

May 6, 2025

The Honorable Senator Anna Caballero 1021 O Street, Suite 7620 Sacramento, CA 95814

Re: SB 501 (Allen) Household Hazardous Waste Producer Responsibility Act – Oppose Unless Amended

Dear Senator Caballero,

On behalf of the California Retailers Association (CRA), we respectfully oppose SB 501 unless it is further amended to streamline the focus on funding needs for local government. While we support the bill's intent to improve household hazardous waste (HHW) collection and disposal, we do not believe an extended producer responsibility (EPR) program is an effective solution. Instead, CRA supports the Household Consumer Products Association's (HCPA) proposed alternative approach that would be resourced by manufacturers of products identified by the Department of Toxic Substances Control (DTSC), as well as a public education program.

SB 501 takes an overly broad approach by combining a wide array of dissimilar product categories under a single EPR program. HHW encompasses a diverse set of products — from vape pens to complex chemistries — each with unique disposal pathways, infrastructure needs and regulatory considerations. Treating all these products as a monolith risk creating inefficiencies and unnecessary complexity. The "one-size-fits-all" approach may inadvertently complicate the very systems it seeks to streamline, adding layers of bureaucracy without directly addressing the core problem: resources for local HHW programs.

CRA is also concerned about the myriad of EPR proposals being introduced in the legislature, which require complex regulatory processes that often further complicate an already complicated and fragmented system of EPRs in CA. Many products overlap in several EPR programs, which increases costs on consumers. Batteries, for example, under SB 501 in its current form, could fall under four separate EPR or EPR-like programs in California including: AB 2440, SB 1215, SB 54 and now SB 501. This creates significant costs in compliance and legal fees for the producers of these products including retailers. Costs that could ultimately trickle down to California consumers.

California retailers support sustainability and have leaned into several EPR programs including SB 707 (Newman), which established the nation's first-ever textile EPR. Many companies are innovating with environmental responsibility in mind. CRA wants to be thoughtful when crafting EPR programs as EPR models do not work for every product end-of-life management scenario. Applying an EPR to Household Hazardous Waste collection presents significant challenges that make it an impractical and inefficient solution. Notably, only one state — Vermont — has enacted EPR for household hazardous waste, and the Vermont Legislature is currently advancing a measure, during their legislative session, to pause the program and turn to a fee-based approach.

To address hazardous waste disposal more effectively, HCPA has put forward an alternative proposal which CRA supports. This proposal is centered on providing local governments with additional funding and calls on DTSC to identify the top HHW products by volume and the cost of disposal. Once these priority products are established, a fee would be levied on those items prior to their sale in California. The revenue generated would be directed to local governments to bolster their HHW collection programs as well as public education around source reduction and proper disposal.

This solution demonstrates industry's commitment to addressing the issue while maintaining a streamlined, consumer friendly approach. By focusing on the products that pose the greatest burden to the disposal system, this method efficiently allocates resources without creating an unwieldy administrative structure. Importantly, it avoids the pitfalls of a broad EPR program by tailoring solutions to the specific needs of local governments and the realities of HHW management. This in turn reduces costs for California consumers.

Building a new organization to run an HHW program will have a significant cost as we have already seen with existing EPRs such as SB 54 and these costs are unnecessary for HHW management. Many of the products covered in SB 501 do not have circular material recovery options like those falling under the SB 54 regulatory regime, and therefore, EPR is not the right program to manage their disposal.

Apart from our objections to the EPR framework of SB 501, there are practical implementation concerns as the bill is currently written. For example, aerosol products are listed as a covered product under the bill. However, aerosols are a way to deliver a variety of products, including health and beauty products which are exempt from the bill. For retailers, they face a compliance obligation not to sell products in the state from producers who are not registered with the producer responsibility organization (PRO), or any covered products if the producer responsibility plan is not approved by DTSC, meaning retailers would have to remove a wide range of products from their shelves, leaving California consumers without certain products.

It is also unclear in what instances producers will be subject to fees under the plastic packaging EPR program (SB 54) and SB 501. While SB 54 is focused on packaging and SB 501 is focused on the product, in many HHW cases, it is unsafe to separate the product from the packaging or if the package is empty, it is no longer HHW. For example, empty aerosols are deemed universal waste, not hazardous, which recognizes they are safe and highly recyclable when empty. These types of products should only be subject to one fee and one program.

Finally, California is currently implementing SB 54 (Allen - 2022), the most comprehensive and rigorous EPR program in the country, designed to manage packaging waste and source reduction. Regulations for this program have been delayed due to its complexity and costs on California consumers. Several companies impacted by the proposed program under SB 501 are also responsible participants in the EPR program under SB 54.

Considering the immense scale of implementation of the landmark EPR law, we strongly urge the legislature to allow existing programs to be established, including SB 54 and SB 707 (Newman, 2024) before layering new EPR programs, regardless of the responsible agency. While we share the goal of improving HHW collection and disposal in California, CRA believes the HCPA alternative proposal, focused on targeted funding and public education, provides a more efficient and manageable way to address the needs of local HHW programs.

We strongly urge you to consider this approach when the bill comes up in your committee and request that you hold the bill given the alternative approach is not in the bill and without it, SB 501 will add to significant regulatory costs on the state, costs that cannot be absorbed in an already-strained state budget.

We appreciate your consideration given the bill's significant cost to the consumers, the state budget and

adding to an already complex system of state EPR mandates, some of which have not had the time to be successfully implemented. Unless HCPA's counter fee-based proposal for funding local governments' needs in addressing HHW management replaces the proposed EPR program in the bill language, CRA urges that SB 501 be held in the Senate Appropriations Committee.

Sincerely,

Sarah Pollo Moo Policy Advocate

California Retailers Association

CC: Members of the Senate Appropriations Committee Ashley Ames, Staff for Environmental Quality, Senate Appropriations Committee