

SENATE RULES COMMITTEE

SB 270

Office of Senate Floor Analyses
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UNFINISHED BUSINESS

Bill No: SB 270
Author: Padilla (D), et al.
Amended: 8/21/14
Vote: 21

PRIOR VOTES NOT RELEVANT

ASSEMBLY FLOOR: 45-31, 08/28/14 - See last page for vote

SUBJECT: Solid waste: single-use carryout bags

SOURCE: Author

DIGEST: This bill prohibits stores, as defined, from distributing lightweight, single-use plastic bags after specified dates. Establishes requirements for reusable bags and prohibits stores from distributing reusable bags and recycled paper bags for less than \$0.10 per bag.

Assembly Amendments delete the prior version of this bill relating to underground economy enforcement actions and instead add the current language.

ANALYSIS:

Existing law:

1. Requires, until 2020, an operator of a store, as defined, to establish an at-store recycling program that provides to customers the opportunity to return clean plastic carryout bags to that store.
2. Creates, under the California Integrated Waste Management Act of 1989, the Recycling Market Development Revolving Loan Subaccount in the Integrated

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Waste Management Account and continuously appropriates the funds deposited in the subaccount to the Department of Resources Recycling and Recovery (CalRecycle) for making loans for the purposes of the Recycling Market Development Revolving Loan Program.

3. Makes the provisions regarding the loan program, the creation of the subaccount, and expenditures from the subaccount inoperative on July 1, 2021, and repeals them as of January 1, 2022.

This bill:

1. Defines terms in the bill, including:
 - A. “Recycled paper bag” as a paper carryout bag provided by a store to a customer at the point of sale and contains a minimum of 40% postconsumer recycled materials. For a bag with the capacity to hold eight pounds or less, the bag must contain at least 20% postconsumer recycled materials. A recycled paper bag must be accepted for recycling in a majority of households in curbside recycling programs in the state, as well as have specified information printed on the bag.
 - B. “Reusable grocery bag” as, on and after July 1, 2016, a bag that meets specified requirements.
 - C. “Single-use carryout bag” as a bag made of plastic, paper, or other material that is provided by a store to a customer at the point of sale. Exempts from this definition specified bags, including a bag provided by a pharmacy for a prescription purchase, a non-handled bag used to protect an item from damaging or contaminating other items when placed in a recycled paper bag or reusable grocery bag, and a dry-cleaning or garment bag.
 - D. “Store” as a full-line self-service retail store with gross annual sales of at least \$2 million and sells a line of dry grocery, canned goods, or nonfood items and some perishables (a typical grocery store); has at least 10,000 square feet of retail space and a pharmacy; or, a convenience food store or foodmart. Includes in the definition of store any other retail establishment that voluntarily agrees to comply with the requirements of this bill.
2. Beginning July 1, 2015, requires that a reusable grocery bag be able to be used a minimum of 125 times, as specified; can be cleaned; have specified information visible on the bag; cannot contain lead, cadmium, or any other

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toxic material that may pose a threat to public health; and, must be consistent with federal regulations related to recyclable claims if the bag producer claims the bag is recyclable.

3. Establishes certification requirements for producers of reusable bags and suppliers of postconsumer recycled content.
4. Prohibits stores from making single-use carryout bags available at the point of sale on the following timeline:
 - A. On and after January 1, 2015, at either a grocery store or retailer with at least 10,000 square feet of retail space and a pharmacy.
 - B. On and after July 1, 2016, at a convenience food store and foodmart.
5. Authorizes a store to make available a reusable grocery bag or recycled paper bag at the point of sale. Requires that these bags may not be sold to a consumer for less than \$0.10.
6. Requires that all monies collected by stores pursuant to this bill be retained at the store and be used for costs associated with complying with this bill; actual costs of providing recycled paper bags and reusable grocery bags; and costs associated with a store's educational materials or educational campaign encouraging the use of reusable bags.
7. Requires a store to provide a reusable bag or recycled paper bag at no charge to any customer using California Special Supplemental Food Program for Women, Infants and Children benefits, CalFresh benefits (federally known as Supplemental Nutrition Assistance Program [SNAP] benefits), California Food Assistance Program benefits, or cash aid benefits.
8. Authorizes stores that are not included in this bill to voluntarily participate in this bill's requirements by submitting an irrevocable written notice to the CalRecycle containing specified information.
9. Authorizes a city, county, city and county, or the state to impose civil liability of \$1,000 for the first violation of the proposed law, \$2,000 for the second violation, and \$5,000 for each subsequent violation. Collected penalties must be paid to whichever agency brought the action.

10. Preempts local ordinances adopted on or after September 1, 2014, relating to reusable grocery bags, single-use carryout bags, or recycled paper bags.
11. Appropriates \$2 million from the Recycled Market Development Revolving Loan Subaccount for loans for the creation and retention of jobs and economic activity in the state for the manufacture and recycling of plastic reusable grocery bags that use recycled content. Requires recipients of a loan to retain and retrain existing employees for the manufacturing of reusable grocery bags that meet the requirements of this bill. Specifies that any funds not expended by the end of the 2015-16 fiscal year revert back to the Subaccount.

Background

Plastic bags and plastic film together represent just over 2% of the waste stream, and every year California taxpayers spend \$25 million disposing of the 14 billion plastic bags used annually. Although plastic represents a relatively small fraction of the overall waste stream in California, plastic waste is the predominate form of marine debris. Plastics are estimated to comprise 60% to 80% of all marine debris and 90% of all floating debris. According to the California Coastal Commission, the primary source of marine debris is urban runoff, of which lightweight plastic bags and plastic film are particularly susceptible. Due to the interplay of ocean currents, marine debris preferentially accumulates in certain areas throughout the ocean. The North Pacific Central Gyre is the ultimate destination for much of the marine debris originating from the California coast. A study by the Algalita Marine Research Foundation found an average of more than 300,000 plastic pieces per square mile of the Gyre and that the mass of plastic was six times greater than zooplankton floating on the water's surface.

Most plastic marine debris exists as small plastic particles due to excessive ultraviolet radiation exposure and subsequent photo-degradation. These plastic pieces are ingested by aquatic organisms and have already negatively affected over 250 animal species worldwide. In addition, hydrophobic chemicals present in the ocean in trace amounts (e.g., from contaminated runoff and oil and chemical spills) have an affinity for, and can bind to, plastic particles and may also enter and accumulate in the food chain through the same mechanism.

Eighty-seven cities and counties throughout California have adopted ordinances banning plastic bags, including San Francisco, San Jose, Long Beach, Los Angeles County, Santa Clara County, and Alameda County. Many of these local governments also require stores to charge a fee for a paper carryout bag, and a few have banned both single-use plastic and paper carryout bags. This bill does not

pre-empt existing ordinances; however, it does provide uniformity moving forward by pre-empting any local ordinance adopted after September 1, 2014.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: No

According to the Assembly Appropriations Committee:

- \$2 million special fund appropriation to CalRecycle to establish a loan program for reusable plastic bag manufacturing machinery and facilities conversion and worker training.
- Significant one-time costs and ongoing costs to CalRecycle, potentially in the \$1 million to \$1.4 million range to oversee and implement the program. \$500,000 or more for evaluation, bag testing and data compiling requirements.

SUPPORT: (Verified 8/28/14)

7th Generation Advisors

All One Ocean

Azul

Black Surfers Collective

California Asian Pacific Chamber of Commerce

California Association of Environmental Health Administrators

California Coastal Coalition

California Coastkeeper Alliance

California Grocers Association

California Labor Federation

California League of Conservation Voters

California Retailers Association

California State Lands Commission

Californians Against Waste

Cathedral City

Center for Biological Diversity

Center for Oceanic Awareness, Research, & Education

ChicoEco, Inc.

Cities of Clayton, Concord, Encinitas, Long Beach, Los Angeles, Palm Desert,

Palo Alto, Sacramento, San Jose, San Rafael, Santa Monica and Sunnyvale

City and County of San Francisco Department of the Environment

City of Long Beach, Councilmember Suja Lowenthal

City of Oceanside Water Utilities Department

Clean Oceans Competition

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Clean Water Action
Command Packaging
Contra Costa Clean Water Program
Contra Costa County
Costa Mesa Sanitary District
Counties of Los Angeles, Marin, San Francisco, San Mateo, Santa Barbara and
Culver City
Don't Waste LA
Earthwise Bag Company, Inc.
Environment California
Friends Committee on Legislation in California
Global Alliance for Incinerator Alternatives
Global Green USA
Gloria Molina, Supervisor, County of Los Angeles
Green Bag Company
Green Cities California
Green Vets Los Angeles
GreenWaste Recovery
Heal the Bay
Hidden Resources
Humboldt Waste Management Authority
Latino Coalition for a California Bag Ban
Los Angeles Alliance for a New Economy
Los Angeles Neighborhood Council Alliance of River Communities
Mendocino Solid Waste Management Authority
Napa Recycling and Waste Services
Natural Resources Defense Council
Ocean Project
Pacoima Beautiful
Planning and Conservation League
Plastic Free Seas
Plastic Pollution Coalition
Plastic Soup Foundation
Plasticbaglaws.org
Redlands Area Democratic Club
Republic Services
Reusable Bag Association
Sachamama
Santa Barbara ChannelKeeper
Santa Clara
Santa Clara Valley Water District

Save Our Shores
Seaturtles.org
Sierra Club
Silicon Valley Leadership Group
Silver Lake Neighborhood Council
Surfrider Foundation
Sustainable Burbank Commission
Sustainable Coastlines Hawaii
Target
Team Marine
The Five Gyres Institute
The Ocean Project
UFCW Western States Council
Valley Industry and Commerce Association
Western Center on Law and Poverty
Wildcoast
World Society for the Protection of Animals
Zanker Recycling
Zero Waste San Diego

OPPOSITION: (Verified 8/28/14)

American Forest & Paper Association
American Progressive Bag Alliance
Association of California Cities Orange County
City of Laguna Niguel
Elkay Plastics
Familias Latinas de California
Forest Products Industry National Labor Management Committee
Howard Jarvis Taxpayers Association
International Paper
Teamsters District Council 2

ARGUMENTS IN SUPPORT: The California Grocers Association states, “Traditional supermarkets in California employ more than 300,000 residents in virtually every community in the State. California's grocery industry faces a dizzying array of more than 100 local ordinances regulating single-use carryout bags. The situation is untenable for grocers and consumers alike, posing considerable operational challenges. CGA seeks adoption of a uniform, statewide standard on a going forward basis. Senate bill (SB) 270 (Padilla, de Leon, Lara)

provides the best solution for uniformity the industry seeks and the consistency consumers need.

“SB 270 is different than previous attempts at a statewide solution by addressing concerns for California based jobs by allocating 2 million dollars in grant money from CalRecycle to California plastic bag manufactures. This allows instate producers the opportunity to retool their equipment, creating a new market place for reusable bags while providing an opportunity for job growth in California.”

ARGUMENTS IN OPPOSITION: The City of Laguna Niguel states, “SB 270 (Padilla) which eliminates the ability of cities to make decisions based upon our own community needs. SB 270 would prohibit stores state-wide from distributing single-use plastic bags to customers and mandate that they make available for purchase recycled bags at a minimum cost of \$0.10 per bag.

“This bill eliminates the ability of a local government to exercise its own discretion based on the unique needs and business climate of each City. The bill also eliminates the ability of the free market to determine whether or not a business chooses to charge for recycled grocery bags, resulting in guaranteed extraordinary profits for the grocery industry at the expense of the consumer.

“The bill also does not provide sufficient time for a local jurisdiction to have meaningful discussion with business and resident stakeholders should alternative regulations on single-use plastic bags be determined to be appropriate and be adopted prior to the July 1, 2015, effective date.”

ASSEMBLY FLOOR: 45-31, 08/28/14

AYES: Alejo, Ammiano, Bloom, Bocanegra, Bonilla, Bonta, Bradford, Buchanan, Ian Calderon, Campos, Chau, Chesbro, Dababneh, Daly, Dickinson, Fong, Garcia, Gatto, Gomez, Gonzalez, Gordon, Roger Hernández, Holden, Jones - Sawyer, Levine, Lowenthal, Medina, Mullin, Muratsuchi, Nazarian, Pan, John A. Pérez, V. Manuel Pérez, Quirk, Rendon, Ridley-Thomas, Rodriguez, Skinner, Stone, Ting, Weber, Wieckowski, Williams, Yamada, Atkins

NOES: Achadjian, Allen, Bigelow, Chávez, Conway, Cooley, Dahle, Donnelly, Fox, Frazier, Beth Gaines, Gorell, Gray, Grove, Hagman, Harkey, Jones, Linder, Logue, Maienschein, Mansoor, Melendez, Nestande, Olsen, Patterson, Perea, Quirk-Silva, Salas, Wagner, Waldron, Wilk

NO VOTE RECORDED: Brown, Eggman, Hall, Vacancy

RM:e 8/28/14 Senate Floor Analyses

SUPPORT/OPPOSITION: SEE ABOVE

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