



**SHAW/YODER/ANTWIH, inc.**  
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

DATE: October 24, 2014

TO: SWANA Legislative Task Force  
SWANA – Southern California Chapter  
SWANA – Central California Sierra Chapter  
SWANA – Northern California Gold Rush Chapter

FROM: Shaw / Yoder / Antwih, Inc,

SUBJECT: Report – 2014 Legislative Session

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The SWANA LTF was very active in Sacramento during the 2014 Legislative Session. The legislature considered a wide range of issues related to the management of solid waste and associated operations, but the focus was clearly on the management of organic waste.

The following memo is intended to provide the individual SWANA chapters

## **LEGISLATION**

The bills outlined below were considered by the California State Legislature in 2014:

*AB 1021 (Eggman) – Alternative Energy: Recycled Feedstock*

This legislation would have expanded an existing sales tax exemption program to include equipment used to process and/or utilize recycled feedstock. The purpose of the bill was to provide an incentive for siting such facilities inside of California. The SWANA LTF actively supported this bill in order to facilitate additional infrastructure.

Result: Held in the Senate Appropriations Committee because of concerns over cost.

Projected 2015 Activity: The creation of markets for recycled feedstock will continue to be an issue of concern for state and local governments as the state pursues 75% recycling, composting, and source reduction by 2020. WPWMA should expect additional legislation in the coming years.

*AB 1594 (Williams) – Green Waste as ADC*

This legislation, beginning January 1, 2020, eliminates diversion credit for green waste used as alternative daily cover. Specifically, the bill requires local governments to begin

reporting to CalRecycle in 2018 on how they will meet the provisions of the new law. An amendment was taken to the bill in the Assembly Appropriations Committee to also eliminate the tipping fee for green waste used as ADC after January 1, 2020. So while a jurisdiction will not be able to claim diversion credit, they would still avoid paying the tipping fee for green waste used as ADC after the January 1, 2020 implementation. The bill was sponsored by Californians Against Waste.

Result: Governor Brown signed the bill into law over the objection of CalRecycle, but signaled in his signing message that CalRecycle funding sources needed to be addressed. This should be considered a signal that the tipping fee on green waste used as ADC after January 1, 2020 could be reassessed as CalRecycle's funding sources are examined in coming years.

Projected 2015 Activity: While the management of organic waste was largely addressed in 2014, WPWMA should prepare for a discussion about CalRecycle funding sources. The department has been clear that new funding sources will need to be identified as disposal continues to decrease.

#### *AB 1826 (Chesbro) – Mandatory Commercial Organics*

This legislation requires local jurisdictions to design and implement an ordinance requiring commercial generators of organic waste to arrange for recycling services for that material. The requirements are phased-in over three years (2016-2019). The bill contains limited exemptions for rural counties (population under 70,000), and also allows local jurisdictions to exempt businesses under a certain generation threshold. The bill was sponsored by Californians Against Waste. The bill also allowed businesses subject to the requirements to comply through mixed waste processing, but does not contain the same "comparable to source separation" language that was contained in AB 341 (Chesbro, 2011). However, when evaluating a jurisdiction's good faith effort CalRecycle will be able to evaluate MRF performance.

Result: Governor Brown signed AB 1826 considering that most generators and local jurisdictions had removed their opposition.

Projected 2015 Activity: CalRecycle is likely to take administrative action to implement this legislation. WPWMA can expect some decisions to be made in 2015 considering that the first tier of commercial generators is required to comply in 2016.

#### *AB 1893 (Stone) – Sharps Disposal*

The California Product Stewardship Council sponsored this measure that requires manufacturers of sharps (syringes, pin needles, lancets) to provide a safe disposal container along with any sale of more than 50 sharps. The bill was intended to improve worker safety on sort lines.

Result: The bill was moving through the process but was ultimately held on the Assembly Floor for reasons unrelated to the merits of the bill.

Projected 2015 Activity: There is a possibility that the bill will be reintroduced considering that it made substantial progress in 2014 and there is strong labor support from the California Labor Federation and the Teamsters.

*AB 2284 (Williams) – Battery EPR*

The California Product Stewardship Council sponsored this bill to require manufacturers of primary batteries (single use) to design, implement, and fund an EPR program for their products.

Result: The bill was in the process of being expanded, with industry cooperation, to cover both primary and rechargeable batteries when it was gutted in the Assembly Appropriations Committee at the request of cable providers and toy manufacturers who had exposure for batteries in their products that would not otherwise be covered by a manufacturer's EPR program.

Projected 2015 Activity: The bill could be reintroduced if manufacturers of both primary and rechargeable batteries come back to the table to negotiate a final product.

*AB 2371 (Mullen) – Household Hazardous Waste*

This bill was sponsored by Waste Management and required local jurisdictions to provide certain information on the effectiveness of their HHW programs to CalRecycle.

Result: The bill was more of a "conversation starter" than anything and it was ultimately held by the author because of objections to additional reporting by local governments.

Projected 2015 Activity: This conversation was largely driven by Waste Management's desire to expand their existing curbside collection services. The concept of curbside collection of hazardous products has been seized upon by opponents of EPR. WPWMA should expect some sort of counter-offensive by those opponents that includes a ratepayer funded curbside collection component.

*SB 270 (Padilla) – Plastic Bag Ban*

This bill was sponsored by Californians Against Waste and phases out the use of single-use plastic bags, imposes standards for reusable bags, and requires stores to charge a minimum of 10 cents per bag for paper and reusable bags that are provided to customers.

Result: The bill was signed by Governor Brown after a decade of attempts. However, the plastic bag industry is already contracted with professional signature gatherers to qualify a referendum for the 2016 ballot. Early indications are that the plastic bag industry will aggressively fund the referendum.

Projected 2015 Activity: WPWMA should not anticipate further legislative action on this issue in 2015.

*SB 498 (Lara) – Anaerobic Digestion*

This bill adds the production of fuels and the use of non-combustion thermal conversion technologies to the definition of biomass conversion for purposes of the Integrated Waste Management Act.

Result: This bill was signed by Governor Brown after it was vetoed the year prior.

Projected 2015 Activity: WPWMA can expect continuing discussions over conversion technology. We hear that CalRecycle is considering a policy change that would create a third category specific to CT because it is not properly described as “disposal” or “recycling”.

*SB 1014 (Jackson) – Pharmaceutical EPR*

This bill was sponsored by the California Product Stewardship Council and would have required manufacturers of both prescription and over-the-counter medications to design, implement, and fund an EPR program.

Result: The bill was heavily opposed by pharmaceutical companies and their trade associations. The bill was amended significantly in the Senate Business and Professions Committee and was ultimately held by the author to ensure that it would not interfere in ongoing litigation over the Alameda County pharmaceutical EPR ordinance.

Projected 2015 Activity: This bill will be reintroduced in some form. Conversations are ongoing with the opposition and more information should be available by the end of 2014.

**OTHER ISSUES**

Both the California State Legislature and CalRecycle wrestled with several other issues related to the management of solid waste:

*Bottle Bill Reform*

The Brown Administration attempted to work with stakeholders to make needed changes to the bottle bill during the budget process. While the changes were extensive, the changes most relevant to WPWMA would have been the elimination of various payments made to local jurisdictions. The bottle bill has such a diverse set of stakeholders with competing interests that the proposal was ultimately rejected by the legislature during the budget process.

Financial solvency of the bottle bill program continues to be a significant issue because of fraud, administrative overhead, and high recycling rates. CalRecycle has repeatedly attempted, with little success, to “sound the alarm” and move stakeholders and lawmakers into a negotiating posture. WPWMA can expect this issue to be front and center for the next several years. Additionally, CalRecycle has indicated that they want to tackle bottle bill reform before taking on other new initiatives. So, a continued failure to address the bottle bill’s solvency issues could slow the department’s plans to proceed on other regulatory initiatives.

WPWMA should consider “all options on the table” when it comes to bottle bill reform – including the elimination of payments to various stakeholders, the inclusion of new product types, and anti-fraud strategies.

#### *75% Recycling, Composting, and Source Reduction*

The passage of AB 341 (Chesbro, 2012) set a new statewide goal of 75% recycling, composting, and source reduction by 2020. While this goal is not a mandate on local jurisdictions, CalRecycle is preparing a report to the legislature that contains strategies, legislative changes, and regulatory changes necessary to meet the goal. That report will touch on many issues of importance for local jurisdictions and WPWMA should expect a great deal of activity on this subject.

One related issue will be MRF Performance Standards relative to the “comparable to source separation” language contained in the bill. The rulemaking around this issue will be of vital importance to WPWMA and we should have early conversations with CalRecycle to facilitate the best possible outcome.

#### *Greenhouse Gas Emissions*

The ARB continues to develop its Scoping Plan Update, and emissions from solid waste management operations continue to be a focus. In fact, concern over the potential of an ARB disposal ban for green waste largely drove local governments into a negotiating posture on AB 1594 and AB 1826. The ARB Scoping Plan Update was completed and approved by the Board on May 22, 2014. However, there have already been discussions in the legislature about extending efforts to reduce greenhouse gas emissions beyond the 2020 target identified in AB 32. Those conversation can be expected to continue in 2015 and beyond.

*Cap and Trade Funding*

The Governor's proposed budget earmarked \$30 million in Cap and Trade funds for the development of composting infrastructure and markets in an effort to assist local jurisdictions with emission reductions. The legislature reduced that amount to \$20 million; however, WPWMA can expect this to be an issue as legislators wrestle with the budget in 2015.