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## **CALIFORNIA LAW REQUIRES PLASTIC BEVERAGE CONTAINERS TO INCLUDE RECYCLED PLASTICS**

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A California law taking effect January 1, 2022 requires that plastic beverage containers subject to the California Refund Value (CRV) must include at least 15 percent recycled content. The amount of recycled content increases to 25 percent in 2025, and to 50 percent in 2030.

Assembly Bill 793, which was passed in September 2020, seeks to help improve the market for recycled plastic by increasing the demand.

Non-compliant beverage manufacturers will be assessed penalties that will be deposited into the Recycling Enhancement Penalty Account and used to support recycling, infrastructure, collection and processing of beverage containers in the state. Beginning January 1, 2023, beverage manufacturers that do not meet the minimum content requirements are subject to annual penalties, which will be assessed March 1, 2024 and calculated at a rate of \$0.20 per pound based on the shortfall of recycled content used compared to the minimum content requirement.

Beverage manufacturers who fail to meet the minimum content standard may submit a corrective action plan detailing the reasons they failed, or will fail, to meet the standard and how they plan to meet the standard in the future. The penalties that the beverage manufacturer is assessed may be reduced if CalRecycle approves the corrective action plan.

In addition, the law requires plastic material reclaimers to report empty plastic beverage containers collected and sold. On or before March 1, 2024, and annually thereafter, a plastic material reclaimer must report to CalRecycle the amount in pounds and by resin type of empty plastic CRV beverage containers that the plastic material reclaimer has collected and sold in the previous calendar year.

It also requires manufacturers of postconsumer recycled plastic to report the amount of food-grade and bottle-grade plastic material sold in the state. On or before March 1, 2024, and annually thereafter, a manufacturer of postconsumer recycled plastic must report to CalRecycle the amount in pounds in food-grade flake, pellet, sheet, fines or other forms that were sold in the previous calendar year and their capacity to produce food-grade material.

## RELATED PRACTICE AREAS

- Food & Agribusiness
- Food & Beverage
- Retail & Consumer Products

## MEET THE TEAM



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