

AB 863 Aguiar-Curry
Senate Floor Amendments
8/21/24

What Is Coming Out of This Bill:

- Clarifying area rug exemption for Retailers
- Removing carpet cushion and padding from covered products (this should remove Carpet Cushion opposition and address a Retailers concern)
- Removing resilient flooring needs assessment (RFCI should remove opposition)
- Warranty: On and after the effective date of this act, all carpet shall be accompanied by an all-inclusive warranty for a period of seven years, with exceptions for inappropriate use and damage.
- Recyclability Requirement: All covered flooring sold will be 100% recyclable by 2035.
- Recycling rates for carpet shall be 40% by 2027, 50% by 2029, 60% by 2031, and 75% by 2035. Set new convenience standards of 1 location per 100K people for collection sites.

Agreed On Items Staying in Bill:

- There is only 1 Plan accepted by CalRecycle. All producers must join to sell covered products in CA.
- Increased enforcement penalties and ineligibility for CARE in AB 863 \$25,000 per day.
- Audit standards to increase transparency and improve CalRecycle's ability to oversee the program.
- Every three years, CARE must complete a survey of consumers and contractors that informs the program on the awareness of the program, if they use it or not, and if not why. This statistically valid data will be used to make changes to the program and public education effort to achieve the program goals.

Remaining Items:

1. **CARE Governance:** The bill in print adds 7 non-voting members to the CARE Board.

Industry Proposal: Create a new California Carpet Oversight Committee (CCOC) of 7 voting members and 2 nonvoting members. The CCOC shall meet at least quarterly with reports provided by the Executive Director of CARE.

Author Final Proposal: We propose to reduce the number of members added to the CARE Board to 4 nonvoting members appointed by Cal Recycle: a retailer, circular economy environmental NGO, and two labor reps from northern and southern California.

2. **Mandate standardized backstamping of all covered products unless and until there is an alternative technology that achieves the same result of allowing visual and expeditious sorting of the flooring** - Requiring all mills must publish carpet components (polymer, calcium carbonate, etc.) and the percentage of each used / uniform standardized backstamping of all carpet that includes both face fiber and backing fibers, or best available technology.

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Industry concerned about implementation and needs it to be based on assembly product.
We are willing to delay implementation by two years to 1/1/2027.

3. Amend the recycling rate calculation to be more accurate.

Original proposal: Current formula is current year sales instead of 7-year-old sales data because carpet sales have dramatically declined, and it takes 7 years on average for carpet to become “waste”.

Next proposal: Revised formula with ability to appeal to CalRecycle.

Industry proposal: Review the recycling rate formula and report back to the CARE Advisory Board and CalRecycle by September 1, 2025.

Final and best proposal from author: CalRecycle review and update the recycling rate formula based upon historical sales data. CARE may appeal the rate formula if they disagree.

4. Circular Recycling:

Original Proposal: Require all carpet utilize 15% post-consumer recycled content from carpet by January 1, 2028; 30% by 2031; 50% by 2035; and 75% by 2040.

Next Author Proposal: These items are listed here because they are currently contained in the bill. In the new proposal, these rates would be: 10% post-consumer carpet recycled content by January 1, 2028; 20% by 2032; 30% by 2035; and give CalRecycle authority over future increases.

Industry Counter: Hold two workshops in collaboration with CalRecycle on carpet-to-carpet technology and the use of recycled content in carpet by September 1, 2025.

Final and best proposal: Require 5% carpet-to-carpet recycled content by 2028. CalRecycle has authority to set future goals extend timeline if not technologically feasible.

5. Workforce Development and Apprenticeships:

Industry proposal: Apprenticeship programs receive up to \$1 million per year to help workplace training for 3 years

Final and best proposal: 8% of funds dedicated to workforce development through approved apprenticeship programs. Apprenticeship programs must submit a report to the program and department outlining expenditure of the funds. If not all funds are spent, fund is topped off (instead of receiving full amount).

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6. Website Publishing

Modify industry proposal on publishing product components: All producers of carpet must publish product components (polymer, calcium carbonate, etc.) and a percent of each used on a website (unless the component is a trade secret as defined in Section 3426.1 of the Civil Code. Cal Recycle would have enforcement authority.