



## Short Form Analysis

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Sponsor:

Bill Number: SB 38

Amended: May 20, 2021, and  
May 26, 2021

**SUBJECT:** Gross Income Exclusion for Recycling Refund Value

- Minor/Technical Amendment

### SUMMARY

This bill would, under the Business and Profession Code, Penal Code, Public Contracts Code, and Public Resources Code (PRC), make several changes to the recovery and recycling of empty beverage containers programs in California. In addition, this bill establishes a program to promote beverage container recycling, and provides for the payment, collection, and distribution of certain payments and fees. This bill also imposes requirements onto deposit beverage dealers and recycling centers.

### ANALYSIS

The May 20, 2021, amendments modified the PRC by defining the term “curbside program” in relation to the recycling of empty beverage containers. The amendments additionally expanded redemption center operator and drop-off and collection program certification requirements, increased the requirements for empty beverage container center redemption dealers, allowed the Beverage Container Stewardship Organization to authorize a processor to pay a curbside program operator, as specified. Lastly, the amendments increased the annual volume of sales of grocery goods for a dealer to accept empty beverage containers. These amendments would not impact the department's programs or operations.

The May 26, 2021, amendments modified the PRC by increasing the annual volume of grocery goods sales to qualify as a “redemption center”, allowing payments, including handling fee payment, refund value payment, processing fee payment or processing payment to be made electronically and within five days and lastly disallowing unredeemed refund values to be used to pay civil penalties imposed onto stewardship organizations. Additionally the amendments made other non-substantive and minor technical adjustments. These amendments would not impact the department's programs or operations.

### LEGISLATIVE CONTACT

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