 42300) of Part 3 of Division 30 ~~of~~ [of](#), the Public Resources Code, relating to recycling.

LEGISLATIVE COUNSEL'S DIGEST

AB 973, as amended, Hoover. Recycling: [plastic trash bags](#): plastic packaging and products.

(1) The California Integrated Waste Management Act of 1989, administered by the Department of Resources Recycling and Recovery, creates a program for the recycling of rigid plastic packaging containers. The program defines “rigid plastic packaging container” to mean a plastic package having a relatively inflexible finite shape or form, with a capacity between 8 fluid ounces and 5 fluid gallons, that is capable of maintaining its shape while holding other products, including, but not limited to, bottles, cartons, and other receptacles, for sale or distribution in the state. The program generally requires a rigid plastic packaging container sold or offered for sale in this state to meet one of specified criteria, including, but not limited to, having been made from 25% postconsumer material or being a reusable package or a refillable package, unless a waiver or an exemption applies. Notwithstanding these provisions, the program deems a manufacturer in compliance with the program if the manufacturer demonstrates that it, or another company under the same corporate ownership, either consumed or arranged for the purchase and consumption of certain amounts of postconsumer material generated in the state for the manufacture of rigid plastic packaging containers or other plastic products or packaging not subject to the program, as provided.

The program makes a violation of these provisions a public offense punishable by a fine of not more than \$100,000. The program also subjects a violation of these provisions to a civil penalty of not more than \$50,000, as provided. The program requires the department to deposit all penalties and fines into the Rigid Container Account in the Integrated Waste Management Fund in the State Treasury. The program requires the moneys in the account to be expended by the department, upon appropriation by the Legislature, to assist local governmental agencies to develop and implement collection and processing systems for the recycling

of materials covered by the program, for the development of markets for these materials, and for the department's costs of implementing the program. The program requires the department to adopt regulations to implement the program, as provided.

This bill would repeal the program and replace it with a new program for recycling plastic packaging and products. The bill would require, on or before July 1, 2026, and annually thereafter, a manufacturer of a covered product, as defined, to pay an annual registration charge and to register with the department, as specified. The bill would require a manufacturer to provide certain information during registration, including, but not limited to, the brand name of each of the manufacturer's covered products. The bill would subject a manufacturer that is not in compliance with the registration requirement to ~~a~~ *an administrative* civil penalty of not more than ~~\$1,000 for each day of a violation,~~ *\$5,000 per day per violation*, as specified. The bill would, on and after January 1, 2029, require a manufacturer to include, as part of its annual registration, proof of third-party certification of the postconsumer recycled content of each of its covered products. The bill would require the third-party certification to be provided under penalty of perjury. By expanding the scope of a crime, this bill would impose a state-mandated local program.

This bill would require a manufacturer to meet certain annual minimum postconsumer recycled content percentages for covered products, as specified. The bill would authorize the department to grant a waiver for up to 2 years, upon application, from these requirements, as specified. The bill would require certain information to be included in a waiver application and would require a waiver application charge not to exceed \$1,000. The bill would require the department to assess ~~a~~ *an administrative* civil penalty for a violation on a per-pound basis for each pound of virgin material that was used by a manufacturer in its products instead of the minimum postconsumer recycled content, as specified. The bill would authorize the department to reduce this *administrative* civil penalty if the manufacturer submits, and the department approves, a corrective action plan, as specified.

This bill would require the department to deposit all penalties and fines paid pursuant to the program into the Rigid Container Account, which this bill would continue in existence. The bill would require moneys deposited into the account to be expended by the department, upon appropriation by the Legislature, to assist local governmental agencies to develop and implement collection and processing systems for the recycling of materials that are subject to the program, for the development of markets for these materials, and for the department's actual and reasonable costs of implementing the program.

This bill would require, on and after April 1, 2028, a manufacturer to provide to the department, in a format and manner prescribed by the department, an annual report that includes specified information regarding amounts and types of plastics used in covered products. The bill would exempt confidential and proprietary information, collected by the department from manufacturers for purpose of the program, from disclosure pursuant to the California Public Records Act.

This bill would authorize a manufacturer to authorize an organization to act on its behalf in complying with certain requirements, including, but not limited to, registration and annual reporting requirements. The bill would exempt certain covered products from the program, as specified.

This bill would require the department to adopt regulations to implement and enforce the program, as specified. The bill would require the department to establish an electronic registration process on its internet website.

*(2) The California Integrated Waste Management Act of 1989 requires a manufacturer of certain plastic trash bags to ensure that the recycled plastic postconsumer material in the bag is equal to at least 10% of the weight of the bag, or that at least 30% of the weight of the material used in all of the manufacturer's plastic products is recycled plastic postconsumer material, as provided. Existing law requires a manufacturer of a plastic trash bag to submit an annual report to the Department of Resources Recycling and Recovery certifying compliance with these postconsumer materials requirements, as specified. Existing law requires the department to survey manufacturers and report to the Legislature on, among others, the quantity of recycled plastic postconsumer material provided by suppliers within the state and the quantity of the material provided by suppliers outside the state. Existing law requires a wholesaler of plastic trash bags to annually certify to the department the name and physical location of each manufacturer from whom it purchased plastic trash bags, as provided. Existing law authorizes the department to adopt regulations to implement these provision, as specified. Existing law prohibits a supplier, manufacturer, or wholesaler, as provided, that is not in compliance with these provisions from being eligible for a state contract or subcontract, as provided.*

*This bill would repeal these provisions.*

*(3) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.*

~~(2)~~

*(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that no reimbursement is required by this act for a specified reason.

~~(3) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.~~

~~This bill would make legislative findings to that effect.~~

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

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

### **SECTION 1.** The Legislature finds and declares all of the following:

(a) Plastics recycling provides environmental and economic benefits to the state, including, but not limited to, reducing energy consumption and greenhouse gas emissions, preserving natural resources, reducing reliance on virgin fossil fuels to make new plastics, and creating more jobs than waste disposal.

(b) The state has required several types of products to use increasing levels of postconsumer recycled material in their manufacture, including newsprint, glass containers, plastic containers, and plastic trash bags.

(c) The increased use of recycled content in plastic products and packaging is needed to reach the recycling targets in Chapter 3 (commencing with Section 42040) of Part 3 of Division 30 of the Public Resources Code.

(d) The use of plastic packaging and products has grown exponentially over the past three decades since the Legislature first required recycled content in select rigid plastic containers.

(e) The use of film and flexible plastic packaging is the fastest growing packaging sector, and these products have very low recycling rates.

(f) The requirements imposed by this act are reasonable and are achievable at minimal cost relative to the burden imposed by the continued excessive use of virgin materials in plastic products in the state.

(g) It is, therefore, the intent of the Legislature to spur markets for plastic materials collected for recycling by requiring manufacturers to use increasing amounts of postconsumer recycled material in their rigid and flexible plastic products, only if the use of that material does not present an unreasonable risk to the public health and safety, and to achieve high recycling rates for these rigid and flexible plastic packaging and products.

**SEC. 2.** *Chapter 5.4 (commencing with Section 42290) of Part 3 of Division 30 of the Public Resources Code is repealed.*

~~SEC. 2.~~ **SEC. 3.** Chapter 5.5 (commencing with Section 42300) of Part 3 of Division 30 of the Public Resources Code is repealed.

~~SEC. 3.~~ **SEC. 4.** Chapter 5.5 (commencing with Section 42300) is added to Part 3 of Division 30 of the Public Resources Code, to read:

### **CHAPTER 5.5. Plastic Packaging and Products** **Article 1. Definitions and General Provisions**

**42300.** For purposes of this chapter, the following definitions apply:

(a) "Covered product" means all of the following:

- (1) A rigid plastic container.
- (2) A rigid plastic product.
- (3) Film plastic used in any of the following:
  - (A) Packaging overwrap and shrink wrap.
  - (B) A lawn and garden plastic film bag.
  - (C) A heavy-duty industrial plastic film bag.
  - (D) A plastic trash bag, as defined in Section 42290.

(b) "Covered product category" means the category of products described in paragraph (1), (2), or (3) of subdivision (a).

(c) "Exempted product" means any of the following:

(1) A package or container that contains food.

(2) A product that is associated with a product produced in, or brought into, the state that is destined for shipment to a destination outside the state, and that remains with the product upon shipment.

(3) Packaging used for medical products and products defined as devices or prescription drugs, as specified in the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Secs. 321(g), 321(h), and 353(b)(1)).

(4) Packaging used for drugs that are used for animal medicines, including, but not limited to, parasiticide products for animals.

(5) Packaging used for products intended for animals that are regulated as animal drugs, biologics, parasiticides, medical devices, or diagnostics used to treat, or administered to, animals under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Secs. 321(g), 321(h), and 353(b)(1)), the federal Virus-Serum-Toxin Act (21 U.S.C. Sec. 151 et seq.), or the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136 et seq.).

(6) Packaging used for infant formula, as defined in Section 321 of Title 21 of the United States Code.

(7) Packaging used for medical food, as defined in Section 360ee of Title 21 of the United States Code.

(8) Packaging used for fortified oral nutritional supplements used for persons who require supplemental or sole source nutrition to meet nutritional needs due to special dietary needs directly related to cancer, chronic kidney disease, diabetes, malnutrition, or failure to thrive, as those terms are defined as by the International Classification of Diseases, Tenth Revision, or other medical conditions as determined by the department.

(9) Packaging used to contain products regulated by the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136 et seq.).

(10) Plastic packaging containers that are used to contain and ship products that are classified for transportation as dangerous goods or hazardous materials under Part 178 (commencing with Section 178.0) of Subchapter C of Chapter I of Subtitle B of Title 49 of the Code of Federal Regulations.

(11) A product manufactured for use in the shipment of hazardous materials and that is any of the following:

(A) Prohibited from being manufactured with used material by federal packaging material specifications set forth in Section 178.509 or 178.522 of Title 49 of the Code of Federal Regulations.

(B) Subject to the testing standards set forth in Subpart M (commencing with Section 178.600) of Part 178 of Subchapter C of Chapter I of Subtitle B of Title 49 of the Code of Federal Regulations.

(C) Subject to the recommendations of the United Nations on the transport of dangerous goods.

(12) Packaging used to contain hazardous or flammable products classified by the federal Occupational Safety and Health Administration Hazard Communication Standard in Section 1910.1200 of Title 29 of the Code of Federal Regulations.

(13) A reusable or refillable package.

(14) Containers certified by the Biodegradable Products Institute as compostable.

(15) A bag that is designed and manufactured to hold, store, or transport hazardous waste or regulated medical waste. For the purposes of this subdivision, "hazardous waste" means any solid waste defined as hazardous waste by the department.

(16) Other items as designated by the department in regulation for a period not to exceed five years.

(d) "Food" means an article used for food or drink for consumption by humans or other animals, and an article used for components of any such article.

(e) "Licensee" means a manufacturer or entity who licenses a brand and manufactures a covered product under that brand.

(f) (1) "Manufacturer" means a person who manufactures a covered product and who owns or is the licensee of the brand or trademark under which the covered product is used in a commercial enterprise, sold, offered for sale, or distributed in the state.

(2) If there is no person in the state who is the manufacturer for purposes of paragraph (1), the manufacturer of the covered product is the owner or, if the owner is not in the state, the exclusive licensee of a brand or trademark under which the covered product is used in a commercial enterprise, sold, offered for sale, or distributed in the state. For purposes of this subdivision, a 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 of the covered product.

(3) If there is no person in the state who is the manufacturer for purposes of paragraph (1) or (2), the manufacturer of the covered product is the person who sells, offers for sale, or distributes the covered product in or into the state.

(4) "Manufacturer" does not include a person who produces, harvests, and packages an agricultural commodity on the site where the agricultural commodity was grown or raised.

(5) For 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 purchaser in the state.

(g) "Person" means an individual, corporation, company, association, society, firm, partnership, or joint stock company.

~~(h)(1) "Plastic" means a synthetic material made from linking monomers through a chemical reaction to create an organic polymer chain that can be molded or extruded at high heat into various solid forms retaining their defined shapes during the life cycle and after disposal.~~

~~(2) "Plastic" does not include material that is designed to be composted in a municipal or industrial aerobic composting facility and that is certified by a recognized third-party independent verification body as meeting the standards therefore established by the American Society for Testing and Materials in ASTM D6400 or ASTM D6868.~~

~~(i)~~

(h) "Portfolio" means the suite of products with the same primary resin composition that a manufacturer may produce under a single covered product category.

~~(i)~~

(i) "Portfolio standard" means a standard for calculating average postconsumer recycled content across each manufacturer's covered product categories rather than calculating recycled content on each individual product.

~~(k)~~

(j) (1) "Postconsumer recycled content" means material generated by households or by commercial, industrial, and institutional facilities in their role as end users of the product that has been used for its intended use or can no longer be used for its intended purpose, including, but not limited to, the return of material from the distribution chain.

(2) "Postconsumer recycled content" does not include materials and byproducts generated from, and commonly reused within, an original manufacturing and fabrication process.

~~(j)~~

(k) "Representative organization" means an organization created or selected by a manufacturer to act on behalf of the manufacturer for purposes of and as authorized by Section 42300.3.

~~(m)~~

(l) "Reusable" or "refillable" container has the same meaning as in subdivision (af) of Section 42041.

~~(n)~~

(m) "Rigid plastic container" means a container made of plastic that has a relatively inflexible finite shape or form, has a minimum capacity of eight fluid ounces or its equivalent volume, and is capable of maintaining its shape while empty or while holding other products.

~~(o)~~

(n) "Rigid plastic product" means a product made from rigid plastic, including, but not limited to, any of the following:

(1) A plastic bucket or pail.

(2) A household storage container.

(3) A trash bin.

(4) Nursery packaging.

(5) A trash or recycle roll cart.

(6) A tray.

(7) Secondary packing, such as a crate, tote, or gaylord box.

~~(p)~~

(o) "Small manufacturer" means a manufacturer, retailer, or wholesaler that, in the most recent calendar year, had gross sales of less than one million dollars (\$1,000,000) in the state.

**42300.1.** (a) In compliance 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 department shall adopt regulations to implement and enforce this chapter. The regulations shall include, but are not limited to, all of the following:

(1) An annual registration charge to cover the department's actual and necessary costs to implement, administer, monitor, and enforce this chapter. The annual registration charge shall not exceed one thousand dollars (\$1,000) per manufacturer.

(2) Procedures for conducting third-party certification of the postconsumer recycled content, as required by Sections 42301 and 42301.3.

(3) Subject to subdivision (b), procedures for considering and granting waivers pursuant to Article 4 (commencing with Section 42303).

*(4) A methodology for calculating the amount of postconsumer recycled content that ensures that the amount of postconsumer content credited accurately reflects the amount of physical postconsumer recycled content that is in the finished covered product.*

(b) The department may, at any time, review and adjust the postconsumer recycled content requirements established by subdivision (a) of Section 42301.1. When adopting a regulatory adjustment to the postconsumer recycled content requirements, the department shall specify a limited time period and the conditions applicable to the adjustment. In adopting regulatory adjustment to the postconsumer recycled content requirements, the department shall consider all of the following:

(1) Changes in market conditions, including supply and demand for postconsumer recycled content, collection rates, and bale availability both domestically and globally.

(2) Recycling rates, as determined by the department.

(3) The availability of recycled material suitable for manufacturers to meet the postconsumer recycled content requirements of subdivision (a) of Section ~~42301.1, including the availability of high-quality recycled plastic and food-grade recycled plastic.~~  
*42301.1.*

(4) The capacity of recycling or processing infrastructure.

(5) The progress made by manufacturers in meeting the postconsumer recycled content requirements.

(6) Any other relevant factors, as determined by the department.

(c) In developing the regulations, the department shall consult with representatives of manufacturers affected by this chapter, with representatives of environmental organizations, and with other interested parties.

**42300.2.** The department may participate in the establishment and implementation of a multistate clearinghouse to assist in carrying out the requirements of this chapter and to help with both of the following:

(a) Coordinating the review of registrations required by Section 42301, waiver requests described in Article 4 (commencing with Section 42303), and certifications required by Sections 42301 and 42301.3.

(b) Implementing education and outreach activities.

**42300.3.** (a) If a manufacturer authorizes a representative organization for purposes of this chapter, then the representative organization shall act on behalf of the manufacturer to ensure compliance with all of the following requirements:

(1) The registration requirements in subdivision (a) of Section 42301.

(2) The annual reporting requirements in Section 42302.

(3) The application of a waiver pursuant to subdivision (a) of Section 42303.

(b) If a manufacturer has authorized a representative organization for purposes of this chapter, then the representative organization, and not the manufacturer, shall be subject to any enforcement action authorized by this chapter resulting from noncompliance with a requirement listed in subdivision (a).

**42300.4.** Except as provided in subdivision (c) of Section 42301, this chapter does not apply to an exempted product.

**42300.5.** (a) Proprietary information included in part of a report or certificate submitted to the department pursuant to this chapter shall not be made available to the general public and shall be exempt from the disclosure provisions of the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).

(b) A manufacturer that submits information or records to the department pursuant to this chapter may request that the information or records be made available only for the confidential use of the department, the director, or the appropriate division of the department. The director of the department shall give consideration to the request and, if this action is not detrimental to the public interest, the director shall grant the request for the information to remain confidential and, upon the director's grant, the information shall be exempt from the disclosure provisions of the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).

**Article 2. Manufacturer Responsibility**

**42301.** (a) On or before July 1, 2026, and on or before July 1 of each year thereafter, a manufacturer shall do both of the following:

(1) Register with the department in a form and manner prescribed by the department in regulation.

(2) Pay the annual registration charge established pursuant to Section 42300.1.

(b) A manufacturer shall not be required to pay the annual registration charge if it demonstrates to the department, and the department finds, that the manufacturer is a small manufacturer.

(c) A manufacturer of only exempted products shall not be required to pay the annual registration charge and shall only be required to register once.

(d) A manufacturer shall provide all of the following information during registration:

(1) The name of the manufacturer being registered.

(2) The brand name of each of the manufacturer's covered products.

(3) The brand name of each of the manufacturer's exempt products.

(4) For the prior calendar year, the total weight of the manufacturer's covered products sold in the state and the total weight by each covered product category.

(5) For the prior calendar year, the average percentage of postconsumer recycled content used by the manufacturer for each covered product category sold in the state.

(6) Proof of third-party certification in accordance with Section 42301.3.

(7) Any other information required by the regulations described in Section 42300.1.

(e) (1) The department shall establish an electronic registration process on its internet website to facilitate the registration and the payment of the annual registration charge.

(2) The unavailability of an electronic registration process shall not relieve a manufacturer of the requirements of this section.

~~(f)(1)The department shall provide a written warning to a manufacturer that fails to comply with this section.~~

~~(2)A manufacturer that receives a written warning described in paragraph (1) shall have no more than 30 days from the date of receipt to comply with subdivisions (a) to (e), inclusive.~~

~~(3)A manufacturer described in paragraph (2) that fails to comply with paragraph (2) shall be subject to penalties pursuant to Section 42304.1.~~

**42301.1.** (a) A manufacturer shall meet the following annual minimum postconsumer recycled content percentages on average for the total quantity of covered products, by weight, that are sold, offered for sale, or distributed in or into the state:



(1) Except as provided in paragraphs (2), (3), and (4), on and after January 1, 2028, for covered products, no less than 30 percent postconsumer recycled content plastic by weight.

(2) For rigid plastic ~~containers with a maximum capacity of five fluid gallons or the equivalent volume;~~ *containers*, no less than 25 percent postconsumer recycled content plastic by weight.

(3) For plastic trash bags, no less than 10 percent postconsumer recycled content plastic by weight.

(4) (A) On and after January 1, 2028, for roll carts, no less than 10 percent postconsumer recycled content plastic by weight.

(B) On and after January 1, 2030, for roll carts, no less than 30 percent postconsumer recycled content plastic by weight.

(b) For each pound of postconsumer resin purchased from a source in state or in adjacent ~~regions;~~ *states*, as determined *and verified* by the department, for use in the manufacture of covered products with recycled plastic postconsumer material in compliance with this chapter, the department shall credit the certifying manufacturer with having used ~~1.2~~ *1.5* pounds of postconsumer resin toward compliance with the requirements of subdivision (a).

**42301.2.** (a) (1) Until January 1, 2030, a manufacturer shall achieve compliance with the postconsumer recycled content requirements in Section 42301.1 based on the average amount of postconsumer recycled content, by weight, contained in its covered products. A manufacturer shall calculate the average amount of postconsumer recycled content contained in its covered products using data specific to products sold or offered for sale in the state.

(2) A manufacturer may submit national data allocated on a per capita basis for California to approximate the information required in paragraph (1) if the manufacturer demonstrates to the department that state-level data are not available or feasible to generate.

(b) On and after January 1, 2030, a manufacturer shall calculate the average amount of postconsumer recycled content in its products using data specific to products sold or offered for sale in the state only.

(c) The calculation of averages may be based on portfolio standards. On and after January 1, 2034, ~~five years after the effective date of each postconsumer content requirement described in subdivision (a) of Section 42301.1;~~ a manufacturer shall be required to calculate the amount of postconsumer recycled content in each covered product category sold or offered for sale within the state.

**42301.3.** (a) (1) On and after January 1, 2029, a manufacturer shall include as part of its annual registration, as required by Section 42301, proof of third-party certification of the postconsumer recycled content of each of its covered products.

(2) The third-party certification shall be provided to the department under penalty of perjury.

(b) A manufacturer that is required to comply with subdivision (a) may be audited by the department or an independent third party contracted by the department.

### **Article 3. Reporting**

**42302.** (a) On and after April 1, 2028, a manufacturer shall provide an annual report to the department that includes the amount, in pounds, of virgin plastic by resin type, and the amount, in pounds, of postconsumer recycled content by resin type used and the source, by country of origin, for each covered product category that is sold, offered for sale, or distributed in or into the state, including the total postconsumer recycled content resins as a percentage of total plastic weight.

(b) The report shall be submitted in a format and manner prescribed by the department.

(c) The department shall post the information reported pursuant to subdivision (a) on its internet website, except as provided in Section 42300.5.

*42302.1. A manufacturer required to provide any information pursuant to this chapter shall be subject to audit by the department.*

### **Article 4. Waivers**

**42303.** (a) The department may, upon application by a manufacturer, grant a waiver, not to exceed two years, from the requirements of subdivision (a) of Section 42301.1 if the department finds all of the following:

(1) The manufacturer cannot comply with subdivision (a) of Section 42301.1 and remain in compliance with applicable rules and regulations adopted by the United States Food and Drug Administration, or any other state or federal law, rule, or regulation.



(2) It is not technologically feasible for the manufacturer to comply with subdivision (a) of Section 42301.1.

(3) The manufacturer cannot comply with subdivision (a) of Section 42301.1 because of supply limitations.

(4) The manufacturer cannot comply with subdivision (a) of Section 42301.1 for a reason that was determined by the department in regulations, as described in subdivision (b) of Section 42300.1.

(b) An application for a waiver pursuant to subdivision (a) shall include both of the following:

(1) Documentation from a federal or state agency or a ~~certified~~ third-party expert, as appropriate, demonstrating that one of the criteria in subdivision (a) is met.

(2) A waiver application charge for the actual costs to the department to process that application, not to exceed one thousand dollars (\$1,000).

(c) The department shall publish on its internet website a determination to grant a waiver pursuant to this section.

(d) The department shall develop in regulation a standardized form and procedure for a manufacturer to apply for a waiver pursuant to Section 42300.1.

(e) The department may, by regulation, modify the amount of the waiver application charge to reflect the department's costs to administer this section.

~~42303.1.(a)The department may grant a reduction in the civil penalties imposed pursuant to Section 42304 if the manufacturer submits to the department a corrective action plan and the department approves the corrective action plan.~~

~~(b)A corrective action plan described in subdivision (a) shall include both of the following:~~

~~(1)The reasons for noncompliance with subdivision (a) of Section 42301.1.~~

~~(2)The manufacturer's planned steps to comply with subdivision (a) of Section 42301.1.~~

~~(c)The department, when reviewing a corrective action plan and determining whether to reduce civil penalties pursuant to subdivision (a), shall consider all of the following:~~

~~(1)Anomalous market conditions.~~

~~(2)Disruptions in supply or lack of supply of recycled plastics.~~

~~(3)Efforts undertaken by the manufacturer to increase the recyclability of the manufacturer's covered product and the supply of postconsumer recycled plastic.~~

~~(4)Efforts taken by the manufacturer to increase the use of postconsumer recycled plastics in other applications.~~

~~(5)Other factors that prevent a manufacturer from complying with subdivision (a) of Section 42301.1.~~

## Article 5. Enforcement

**42304.** (a) For a violation of subdivision (a) of Section 42301.1, the department shall assess an *administrative* civil penalty. The *administrative* civil penalty shall be on a per-pound basis for each pound of virgin material that was used by a manufacturer in its products instead of the recycled material required by this chapter. On and before January 1, 2029, the penalty shall be set at ~~twenty cents (\$0.20)~~ *forty cents (\$0.40)* per pound.

(b) On and after January 1, 2029, the department may use a formula and methodology for calculating a per-pound penalty for each resin type that is, over the average of the previous six months, greater than the market price differential between postconsumer resin and virgin resin varieties according to one or more national price indices as selected by the department.

(c) On or before July 1 of each year, the department shall publish a report setting forth the fines and penalties that it has levied pursuant to this chapter in the prior calendar year.

**42304.1.** (a) ~~(1)The~~ *Except as provided in Section 42304, the* department shall provide a written notice to a manufacturer that is not in compliance with ~~subdivision (a) of Section 42301 or subdivision (a) of Section 42303 and shall offer information on how to comply with those requirements.~~ *this chapter.*

~~(2)The notice described in subdivision (f) of Section 42301 satisfies the requirement for a written notice.~~

(b) A manufacturer that receives a written notice shall have no more than 30 days from the date of receipt to comply with the notice.

~~(b)~~

(c) The department shall issue at least two notices, as described in subdivision (a), by certified mail before assessing a penalty pursuant to subdivision ~~(c)~~ (d).

~~(c)~~

(d) A manufacturer that is not in compliance with ~~subdivision (a) of Section 42301 or subdivision (a) of Section 42303~~ this chapter is subject to ~~a~~ an administrative civil penalty in an amount not to exceed ~~one five~~ thousand dollars ~~(\$1,000) for each day of a~~ (\$5,000) per day per violation.

**42304.2.** (a) The department may grant a reduction in an administrative civil penalty imposed pursuant to Section 42304 if the manufacturer submits to the department a corrective action plan and the department approves the corrective action plan.

(b) A corrective action plan described in subdivision (a) shall include both of the following:

(1) The reasons for noncompliance with subdivision (a) of Section 42301.1.

(2) The manufacturer's planned steps to comply with subdivision (a) of Section 42301.1.

(c) The department, when reviewing a corrective action plan and determining whether to reduce civil penalties pursuant to subdivision (a), shall consider all of the following

(1) Anomalous market conditions.

(2) Disruptions in supply or lack of supply of recycled plastics.

(3) Efforts undertaken by the manufacturer to increase the recyclability of the manufacturer's covered product and the supply of postconsumer recycled plastic.

(4) Efforts taken by the manufacturer to increase the use of postconsumer recycled plastics in other applications.

(5) Documentation or other verification from third-party experts regarding the validity of the manufacturer's claims.

(6) Other factors that prevent a manufacturer from complying with subdivision (a) of Section 42301.1.

#### **Article 6. Financial**

**42305.** (a) The Rigid Container Account is hereby continued in existence. Moneys in the account on January 1, 2026, shall be used for purposes consistent with Section 42322, as it read on December 31, 2025.

(b) The department shall deposit all penalties and fines paid pursuant to this chapter into the Rigid Container Account. The moneys deposited into the account shall be expended by the department, upon appropriation by the Legislature, to assist local governmental agencies to develop and implement collection and processing systems for the recycling of materials that are subject to this chapter, for the development of markets for these materials, and for the department's actual and reasonable costs of implementing this chapter.

(c) Upon appropriation by the Legislature, the department may expend funds from the Integrated Waste Management Account to implement this chapter.

**SEC. 5.** The Legislature finds and declares that Section 4 of this act, which adds Section 42300.5 to the Public Resources Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

*Protecting confidential and proprietary information is necessary to facilitate a statewide program to address the recycling of plastics.*

~~SEC. 4.~~**SEC. 6.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

~~SEC. 5.~~The Legislature finds and declares that Section 3 of this act, which adds Section 42300.5 to the Public Resources Code,

~~imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:~~

~~Protecting confidential and proprietary information is necessary to facilitate a statewide program to address the recycling of plastics.~~