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DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 207  
915 I STREET  
SACRAMENTO, CA  
95814-2673

OFFICE OF THE DIRECTOR

916-449-5283

June 7, 1989

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: **RESOLUTION DECLARING THE CITY'S SUPPORT FOR SENATE BILL 1221 (HART)  
RELATING TO BEVERAGE CONTAINER RECYCLING**

**SUMMARY**

The Beverage Container Recycling and Litter Reduction Act (AB 2020) has been in effect for 18 months. However, the one-cent redemption value has not generated satisfactory levels of public participation. In response, Senator Gary Hart has introduced SB 1221 to raise container redemption values in an effort to encourage recycling. This report recommends approval of a resolution declaring the City's support for SB 1221.

**BACKGROUND**

Following the passage of AB 2020, recycling centers were established throughout the state to encourage people to recycle beverage containers in return for a one-cent per container redemption fee. The law has been in effect for 18 months. Recycling rates released by the State Department of Conservation indicate that the overall recycling rate has actually dropped over the last six months. Current law allows for a gradual increase in redemption values to three cents if recycling rates do not reach 65%. The recycling rate for aluminum cans is currently 46%; glass is 21%; and plastic is 5%.

It appears that the current one-cent redemption value is simply too low to encourage widespread public participation in recycling. States such as New York, Oregon, and Massachusetts, with five cents or higher redemption values, have recycling rates twice as high as California's recycling rates. Public opinion surveys indicate that higher values will result in greater participation in recycling, thereby reducing litter, waste, and disposal costs.

SB 1221, by Gary Hart, would increase the minimum redemption value to two cents per container. The bill would then raise to five cents the redemption values for beverage container types which fail to reach a 65% recycling level. Those which reach 65%, but fall short of the 80% goal adopted by the Legislature, will be increased to five cents for every two containers (i.e., two-for-a-nickel).

This legislation will encourage recycling and help the City to reach its stated recycling goals. SB 1221 is supported by the California Farm Bureau, Californians Against Waste, and a coalition of grocers, recyclers, and consumer groups. The League of California Cities has not yet taken a position on the bill.

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**FINANCIAL IMPACT**

There is no direct financial impact upon the City as a result of supporting this legislation. The bill may have a long-term positive impact by reducing disposal costs.

**POLICY CONSIDERATIONS**

Support for SB 1221 is consistent with the City's current policy to increase recycling opportunities.

**MBE/WBE**

No impact.


**RECOMMENDATION**

It is recommended that the City Council adopt the attached resolution declaring support for SB 1221 (Hart), which raises the redemption value for beverage container recycling.

Respectfully submitted,

  
Melvin H. Johnson  
Director of Public Works

APPROVED:



Walter J. Slipe  
City Manager

June 7, 1989  
All Districts

Contact Person:  
Roberta Larson, Administrative Services Officer  
449-5877

**RESOLUTION NO. 89-446**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**APPROVED**  
BY THE CITY COUNCIL  
JUN 07 1989  
OFFICE OF THE  
CITY CLERK

**RESOLUTION DECLARING SUPPORT FOR SENATE BILL 1221  
RELATING TO BEVERAGE CONTAINER RECYCLING**

**WHEREAS**, more than 50% of the beverage containers sold in California are not being recycled and are instead littered on our beaches, parks, and roadways or buried in landfills; and

**WHEREAS**, higher refund values on beverage containers in California will increase public participation in recycling and help achieve the 80% or greater recycling goal of the California Beverage Container Recycling and Litter Reduction Program; and

**WHEREAS**, increased recycling of beverage containers will save energy and resources, reduce litter, divert material going to landfill, and reduce solid waste disposal costs; and

**WHEREAS**, the nine states with refund values on beverage containers of at least five cents have achieved recycling rates of greater than 80%; and

**WHEREAS**, Senator Gary Hart has introduced Senate Bill 1221 into the California State Legislature; and

**WHEREAS**, Senate Bill 1221 would raise the refund value on beverage containers, which fail to achieve a 65% recycling level to five cents, beginning January 1, 1990; and

**WHEREAS**, the passage of Senate Bill 1221 would be of significant benefit to the people of the State of California, and to the people of the City of Sacramento;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Sacramento hereby urges the passage of Senate Bill 1221.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

AMENDED IN SENATE MAY 4, 1989

SENATE BILL

No. 1221

Introduced by Senator Hart

March 9, 1989

An act to ~~amend Section 14560~~ amend Sections 14560 and 14581 of the Public Resources Code, relating to beverage containers, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1221, as amended, Hart. Beverage containers.

(1) The California Beverage Container Recycling and Litter Reduction Act requires every beverage container sold or offered for sale in this state to have a minimum redemption value of at least 1¢, and provides, under specified circumstances, for an increase in the redemption value to 2¢ after December 31, 1989, and 3¢ after December 31, 1992. A distributor of beverage containers is required to pay to the Department of Conservation the redemption value for each beverage container sold or transferred and the department is required to deposit these amounts in the Beverage Container Recycling Fund in the State Treasury. The money in the fund is continuously appropriated to the department for the payment of redemption values and for other specified purposes, including litter abatement and recycling activities deposit in the Redemption Bonus Account.

*The funds in the Redemption Bonus Account are continuously appropriated to the department for specified purposes. The department is required to calculate the redemption bonus amount from the balance remaining in the Redemption Bonus Account after specified expenditures are made from the fund, including up to 10% for urban, rural, and recreational litter activities, and contracts with statewide*

*nonprofit entities for recycling information, education, and promotion, up to 25% for convenience incentive payments until June 30, 1990, and up to 20% for these payments from July 1, 1990, to January 1, 1993, and to expend up to 5% for contracts for advertising and promotion with recycling centers. Existing law specifies a procedure for determining the redemption bonus amount by requiring the department to divide the balance in the Redemption Bonus Account by the number of containers redeemed, as specified.*

This bill would increase the minimum redemption value to 2¢ on and after October 1, 1989, thereby making an appropriation and thereby imposing a tax for purposes of Article XIII A of the California Constitution. The bill would also provide that, on and after ~~that date~~ January 1, 1992, if more than one beverage container is redeemed at a time, the certified recycling center is required to pay a minimum redemption value of 5¢ for every 2 containers redeemed. The bill would also specify that on and after October 1, 1989, a beverage container with a capacity of 24 fluid ounces is 2 beverage containers for the purposes of the act. The bill would increase the amount of the redemption value to ~~5¢~~ 2 1/2¢ on and after ~~December 31, 1989~~ January 1, 1992, and would increase the amount of the redemption value to 3¢ on and after January 1, 1993, if certain conditions are met concerning the redemption rate for that type of beverage container.

*The bill would revise the amounts which may be expended from the Redemption Bonus Account, by requiring the department to annually expend \$6,000,000 for urban, rural, and recreational litter abatement and recycling activities and by authorizing the department to expend up to \$13,000,000 annually, until June 30, 1990, for making convenience incentive payments, to expend up to \$7,000,000 annually for making convenience incentive payments until January 1, 1993, and up to \$2,000,000 for advertising and promotion contracts with recycling centers, thereby making an appropriation.*

*The bill would require the department to calculate the redemption bonus so that, on and after October 1, 1989, the total amount of the redemption value and the redemption bonus paid by a recycling center for each container is at least*

5¢ for every 2 containers redeemed, and, on and after January 1, 1992, at least 5¢ if certain conditions are met concerning the redemption rate for that type of beverage container. The bill would make conforming changes.

(2) 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.

The bill would impose a state-mandated local program by creating a new crime, since the failure to pay redemption values is a crime pursuant to other provisions of law.

The bill would provide that no reimbursement is required by this act for a specified reason.

(3) The bill would declare that it is to take effect immediately as an urgency measure.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. Section 14560 of the Public Resources  
2 Code is amended to read:  
3 14560. (a) Except as provided in subdivisions (b),  
4 ~~(c), (d), (e), (f), and (g)~~ (d), (f), (g), and (h), every  
5 beverage container which is sold or offered for sale by a  
6 distributor in this state, and every beverage container  
7 which is sold or offered for sale in this state by a dealer,  
8 shall have a minimum redemption value of not less than  
9 one cent (\$0.01).  
10 (b) Except as provided in subdivisions ~~(c), (d), and~~  
11 ~~(e)~~ (d) and (f), on and after October 1, 1989, every  
12 beverage container sold or offered for sale in this state  
13 shall have a minimum redemption value of two cents  
14 (\$0.02); ~~except that, for purposes of Section 14572, if~~  
15 ~~more than one container is redeemed in a single~~  
16 ~~transaction, the certified recycling center shall pay a~~  
17 ~~consumer or dropoff or collection program a minimum~~  
18 ~~redemption value of five cents (\$0.05) for every two~~  
19 ~~containers redeemed. On . On and after October 1, 1989,~~  
20 a beverage container with a capacity of 24 fluid ounces or

1 more is two beverage containers for the purposes of this  
2 division.

3 ~~(e)~~ Except as provided in subdivisions ~~(d)~~ and ~~(e)~~, on  
4 and after December 31, 1989, a beverage container shall  
5 have a redemption value of not less than five cents  
6 ~~(\$0.05)~~ if both of the following conditions are met for that  
7 specific type of beverage container:

8 (1) For the reporting period beginning January 1,  
9 1989, and ending June 30, 1989, the redemption rate  
10 determined pursuant to Section 14551 for that type of  
11 beverage container is less than 65 percent.

12 (2) The average redemption rate for the highest two  
13 of any three reporting periods, the third period of which  
14 is the period ending June 30, 1989, is less than 65 percent.

15 ~~(d)~~ Except as provided in subdivisions ~~(e)~~, ~~(e)~~, and  
16 ~~(g)~~, if for any two of any three consecutive reporting  
17 periods subsequent to December 31, 1987, the  
18 redemption rate determined pursuant to Section 14551  
19 for that type of beverage container is less than 65 percent,  
20 every beverage container of that type shall have a  
21 redemption value of not less than five cents ~~(\$0.05)~~  
22 beginning six months after the end of the third reporting  
23 period.

24 (c) On and after October 1, 1989, the department shall  
25 calculate the redemption bonus pursuant to Section  
26 14581 so that the total amount of the redemption bonus  
27 and the redemption value which is paid by a certified  
28 recycling center pursuant to this section for a beverage  
29 container is five cents (\$0.05) for every two containers  
30 redeemed.

31 (d) Except as provided in subdivisions (f) and (h), on  
32 and after January 1, 1992, every beverage container sold  
33 or offered for sale in this state shall have a minimum  
34 redemption value of two and one-half cents (\$0.025).

35 (e) On and after January 1, 1992, the department shall  
36 calculate the redemption bonus pursuant to Section  
37 14581 so that the total amount of the redemption bonus  
38 and the redemption value which is paid by a certified  
39 recycling center pursuant to this section for a beverage  
40 container is five cents (\$0.05), if the redemption rate for





1 that type of beverage container is less than 65 percent for  
2 the reporting period beginning January 1, 1991, and  
3 ending June 30, 1991.

4 ~~(e)~~

5 (f) Except as provided in subdivision ~~(g)~~ (h), on and  
6 after ~~December 31,~~ January 1, 1992, a beverage container  
7 shall have a redemption value of not less than ~~five cents~~  
8 ~~(\$0.05)~~ three cents (\$0.03) if both of the following  
9 conditions are met for that specific type of beverage  
10 container:

11 (1) For the reporting period beginning January 1,  
12 ~~1992, and ending June 30, 1992~~ 1991, and ending June 30,  
13 1991, that type of beverage container has a redemption  
14 value of not less than ~~five cents (\$0.05)~~ two cents (\$0.02),  
15 or five cents (\$0.05) for every two containers, and the  
16 redemption rate determined pursuant to Section 14551  
17 for that type of beverage container is less than ~~80~~ 65  
18 percent.

19 (2) The average redemption rate for the highest two  
20 of any four reporting periods, the fourth period of which  
21 is the period ending June 30, ~~1992,~~ is less than ~~80~~ 1991, is  
22 less than 65 percent.

23 ~~(f)~~ Except as provided in subdivision ~~(g)~~, once any

24 (g) Except as provided in subdivision (h), once any  
25 redemption value is established pursuant to subdivision  
26 (b), ~~(e)~~, ~~(d)~~, or ~~(e)~~ (d), or (f) for any type of beverage  
27 container, the redemption value shall not be decreased  
28 based upon the redemption rate.

29 ~~(g)~~

30 (h) The redemption value of a specific type of  
31 beverage container which has had its redemption value  
32 established pursuant to subdivision ~~(e)~~ (f) shall be  
33 decreased to not less than ~~three cents (\$0.03)~~ two and one  
34 half cents (\$0.025) if the redemption rate for that type of  
35 beverage container is 80 percent or more during all of  
36 four consecutive reporting periods. The decrease shall  
37 occur six months following the end of the fourth  
38 reporting period. If the redemption rate for that type of  
39 beverage container thereafter falls below ~~80~~ 65 percent  
40 for any two of any four consecutive reporting periods, the

1 redemption value for that type of beverage container  
2 shall be increased to ~~five cents (\$0.05)~~ *three cents (\$0.03)*  
3 until a redemption rate of 80 percent or more, during all  
4 of four consecutive reporting periods, is established for  
5 that type of beverage container.

6 ~~(h)~~  
7 (i) This section does not apply to any refillable  
8 beverage container.

9 SEC. 2. *Section 14581 of the Public Resources Code is*  
10 *amended to read:*

11 14581. (a) The department shall calculate the  
12 redemption bonus amount, pursuant to subdivision (b),  
13 by deducting the following amounts from the  
14 Redemption Bonus Account, for which purpose the  
15 department may expend money from the Redemption  
16 Bonus Account in the following order of priority:

17 (1) The department shall *annually* expend ~~10 percent~~  
18 *six million dollars (\$6,000,000)* of the amount deposited in  
19 the Redemption Bonus Account ~~during the previous~~  
20 ~~three months~~ for urban, rural, aquatic, and recreational  
21 litter abatement and recycling activities, for contracts  
22 with statewide private nonprofit entities for recycling  
23 information, education, and promotion. The funds for  
24 urban, rural, and recreational litter abatement and  
25 recycling activities shall be expended by contract with  
26 local conservation organizations. Three-quarters of this  
27 ~~10 percent amount~~ shall be expended in the form of  
28 grants, as specified by the department, to certified  
29 community conservation corps, either existing or those  
30 established in the future, designated by a city or a city and  
31 county to perform litter abatement, recycling, and  
32 related activities, if the city or the city and county has a  
33 population, as determined by the last federal census, of  
34 more than 250,000 persons. Any grants provided pursuant  
35 to this paragraph shall not comprise more than 75 percent  
36 of the annual budget of a community conservation corps.

37 (2) The department may *annually* expend up to ~~25~~  
38 ~~percent~~ *thirteen million dollars (\$13,000,000)* of the  
39 amount deposited in the Redemption Bonus Account  
40 ~~during the previous three months~~ for making

1 convenience incentive payments, pursuant to Section  
 2 14585, until June 30, 1990, and may *annually* expend up to  
 3 ~~20 percent~~ *seven million dollars (\$7,000,000)* of the  
 4 amount deposited in the Redemption Bonus Account  
 5 ~~during the previous three months~~ for making  
 6 convenience incentive payments from July 1, 1990, until  
 7 January 1, 1993.

8 (3) After making the expenditures specified in  
 9 paragraphs (1) and (2), the department may *annually*  
 10 expend, until June 30, 1990, up to ~~5 percent~~ *two million*  
 11 *dollars (\$2,000,000)* of the amount deposited in the  
 12 Redemption Bonus Account ~~during the previous three~~  
 13 ~~months~~ for contracts with certified recycling centers  
 14 located in convenience zones for advertising and  
 15 promotion.

16 (b) The department shall calculate the redemption  
 17 bonus amount using the balance remaining in the  
 18 Redemption Bonus Account after deducting the amounts  
 19 specified in subdivision (a).

20 (1) The department shall calculate the redemption  
 21 bonus at least quarterly, except that the department may  
 22 revise any redemption bonus to account for seasonal  
 23 variations in beverage container sales and redemptions,  
 24 to prevent funds accumulated during a high sales period  
 25 from providing disproportionately high redemption  
 26 bonuses during a low redemption period, or to prevent  
 27 funds accumulated during a low sales period from  
 28 providing disproportionately low redemption bonuses  
 29 during a high redemption period.

30 (2) Notwithstanding any other provision of this  
 31 section, the department shall pay out, as a redemption  
 32 bonus, any amount deposited in the account within six  
 33 months after receipt to ensure the payment of maximum  
 34 redemption bonuses to processors compatible with the  
 35 level of funds available in the Redemption Bonus  
 36 Account.

37 (3) From the remaining balance in the Redemption  
 38 Bonus Account, the department shall determine the  
 39 redemption bonus by dividing the balance in the  
 40 Redemption Bonus Account by the number of containers

1 redeemed during the previous quarter or other period  
 2 determined pursuant to paragraph (1) , and, on and after  
 3 January 1, 1992, in accordance with subdivision (d) of  
 4 Section 14560. The department shall calculate the  
 5 redemption bonus so that all funds shall be passed  
 6 entirely to processors in a prompt and efficient manner  
 7 and that the redemption bonus amount will further the  
 8 purposes of this division.

9 (4) The redemption bonus shall be reviewed by the  
 10 committee every three months.

11 (5) The department may round any redemption  
 12 bonus to the nearest one-tenth or one-quarter of a cent.

13 SEC. 3. No reimbursement is required by this act  
 14 pursuant to Section 6 of Article XIII B of the California  
 15 Constitution because the only costs which may be  
 16 incurred by a local agency or school district will be  
 17 incurred because this act creates a new crime or  
 18 infraction, changes the definition of a crime or infraction,  
 19 changes the penalty for a crime or infraction, or  
 20 eliminates a crime or infraction. Notwithstanding Section  
 21 17580 of the Government Code, unless otherwise  
 22 specified in this act, the provisions of this act shall become  
 23 operative on the same date that the act takes effect  
 24 pursuant to the California Constitution.

25 ~~SEC. 3.~~

26 SEC. 4. This act is an urgency statute necessary for  
 27 the immediate preservation of the public peace, health,  
 28 or safety within the meaning of Article IV of the  
 29 Constitution and shall go into immediate effect. The facts  
 30 constituting the necessity are:

31 In order to encourage the recycling of beverage  
 32 containers, thereby protecting the public health and  
 33 safety and the environment, it is necessary that this act  
 34 take effect immediately.