



**AB 863 – California Carpet Extended Producer Responsibility Reform**

**SUMMARY**

Since July 2011, California consumers have paid a carpet stewardship assessment fee when purchasing carpet sold in California. This fee funds a statewide carpet recycling program known as the Carpet America Recovery Effort (CARE), which is a Producer Responsibility Organization (PRO) designed and implemented by carpet manufacturers with CalRecycle oversight. However, CARE has repeatedly failed to administer the program effectively and equitably and has required oversight and repeated enforcement by CalRecycle. Recyclers and collectors have left the state or gone out of business due to a lack of feedstock, while carpet is still being landfilled. This bill will improve accountability for CARE or any other consumer-funded carpet recycling program by increasing civil penalties for violating relevant laws and making repeat offenders ineligible to run this program.

**BACKGROUND**

In 2010, the California Legislature passed the world’s first and only carpet stewardship law (AB 2398 – Perez). AB 2398 required the manufacturers of carpets sold in California to join CARE, submit a stewardship plan to CalRecycle, assess a fee on consumers, and administer the program.

However, CARE has been plagued consistently by avoidable problems for over a decade. CalRecycle has repeatedly found CARE out of compliance and has tried repeatedly to work with CARE on a path to success. CalRecycle determined CARE’s Annual Reports were non-compliant from 2014-2017, and again in 2019, 2021, and 2022. Recently, CARE’s 2023 to 2027 Plan was disapproved and the CalRecycle Director referred CARE to the Waste Permitting, Compliance and Mitigation Division for potential enforcement.

In 2021, CARE agreed to pay \$1.1 million in penalties for their failure to meet the program goals from 2013 through 2016. CARE’s noncompliance and combative relationship with CalRecycle have resulted in past legislation to improve the program.

In 2017, the Legislature passed AB 1158 (Chu) to improve program performance after years of subpar performance by CARE, including setting recycling rate goals and establishing a stakeholder advisory committee. In 2019,

AB 729 (Chu) was signed into law to further improve the program and required the PRO’s stewardship plan to include a contingency plan, should the stewardship plan expire without approval of a new plan or should the plan be revoked.

**PROBLEM**

Despite repeated interventions by CalRecycle and the California legislature, CARE’s consistent failure to successfully administer California’s carpet recycling program has resulted in more carpet in landfills, wasted consumer fee money, constant litigation with the state, and permanent damage to California’s recycling infrastructure.

For example, a carpet recycling facility in Woodland, CA was forced to close and consolidate operations outside of California because the facility was not given enough carpet to recycle by CARE. Fifty green jobs were lost as a result of this closure. Four major processors in California, including Aquafil, are no longer in operation in part because of consistently poor performance by CARE.

**THIS BILL**

AB 863 provides additional accountability for carpet stewardship organizations that rely on consumer fees. This bill increases civil penalties for violations of carpet stewardship. Further, this bill ensures that organizations that repeatedly violate carpet stewardships laws are ineligible to design, submit, or administer carpet stewardship plans.

**SUPPORT**

National Stewardship Action Council (Sponsor)

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