### AMENDED IN ASSEMBLY APRIL 3, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

#### ASSEMBLY BILL

No. 899

## **Introduced by Assembly Member Ransom**

February 19, 2025

An act to add-Article 17 (commencing with Section 12100.180) to Chapter 1.6 to Part 2 of Division 3 of Title 2 of the Government Code, relating to economic development. Section 14549.8 to the Public Resources Code, relating to beverage containers.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 899, as amended, Ransom. Buy California Glass Bottle Procurement and Incentive Program. Beverage containers: glass wine bottles: market development.

The California Beverage Container Recycling and Litter Reduction Act, a violation of which is a crime, requires a distributor of beverage containers, as defined, to pay to the Department of Resources Recycling and Recovery a monthly redemption payment for every beverage container sold or transferred, as provided. The act requires the department to deposit those amounts into the California Beverage Container Recycling Fund. The fund is continuously appropriated to, among other things, pay refund values and administrative fees to processors that receive empty beverage containers from recyclers. The act continuously appropriates \$60,000,000 annually from the fund to the department to make market development payments to glass beverage container manufacturers who purchase recycled glass collected within this state for use in manufacturing new beverage containers in this state.

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This bill would authorize the department, subject to the availability of funds, to pay a market development payment to a container manufacturer who produces new glass wine bottles in this state that are intended to be sold to a beverage manufacturer in California. The bill would require, upon appropriation by the Legislature, the department to use unallocated funds from the \$60,000,000 continuously appropriated to the department to make market development payments to glass beverage container manufacturers to pay the glass wine bottle market development payment, not to exceed \$200 per ton and 25,000 tons per year per manufacturer.

Existing law establishes the Governor's Office of Business and Economic Development (GO-Biz) to serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth.

This bill would establish the Buy California Glass Bottle Procurement and Incentive Program. The bill would require, upon appropriation by the Legislature, GO-Biz to develop and administer the program in order to promote the production and distribution of wine bottles made in California. The bill would permit a California winery to apply for a grant to purchase wine bottles made in California under the program. The bill would require GO-Biz to develop eligibility criteria, as specified, and, upon appropriation by the Legislature, to use unallocated funds from a specified program for purposes of the grant program.

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

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

- 1 SECTION 1. The Legislature hereby finds and declares all of 2 the following:
  - (a) Glass containers are highly sustainable because every glass bottle can be recycled endlessly without losing quality and used to create a new glass bottle, thereby reducing waste, conserving natural resources, and reducing carbon emissions associated with mining, processing, and transporting raw materials.
- 8 (b) Recycled glass (cullet) reduces energy use and carbon 9 emissions in the manufacturing process. There is a 2- to 3-percent 10 drop in energy use for every 10 percent cullet used in the

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manufacturing process. One ton of carbon is reduced for every six tons of cullet used in manufacturing.

- (c) California glass container manufacturers compete on an unlevel playing field with foreign glass manufacturers with in-state recycled content requirements, compliance with in-state carbon emission reductions, and federal and regional air quality regulations. None regulations, none of which are applicable to foreign glass manufacturers.
- (d) California glass container manufacturers provide high-wage, highly skilled union careers.
- (e) There is in the state a glass market development program to encourage in-state production and distribution of glass that is not used to its fullest extent because California wine producers are able to purchase foreign-made bottles cheaper than California-made bottles.
- (f) The Governor's Office of Business and Economic Development (GO-Biz) administers the California Competes Tax Credit program to help businesses stay and grow in California and create quality, full-time jobs in the state that might not otherwise be created.

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- (f) It is the intent of the Legislature to increase the production and distribution of wine bottles made in California by enacting the Buy California Glass Bottle Procurement and Incentive Program a market development program for the production of glass wine bottles in California to promote a circular economy and to direct Go-Biz the Department of Resources Recycling and Recovery to administer the program using unallocated glass market development program funds.
- SEC. 2. Article 17 (commencing with Section 12100.180) is added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, to read:

# Article 17. Buy California Glass Bottle Procurement and Incentive Program

12100.180. This article shall be known, and may be cited, as the Buy California Glass Bottle Procurement and Incentive Program.

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1 12100.181. For purposes of this article, the following definitions apply:

- (a) "Buy California Glass Bottle Procurement and Incentive Grant Program" or "program" means the program created pursuant to Section 12100.182.
- (b) "GO-Biz" means the Governor's Office of Business and Economic Development.
- 12100.182. (a) There is hereby established, within the office, the Buy California Glass Bottle Procurement and Incentive Program.
- (b) (1) Upon appropriation by the Legislature, GO-Biz shall develop and administer the program in order to promote the production and distribution of wine bottles made in California.
- (2) Under the program, a California winery shall be able to apply for a grant to purchase wine bottles produced in California.
- (c) GO-Biz shall develop eligibility criteria for the program. The eligibility criteria shall include all of the following:
- (1) The winery shall demonstrate that it has been purchasing foreign made glass wine bottles for \_\_\_\_\_ years.
- (2) The winery shall commit to purchasing only glass wine bottles produced in California for \_\_\_\_\_ years after being awarded a grant.
- (3) Grant money shall only be used to purchase glass wine bottles produced in California.
- 12100.183. Upon appropriation by the Legislature, GO-Biz shall use unallocated funds from the glass market development payments program authorized pursuant to Section 14549.7 of the Public Resources Code, for purposes of the grant program established pursuant to this article.
- SEC. 2. Section 14549.8 is added to the Public Resources Code, to read:
- 14549.8. (a) In order to develop California markets for the production of glass wine bottles in the state, the department may, subject to the availability of funds, pay a market development payment pursuant to this section to a container manufacturer who produces new glass wine bottles in this state that are intended to be sold to a beverage manufacturer in California.
- 38 (b) The department shall determine the amount of the market 39 development payment, but the payment shall not exceed two 40 hundred dollars (\$200) per ton.

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(c) The department shall not pay a market development payment pursuant to this section for the production of new glass wine bottles in excess of 25,000 tons per year per container manufacturer.

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- (d) Upon appropriation by the Legislature, the department shall use unallocated funds from the glass market development payments program authorized pursuant to Section 14549.7 for purposes of this section.
- (e) For purposes of this section, "glass wine bottle" means a glass beverage container produced to contain or containing wine.