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California Enacts Sweeping Packaging Rules

The state’s long-delayed SB 54 regulations will force producers to cut waste and pay for recycling systems.

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California has put into effect the permanent rules for SB 54, the state’s sweeping packaging law that requires producers to cut waste and pay for the systems that collect and recycle or compost their materials, a move that will affect beverage companies that sell products in plastic packaging in the state.

The Office of Administrative Law approved the regulations and filed them with the secretary of state on Friday, ending a long delay over one of the most closely watched environmental laws in the country. On the same day, Circular Action Alliance, the producer responsibility organization that will help administer the program, published illustrative fees for companies that must comply.

For beer makers and other beverage producers, the rules matter because they expand the obligations tied to packaging sold in California. Companies that use covered materials will have to register, report data and meet phased targets that begin now and run through 2032. By that year, producers must reduce covered materials by 25%, reach a 65% recycling rate and make sure all single-use packaging and service ware is 100% recyclable or compostable.

The law was signed by Gov. Gavin Newsom in 2022, but its rollout has been slowed by years of rulemaking, revisions and leadership changes at both CalRecycle and Circular Action Alliance. Last March, Newsom delayed final approval of the regulations and asked CalRecycle to revise them so they better reflected costs for businesses and consumers. Even with that delay, the implementation deadlines for producers did not change.

CalRecycle has now opened the Packaging Extended Producer Responsibility System, an online portal where companies can register, submit data and track compliance. Producers can either report through Circular Action Alliance, which will handle registration and reporting on their behalf, or self-report through the state portal. CalRecycle said it plans to release more guidance on which materials are covered and how companies should determine whether they qualify as producers under the law.

The next deadlines arrive quickly. By May 31, Circular Action Alliance must receive 2025 annual supply and source reduction reports from producers. By June 1, companies must either register with CAA if they are joining its plan, register with CalRecycle as independent producers or apply for a small producer exemption if they qualify. CAA must submit a draft program plan by June 15, with a final plan and fee rates due Oct. 1.

The fee structure will be watched closely by beverage companies because packaging costs can affect pricing decisions across cans, bottles, labels and secondary packaging. California officials say the law is meant to push producers toward less wasteful packaging while funding collection systems that can handle what remains after consumers discard it.

Environmental groups that helped shape the law said the real test now is implementation. Heidi Sanborn, executive director and chief executive of the National Stewardship Action Council, said getting the program right matters as much as passing it. Anja Brandon, director of plastics policy at Ocean Conservancy, said more guidance from CalRecycle and CAA would help clarify how the system will work in practice as companies prepare for compliance.

CAA is scheduled to submit its first fees for California’s Plastic Pollution Mitigation Fund on March 1, 2027, followed by its first administrative fees to CalRecycle on July 1, 2027.