

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral

BILL NUMBER: AB 1933
AUTHOR: Gordon, Richard

BILL SUMMARY: Beverage containers: enforcement.

Existing law establishes the Beverage Container Recycling and Litter Reduction Act (Bottle Bill) administered by the Department of Resources Recycling and Recovery (CalRecycle). The Bottle Bill establishes refund value and redemption payments for specified beverage containers. The Bottle Bill prohibits submitting claims and paying refund value on beverage container material that a person knows, or should have known, was imported from out of state. Existing law also requires any person importing more than 100 pounds of aluminum, bimetals, or plastic beverage container material, or 1000 pounds of glass beverage container material, to report the material to CalRecycle and provide an opportunity for inspection.

This bill would decrease the out-of-state beverage container importation reporting thresholds to 25 pounds for aluminum, bimetals, and plastic beverage containers and 250 pounds for glass beverage containers. Additionally, the bill would expand the reporting requirements to include material source and destination documentation. The bill also would require the importer to provide CalRecycle with an inspection opportunity.

FISCAL SUMMARY

According to CalRecycle, this bill would have no fiscal impact on the department.

COMMENTS

The Department of Finance is neutral on this bill because it would provide CalRecycle additional information related to out-of-state beverage container importation. It is our understanding that this measure is intended to enhance CalRecycle's ability to guard against the illegal redemption of out-of-state beverage containers. It is unclear what actual effect the bill would have on illegal redemption since it is unlikely that those who are illegally redeeming material are submitting the required reports to CalRecycle.

Finance notes the 2012-13 Governor's Budget proposes to redirect approximately \$1.4 million California Beverage Container Recycle Fund to support an interagency agreement with the California Department of Food and Agriculture Border Protection Stations to combat fraud associated with the illegal redemption of out-of-state beverage containers.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code
		(Dollars in Thousands)					
	LA	PROP	FC	2011-2012 FC	2012-2013 FC	2013-2014 FC	
3500/ResRcyclRcvr	SO	No				----- No/Minor Fiscal Impact -----	0133
<u>Fund Code</u> 0133	<u>Title</u> Beverage Container Recycling Fund, CA						

Analyst/Principal (0622) J.McGuinn	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____