



San Mateo County Initiative Analysis Form

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Submitted Department: County Executive's Office
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Reviewed and Approved by the County Attorney
 Yes No

Reviewed and Approved by County Executive
 Yes No N/A

The California Plastic Waste Reduction Regulations Initiative.

Version Date: January 8, 2020
 In circulation Eligible Qualified

Recommended Position
 Sponsor Support
 Support if Amended Oppose
 Other & Describe: Supervisors Pine and Horsley request the Board support this Initiative

Summary

The California Plastic Waste Reduction Regulations Initiative would establish new requirements for the recycling and reduction of single-use plastic packaging and foodware. It intends to reduce the amount of plastic waste that is generated and that ends up in landfills or as litter. This measure would also create a new tax on all single-use plastic packaging and foodware sold in California.

Background/Analysis

Local governments are responsible for the collection and disposal of solid waste. After waste is collected, it is often processed through material recovery facilities to sort out recyclable materials before the remaining waste is disposed of in a landfill or incinerated. Local governments typically fund the cost of waste collection, sorting, and disposal by charging fees to the residences and businesses receiving waste collection services.

In California, plastics amount to roughly 10% of the total waste generated. Over time, the amount of plastic waste has increased due to greater prevalence of plastic packaging materials used by manufacturers and disposable plastic products purchased and used by consumers. Some of the most common types of plastic waste include durable plastic items, plastic wrapping, and plastic bags.

Based on available data, it is estimated that a small portion of all the plastic waste generated in California is recycled

into new products, while the majority is disposed of in landfills. The plastic items that are recycled generally are from certain types of plastic that are easier to cleanly sort out from other waste and have more readily established manufacturing processes to facilitate the use of recycled materials.

CalRecycle is the state department responsible for implementing statewide recycling policies and programs. For three decades, CalRecycle has been tasked with reducing disposal of municipal solid waste and promoting recycling in California through the Integrated Waste Management Act (IWMA). Under IWMA, the state has established a statewide 75% source reduction, recycling, and composting goal by 2020 and over the years the Legislature has enacted various laws relating to increasing the amount of waste that is diverted from landfills. According to CalRecycle's *State of Disposal and Recycling in California 2017 Update*, 42.7 million tons of material were disposed into landfills in 2016.

In the 2019/2020 Legislative Session, SB 54 (Allen, 2019) and AB 1080 (Gonzalez, 2019) attempted to curb single use plastics. The bill would have required CalRecycle to develop regulations to achieve a 75% reduction in single-use packaging and priority single-use plastic products by 2030. Failure of these measures to pass the Legislature prompted proponents to seek this ballot measure. The levy of a tax on certain plastic products is an added component of this initiative that was not included in the earlier bills.

The California State Association of Counties, along with a coalition of local government groups, supported SB 54 (Allen, 2019) and AB 1080 (Gonzalez, 2019) because they “would help California transition away from single-use plastic containers to reusable or compostable packaging. In addition, the bill[s] would promote the development of in-state manufacturing that uses recycled material. Local governments have long been responsible for ensuring that California achieves its recycling and waste management goals and support the efforts of this bill[s] to reduce waste at its source before it gets to our local landfills and recycling centers; or worse to our beaches and other beautiful natural environments.”

Challenge

The US has not developed significant markets for recycled content materials, including plastic and mixed paper. Historically, China has been the largest importer of recycled materials. In California, approximately one-third of recycled material is exported; and, until recently, 85% of the state's recycled mixed paper has been exported to China.

China enacted Operation Green Fence in 2013, under which it increased inspections of imported bales of recyclables and returned bales that did not meet specified requirements at the exporters' expense. Since then, China has strengthened its policies and currently bans the import of 32 types of scraps for recycling and reuse, including post-consumer plastics such as shampoo and soda bottles. In the California State Association of Counties letters in support of SB 54 (Allen, 2019) and AB 1080 (Gonzalez, 2019), they note:

California's solid waste and recycling industries are facing a series of critical issues. First among these challenges are changes in China's trade import policies. These changes...have significantly disrupted California's recycling industry by restricting foreign imports to China of recyclable materials and increasing the requirements for reduced contamination levels in recycling streams. International markets have served as a key component of California's recycling infrastructure. Since the change in China's policy, materials including plastics and paper are piling up at local waste facilities across state with no place to go. This has caused increased costs to local governments, slowdowns in waste processing of other materials, and public health risks.

After China's implementation of their waste import policy,

India became one of the top importers of US plastic. In 2019, the Indian government announced that it will ban scrap plastic imports, a move that threatens to further disrupt the state's recycling industry.

Beyond the increasing fiscal costs of managing plastic waste, there are significant environmental concerns, particularly for our oceans. Plastics are estimated to comprise 60-80% 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 (i.e., litter). By 2050, by weight there will be more plastic than fish in the ocean if we keep producing (and failing to properly manage) plastics at predicted rates, according to a January 2016 report by the World Economic Forum.

A National Oceanic and Atmospheric Administration Marine Debris Program economic study published in 2014 examined the costs of marine debris to Californians. The study focused on Orange County and found that residents lose millions of dollars each year avoiding littered, local beaches in favor of choosing cleaner beaches that are farther away and more costly to reach. In one scenario, the study found that reducing marine debris by just 25% would save Orange County residents \$32 million in June-August; eliminating marine debris entirely would save an estimated \$148 million.

Solution/Recommended Proposal

The California Plastic Waste Reduction Regulations Initiative would require CalRecycle, in consultation with the California Environmental Protection Agency, the California Natural Resources Agency, the Ocean Protection Council, and the California Department of Tax and Finance Administration, to adopt regulations on the production and sale of all single-use plastic packaging and foodware sold in California. Among other requirements, these regulations must:

- Require all single-use plastic packaging and foodware to be recyclable, reusable, refillable, or compostable by 2030.
- Require producers to reduce or eliminate single-use plastic packaging or foodware that is unnecessary for the delivery of a product or food item.
- Require producers to reduce the total amount of single-use plastic packaging and foodware sold in California by 25% by 2030.

- Establish take-back and deposit programs to establish convenient ways for consumers to recycle.
- Prohibit food vendors from distributing styrofoam containers.
- Establish and enforce labeling standards to support the proper sorting of discarded plastics.

To implement these regulations, all producers of single-use plastic packaging would be required to register with and submit data to CalRecycle. CalRecycle would be allowed to grant exemptions for certain single-use plastic items for health and safety reasons, if they are unsafe to recycle, or if there are unique challenges and no alternatives. CalRecycle would be authorized to impose fees on producers that do not comply.

Further, this Initiative would create a new fee on single-use plastic packaging and foodware sold in California beginning in 2022, to be paid by plastic producers and not to be passed on to consumers as a separate item on a receipt or invoice. The measure requires that the fee rate be based on the actual cost to recycle each type of material and also establishes other requirements for determining the fee rates as follows:

- Requires the maximum one cent fee on all single-use plastic packaging and foodware that CalRecycle determines is not recyclable or compostable.
- Requires a fee of up to one cent on all single-use plastic packaging and foodware that is recyclable, but is not produced with renewable materials, such as plant-based products.
- Requires a fee of up to three-quarters of one cent on all single-use plastic packaging and foodware that is produced using mostly renewable materials.
- Requires a fee of up to one-half of one cent on all single-use plastic packaging and foodware that is produced using only renewable materials.

Under the measure, the maximum level of the fee would be adjusted for inflation beginning in 2030.

The Initiative specifies the allocation and allowable uses of the revenue generated by the new fee. After funding for the collection and administration of the fee, the remaining revenue would be allocated as follows:

- 50% to CalRecycle for implementing and enforcing the requirements of the measure, as well as funding

various programs intended to support statewide recycling, reduction, and composting efforts.

- 30% to the California Natural Resources Agency for grants to state and local agencies to mitigate the environmental impacts of plastic pollution, such as by restoring habitats and protecting wildlife.
- 20% to local governments for various purposes, such as supporting local recycling and composting programs and mitigating the impacts of plastic pollution. At least 35% of the moneys allocated to local governments must be allocated to projects benefiting individuals in disadvantaged or low-income communities.

Departments Impacted & Why

The California Plastic Waste Reduction Regulations Initiative aligns with many programs and initiatives run by the County's Office of Sustainability. **The Office of Sustainability recommends that the County support this Initiative.** In February 2020, the County passed an ordinance banning the distribution of plastic food service ware and instead required the use of fiber-based utensils that are more easily composted. The goal of this ordinance is to reduce single use plastic in our community. As of May 2022, 15 cities in the County have adopted the ordinance (more cities are currently exploring), with the Office of Sustainability leading education and enforcement efforts.

According to the County's Office of Sustainability, potential impacts of this initiative include:

- A reduction in the amount of material that is disposed of in our local landfill as trash, potentially prolonging its life and capacity. This would help the pocketbooks and health of our community members, since hauling waste to a facility outside of the County will be more costly and it will worsen air pollution from the increased transport of that waste on highways.
- A reduction in the amount of plastic pollution in our streets and waterways, reducing the amount of litter. This would benefit our stormwater program, which requires that we maintain low levels of litter on streets and other areas, that could be washed into waterways during a storm. This could reduce cost incurred by the County to implement, install, and maintain source reduction measures and devices to

capture litter in storm drains.

- Although the fee incurred by plastic producers shall not be passed onto consumers as a separate line item, a potential price increase for single-use plastic foodware and packaging could result from this Act. This may incentivize and further fuel the need for switching to reusable items.
- Additional funding for organic waste market development programs and Circular Economy Grants, which could help with the County's compliance with SB 1383, which requires mandatory composting. More markets for compost could lead to lower rates for compost collection and processing.
- An increase in take-back programs for recycling materials could reduce the number of recyclables processed by local haulers, potentially increasing efficiencies and reducing operational costs. This would also fill a need for convenient consumer access to recycling and deposit return facilities, which will be financially beneficial to some of our low-income community members.
- The establishment of clearer recycling labels could reduce the amount of contamination in our recycling and organics streams, which would allow haulers to better market recyclable materials and compost feedstock and increase revenue and potentially reduce rates.
- The requirement for producers to transition to reusable or compostable single use packaging and foodware could create more demand for these items and make it easier for food facilities to comply with our disposable food ware ordinance.

Fiscal Impact

According to the Legislative Analyst's Office, this measure would result in increased state revenue from the new tax in the range of a few billion dollars annually in the near term. The actual amount of revenue will depend on the number of items of single-use plastic packaging and foodware sold in the state and the specific regulations developed by CalRecycle. Revenue from the tax over the longer term could be higher or lower depending on several factors.

The fiscal effects on local governments are unclear but potentially significant. While this measure does not increase

requirements specifically on local governments, it does require CalRecycle to implement several new regulations, which could affect different aspects of the waste collection, sorting, and recycling systems. Because local governments will continue to have a role in collecting and sorting waste, including single-use plastic packaging and foodware, the measure's requirements could result in additional costs to local governments. However, these local government costs could be partially or fully offset by (1) a share of the new tax revenues provided to local governments under this measure, (2) possible future payments made by producers to support recycling, and (3) a reduction in costs to the extent that the amount of plastic waste that has to be collected and sorted declines.

According to the County's Office of Sustainability, the initiative may have a minimal fiscal impact to the County as it will be implemented and enforced by CalRecycle. Additionally, some revenue from the fee on certain plastics will be allocated to local programs to reduce waste.

Support

Select current supporters of this initiative include:

- 350 Bay Area Action
- API Forward Movement
- Assemblymember Kevin Mullin
- California Alliance for Family Farmers
- California Association of Food Banks
- California Association of Local Conservation Corps
- California Climate & Agriculture Network
- California League of Conservation Voters
- Californians Against Waste
- Caryl Hart, California Coastal Commissioner
- Climate Reality Project, Bay Area
- Ecology Center
- Environmental Defense Center
- Feminists in Action
- Heal the Bay
- Interfaith Solidarity Networks
- Linda Escalante, California Coastal Commissioner
- Natural Resources Defense Council
- New Approach PAC
- Northern California Recycling Association
- Ocean Conservancy
- Oceana, Inc.
- Peninsula Sanitary Service
- Peninsular Interfaith Climate Action
- Plant Based Products Council

- Plastic Fee Future
- Recology
- Save Our Shores
- Silicon Valley Sunrise
- Surfrider Foundation
- The Last Plastic Straw
- The Nature Conservancy
- Unitarian-Universalist Fellowship of Redwood City
- Women for American Values and Ethics
- Zanker Recycling
- Zero Waste Youth USA

Select supporters of SB 54 (Allen, 2019) and AB 1080 (Gonzalez, 2019) may be inclined to similarly support this initiative. They include:

- Audubon California
- California Catholic Conference
- California State Association of Counties
- California State Parks Foundation
- California State Treasurer
- California Teamsters Public Affairs Council
- City of Half Moon Bay
- City of Redwood City
- County of Los Angeles Board of Supervisors
- County of Marin
- County of Santa Clara
- Dow
- Latinos In Action
- League of California Cities
- League of Women Voters of California
- Marin County Board of Supervisors
- Rural County Representatives of California
- SEIU California
- Sierra Club California

Opposition

Current opponents of this initiative include:

- American Chemistry Council
- California Business Roundtable

Select opponents of SB 54 (Allen, 2019) and AB 1080 (Gonzalez, 2019) may be inclined to similarly oppose this initiative. They include:

- Agricultural Council of California
- American Beverage Association
- American Fuel & Petrochemical Manufacturers
- American Institute For Packaging And Environment
- California Chamber of Commerce
- California Food Producers
- California Grocers Association

- California League of Food Producers
- California Manufacturers & Technology Association
- California Refuse Recycling Council
- California Restaurant Association
- Californians for Recycling and The Environment
- Chemical Industry Council of California
- Dairy Institute of California
- Dart Container Corporation
- Distilled Spirits Council of The United States
- Flexible Packaging Association
- Foodservice Packaging Institute
- Grocery Manufacturers Association
- Household And Commercial Products Association
- National Electrical Manufacturers Association
- National Federation of Independent Business
- Personal Care Products Council
- Plastics Industry Association
- Technet
- Waste Management
- Western States Petroleum Association

Status

1/8/20—Title and Summary prepared by the Attorney General

7/19/21—Eligible for the November 2022 Statewide Ballot

The Secretary of State will issue a certificate of qualification on the 131st day before the next statewide general election certifying that the initiative measure is qualified for the ballot.