

HEBER PUBLIC UTILITY DISTRICT

REPORT TO BOARD OF DIRECTORS

MEETING DATE: April 21, 2022

FROM: Laura Fischer, General Manager

SUBJECT: Authorize the HPUD Board President to sign a letter of support for AB 2440 the Responsible Battery Recycling Act.

ISSUE: Shall the Heber PUD Board authorize the President to sign a letter of support for AB 2440 the Responsible Battery Recycling Act, Assemblymember Irwin?

GENERAL MANAGER'S RECOMMENDATION:

Approve.

FISCAL IMPACT:

NONE

AB 2440 Summary:

In an effort to ensure access to safe battery disposal and reduce fire risk, Senator Josh Newman and Assemblymember Jacqui Irwin introduced SB 1215 and AB 2440. These two mirrored bills, also known as The Responsible Battery Recycling Act, create a statewide collection and recycling program for consumer batteries and battery-embedded products.

Because of the hazardous metals and corrosive materials that batteries contain, California classifies batteries as hazardous waste and bans them from solid waste landfills. When improperly discarded, **batteries pose serious fire**, health and safety hazards that disrupt our waste stream and poison our environment.

"In a world where batteries are increasingly powering everything, we still haven't solved for how to safely dispose of them when they're done. Currently, an estimated 75-92% of lithium-ion batteries are disposed of improperly," said **Senator Josh Newman (D-Fullerton), author of SB 1215**. "The influx of these batteries into our waste stream has resulted in an alarming number of fires in our material recovery facilities, waste collection trucks, and landfills – fires that pose serious toxic threats to the health and safety of workers, firefighters and the surrounding community."

According to a 2018 California Product Stewardship Council study, 20 of 26 materials recovery facilities surveyed experienced at least one fire during the previous two years. 65% of these fires were attributed to discarded batteries, with 40% of those batteries identified as Lithium-ion. The issue gained attention when a massive fire broke out at the Shoreway Environmental Center in San Carlos in 2016, causing millions of dollars in damages that required months of repair.

Californians need a convenient and efficient system for used battery collection and sorting, which will provide enhanced opportunities for the recycling and reuse of the

valuable and finite minerals inside the batteries, reduce toxic environmental impacts and spur economic growth.

"Many Californians don't realize that all batteries are hazardous waste; and that throwing batteries, and products embedded with batteries, in curbside waste bins poses a threat to recycling facilities and human life," said **Assemblymember Jacqui Irwin (D-Thousand Oaks), author of AB 2440**. "With more of our everyday items running off of batteries, it is imperative that we take swift action to stamp out the risk of devastating fires at our waste facilities and safely allow recovery of the valuable minerals inside batteries."

These pieces of legislation will replace the current, labyrinthine and unsafe process for battery disposal with a safe, convenient, and accessible system for consumers to safely dispose of depleted batteries. SB 1215 and AB 2440 require the producers of batteries and battery-embedded products sold in California to develop, finance, and implement this program in collaboration with CalRecycle to recover and recycle their products.

CONCLUSION:

This information and request for support of AB 2240 was submitted to staff by CR&R our waste hauler. Staff recommends that the Board authorize the HPUD Board President to sign a letter of support AB 2440 the Responsible Battery Recycling Act.

Respectfully Submitted,

Laura Fischer, General Manager

Attachment: Letter of Support

AB 2440 and Correspondence from CR&R

From: [Matthew C. Gray](#)
To: [Marcela Piedra](#); rj_medina@calipatria.com; NWells@Holtville.ca.gov; [L Fischer](#); tcastro@cityofwestmorland.net; [Darlene Berber](#)
Cc: [Francisco Ochoa](#)
Subject: Battery Legislation
Date: Wednesday, April 13, 2022 8:36:55 AM
Attachments: [image001.png](#)
[ab_2440_98_A_bill.pdf](#)
[AB 2440 \(Irwin\) Battery Recycling Coalition Support 4.3.22.pdf](#)
[Bill Quirk Battery Recycling Letter.docx](#)

Good morning,

As you may be aware, CR&R, as well as the entire solid waste and recycling industry, is currently grappling with a significant amount of battery related truck and facility fires. The majority of these fires are related to the illegal and improper disposal of batteries. In particular, we are experiencing quite a few fires with regards to the disposal of Lithium Ion Batteries. These types of batteries are found in all types of battery powered products from laptops to drones, to phones, etc. The list is endless. These fires are costing us millions of dollars in damages and they are also a significant threat to public safety.

The industry has been working hard in Sacramento to help pass legislation which would stem the tide with regards to this issue. We are currently supporting AB 2440 (Irwin) which would help to begin addressing the issue by :

- Requiring free collection for most loose and product-embedded batteries at convenient locations across the state
- Would also encourage manufacturers to be more responsible for the life cycle of their products by creating a producer-run program.
- Would support a circular economy by battery recycling to the extent that is economically and technically feasible.

We would ask for your review and support of this legislation. It is a first step in the effort to address this critical issue. We encourage your City to send in a letter of support to Assembly member Bill Quirk, Chair of the Assembly Environmental Safety and Toxic Materials Committee and to the author Assembly member Irwin as well as the co-author Senator Newman. We would also ask that you send us a copy of your letter if you decide to send one in.

We thank you in advance for your consideration and support.

Respectfully,

Matthew Gray
Sustainability Specialist
Office 760-482-5656

Mobile 760-908-9882

www.crrwasteservices.com



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April 4, 2022

The Honorable Bill Quirk, Chair
Assembly Environmental Safety and Toxic Materials Committee
1020 N Street, Room 171
Sacramento, CA 95814

Re: AB 2440 (Irwin) Responsible Battery Recycling Act of 2022 – SUPPORT

Dear Chair Quirk:

We, the undersigned organization, are pleased to support AB 2440 (Irwin), which would create a convenient, statewide, producer-run collection and recycling program for loose and product-embedded batteries.

Due to the hazardous metals and corrosive materials that batteries contain, California classifies batteries as hazardous waste and bans them from solid waste landfills. When consumers are done with their loose batteries and portable electronics, they must collect, sort, and ultimately find an appropriate disposal option. Unfortunately, California currently lacks a streamlined and convenient collection and recycling system for batteries and batteries embedded in products.

Because of a combination of increased consumption and a lack of convenient disposal options, higher levels of toxic batteries and products are entering the waste stream. When improperly discarded, lithium-ion (Li-ion) batteries in particular pose serious fire, health, and safety hazards. The influx of improperly disposed of Li-ion batteries into the waste stream has resulted in an alarming number of materials recovery facilities (MRFs), waste collection trucks, and landfills experiencing fires.

Oftentimes, Li-ion batteries are embedded in and irremovable from products, including portable electronics, such as phones, laptops, and power tools. When loose Li-ion batteries or Li-ion batteries embedded in products experience intense physical pressure – which is common in California’s waste processing system – the batteries can spark a fire or even explode. A 2018 California Product Stewardship Council survey found that 20 of the 26 MRFs surveyed experienced at least one fire during the previous two years, 65% of which were attributed to discarded batteries and 40% of those batteries were identified as Li-ion.¹

For the average consumer, it can often be difficult to distinguish between chemistries of batteries, such as alkaline, nickel cadmium, and Li-ion. Therefore, to ensure the proper disposal of all battery chemistries and reduce the fire and safety risk, AB 2440 would require free collection for most loose and product-embedded batteries at convenient locations across the state. AB 2440 would also encourage manufacturers to be more responsible for the life cycle of their products by creating a producer-run program. Lastly, AB 2440 would support a circular economy by battery recycling to the extent that is economically and technically feasible.

Manufacturers must be more responsible for the products they create – both loose batteries and ones embedded in other products – if we are going to protect our workers, communities, the environment, and waste management infrastructure from battery-related fires.

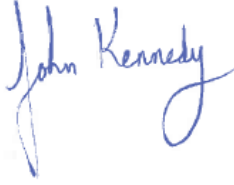
For these reasons, we are pleased to support AB 2440 (Irwin).

Sincerely,



Charles Helget
Director, Government Affairs
Republic Services

¹ California Product Stewardship Council, (2021). CPSC Battery Fire Report.



John Kennedy
Legislative Advocate
Rural County Representatives of California



Emily Barnett
Communications & Government Relations Manager
Central Contra Costa Sanitary District (Central San)



Ken Etherington
Executive Director
RecycleSmart



Delta Diablo
Vince De Lange
General Manager



Mayor Robert Engler
Mayor

City of Thousand Oaks



Felipe Melchor
General Manager
Monterey Regional Waste Management District



Shell Cleave
Founder
Sea Hugger



Sofia Ratcovich
Chief Executive Officer
Zero Waste Company



Tim Dewey-Mattia
Napa Recycling & Waste Services
Recycling & Public Education Manager



John Kelly Astor

General Counsel
California Waste Haulers Council



Laura McKaughan
President
California Resource Recovery Association



Timothy Burroughs
Executive Director
StopWaste



Kevin Bell
Deputy Executive Director
Western Placer Waste Management Authority



Catherine Freeman
Legislative Representative
California State Association of Counties



Leslie Lukacs
Executive Director
ZeroWasteSonoma

Mayor Krista Bernasconi
Mayor
City of Roseville

Supervisor Nate Miley
Supervisor
Alameda County

Kathy Wall
HHW Program Manager
Marin Sanitary Service/ HHW

Andria Ventura
Legislative and Policy Director
Clean Water Action

Paul Relis

Paul Relis
Senior Vice President, Director of Environmental Affairs
CR&R Environmental Services

Bill Allayaud
Central California Environmental Justice Network
Environmental Working Group

AMENDED IN ASSEMBLY MARCH 28, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 2440

Introduced by Assembly Member Irwin

(Principal coauthor: Senator Newman)

**(Coauthors: Assembly Members Lee, Mullin, Petrie-Norris, Stone,
Ting, and Wicks)**

(Coauthors: Senators Archuleta, Becker, Eggman, Wieckowski, and
Wiener)

February 17, 2022

An act to add *Article 5 (commencing with Section 42457) to Chapter 8.4 of, Article 7 (commencing with Section 42499.5) to Chapter 8.6 of, and Chapter 7.5 (commencing with Section 42420) to to, and to repeal Chapter 8.4 (commencing with Section 42451) and Chapter 8.6 (commencing with Section 42490) of, Part 3 of Division 30 of the Public Resources Code, relating to recycling.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2440, as amended, Irwin. ~~Battery and Battery-Embedded Product Recycling and Fire Risk Reduction Act of 2022. Responsible Battery Recycling Act of 2022.~~

~~The Rechargeable Battery Recycling Act of 2006 requires every retailer, as defined, to have in place a system for the acceptance and collection of used rechargeable batteries for reuse, recycling, or proper disposal. The act requires the system for the acceptance and collection of used rechargeable batteries to include, at a minimum, specified elements, including, among others, the take-back at no cost to the consumer of a used rechargeable battery of the type or brand that the retailer sold or previously sold.~~

~~The hazardous waste control laws, among other things, authorize the Department of Toxic Substances Control to regulate the generation and disposal of hazardous waste. Existing law prohibits a person from intentionally disposing of or causing the disposal of a hazardous or extremely hazardous waste at a point not authorized by the hazardous waste control laws, as provided. Under existing department regulations, specified hazardous wastes, including certain batteries, are designated as “universal waste” and are regulated separately pursuant to universal waste management provisions. A violation of the hazardous waste control laws, including a regulation adopted pursuant to those laws, is a crime.~~

~~The bill would enact the Battery and Battery-Embedded Product Recycling and Fire Risk Reduction Act of 2022, which would prohibit a person from knowingly disposing of a lithium-ion battery in a container or receptacle that is intended for the collection of solid waste or recyclable materials, unless the container or receptacle is designated for the collection of batteries for recycling, as provided.~~

~~*The Cell Phone Recycling Act of 2004 prohibits the sale of a cell phone in this state to a consumer unless the retailer of that cell phone has in place a take-back system for the acceptance and collection of used cell phones for reuse, recycling, or proper disposal.*~~

~~*This bill would make the Rechargeable Battery Recycling Act of 2006 and the Cell Phone Recycling Act of 2004 inoperative as of September 30, 2026, and would repeal those acts as of January 1, 2027.*~~

~~*This bill would enact the Responsible Battery Recycling Act of 2022, which would require producers, as defined, either individually or through the creation of one or more stewardship organizations, to establish a stewardship program for the collection and recycling of covered batteries and covered battery-embedded products, as defined. The bill would require a producer or stewardship organization to develop, and submit for review and approval as specified, a stewardship plan and would prescribe the standards and elements required to be contained in a stewardship plan for covered batteries and in a stewardship plan for covered battery-embedded products. The bill would require a stewardship organization or producer to have a complete stewardship plan approved by the department on or before December 31, 2025, in order to be in compliance with the act.*~~

~~*This bill would require a stewardship organization or producer to be audited annually, and submit a report and budget to the department, as prescribed, and would require a stewardship organization, producer,*~~

manufacturer, distributor, retailer, importer, recycler, or collection site to, among other things, provide the department with relevant records necessary to determine compliance with the act. The bill would require reports and records provided to the department to be provided under penalty of perjury, thereby creating a state-mandated local program by expanding the crime of perjury. The bill would restrict public access to certain information collected for the purpose of administering a stewardship program.

This bill would require the department, on or before July 1, 2027, and each year thereafter, to post on its internet website a list of producers, including the reported brands and names of covered batteries and covered battery-embedded products of each producer, that are in compliance with the act. The bill would prohibit a retailer or distributor from selling, distributing, offering for sale, or importing a covered battery or covered battery-embedded product in or into the state unless the producer of the covered battery or covered battery-embedded product is listed on that list as in compliance on the act, except as specified.

This bill would require a stewardship organization or producer to reimburse the department and the Department of Toxic Substances Control for their respective actual and reasonable regulatory costs that are directly related to implementing and enforcing the act in relation to the stewardship organization's or producer's activities. The bill would require the department and the Department of Toxic Substances Control to deposit those moneys into the Covered Battery and Covered Battery-Embedded Product Recycling Fund, which the bill would establish, and would authorize the department and any other relevant state agency to expend those moneys, upon appropriation by the Legislature, to implement and enforce the act.

This bill would provide for enforcement of the act, including authorizing the department to impose an administrative civil penalty on a stewardship organization, producer, manufacturer, distributor, retailer, importer, recycler, or collection site in violation of the act not to exceed \$10,000 per day, unless the violation is intentional, knowing, or reckless, then in that case not to exceed \$50,000 per day. The bill would require the department to deposit those moneys into the Covered Battery and Covered Battery-Embedded Product Recycling Penalty Account, which the bill would establish in the fund, and would require the department to expend those moneys, upon appropriation by the Legislature, to implement and enforce the act. The bill would require

the department, on or before January 1, 2025, and in consultation with the Department of Toxic Substances Control, to adopt regulations to implement the act.

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.

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.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 7.5 (commencing with Section 42420)
2 is added to Part 3 of Division 30 of the Public Resources Code,
3 to read:

4
5 CHAPTER 7.5. RESPONSIBLE BATTERY RECYCLING ACT OF 2022

6
7 Article 1. General Provisions

8
9 42420. This chapter shall be known, and may be cited, as the
10 Responsible Battery Recycling Act of 2022.

11 42420.2. For purposes of this chapter, the following terms
12 have the following meanings:

13 (a) "Collection site" means a permanent or temporary location
14 at which covered batteries or covered battery-embedded products
15 are collected and prepared for transport in accordance with the
16 requirements of this chapter.

17 (b) "Consumer" means an owner of a covered battery or
18 covered battery-embedded product, including a person, business,
19 corporation, limited partnership, nonprofit organization, or
20 governmental entity, and includes the ultimate purchaser, owner,

1 or lessee of a covered battery or a covered battery-embedded
2 product.

3 (c) (1) “Covered battery” means a device consisting of one or
4 more electrically connected electrochemical cells designed to
5 receive, store, and deliver electric energy. A covered battery
6 includes an intact, unbroken battery from which the electrolyte
7 has been removed. A covered battery includes a battery pack or
8 a set of batteries that are connected together or encapsulated
9 within an outer casing to form a complete unit.

10 (2) “Covered battery” does not include any of the following:

11 (A) A primary battery weighing over two kilograms. For
12 purposes of this paragraph, “primary battery” means a
13 nonrechargeable battery, including, but not limited to, alkaline,
14 carbon-zinc, and lithium metal batteries.

15 (B) A rechargeable battery weighing over five kilograms and
16 having a Watt-hour rating of more than 300 Watt-hours.

17 (C) A lead-acid battery, as defined in Section 42440.

18 (D) (i) A battery contained in a motor vehicle. For purposes
19 of this subparagraph, “motor vehicle” has the same meaning as
20 defined in Section 415 of the Vehicle Code.

21 (ii) Notwithstanding any other law, the exclusion in clause (i)
22 does not apply to a battery contained in any of the following:

23 (I) A motorized scooter.

24 (II) A motorized skateboard.

25 (III) A motorized hoverboard.

26 (IV) A device intended to propel or move upon a highway only
27 one individual person or property.

28 (E) A fuel cell electrical generating facility. For purposes of
29 this subparagraph, “fuel cell electrical generating facility” has
30 the same meaning as “eligible fuel cell electrical generating
31 facility,” as defined in paragraph (1) of subdivision (a) of Section
32 2827.10 of the Public Utilities Code.

33 (d) (1) “Covered battery-embedded product” means a product
34 containing a battery or battery pack that is not designed to be
35 removed from the product by the consumer.

36 (2) “Covered battery-embedded product” does not include any
37 of the following:

38 (A) A medical device, as defined in Section 321(h) of Title 21
39 of the United States Code, if the medical device is not designed

1 and marketed for sale or resale principally to consumers for
2 personal use.

3 (B) A covered electronic device, as defined in subdivision (e)
4 of Section 42463.

5 (C) An energy storage system, as defined in subdivision (a) of
6 Section 2835 of the Public Utilities Code.

7 (e) “Department” means the Department of Resources Recycling
8 and Recovery or a successor agency.

9 (f) “Distributor” means a company that has a contractual
10 relationship with one or more producers to market and sell covered
11 batteries or covered battery-embedded products to retailers.

12 (g) “Electrochemical cell” means a system consisting of an
13 anode, a cathode, and an electrolyte, plus electrical or mechanical
14 connections needed to allow the cell to deliver or receive electric
15 energy.

16 (h) “Importer” means both of the following:

17 (1) A person qualifying as an importer of record for purposes
18 of Section 1484(a)(2)(B) of Title 19 of the United States Code with
19 regard to the import of a covered battery or a covered
20 battery-embedded product sold in or into the state that was
21 manufactured or assembled by a company outside of the United
22 States.

23 (2) A person importing a covered battery or a covered
24 battery-embedded product sold in or into the state that was
25 manufactured or assembled by a company outside of the state.

26 (i) (1) (A) “Producer” means the person who manufactures
27 the covered battery or covered battery-embedded product and who
28 sells, offers for sale, or distributes the covered battery or covered
29 battery-embedded product in or into the state.

30 (B) If there is no person who is the producer of the covered
31 battery or covered battery-embedded product for purposes of
32 subparagraph (A), the producer of the covered battery or covered
33 battery-embedded product is the person who imports the covered
34 battery or covered battery-embedded product in or into the state
35 for sale or distribution.

36 (C) If there is no person who is the producer for purposes of
37 subparagraphs (A) and (B), the producer is the person who sells
38 the covered battery or the covered battery-embedded product in
39 or into the state.

1 (2) “Producer” does not include an admitted insurer possessing
2 a certificate of authority from the Insurance Commissioner
3 pursuant to Section 700 of the Insurance Code.

4 (j) (1) “Rechargeable battery” means a battery that contains
5 one or more voltaic or galvanic cells, electrically connected to
6 produce electric energy, and that is designed to be recharged.

7 (2) “Rechargeable battery” does not include either of the
8 following:

9 (A) A battery that contains electrolytes as a free liquid.

10 (B) A battery that employs lead-acid technology, unless that
11 battery is sealed and contains no free liquid electrolytes.

12 (k) “Recycler” includes both of the following:

13 (1) A person who dismantles covered battery-embedded products
14 to recover components and residuals contained in the covered
15 battery-embedded products for the purpose of recycling.

16 (2) A person who changes the physical or chemical composition
17 of covered batteries or covered battery-embedded products, in
18 accordance with the requirements of Chapter 6.5 (commencing
19 with Section 25100) of Division 20 of the Health and Safety Code
20 and the regulations adopted pursuant to that chapter, for purposes
21 of recycling.

22 (l) “Recycling” means using, reusing, or reclaiming a recyclable
23 material.

24 (m) “Recycling efficiency rate” means the ratio of the weight
25 of covered batteries and covered battery-embedded products
26 recycled by a producer or stewardship organization to the weight
27 of covered batteries and covered battery-embedded products
28 received by the producer or stewardship organization.

29 (n) “Retailer” means a person who sells covered batteries or
30 covered battery-embedded products in or into the state to a person
31 through any means, including, but not limited to, sales outlets,
32 catalogs, the telephone, the internet, or any electronic means.

33 (o) “Stewardship organization” means an organization exempt
34 from taxation under Section 501(c)(3) of the federal Internal
35 Revenue Code of 1986 (26 U.S.C. Sec. 501(c)(3)) that is established
36 by a group of producers in accordance with this chapter to develop
37 and implement a stewardship program.

38 (p) “Stewardship plan” or “plan” means a plan developed by
39 a stewardship organization or producer pursuant to this chapter
40 for the collection, transportation, and recycling, and the safe and

1 *proper management, of covered batteries or covered*
 2 *battery-embedded products.*

3 (q) “Stewardship program” means a program established by
 4 a producer or stewardship organization pursuant to this chapter
 5 for the free and convenient collection, transportation, and
 6 recycling, and the safe and proper management, of covered
 7 batteries, covered battery-embedded products, or covered batteries
 8 and covered battery-embedded products pursuant to a stewardship
 9 plan approved by the department in accordance with this chapter.

10 42420.4. On or before January 1, 2025, the department, in
 11 consultation with the Department of Toxic Substances Control,
 12 shall adopt regulations to implement this chapter.

13

14 *Article 2. Producers and Stewardship Organizations for*
 15 *Covered Batteries and Covered Battery-Embedded Products*

16

17 42421. (a) No later than 90 days after the effective date of this
 18 chapter, a producer shall provide to the department a list of
 19 covered batteries and covered battery-embedded products that the
 20 producer sells or offers for sale in the state.

21 (b) A producer, or a stewardship organization on behalf of a
 22 group of producers, shall update the list described in subdivision
 23 (a) and provide the updated list to the department on or before
 24 January 15 of each year or upon request of the department.

25 42421.2. (a) Producers may establish one or more stewardship
 26 organizations composed of producers to develop and implement
 27 the covered battery and covered battery-embedded product
 28 recycling program established pursuant to this chapter.

29 (b) (1) A producer shall comply with this chapter either
 30 individually or through a stewardship organization established
 31 pursuant to subdivision (a).

32 (2) A producer shall not sell, distribute, offer for sale, or import
 33 a covered battery or a covered battery-embedded product in or
 34 into this state unless the producer is in compliance with this
 35 chapter.

36 (c) Each producer covered under a stewardship organization
 37 shall register with that stewardship organization.

38 42421.4. To obtain a determination that a person is not a
 39 producer under this chapter, the person shall request an exemption
 40 through the form and in the manner determined by the department

1 *and provide the necessary data required for the department to*
2 *make this determination.*

3

4 *Article 3. Stewardship Plan for Covered Batteries and Covered*
5 *Battery-Embedded Products*

6

7 *42422. Within six months of the effective date of the regulations*
8 *adopted by the department pursuant to Section 42420.4, a producer*
9 *or stewardship organization shall develop and submit to the*
10 *department a stewardship plan for the collection, transportation,*
11 *and recycling, and the safe and proper management, of covered*
12 *batteries, covered battery-embedded products, or covered batteries*
13 *and covered battery-embedded products in the state in an*
14 *economically efficient and practical manner.*

15 *42422.1. A stewardship plan for covered batteries shall include*
16 *all of the following standards and elements:*

17 *(a) The names of producers, distributors, importers,*
18 *manufacturers, brands, and covered batteries covered under the*
19 *stewardship plan.*

20 *(b) An explanation of the process by which the stewardship*
21 *organization or producer consulted with the advisory body created*
22 *pursuant to subdivision (b) of Section 42422.4 to receive advice*
23 *on the development and implementation of the stewardship plan.*

24 *(c) Provide for a free and convenient collection system for*
25 *covered batteries in each county of the state that meets all of the*
26 *following requirements:*

27 *(1) A minimum of ____ collection sites per county or one*
28 *collection site per ____ people, whichever is greater.*

29 *(2) The department may adjust the minimum required collection*
30 *sites to ensure that consumers have sufficient convenient access*
31 *to collection sites.*

32 *(3) The collection sites in each county shall be reasonably*
33 *spread throughout the county to facilitate widespread access and*
34 *convenience.*

35 *(d) An explanation of the stewardship organization's or*
36 *producer's plans to meet the recycling efficiency rate established*
37 *by the department pursuant to subdivision (i) of Section 42424.2.*

38 *(e) An explanation of how collection sites will be authorized*
39 *and managed, including all of the following:*

1 (1) A producer or stewardship organization shall include as a
2 collection site under its stewardship program any entity that offers
3 in writing to participate in the stewardship program, even if the
4 minimum thresholds described in subdivision (c) have been
5 achieved.

6 (2) A producer or stewardship organization shall include the
7 offering entity as a collection site in the program within 90 days
8 of receiving the written offer to participate. The producer or
9 stewardship organization shall not be required to respond to offers
10 pursuant to this paragraph until the producer's or stewardship
11 organization's stewardship plan has been approved by the
12 department.

13 (3) A producer or stewardship organization may suspend or
14 terminate a collection site or service that does not adhere to the
15 collection site criteria in an approved stewardship plan.

16 (4) A collection site shall be operated to ensure that covered
17 batteries are collected safely and handled in accordance with all
18 applicable laws.

19 (5) An explanation of the process by which the stewardship
20 organization or producer will provide for the collection and
21 transport of covered batteries from the collection sites to a
22 recycler. A receipt or collection manifest shall be provided to the
23 collection site by the stewardship organization or producer. A
24 collection site and stewardship organization or producer shall
25 each maintain these records and make them available to the
26 department upon request.

27 (6) A list of all rules or conditions imposed by the stewardship
28 organization or producer as a condition of participation in the
29 program for collection sites.

30 (7) A producer or stewardship organization shall evaluate and
31 consider the implementation of an incentive structure for collection
32 sites to achieve the purposes of this chapter.

33 (f) A producer or stewardship organization shall allow a
34 consumer to drop off, at no charge, covered batteries at a
35 collection site.

36 (g) Provide collection sites with the necessary equipment,
37 training, signage, safety guidance, and educational materials.

38 (h) (1) The establishment and administration of a means for
39 fully funding the stewardship program in a manner that equitably

1 *distributes the stewardship program's costs among the producers*
2 *that are part of the stewardship organization.*

3 *(2) The funding mechanism shall provide sufficient funding for*
4 *the producer or stewardship organization to implement the plan,*
5 *including the administrative, operational, and capital costs of the*
6 *plan and the department's and the Department of Toxic Substances*
7 *Control's actual and reasonable regulatory costs incurred to*
8 *implement and enforce this chapter.*

9 *(i) A description of the process by which covered batteries will*
10 *be processed and recycled following collection at collection sites,*
11 *including both of the following:*

12 *(1) A description of how covered batteries will not be landfilled*
13 *and how all covered batteries will enter a recycling process.*

14 *(2) A description of how discarded covered battery residual*
15 *materials will be, to the extent economically and technically*
16 *feasible, recycled.*

17 *(j) Coordination with, and a description of methods used to*
18 *coordinate activities with, all of the following:*

19 *(1) Other stewardship programs for covered batteries.*

20 *(2) Existing battery collection and recycling programs, including*
21 *electronic waste recyclers and dismantlers.*

22 *(3) Community-based organizations qualified to run collection*
23 *events to support regions with low rates of recycling.*

24 *(4) Other relevant stakeholders, as appropriate.*

25 *(k) Developing strategies, in consultation with the California*
26 *Environmental Protection Agency's Environmental Justice Task*
27 *Force and other relevant stakeholders, for collecting covered*
28 *batteries for recycling in areas and communities that face unique*
29 *challenges associated with proper waste management, such as*
30 *poverty, language barriers, and illegal disposal.*

31 *(l) A comprehensive statewide education and outreach program*
32 *designed to promote participation in the collection and recycling*
33 *program offered by the stewardship organization. At a minimum,*
34 *the comprehensive statewide education and outreach program*
35 *shall include all of the following:*

36 *(1) A detailed description of the education and communications*
37 *strategy being implemented to effectively promote participation*
38 *in the program and provide the information necessary for effective*
39 *participation of consumers, retailers, and others.*

1 (2) An internet website that publicizes the location of collection
2 sites and provides detailed information to consumers on the free
3 and convenient network of collection sites and any other
4 information reasonably necessary to safely and conveniently access
5 the collection and recycling services offered as part of the
6 stewardship plan.

7 (3) All signage and materials required for collection sites by
8 the stewardship organization or producer, and the method by
9 which collection sites can access replacement materials.

10 (4) A description of efforts to support participation by all
11 California communities, including a description of efforts to
12 communicate with consumers in languages other than English, as
13 described in subdivision (k).

14 (5) A description of goals and metrics used to determine the
15 success of the statewide education and outreach program.

16 (6) The statewide education and outreach program shall not
17 promote the disposal of covered batteries in a manner inconsistent
18 with the services offered by the stewardship plan.

19 (7) The statewide education and outreach plan shall include
20 information for consumers about how to avoid improper disposal
21 of covered batteries.

22 (m) Developing strategies in coordination with other
23 stewardship programs to implement proper labeling of covered
24 batteries to ensure proper collection and recycling, including, but
25 not limited to, a uniform color, design, and labeling scheme for
26 batteries.

27 (n) A contingency plan in the event the stewardship plan expires,
28 is disapproved, or is revoked. The contingency plan shall describe
29 how the stewardship plan objectives can be carried out in the
30 absence of a plan, either by the stewardship organization or
31 producer, or through an entity such as an escrow company.

32 42422.2. A stewardship plan for covered battery-embedded
33 products shall include all of the following standards and elements:

34 (a) The names of producers, distributors, importers,
35 manufacturers, brands, and covered battery-embedded products
36 covered under the stewardship plan.

37 (b) An explanation of the process by which the stewardship
38 organization or producer consulted with the advisory body created
39 pursuant to subdivision (b) of Section 42422.4 to receive advice
40 on the development and implementation of the plan.

1 (c) Provide for a free and convenient collection system for
2 covered battery-embedded products in each county of the state
3 that meets all of the following requirements:

4 (1) A minimum of ____ collection sites per county or one
5 collection site per ____ people, whichever is greater.

6 (2) The department may adjust the minimum required collection
7 sites to ensure that consumers have sufficient convenient access
8 to collection sites.

9 (3) The collection sites in each county shall be reasonably
10 spread throughout the county to facilitate widespread access and
11 convenience.

12 (d) An explanation of the stewardship organization's or
13 producer's plans to meet the recycling efficiency rate established
14 by the department pursuant to subdivision (i) of Section 42424.2.

15 (e) An explanation of how collection sites will be authorized
16 and managed, including all of the following:

17 (1) A producer or stewardship organization shall include as a
18 collection site under its stewardship program any entity that offers
19 in writing to participate in the stewardship program, even if the
20 minimum thresholds described in subdivision (c) have been
21 achieved.

22 (2) A producer or stewardship organization shall include the
23 offering entity as a collection site in the program within 90 days
24 of receiving the written offer to participate. The producer or
25 stewardship organization shall not be required to respond to offers
26 pursuant to this paragraph until the producer's or the stewardship
27 organization's stewardship plan has been approved by the
28 department.

29 (3) A producer or stewardship organization may suspend or
30 terminate a collection site or service that does not adhere to the
31 collection site criteria in an approved stewardship plan.

32 (4) A collection site shall be operated to ensure that covered
33 battery-embedded products are collected safely and handled in
34 accordance with all applicable laws.

35 (5) An explanation of the process by which the stewardship
36 organization or producer will provide for collection and transport
37 of covered battery-embedded products from the collection sites to
38 a recycler. A receipt or collection manifest shall be provided to
39 the collection site by the stewardship organization or producer.
40 A collection site and stewardship organization or producer shall

1 each maintain these records and make them available to the
2 department upon request.

3 (6) A list of all rules or conditions imposed by the stewardship
4 organization or producer as a condition of participation in the
5 program for collection sites.

6 (7) A producer or stewardship organization shall evaluate and
7 consider the implementation of an incentive structure for collection
8 sites to achieve the purposes of this chapter.

9 (f) A producer or stewardship organization shall allow a
10 consumer to drop off, at no charge, covered battery-embedded
11 products at a collection site.

12 (g) Provide collection sites with the necessary equipment,
13 training, signage, safety guidance, and educational materials.

14 (h) (1) The establishment and administration of a means for
15 fully funding the stewardship program in a manner that equitably
16 distributes the stewardship program's costs among the producers
17 that are part of the stewardship organization.

18 (2) The funding mechanism shall provide sufficient funding for
19 the producer or stewardship organization to implement the plan,
20 including the administrative, operational, and capital costs of the
21 plan and the department's and the Department of Toxic Substances
22 Control's actual and reasonable regulatory costs incurred to
23 implement and enforce this chapter.

24 (i) A description of the process by which covered
25 battery-embedded products will be processed and recycled
26 following collection at collection sites, including both of the
27 following:

28 (1) A description of how covered battery-embedded products
29 will not be landfilled and how all covered battery-embedded
30 products will enter a recycling process.

31 (2) A description of how discarded covered battery-embedded
32 product residual materials will be, to the extent economically and
33 technically feasible, recycled.

34 (j) Coordination with, and a description of methods used to
35 coordinate activities with, all of the following:

36 (1) Other stewardship programs for covered battery-embedded
37 products.

38 (2) Existing battery collection and recycling programs, including
39 electronic waste recyclers and dismantlers.

- 1 (3) *Community-based organizations qualified to run collection*
2 *events to support regions with low rates of recycling.*
- 3 (4) *Other relevant stakeholders, as appropriate.*
- 4 (k) *Developing strategies, in consultation with the California*
5 *Environmental Protection Agency's Environmental Justice Task*
6 *Force and other relevant stakeholders, for collecting covered*
7 *battery-embedded products for recycling in areas and communities*
8 *that face unique challenges associated with proper waste*
9 *management, such as poverty, language barriers, and illegal*
10 *disposal.*
- 11 (l) *A comprehensive statewide education and outreach program*
12 *designed to promote participation in the collection and recycling*
13 *program offered by the stewardship organization. At a minimum,*
14 *the comprehensive statewide education and outreach program*
15 *shall include all of the following:*
- 16 (1) *A detailed description of the education and communications*
17 *strategy being implemented to effectively promote participation*
18 *in the program and provide the information necessary for effective*
19 *participation of consumers, retailers, and others.*
- 20 (2) *An internet website that publicizes the location of collection*
21 *sites and provides detailed information to consumers on the free*
22 *and convenient network of collection sites and any other*
23 *information reasonably necessary to safely and conveniently access*
24 *the collection and recycling services offered as part of this plan.*
- 25 (3) *All signage and materials required for collection sites by*
26 *the stewardship organization or producer, and the method by*
27 *which collection sites can access replacement materials.*
- 28 (4) *A description of efforts to support participation by all*
29 *California communities, including a description of efforts to*
30 *communicate with consumers in languages other than English, as*
31 *described in subdivision (k).*
- 32 (5) *A description of goals and metrics used to determine the*
33 *success of the statewide education and outreach program.*
- 34 (6) *The statewide education and outreach program shall not*
35 *promote the disposal of covered battery-embedded products in a*
36 *manner inconsistent with the services offered by the stewardship*
37 *plan.*
- 38 (7) *The statewide education and outreach plan shall include*
39 *information for consumers about how to avoid improper disposal*
40 *of covered battery-embedded products.*

1 (m) Developing strategies in coordination with other
2 stewardship programs to implement proper labeling of
3 covered-battery embedded products to ensure proper collection
4 and recycling, including, but not limited to, a uniform color, design,
5 and labeling scheme for batteries.

6 (n) A contingency plan in the event the stewardship plan expires,
7 is disapproved, or is revoked. The contingency plan shall describe
8 how the stewardship plan objectives can be carried out in the
9 absence of a plan, either by the stewardship organization or
10 producer, or through an entity such as an escrow company.

11 42422.3. (a) A producer or stewardship organization shall
12 review its stewardship plan no less than every five years and
13 determine whether revisions to the plan are necessary.

14 (b) If a producer or stewardship organization determines that
15 revisions to the plan are necessary, the producer or stewardship
16 organization shall submit to the department a revised plan for
17 review and approval in accordance with Section 42422.6.

18 (c) If a producer or stewardship organization determines that
19 no revisions to the plan are necessary, the producer or stewardship
20 organization shall send a letter to the department explaining that
21 the producer or stewardship organization has reviewed the plan
22 and determined that no revisions are needed. The department may
23 disapprove the producer's or stewardship organization's
24 determination within 30 days of receipt of that determination if
25 the department concludes that the producer or stewardship
26 organization cannot implement the objectives of this chapter
27 without revising the stewardship plan.

28 42422.4. (a) In preparing a stewardship plan pursuant to
29 Section 42422.1 or 42422.2, and any updates to the plan pursuant
30 to Section 42422.3, a producer or a stewardship organization shall
31 engage in a consultative process with the advisory body created
32 by the department pursuant to subdivision (b). The producer or
33 stewardship organization shall consider any written
34 recommendations from the advisory body during the plan
35 development process.

36 (b) (1) On or before January 1, 2025, the department shall
37 create an advisory body for covered battery and covered
38 battery-embedded product stewardship that includes, but is not
39 limited to, representatives from local governments, recyclers,
40 retailers, the household hazardous waste industry,

1 nongovernmental organizations, environmental organizations,
2 community-based justice and public health organizations, and the
3 solid waste industry.

4 (2) Participation on the advisory body shall be voluntary.

5 (3) The advisory body is not a state body for purposes of Section
6 11121 of the Government Code.

7 (c) A producer or stewardship organization shall incorporate,
8 to the extent feasible, the advisory body's recommendations into
9 the producer's or stewardship organization's stewardship plan,
10 amendments to the plan, and annual report before submitting the
11 plan, amendments to the plan, or annual report to the department.
12 If the producer or stewardship organization is unable to
13 incorporate the advisory body's recommendations, it shall provide
14 a written explanation to the department and the advisory body that
15 also details whether the producer or stewardship organization
16 plans to incorporate the recommendations into a subsequent
17 stewardship plan, subsequent amendments to the plan, or a
18 subsequent annual report.

19 42422.6. (a) (1) At least 90 days before submitting a
20 stewardship plan to the department, a producer or stewardship
21 organization shall submit its entire proposed stewardship plan to
22 the Department of Toxic Substances Control for review.

23 (2) The Department of Toxic Substances Control shall review
24 the plan for compliance with state and federal laws and regulations
25 related to its authority. The Department of Toxic Substances
26 Control shall determine compliance or noncompliance with those
27 laws and regulations and provide to the producer or stewardship
28 organization, and the department, that determination and an
29 explanation for any finding of noncompliance, within 90 days of
30 receipt of the plan.

31 (3) If the Department of Toxic Substances Control issues a
32 determination of noncompliance, a producer or stewardship
33 organization shall submit an updated proposed plan to the
34 Department of Toxic Substances Control. The Department of Toxic
35 Substances Control shall review the updated proposed plan for
36 compliance with state and federal laws and regulations related to
37 its authority. The Department of Toxic Substances Control shall
38 determine compliance or noncompliance with these laws and
39 regulations and provide to the producer or stewardship
40 organization, as well as to the department, that determination and

1 *an explanation for any finding of noncompliance, within 90 days*
2 *of receipt of the updated proposed plan.*

3 *(4) If, 90 days after submitting a plan to the Department of Toxic*
4 *Substances Control, a producer or stewardship organization has*
5 *not received a response, the producer or stewardship organization*
6 *may submit a certification to the department that the stewardship*
7 *plan is consistent with the laws and regulations related to the*
8 *Department of Toxic Substances Control's authority*

9 *(5) A producer or stewardship organization shall submit all*
10 *determinations received from the Department of Toxic Substances*
11 *Control when the producer or stewardship organization submits*
12 *its stewardship plan to the department.*

13 *(b) The department shall review the stewardship plan for*
14 *compliance with this chapter and shall approve, disapprove, or*
15 *conditionally approve the plan within 90 days of receipt of the*
16 *plan.*

17 *(c) If the department disapproves a stewardship plan submitted*
18 *by a producer or stewardship organization, the department shall*
19 *explain how the stewardship plan does not comply and provide*
20 *written notice to the stewardship organization within 30 days of*
21 *disapproval. The producer or stewardship organization shall*
22 *resubmit to the department a revised stewardship plan within 60*
23 *days of the disapproval date the written notice was issued, and*
24 *the department shall review the revised stewardship plan within*
25 *90 days of resubmittal. If a revised stewardship plan is disapproved*
26 *by the department, the producers operating under the stewardship*
27 *plan shall not be in compliance with this chapter until the*
28 *department approves a stewardship plan submitted by the producer*
29 *or stewardship organization.*

30 *(d) On or before December 31, 2025, a producer or a*
31 *stewardship organization shall have a complete stewardship plan*
32 *approved by the department in order to be in compliance with this*
33 *chapter.*

34 *(e) The approved plan shall be a public record, except that*
35 *financial, production, or sales data reported to the department by*
36 *the producer or stewardship organization is not a public record*
37 *for purposes of the California Public Records Act (Chapter 3.5*
38 *(commencing with Section 6250) of Division 7 of Title 1 of the*
39 *Government Code) and shall not be open to public inspection. The*
40 *department may release financial, production, or sales data in*

1 *summary form only so the information cannot be attributable to*
2 *a specific producer or distributor or to any other entity.*

3 *42422.8. (a) Within 270 days of receiving department approval*
4 *of a stewardship plan, a producer or stewardship organization*
5 *shall fully implement its stewardship program.*

6 *(b) All handling, collection, transport, and recycling of covered*
7 *batteries or covered battery-embedded products undertaken as*
8 *part of a stewardship program under this chapter shall comply*
9 *with all applicable state and federal laws.*

10 *(c) A retailer with five or more locations in the state shall make*
11 *all locations available to serve as a collection site for covered*
12 *batteries and covered battery-embedded products smaller than*
13 *_____ kilograms as part of a stewardship program in the county in*
14 *which it is located.*

15 *(d) A producer or stewardship organization may petition the*
16 *department to investigate noncompliant producers, and the*
17 *department shall respond to the petition in a timely manner.*

18

19

Article 4. Financial Provisions

20

21 *42423. A stewardship organization or producer shall prepare*
22 *and submit to the department, with the submission of a proposed*
23 *stewardship plan, a proposed stewardship program budget for the*
24 *next five calendar years that includes all of the following:*

25 *(a) Anticipated revenues and costs of implementing the*
26 *stewardship program, including related programs, projects,*
27 *contracts, and administrative expenses. Administrative expenses*
28 *shall include the department's and the Department of Toxic*
29 *Substances Control's actual and reasonable regulatory costs*
30 *incurred to implement and enforce this chapter. For purposes of*
31 *this subdivision, stewardship program implementation begins once*
32 *the department approves a stewardship organization's or*
33 *producer's stewardship plan.*

34 *(b) A recommended funding level sufficient to cover the*
35 *stewardship plan's budgeted costs and to operate the stewardship*
36 *program in a prudent and responsible manner over a multiyear*
37 *period. For purposes of this paragraph, stewardship program*
38 *operation begins once the department approves a stewardship*
39 *organization's or producer's stewardship plan.*

1 (c) Any additional information that the department deems
2 necessary to determine whether the budget meets the requirements
3 of this chapter.

4 42423.2. (a) Within 90 days of receipt, the department shall
5 conditionally approve, approve, or disapprove a stewardship
6 program budget. If the department fails to act or does not
7 disapprove a final stewardship program budget within those 90
8 days, the budget shall be deemed approved.

9 (b) (1) If the department conditionally approves or disapproves
10 the budget, the stewardship organization or producer shall
11 resubmit a revised budget addressing the department's written
12 reasons for the department's decision within 30 days of the
13 conditional approval or disapproval.

14 (2) The department, within 60 days from the date the
15 stewardship organization or producer resubmits a revised budget,
16 shall approve or disapprove a final stewardship program budget.
17 If the department fails to act or does not disapprove a final
18 stewardship program budget within those 60 days, the budget shall
19 be deemed approved.

20 (c) If the department disapproves a revised budget submitted
21 pursuant to paragraph (1) of subdivision (b), the producer or
22 stewardship organization may submit only one additional revised
23 budget, subject to review in accordance with paragraph (2) of
24 subdivision (b).

25 (d) Until a budget has been approved or deemed approved
26 pursuant to this section, a stewardship organization or producer
27 shall make expenditures consistent with the most recent
28 department-approved budget.

29 42423.4. (a) The department and the Department of Toxic
30 Substances Control shall notify each stewardship organization,
31 and each producer that is not part of a stewardship organization,
32 of the agency's respective actual and reasonable regulatory costs
33 that are directly related to implementing and enforcing this chapter
34 in relation to the stewardship organization's or producer's
35 activities. This may include the direct costs associated with
36 regulatory development pursuant to Section 42420.4.

37 (b) Producers and stewardship organizations shall, on a
38 schedule determined by the department, reimburse the department
39 and the Department of Toxic Substances Control for incurred costs
40 as described in subdivision (a). The reimbursement shall not exceed

1 *the department's or the Department of Toxic Substances Control's*
2 *actual and reasonable regulatory costs to implement and enforce*
3 *this chapter.*

4 *(c) (1) The department and the Department of Toxic Substances*
5 *Control shall deposit all moneys submitted for reimbursement*
6 *costs by a stewardship organization or producer pursuant to this*
7 *section into the Covered Battery and Covered Battery-Embedded*
8 *Product Recycling Fund, which is hereby established in the State*
9 *Treasury.*

10 *(2) Upon appropriation by the Legislature, moneys in the*
11 *Covered Battery and Covered Battery-Embedded Product*
12 *Recycling Fund shall be expended by the department and any other*
13 *state agency with jurisdiction relevant to this chapter to implement*
14 *and enforce this chapter, as well as to reimburse any outstanding*
15 *loans made from other funds used to finance startup costs of the*
16 *department's and any other state agency's activities pursuant to*
17 *this chapter.*

18 *(3) The moneys in the Covered Battery and Covered*
19 *Battery-Embedded Product Recycling Fund shall not be expended*
20 *for any other purpose.*

21 *42423.6. (a) A stewardship organization or producer operating*
22 *a stewardship program shall not maintain total program reserves*
23 *exceeding 60 percent of its annual operating expenses, consistent*
24 *with the requirements of the Financial Accounting Standards*
25 *Board's Accounting Standards Update 2016-14, Not-for-Profit*
26 *Entities (Topic 958), and any future updates to that standard.*

27 *(b) The department, in approving the annual stewardship*
28 *program budget, may authorize the total reserves to be increased*
29 *to up to 75 percent of the stewardship organization's or producer's*
30 *annual operating expenses if the department determines the*
31 *increase is necessary to implement the requirements of this chapter.*

32 *(c) If a stewardship organization's or producer's reserves*
33 *exceed the amount specified in subdivision (a) or (b), the*
34 *department may require the organization or producer to increase*
35 *spending on implementing the requirements of this chapter.*

1 Article 5. *Records, Audits, and Reports for Covered Batteries*
2 *and Covered Battery-Embedded Products*

3
4 42424. (a) *A stewardship organization or producer shall keep*
5 *minutes, books, and records that clearly reflect the activities and*
6 *transactions of the stewardship organization or producer.*

7 (b) *A stewardship organization or producer shall retain, at the*
8 *stewardship organization's or producer's expense, an independent*
9 *public accountant, certified in the United States, to annually audit*
10 *the accounting books of the stewardship organization or producer.*

11 (c) *The stewardship organization or producer shall arrange for*
12 *the audit to be delivered to the department with the following year's*
13 *annual report, commencing with the 2025 calendar year. The*
14 *department shall review the audit for compliance with this chapter*
15 *and consistency with the stewardship plan. The department shall*
16 *notify the stewardship organization or producer of any compliance*
17 *issues or inconsistencies.*

18 (d) *The department may conduct its own audit if it determines*
19 *that an audit is necessary to enforce the requirements of this*
20 *chapter and that the audit conducted pursuant to subdivision (b)*
21 *is not adequate for this purpose. The stewardship organization or*
22 *producer may obtain copies of the department's audit upon request.*

23 (e) *The department shall not publicly disclose any confidential*
24 *proprietary information in an audit conducted pursuant to this*
25 *section.*

26 42424.2. *A stewardship organization or producer shall*
27 *annually submit to the department, in the form and manner*
28 *determined by the department, and make publicly available on its*
29 *internet website, an annual report that includes, for the preceding*
30 *calendar year, all of the following:*

31 (a) *The stewardship organization's or producer's costs and*
32 *revenues.*

33 (b) *The quantity of covered batteries and covered*
34 *battery-embedded products sold in the state by the producer or*
35 *producers in the stewardship organization and the discarded*
36 *covered batteries or covered battery-embedded products collected*
37 *for recycling through the stewardship program.*

38 (c) *A list of the stewardship program's collection sites, by name,*
39 *location, and type.*

- 1 (d) *The total weight of each battery chemistry type that was*
2 *collected.*
- 3 (e) *A list of each battery recycling facility used by the*
4 *stewardship program, by name and location.*
- 5 (f) *A list of each battery-embedded product recycling facility*
6 *used by the stewardship program, by name and location.*
- 7 (g) *An updated list of the names and locations of producers,*
8 *manufacturers, distributors, importers, brands, and covered*
9 *batteries and covered battery-embedded products covered under*
10 *the stewardship plan.*
- 11 (h) *The total weight of covered batteries and covered*
12 *battery-embedded products recycled in the state during the*
13 *preceding calendar year, including any conversion factor used to*
14 *determine the number of covered batteries and covered*
15 *battery-embedded products recovered.*
- 16 (i) *The recycling efficiency rate of each battery chemistry type*
17 *that was recycled.*
- 18 (j) *The material recovery rate of each individual battery*
19 *material.*
- 20 (k) *The total weight of residual materials from covered*
21 *battery-embedded products.*
- 22 (l) *The uses for the recycled residual materials from covered*
23 *battery-embedded products.*
- 24 (m) *The weight of residual materials from covered*
25 *battery-embedded products by material type that were recycled*
26 *and not recycled.*
- 27 (n) *A description of methods used to collect, transport, and*
28 *recycle covered batteries or covered battery-embedded products,*
29 *including any conversion factor used to determine the number of*
30 *covered batteries or covered battery-embedded products recovered.*
- 31 (o) *A description of outreach efforts and education to consumers,*
32 *manufacturers, distributors, and retailers for the purpose of*
33 *promoting the collection and recycling of covered batteries or*
34 *covered battery-embedded products.*
- 35 (p) (1) *A report on coordination activities with other*
36 *stewardship programs, including coordinating existing covered*
37 *battery or covered battery-embedded product collection and*
38 *recycling programs, and with other relevant stakeholders, as*
39 *appropriate, with regard to the proper management or recycling*
40 *of discarded covered batteries or covered battery-embedded*

1 *products, for purposes of providing the efficient delivery of services*
2 *and avoiding unnecessary duplication of effort and expense.*

3 *(2) A description of strategies in coordination with other*
4 *stewardship programs to implement proper labeling of covered*
5 *batteries and covered battery-embedded products to ensure proper*
6 *collection and recycling.*

7 *(q) (1) Findings from an annual consumer awareness study*
8 *and examples of educational materials that were provided to*
9 *consumers in the first year of the stewardship program and any*
10 *changes to those materials in subsequent years, as well as other*
11 *mechanisms, including advertising of the program, to increase*
12 *consumer awareness.*

13 *(2) A description of any consultation with the California*
14 *Environmental Protection Agency's Environmental Justice Task*
15 *Force and other relevant stakeholders for collecting covered*
16 *batteries or covered battery-embedded products for recycling in*
17 *areas and communities that face unique challenges.*

18 *(r) A demonstration of actions taken by the stewardship*
19 *organization or producer to comply with the requirements*
20 *established pursuant to Section 42422.1 or 42422.2.*

21 *(s) (1) A report on activities the stewardship organization or*
22 *producer has undertaken in relation to all of the following:*

23 *(A) Meeting the requirements established pursuant to Section*
24 *42422.1 or 42422.2.*

25 *(B) Making progress on meeting the requirements established*
26 *pursuant to Section 42422.1 or 42422.2.*

27 *(C) Making progress on planned efforts to meet the requirements*
28 *established pursuant to Section 42422.1 or 42422.2.*

29 *(2) Factors to be considered for purposes of paragraph (1) may*
30 *include, but are not limited to, availability of takeback options and*
31 *no-cost local curbside collections services, proximity to recyclers*
32 *and no-cost collection points and events, and the state of current*
33 *recycling technology.*

34 *(t) A report on activities, which the stewardship organization*
35 *or producer shall undertake, to prioritize the use of recycling*
36 *facilities located closer to the point of generation to minimize*
37 *transport, support economic development, and increase*
38 *accountability.*

39 *(u) If the producer or stewardship organization determines*
40 *during a particular year that any of the activities undertaken to*

1 *implement subdivision (t) were unsuccessful, the stewardship*
2 *organization or producer shall identify the problems with the*
3 *current activities, and report on the new activities undertaken and*
4 *progress made, in the following year's annual report. These*
5 *modifications shall be made pursuant to the requirements of*
6 *Section 42422.3.*

7 *(v) An electronic copy in the form and manner determined by*
8 *the department of any report completed by the stewardship*
9 *organization or producer during the period covered by the annual*
10 *report and a brief explanation of how the stewardship organization*
11 *or producer anticipates the activities may benefit the stewardship*
12 *program. The stewardship organization or producer shall make*
13 *these reports publicly available free of charge. If the report*
14 *contains trade secret or confidential information protected under*
15 *existing law, the stewardship organization or producer shall only*
16 *be required to provide a description of the information and its*
17 *relevance to the stewardship program that omits any of the trade*
18 *secret or confidential information.*

19 *(w) The progress toward attainment of the goals included in*
20 *the stewardship organization's or producer's stewardship plan.*

21 *(x) Any modifications or revisions to the stewardship plan,*
22 *including those required pursuant to Section 42422.3, which are*
23 *subject to review under Section 42422.6, necessary to achieve the*
24 *requirements established pursuant to Section 42422.1 or 42422.2.*

25 *(y) Any other information relevant to compliance with the*
26 *approved stewardship plan.*

27 *42424.4. (a) No later than 90 days after the date the*
28 *department receives the annual report submitted by a stewardship*
29 *organization or producer pursuant to Section 42424.2, the*
30 *department shall notify the stewardship organization or producer*
31 *of any deficiencies in the annual report. No later than 60 days*
32 *after receiving this notice from the department, the stewardship*
33 *organization or producer shall provide additional information,*
34 *modifications, or corrections in response to the department's*
35 *notification.*

36 *(b) Any proposed activities in the annual report shall be*
37 *evaluated by the department for progress and shall be taken into*
38 *consideration when approving, disapproving, or conditionally*
39 *approving the report.*

1 (c) Within 90 days of receipt of an annual report deemed
2 complete pursuant to subdivision (a), the department shall review
3 the report for compliance with this chapter and shall approve,
4 disapprove, or conditionally approve the annual report. If the
5 department fails to act within 90 days of receipt of the report, the
6 report shall be deemed approved.

7 (d) (1) If the department conditionally approves or disapproves
8 the annual report, the stewardship organization or producer shall
9 resubmit a revised annual report addressing the department's
10 written reasons for its decision within 30 days of the conditional
11 approval or disapproval.

12 (2) The department, within 60 days from the date a stewardship
13 organization or producer resubmits a revised annual report, shall
14 approve or disapprove a final annual report. If the department
15 fails to act or does not disapprove a final annual report within
16 those 60 days, the annual report shall be deemed approved.

17 (3) If the department disapproves a revised annual report
18 submitted pursuant to paragraph (1), the stewardship organization
19 or producer may submit only one additional revised annual report,
20 subject to review in accordance with paragraph (2).

21
22 Article 6. Enforcement
23

24 42425. (a) On or before July 1, 2027, and on or before July
25 1 of each year thereafter, the department shall post on its internet
26 website a list of producers that are in compliance with this chapter.
27 The department shall list, as appropriate, the reported brands and
28 names of covered batteries and covered battery-embedded products
29 for each producer.

30 (b) A producer that is not listed on the department's internet
31 website pursuant to subdivision (a) that demonstrates compliance
32 with this chapter before the next list is posted by the department
33 may request a certification letter from the department stating that
34 the producer, brand, or covered battery or covered
35 battery-embedded product is in compliance with this chapter. A
36 producer that receives this letter shall be deemed to be listed as
37 compliant on the department's internet website.

38 (c) (1) A retailer or distributor shall monitor the department's
39 internet website to determine if a producer, brand, or covered
40 battery or covered battery-embedded product is in compliance

1 *with this chapter for that brand or covered battery or covered*
2 *battery-embedded product.*

3 *(2) Except as provided in subdivision (d), a retailer or*
4 *distributor shall not sell, distribute, offer for sale, or import a*
5 *covered battery or covered battery-embedded product in or into*
6 *the state unless the producer of the covered battery or covered*
7 *battery-embedded product is listed as in compliance pursuant to*
8 *subdivision (a) for that brand and covered battery or covered*
9 *battery-embedded product.*

10 *(d) (1) Notwithstanding paragraph (2) of subdivision (c), a*
11 *retailer or distributor may sell or distribute a covered battery or*
12 *covered battery-embedded product if, on the date the retailer or*
13 *distributor ordered or purchased the covered battery or covered*
14 *battery-embedded product, the producer, brand, or covered battery*
15 *or covered battery-embedded product was listed as compliant on*
16 *the department's internet website.*

17 *(2) Notwithstanding paragraph (2) of subdivision (c), a retailer*
18 *or distributor may, for any existing inventory in stock before the*
19 *initial list was posted by the department pursuant to subdivision*
20 *(a), sell or distribute that inventory.*

21 *(e) (1) If the department determines a producer is not in*
22 *compliance with this chapter, the department shall remove the*
23 *producer, along with its brands and covered batteries or covered*
24 *battery-embedded products, from the list of compliant producers*
25 *posted on the department's internet website pursuant to subdivision*
26 *(a).*

27 *(2) A retailer shall not purchase a covered battery or covered*
28 *battery-embedded product for sale in the state from a noncompliant*
29 *producer until the producer can provide documentation to the*
30 *retailer that its covered batteries and covered battery-embedded*
31 *products are covered by a stewardship plan approved by the*
32 *department or until the retailer has obtained a letter from the*
33 *department stating that the producer of each covered battery and*
34 *covered battery-embedded product the retailer intends to sell is*
35 *in compliance with this chapter.*

36 *42425.2. (a) The department may impose an administrative*
37 *civil penalty on a producer, stewardship organization,*
38 *manufacturer, distributor, retailer, importer, recycler, or collection*
39 *site that is in violation of this chapter. The amount of the*
40 *administrative civil penalty shall not exceed ten thousand dollars*

1 (\$10,000) per day, but, if the violation is intentional, knowing, or
2 reckless, the department may impose an administrative civil penalty
3 of not more than fifty thousand dollars (\$50,000) per day.

4 (b) The department shall not impose a penalty pursuant to this
5 section on a stewardship organization or producer for a failure
6 to comply with this chapter if the stewardship organization or
7 producer demonstrates that it received false or misleading
8 information from a member of the stewardship organization, as
9 applicable, or other party that was the direct cause of the
10 stewardship organization's or producer's failure to comply.

11 (c) The department shall deposit all penalties collected pursuant
12 to this section into the Covered Battery and Covered
13 Battery-Embedded Product Recycling Penalty Account, which is
14 hereby created in the Covered Battery and Covered
15 Battery-Embedded Product Recycling Fund. Upon appropriation
16 by the Legislature, these moneys shall be available for expenditure
17 pursuant to paragraph (1) of subdivision (c) of Section 42423.4.

18 42425.4. (a) Upon a written finding that a producer,
19 stewardship organization, manufacturer, distributor, retailer,
20 importer, recycler, or collection site has not met a material
21 requirement of this chapter, in addition to any other penalties
22 authorized under this chapter, the department may, after affording
23 the entity a reasonable opportunity to respond to, or rebut, the
24 finding, take any of the following actions to ensure compliance
25 with the requirements of this chapter:

26 (1) Revoke the stewardship organization's or producer's
27 stewardship plan approval or require the stewardship organization
28 or producer to resubmit the plan.

29 (2) Remove the producer, along with its brands and covered
30 batteries or covered battery-embedded products, from the
31 department's list of compliant producers, as specified in Section
32 42425.

33 (3) Impose additional reporting requirements relating to
34 compliance with the material requirement identified by the
35 department.

36 (b) If a stewardship plan is revoked pursuant to paragraph (1)
37 of subdivision (a) or terminated by the stewardship organization
38 or producer that submitted the plan, a producer no longer subject
39 to that plan may, without being subject to administrative civil
40 penalties pursuant to Section 42425.2, sell or offer for sale covered

1 *batteries or covered battery-embedded products in the state for a*
2 *period of up to one year after the stewardship plan was terminated*
3 *or was revoked if the producer continues to operate under the most*
4 *recent approved stewardship plan to which the producer was*
5 *subject.*

6 *42425.6. (a) A producer, stewardship organization,*
7 *manufacturer, distributor, retailer, importer, recycler, or collection*
8 *site shall do both of the following:*

9 *(1) Upon request, provide the department with reasonable and*
10 *timely access, as determined by the department and as authorized*
11 *pursuant to Title 13 (commencing with Section 1822.50) of Part*
12 *3 of the Code of Civil Procedure, to its facilities and operations,*
13 *as necessary to determine compliance with this chapter.*

14 *(2) Upon request, provide the department with relevant records*
15 *necessary to determine compliance with this chapter.*

16 *(b) The records required by this chapter shall be maintained*
17 *and accessible for three years. All reports and records provided*
18 *to the department pursuant to this chapter shall be provided under*
19 *penalty of perjury.*

20 *(c) (1) The department may impose administrative civil*
21 *penalties pursuant to Section 42425.2 on a producer, stewardship*
22 *organization, manufacturer, distributor, retailer, importer,*
23 *recycler, or collection site that fails to provide the department with*
24 *the access required pursuant to this section.*

25 *(2) The department may post a notice on the department's*
26 *internet website pursuant to Section 42425 that a producer that*
27 *fails to provide the department with access pursuant to this section,*
28 *along with the producer's brands and covered batteries or covered*
29 *battery-embedded products, is no longer in compliance with this*
30 *chapter.*

31 *SEC. 2. Article 5 (commencing with Section 42457) is added*
32 *to Chapter 8.4 of Part 3 of Division 30 of the Public Resources*
33 *Code, to read:*

34

35 *Article 5. Repeal*

36

37 *42457. This chapter shall become inoperative on September*
38 *30, 2026, and, as of January 1, 2027, is repealed.*

1 *SEC. 3. Article 7 (commencing with Section 42499.5) is added*
2 *to Chapter 8.6 of Part 3 of Division 30 of the Public Resources*
3 *Code, to read:*

4

5

Article 7. Repeal

6

7 *42499.5. This chapter shall become inoperative on September*
8 *30, 2026, and, as of January 1, 2027, is repealed.*

9 *SEC. 4. The Legislature finds and declares that Section 1 of*
10 *this act, which adds Chapter 7.5 (commencing with Section 42420)*
11 *to Part 3 of Division 30 of the Public Resources Code, imposes a*
12 *limitation on the public's right of access to the meetings of public*
13 *bodies or the writings of public officials and agencies within the*
14 *meaning of Section 3 of Article I of the California Constitution.*
15 *Pursuant to that constitutional provision, the Legislature makes*
16 *the following findings to demonstrate the interest protected by this*
17 *limitation and the need for protecting that interest:*

18 *In order to ensure that the competitive market in the state for*
19 *the manufacture and sale of batteries and battery-embedded*
20 *products is not compromised, it is necessary that financial,*
21 *production, and sales data and confidential proprietary information*
22 *collected for the purpose of administering a stewardship program*
23 *be confidential.*

24 *SEC. 5. No reimbursement is required by this act pursuant to*
25 *Section 6 of Article XIII B of the California Constitution because*
26 *the only costs that may be incurred by a local agency or school*
27 *district will be incurred because this act creates a new crime or*
28 *infraction, eliminates a crime or infraction, or changes the penalty*
29 *for a crime or infraction, within the meaning of Section 17556 of*
30 *the Government Code, or changes the definition of a crime within*
31 *the meaning of Section 6 of Article XIII B of the California*
32 *Constitution.*

33 ~~*SECTION 1. Chapter 7.5 (commencing with Section 42420)*~~
34 ~~*is added to Part 3 of Division 30 of the Public Resources Code, to*~~
35 ~~*read:*~~

~~CHAPTER 7.5. BATTERY AND BATTERY-EMBEDDED PRODUCT
RECYCLING AND FIRE RISK REDUCTION ACT OF 2022~~

~~Article 1. General Provisions~~

~~42420. (a) The Legislature finds and declares both of the following:~~

~~(1) In order to reduce incidents of fires and illegal dumping, increase recycling, and substantially reduce public agency costs for the end-of-life management of discarded batteries, battery packs, and battery-embedded products, the Battery and Battery-Embedded Product Recycling and Fire Risk Reduction Act of 2022 is hereby established to require producers of batteries, battery packs, and battery-embedded products offered for sale or sold in this state to develop, finance, and implement a convenient and cost-effective stewardship program to recover and recycle batteries, battery packs, and battery-embedded products.~~

~~(2) In order to promote a circular economy, all batteries, battery packs, and battery-embedded products should enter a recycling process at end of life, and the incorporation of the resulting residual materials into new products should be pursued to the extent that it is economically and technically feasible.~~

~~(b) In enacting this chapter, the Legislature intends all of the following:~~

~~(1) That consumers have the opportunity to drop off their waste batteries, battery packs, and battery-embedded products free of charge, and that the program established by this chapter leverages existing local infrastructure.~~

~~(2) To ensure batteries, battery packs, and battery-embedded products are recycled to the extent that is economically and technically feasible.~~

~~(3) That producers fund the free and convenient collection, transportation, and recycling, and the safe and proper management of, batteries, battery packs, and battery-embedded products.~~

~~(4) At the time of collection, there is no additional cost to the consumer, local governments, collection sites, or the state to recycle batteries, battery packs, and battery-embedded products.~~

~~Article 2. Battery and Battery-Embedded Product Recycling and Fire Risk Reduction Act~~

1 ~~42422. A person shall not knowingly dispose of a lithium-ion~~
2 ~~battery by depositing it in a container or receptacle that is intended~~
3 ~~for the collection of solid waste or recyclable materials, unless the~~
4 ~~container or receptacle is designated for the collection of batteries~~
5 ~~for recycling pursuant to the universal waste provisions in Chapter~~
6 ~~6.5 (commencing with Section 25100) of Division 20 of the Health~~
7 ~~and Safety Code and implementing regulations. Nothing in this~~
8 ~~section precludes the enforcement of any state law, including~~
9 ~~Chapter 6.5 (commencing with Section 25100) of Division 20 of~~
10 ~~the Health and Safety Code, or federal hazardous waste law with~~
11 ~~respect to waste batteries, including lithium-ion batteries.~~