



**DATE:** May 12, 2025

**TO:** Council Sustainability Committee

**FROM:** Director of Public Works

**SUBJECT** SB54 Overview (The Plastic Pollution Prevention and Producer Responsibility Act)

## **RECOMMENDATION**

That the City Council Sustainability Committee (CSC) review and comment on this informational report.

## **SUMMARY**

On June 30, 2022, Governor Newsom signed SB54 into law. SB54, also known as the Plastic Pollution Prevention and Packaging Producer Responsibility Act, aims to reduce the amount of plastic packaging in California. By January 1, 2032, SB54 will prohibit the sale, distribution, or import of single-use disposable packaging and foodware unless the packaging is recyclable or compostable. The law takes a comprehensive approach to reducing single-use packaging in California by establishing an extended producer responsibility (EPR) program that shifts the responsibility of managing plastic pollution from local governments to producers and manufacturers.

CalRecycle is responsible for implementing SB54 and submitting final regulations to the Office of Administrative Law (OAL). After more than two years of work on drafting regulations, on March 7, 2025, Governor Newsom cited public and small business cost concerns, directed CalRecycle not to submit SB54's final rules to the OAL, and requested CalRecycle restart the formal rule-making process. This report provides an overview of the law, and discusses the potential benefits and issues associated with it.

## **BACKGROUND**

For more than a decade, several laws passed by California and Alameda County have aimed to reduce plastic pollution. For example, SB270 banned single-use plastic carryout bags statewide in 2014 and the law was updated by SB1053<sup>1</sup> in 2024. Starting on January 1,

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<sup>1</sup> [Bag Requirements - CalRecycle Home Page](#)

2026, state law will prohibit retail stores from providing film plastic bags of any kind, including thicker bags that may be intended to be reusable. If stores provide paper carryout bags, they must be made with recycled paper and must be sold for a minimum of 10 cents. At the local level, StopWaste banned the use of single-use plastic carryout bags<sup>2</sup> in 2013 for grocery stores, convenience and liquor stores, drug stores and pharmacies. This law took effect before the state adopted SB270 in 2014. The ordinance was updated in 2016 to include all retail stores and restaurants. StopWaste is amending the ordinance to align with SB1053, pending Board approval in May. Additionally, the City of Hayward's municipal code requires all foodware to be compostable or recyclable<sup>3</sup>, and prohibits polystyrene foam foodware.

Plastic pollution has been a problem in California for many years and the COVID-19 pandemic<sup>4</sup> caused demand to increase for certain single-use disposable plastics such as disposable personal protective equipment, foodware, and online delivery packaging. During the pandemic the cost for virgin plastics also dropped far below the cost of recycled plastic, creating a lower demand for recycled plastic, shrinking the market for plastic recyclers, and making it difficult to recycle plastic.

According to CalRecycle,<sup>5</sup> nearly 15,000 tons of plastic are currently thrown away into the garbage in California daily, which amounts to approximately 0.75 pounds of plastic per person per day. According to StopWaste's 2023-2024 Waste Characterization Study for Alameda County,<sup>6</sup> plastics account for approximately 14% of the waste composition in both single-family and commercial garbage waste streams. In addition to creating waste, there are also concerns about the potential health impacts of plastics being found in the human body<sup>7</sup>, such as physical stress, damage, and inflammation. However, further studies are still needed to fully understand the health effects of plastics.

SB54 will not ban all plastic products but can certainly reduce the amount of plastic generated and disposed. Other legislation, including AB1201 and SB343, is expected to support the implementation of SB54. These laws have strict labeling requirements to prevent "greenwashing" or green advertising that may confuse the public about the ability to recycle or compost products and packaging.

## DISCUSSION

SB54 requires CalRecycle to conduct a formal rule-making process to create an EPR program in which producers of single-use packaging and foodware ensure these items are designed and managed to be 100% reusable, recyclable, or compostable. In addition, SB54 requires producers to ensure the use of plastic packaging and foodware in the state is

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<sup>2</sup> [Reusable Bag Law | StopWaste - Home, Work, School](#)

<sup>3</sup> [ARTICLE 11 - POLYSTYRENE FOAM DISPOSABLE FOOD SERVICE WARE PROHIBITED; RECYCLABLE OR COMPOSTABLE FOOD SERVICE WARE REQUIRED | Municipal Code | Hayward, CA | Municode Library](#)

<sup>4</sup> [The Plastic Pandemic: COVID-19 trashed the recycling dream](#)

<sup>5</sup> [Publication Summary](#)

<sup>6</sup> [| StopWaste - Home, Work, School](#)

<sup>7</sup> [Impact of Microplastics and Nanoplastics on Human Health - PMC](#)

reduced by 25%, and a 65% recycling rate is achieved — all by 2032, with some interim goals along the way.

To develop the rules for the EPR system, since January 2023<sup>8</sup>, CalRecycle hosted 17 workshops to gather public feedback and guidance on the implementation of the law. On March 7, 2024<sup>9</sup>, the one-year formal rulemaking process was initiated to finalize regulations.

CalRecycle also held three public comment periods and one hybrid public hearing regarding SB54, listed below.

1. A 61-day public comment period from March 8, 2024, to May 8, 2024
2. A hybrid public hearing on April 23, 2024
3. A 21-day public comment period from October 14, 2024, to November 4, 2024
4. A 15-day public comment period from December 2, 2024 to December 17, 2024

However, on March 7, 2025, Governor Newsom directed CalRecycle not to submit SB54's final regulations to the OAL and requested CalRecycle restart the formal rule-making process. The Governor's main concern regarding the proposed regulations is the financial burden on small businesses and the public.

#### Key Objectives & Timeline

SB54 aims to create a more cohesive statewide curbside collection program by requiring jurisdictions accept materials identified as compostable or recyclable by a state-approved list of confirmed recyclable material called the Covered Material Categories List. The development of the EPR program will be led by a Producer Responsibility Organization (PRO). On January 8, 2024, CalRecycle selected the Circular Action Alliance as California's non-profit PRO for developing and implementing the EPR program. The PRO is responsible for developing a producer responsibility plan and budget that meets the law's primary objectives listed below.

1. Reduce 25% of single-use plastic packaging and foodware by weight and unit with a minimum of 4% through a refill or reuse program by 2032.
  - a. Interim Targets:
    - i. 10% reduction with 2% through reuse or refill program by 2027
    - ii. 20% reduction with 4% through reuse or refill program by 2030
2. Ensure 65% of all single-use plastic packaging and foodware are recycled at responsible end markets by 2032.
  - a. Interim Targets:
    - i. 30% by 2028
    - ii. 40% by 2030

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<sup>8</sup> [SB 54 Past Events - CalRecycle Home Page](#)

<sup>9</sup> [SB 54 Plastic Pollution Prevention and Packaging Producer Responsibility Act Permanent Regulations - CalRecycle Home Page](#)

3. Ensure 100% of the single-use plastic packaging and foodware created by producers is recyclable or compostable by 2032 (with no interim targets).
4. Expanded polystyrene (EPS) foodware products must demonstrate a 25% recycling rate by January 1, 2025.

The EPS recycling threshold was not met. Therefore, EPS foodware is now banned from distribution or sale in California. While EPS food takeout containers have been banned in Hayward since 2011, enforcement has been challenging in part because restaurant owners have been able to purchase the containers in retail stores. The new statewide ban, if enforced by CalRecycle, should support the City's ordinance.

### Funding

The PRO will fund actions necessary to meet the objectives of the law, including reimbursing jurisdictions and recycling service providers for additional costs they incur in achieving the goals of the law. The PRO will also implement statewide public education and engagement initiatives to encourage reuse, refill, recycling, and composting. Additionally, from 2027 to 2037, the PRO will contribute \$500 million annually to the California Plastic Pollution Mitigation Fund, totaling \$5 billion over 10 years. These funds will be collected by the California Department of Tax and Fee Administration and used by state agencies to remediate disadvantaged communities most affected by single-use plastic waste and to address the broader environmental impacts of plastic pollution.

The producer responsibility plan and budget must be submitted to CalRecycle by mid-2026 and finalized by 2027. The PRO will also provide CalRecycle with annual reports detailing execution strategies, producer compliance, sales, budgeting, outreach efforts, and data on recycling, composting, and source reduction.

### Covered Materials and Needs Assessments

For the PRO to establish the plan, CalRecycle must provide a Covered Materials Categories List, a Material Characterization Study, and five needs assessments. The Covered Material Categories List will be updated annually and will tell both the PRO and local jurisdictions what is recyclable or compostable. The Material Characterization study will analyze the waste composition of the covered materials sent to the landfill. The five needs assessments will provide a baseline of the weight and number of covered materials generated in California, and identify improvements needed to process the materials. The assessments will also provide strategies to develop refill and reuse systems, as well as an evaluation of the public's knowledge of waste concepts, and an analysis for needed legislation support. The needs assessments will be updated every five years, as needed.

### Advisory Board

SB54 also requires CalRecycle to appoint an advisory board to help CalRecycle, producers, and the PRO implement SB54 and identify barriers to creating a circular economy. The advisory board is made up of 13 voting members and three non-voting members. The 16 members represent local government, environmental and environmental justice organizations, manufacturers, recycling and solid waste enterprises, and retail and grocery

associations. In 2024, the board met 14 times to discuss and provide feedback on multiple items including the draft SB54 regulations, needs assessments and creating a circular economy for covered materials.

StopWaste's Executive Director, Timothy Burroughs, is the local government representative and chair of the advisory board. StopWaste has been actively engaged in the implementation of SB54, by attending SB54-related meetings, participating in the rulemaking process, and maintaining focus on the perspective and interests of Alameda County jurisdictions. Timothy Burroughs will attend and present at the May 12, 2025, CSC meeting.

### Concerns and Unknowns

CalRecycle is responsible for implementing and enforcing SB54. Local jurisdictions will be responsible for accepting products on the statewide Covered Materials Categories List. SB54 will help create greater consistency throughout the State regarding what is accepted in compost and recycle programs. By having the PRO fund all actions necessary to meet the law's objectives, the law is intended to shift the cost burden from the consumer to the producer. The current expectation for SB54 is for the PRO to reimburse local jurisdictions and service providers for costs incurred for implementation of the law.

However, some key nuances of the bill remain unclear. For example, local jurisdictions must accept all materials listed in the Covered Materials Categories List, but the list is updated annually and SB54 does not elaborate on the extent of compliance required. For example, it is unclear if jurisdictions will need to replace outreach materials and signage on waste containers distributed to businesses and residents, or if compliance can be established by accepting the materials on the list and simply notifying the public about the annual changes. Hayward's franchise agreement with Waste Management of Alameda County (WMAC) defines recyclable material as any material listed on the Statewide Recyclable List, now called the Covered Materials Categories List. Unless significant changes are required, City staff does not anticipate that updates to outreach materials and signage will be needed.

Another concern is funding. It is unclear how the PRO will reimburse local jurisdictions and waste hauling companies for future outreach, education, collection, and innovations required to process the covered materials. SB54 also does not consider past investments to process the covered materials. The reimbursement approach has yet to be finalized, but the PRO has proposed two possible reimbursement models:

1. **Cost-Based Reimbursement** – Jurisdictions and waste haulers would receive reimbursement from the PRO depending on the actual cost to implement the program. This approach will require jurisdictions and waste haulers to provide cost justifications such as receipts and labor costs. This method could be time-consuming and may require dispute resolutions for unclear costs.
2. **Performance-Based Reimbursement** – This model would be based on goals established for the jurisdiction or waste hauler. For example, setting a goal to achieve a capture rate for a material category by weight. Each material would have a

different reimbursement amount due to the different costs involved for recovery. Payment may also depend on the transportation distance to a facility that can recycle the material. However, this reimbursement method is only based on goals achieved and may not account for costs required to achieve proper separation of materials.

The draft regulations propose that jurisdictions can receive a fine of up to \$50,000 per day per violation of non-compliance with SB54. This poses a real concern for local jurisdictions that may face challenges with accepting all materials on the annually updated Covered Materials Categories List. As of today, the City of Hayward accepts all materials included in the latest Covered Material Categories List, published on December 31, 2024.

## **ECONOMIC IMPACT**

SB54 is intended to have a neutral economic impact on local jurisdictions and likely a negative impact on producers of single-use disposal packaging and foodware. As noted above, WMAC is required to accept and process all materials included in the Covered Materials Categories List. The law mandates that the PRO reimburse local jurisdictions and their haulers for the costs incurred in collecting and processing single-use disposable packaging and foodware. Depending on the reimbursement method, it is possible that WMAC could experience some increase in costs associated with collection and processing that are not fully reimbursed. If this is the case, there could be corresponding increases in rates charged to Hayward residents and businesses. The economic impact on local businesses is unclear.

## **FISCAL IMPACT**

WMAC is required to accept all material on the Covered Materials Categories List. For this reason, the City should not be impacted by SB54 fines. While it is unanticipated, if the City is impacted by SB54 fines, they would be covered by the Recycling Fund. There is no anticipated impact on the City's General Fund.

## **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority to *Champion Climate Resilience & Environmental Justice*, and specifically relates to implementation of the following Proposed Metric under Objective 2:

Reduce waste by promoting a circular economy

CM2: Pounds of waste diverted from the landfill

## **SUSTAINABILITY FEATURES**

Single-use disposable packaging makes up over 50% by volume of what Californians dispose of in the landfill. SB54 will encourage producers to create innovative and sustainable packaging to reduce waste and encourage reuse. Through education and

outreach, both consumers and producers will become more aware of sustainable choices. SB54 will also lower GHG emissions by reducing waste.

## **PUBLIC CONTACT**

There has been no public contact made for this agenda item.

## **NEXT STEPS**

Staff will continue to work with StopWaste to stay informed on SB54. In the future, Staff will collaborate with StopWaste and WMAC to ensure compliance with SB54, implement program changes, and coordinate outreach efforts to inform businesses and residents.

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Approved by:



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