PROPOSED REGULATORY TEXT

Proposed Regulations for the Used Mattress Recovery and Recycling Program

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USED MATTRESS RECOVERY AND RECYCLING PROGRAM

TITLE 14: NATURAL RESOURCES
DIVISION 7. DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY
CHAPTER 11. PRODUCT STEWARDSHIP
ARTICLE 3. USED MATTRESS RECOVERY AND RECYCLING PROGRAM

§18959. Purpose.

The purpose of this Article is to clarify existing statute and establish administrative procedures to efficiently and effectively implement the department’s responsibilities under the law and to provide a uniform competitive business environment to all mattress manufacturers, renovators, distributors, recyclers, and retailers pursuant to Chapter 21 (commencing with section 42985), Part 3, Division 30 of the Public Resources Code.


§18960. Definitions.

(a) Except as otherwise noted, the definitions of this Article supplement and are governed by the definitions set forth in Chapter 21 (commencing with section 42985), Part 3, Division 30 of the Public Resources Code:

PROPOSED: May 20, 2014 (revised October 2, 2014)
(b) "Brand" means a name, term, symbol, design, type, Universal Registry Number (URN) or any other feature that attributes a mattress to the manufacturer or renovator of such mattress.

(c) “Collection” means any method by which a service provider receives used mattresses from a program participant.

(d) “Operational costs” means costs to operate a mattress recycling organization’s mattress recycling program, including, but not limited to, collection, transportation, processing, disposal, and education and outreach costs.

(e) “Significant or material change” includes a change in a required element of the used mattress recovery and recycling plan that affects the organization’s costs or revenues, such as a change that results in a modification of the recycling charge, a change that requires a party other than the mattress recycling organization to make a major change in how it participates in the program, or a change that reduces the goals set for the organization in the existing approved recycling plan.

Authority cited: Sections 40101 and 40502, Public Resources Code, Reference:
Sections 42985, 42985.1, 42986, 42987, 42987.1, 42987.2, 42987.3, 42987.4, 42987.5, 42988, 42988.1, 42988.2, 42989, 42989.1, 42989.2, 42989.2.1, 42989.3, 42990, 42990.1, 42990.2, 42991, 42992, 42993, 42993.1, 42993.2, 42993.3, 42993.4, 42994, Public Resources Code..


(a) A corporate officer, acting on behalf of a mattress recycling organization, shall submit as part of the used mattress recovery and recycling plan (plan) the following information:

   (1) Contact information of the corporate officer responsible for submitting the plan to the department and for overseeing used mattress recycling program activities, including, but not limited to:

   (A) Contact name

   (B) Title
PROPOSED REGULATORY TEXT

(C) Name of mattress recycling organization

(D) Mailing address

(E) Phone number

(F) E-mail address

(G) Web address, if applicable

(2) List contact information for each manufacturer, renovator, and retailer the mattress recycling organization is composed of, including, but not limited to:

(A) Name of Company

(B) Mailing or corporate address

(C) Upon request by the department, the following information shall be provided, if available: individual Web address, contact name, title, phone number, and e-mail address of participating manufacturers, renovators, and retailers. The requested information shall be submitted within 30 days of the request unless extended as determined by the department.

(3) List of brands covered under the plan.

(4) Any changes to the information in subsections (1), (2), and (3) of subdivision (a) of this section shall be submitted to the department quarterly, or more frequently as the mattress recycling organization desires, according to instructions provided by the department.

(b) The plan may be submitted electronically according to instructions provided by the department. If the plan is submitted electronically, the date of electronic submittal will be considered the date of receipt by the department, provided that the organization also submits to the department a hard copy submittal letter referencing the plan electronic document with the signature of a corporate officer of a mattress recycling organization.


(a) A used mattress recovery and recycling plan (plan) shall follow the standard outline below and contain the following:

(1) Proof of Certification.

(2) Program Goals, Methods, and Activities. Identify program objectives consistent with California’s solid waste management hierarchy as required by subdivision (a) of section 42987.1 of the Public Resources Code. Describe how the program will meet the requirements of subdivisions (d), (g), (i), (j), (k), (l), (m), (o), and (p) of section 42987.1 of the Public Resources Code. For plans submitted after January 1, 2018, identify objectives and activities that will comply with the state mattress recycling goals, pursuant to section 42987.5 of the Public Resources Code.

(3) Contact information per section 18961.

(4) Stakeholder Consultation Process per subdivision (c) of section 42987.1 and 42987.2 of the Public Resources Code.

(5) Performance Measurement. Include the requirements of subdivisions (f) and (h) of section 42987.1 of the Public Resources Code.

(6) Financing Mechanism. Includes the requirements of subdivisions (e) of section 42987.1 of the Public Resources Code, and audits per subdivision (b) of section 42990 of the Public Resources Code. A mattress recycling organization shall allocate revenues and expenses applicable to this program in accordance with Generally Accepted Accounting Principles (GAAP).

(7) Education and Outreach. Describe education and outreach efforts as required by subdivision (n) of section 42987.1 of the Public Resources Code, including methods of distribution. The plan may also include a description of education and outreach efforts to all parties affected by the program and may include additional options available for consumers to dispose of their used mattresses, such as mattress renovation.

(8) Advisory Committee Report. Include the report by the mattress recycling organization advisory committee as required by subdivision (q) of section 42987.1.
42987.1 of the Public Resources Code. The mattress recycling organization may include a description of how it addressed the points or recommendations raised in the Advisory Committee Report.

(b) The mattress recycling organization submitting the plan shall provide, upon request, additional information that is reasonably related to compliance with the recycling plan and that the organization can reasonably compile to assist the department as may be necessary for the approval of the plan.

(c) The department shall determine if the plan is complete and notify the submitting mattress recycling organization within 30 days of receipt of the plan. If the department finds that the plan is complete, the department’s 90-day review period for consideration of approval of the plan, set forth in section 42987.3 of the Public Resources Code, will commence upon the original date of receipt. If the plan is incomplete, the department shall identify what additional information shall be submitted to make it complete and the plan shall be resubmitted within not less than 30 days or as determined by the director. If the department determines upon resubmittal that the plan is complete, the department’s 90-day review period for consideration of approval of the plan will commence upon the original date of receipt of the resubmittal.

(d) If the department conditionally approves a plan, the department shall identify the deficiencies in the plan and the mattress recycling organization shall comply with the conditions of approval within not less than 60 days or as determined by the director of the notice date. If the conditions are met, the department shall approve the plan.

(e) If the department conditionally approves a plan and the conditions are not met, the department shall disapprove the plan.

(f) If the department disapproves a plan, the department shall identify the deficiencies in the plan and the mattress recycling organization shall resubmit a plan or provide supplemental information requested within not less than 60 days of the notice date or as determined by the director.

(g) The mattress recycling plan shall be submitted for re-approval upon any significant or material change, as defined. The department shall review the revised plan within 90 days of receipt. The department may approve, disapprove, or conditionally approve the revised plan. The department may also require the mattress recycling organization to
resubmit a revised mattress recycling budget if there is a significant or material change, as defined.


§18963. Mattress Recycling Charge and Annual Budget.

(a) A corporate officer, acting on behalf of a mattress recycling organization, shall submit a used mattress recycling program budget on or before July 1, 2015, and on or before July 1 annually thereafter. The annual budget may be submitted electronically according to instructions provided by the department. If the annual budget is submitted electronically, the date of electronic submittal will be considered the date of receipt by the department, provided that the organization also submits to the department a hard copy submittal letter referencing the annual budget electronic document with the signature of a corporate officer of a mattress recycling organization.

(b) In addition to the requirements of subdivisions (a), (b), and (c) of section 42988 of the Public Resources Code, the information submitted in the used mattress recycling program budget shall contain the following:

(1) Contact information. Identify the corporate officer of the mattress recycling organization responsible for annual used mattress program budget submittal.

(2) Anticipated revenues and costs. Describe anticipated revenues and costs of implementing the program, including related programs, projects, contracts, and administrative expenses.

(3) Mattress recycling charge and itemization. Identify the amount of the mattress recycling charge, including an itemization of costs that each charge covers.

(4) For used mattress recycling program budgets submitted July 1, 2017 all actual expenses incurred to date shall be included. For annual reports submitted thereafter, previous two years of actual expenses shall be included.


(a) The mattress recycling organization annual report shall be submitted by a corporate officer acting on behalf of a mattress recycling organization that is operating a used mattress recycling program under a department-approved used mattress recovery and recycling plan. The annual report may be submitted electronically according to instructions provided by the department. If the annual report is submitted electronically, the date of electronic submittal will be considered the date of receipt by the department, provided that the organization also submits to the department a hard copy submittal letter referencing the annual report electronic document with the signature of a corporate officer of a mattress recycling organization.

(b) The annual report shall follow the outline below and contain the following:

(1) Contact information. Identify the corporate officer of the mattress recycling organization responsible for annual report submittal.

(2) Executive Summary. The purpose of the Executive Summary is to provide a broad understanding of the mattress recycling organization’s program as a whole and to put into context the data and information that will follow. Provide a brief description of the mattress recycling organization’s used mattress recovery efforts during the reporting period pursuant to section 18962.

(3) A description of the methods used to collect, transport, and process used mattresses in California.

(4) Include an updated list of participating manufacturers, renovators, and retailers and any updates to their respective contact information per section 18961(a)(2) and an updated list of brands covered under the plan per section 18961(a)(3).
(5) Description of how consumers of mattresses in California had an opportunity to recycle and properly manage their used mattresses, including the number, location, and type of collection points in the program.

(6) May include a description of activities followed by program participants to ensure proper collection and management of used mattresses.

(7) A description of methods used by the mattress recycling organization to coordinate with existing used mattress collection and recycling programs with regard to the proper management or recycling of discarded or abandoned mattresses.

(8) Description of objectives and activities based on the used mattress recovery and recycling plan. State objectives from the approved plan and report on achievement during the reporting period. Describe any adjustments to objectives stated in the approved plan that may be made for the upcoming reporting period and accompanying rationale for those changes. If any changes are significant or material, as defined, the mattress recycling organization shall amend and resubmit its plan for approval by the department. The annual report shall include:

   (A) Quantitative information on subdivisions (b), (c), (d), (e), (f), (g), and (j) section 42990.1 of the Public Resources Code, including conversion factor(s), if used.

   (B) Qualitative and/or quantitative information on subdivisions (g), (l), and (m) of section 42987.1 of the Public Resources Code.

(9) Financing Mechanism. Include the mattress recycling organization’s total expenses and revenues associated with the implementation of the used mattress recycling program. Changes to the mattresses recycling charge shall be reflected in the annual program budget for approval by the department. If a mattress recycling organization changes the amount of the mattress recycling charge in the first 12 months during which the mattress recycling charge is being collected per subsection (1) of subdivision (c) of section 42989 of the Public Resources Code, the mattress recycling organization shall provide the department no less than 90 days’ notice before the change in the amount of the
mattress recycling charge takes place. If a mattress recycling organization conducts activities that are separate from the implementation and management of the California used mattress recycling program, then the annual report shall include documentation on how the collection and use of funds from the California mattress recycling charge were kept separate from other activities of the mattress recycling organization, including the methodology for distribution of shared costs. Consistent with subdivision (a) of section 42990.1 of the Public Resources Code, the annual report shall include the following:

(A) Mattress recycling charge per mattress size
(B) Capital costs
(C) Education/Outreach costs
(D) End-of-life used mattress management costs with line items, if applicable, for collection, transportation, recycling, renovating, reuse, and proper disposal
(E) Program administration costs including, but not limited to, the department’s costs pursuant to subdivision (a) of section 42988.2 of the Public Resources Code, and third party legal costs. Surplus funds, if any, and detailed rationale for the specified level of surplus.
(F) For the first 12 months during which the mattress recycling charge was collected, include a description of any changes to the amount of the mattress recycling charge, and how implementation of the change complied with subsection (1) or (2) of subdivision (c) of section 42989 of the Public Resources Code, if applicable. The mattress recycling organization may also include a description of why the change was made.

(10) Education and Outreach. Provide a description of educational materials that were provided to program participants, including electronic examples of these materials. Identify any method(s) used to determine the effectiveness of educational and outreach efforts (e.g., surveys, hits on specific web pages, number of participants at events, etc.), if applicable. Describe any changes to those materials that are planned for subsequent years, if applicable.
(11) Audits. The annual report shall include an independent financial audit of the used mattress recovery and recycling program funded from the mattress recycling charge. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, and standards set forth in Government Auditing Standards issued by the Controller General of the United States. The financial audit submitted to the department shall be prepared by an Independent Certified Public Accountant (CPA). The CPA shall not perform non-audit services for the mattress recycling organization that would impair independence as defined in the Government Auditing Standards issued by the Controller General of the United States (e.g., accounting services, development of internal controls, management decisions). The independent financial audit shall include:

(A) Mattress recycling program financial statements, as required by GAAP.

(B) An opinion on the mattress recycling organization’s compliance with the financial aspects of Chapter 21 (commencing with section 42985), Part 3, Division 30 of the Public Resources Code and Title 14, Division 7, Chapter 11, Article 3 of the California Code of Regulations.

(C) Findings and recommendations as they relate to the financial aspects of the program.

(D) Management Letter, if issued, by the mattress recycling organization’s CPA.

(12) Advisory Committee Report. The annual report shall include the report of the Advisory Committee required by subdivision (k) of section 42990.1 of the Public Resources Code.

(13) Good faith effort. For annual reports submitted on and after July 1, 2019, a demonstration of good faith effort with the state mattress recycling goals established pursuant to section 42987.5 (b) of the Public Resources Code.

(c) The department shall determine if the annual report is complete and notify the submitting mattress recycling organization within 30 days. If the department finds that the plan is complete, the department’s 60-day review period for consideration of approval of the annual report will commence upon the original date of receipt. If the
annual report is incomplete, the department shall identify what additional information shall be submitted to make it complete and the annual report shall be resubmitted within not less than 60 days or as determined by the director. If the department determines upon resubmittal that the annual report is complete, the department’s 60-day review period for consideration of approval of the annual report will commence upon the original date of receipt of the resubmittal. The department may adopt a determination of compliance or non-compliance by approving, disapproving, or conditionally approving the annual report.

(1) If the department conditionally approves the annual report, the department shall identify the deficiencies in the annual report and the mattress recycling organization shall comply with the conditions of approval within not less than 60 days of the notice date or as determined by the director. If the conditions are met, the department shall approve the annual report.

(2) If the department disapproves the annual report, the department shall identify the deficiencies in the annual report and the mattress recycling organization shall resubmit an annual report or provide supplemental information requested within not less than 60 days of the notice date or as determined by the director.

(3) If the department conditionally approves an annual report and the conditions are not met, the department shall disapprove the annual report.


§18965. Used Mattress Recycler Annual Report.

(a) An annual report shall be submitted to the department and the mattress recycling organization by a person that is engaged in business as a used mattress recycler. The annual report may be submitted electronically according to instructions provided by the department. A hard copy, signed by a corporate officer of a mattress recycler shall be submitted to the department upon request.
(b) The annual report shall contain the following:

(1) Contact information. Identify the corporate officer of the mattress recycler responsible for annual report submittal.

(2) Quantitative information on the number of used mattresses received from California sources and out of state sources and recycled in the state during the preceding calendar year. Conversion factor(s), if used, shall also be provided.

(3) Quantitative information on the number of used mattresses from California sources and sent out of state for recycling or other method of disposition.

(4) Other information deemed necessary by the department that is reasonably related to compliance with this chapter and that can be reasonably compiled.


§18966. Used Mattress Renovator Annual Report.

(a) An annual report shall be submitted to the department and the mattress recycling organization by a person that is engaged in business as a used mattress renovator. The annual report may be submitted electronically according to instructions provided by the department. A hard copy, signed by a corporate officer of a mattress recycler shall be submitted to the department upon request.

(b) The annual report shall contain the following:

(1) Contact information. Identify the corporate officer of the mattress renovator responsible for annual report submittal.

(2) Quantitative information on the number of used mattresses received from California sources and out of state sources and renovated in the state during the preceding calendar year. Conversion factor(s), if used, shall also be provided.

(3) Quantitative information on the number of used mattresses generated in California and sent out of state for renovation or other method of disposition.
(4) Other information deemed necessary by the department that is reasonably related to compliance with this chapter and that can be reasonably compiled.


(a) An annual report shall be submitted by a person that is engaged in business as an operator of a solid waste facility to the department and the mattress recycling organization. The annual report may be submitted electronically according to instructions provided by the department. A hard copy, signed by a designated representative of a solid waste facility shall be submitted to the department upon request.

(b) The annual report shall contain the following:

(1) Contact information. Identify the designated representative of the solid waste facility responsible for annual report submittal.

(2) The number of used mattresses disposed of at the site in the preceding calendar year and the number of mattresses the facility recycled, renovated, or sent away to be recycled or renovated in the preceding calendar year. Facility operators are required to count, track, and report on each mattress they observed during the normal operation of the facility. Facility operators are not required to do additional sorting or processing to find a mattress that was an incidental part of a load, or that could not be counted or observed upon receipt.


(a) An annual report shall be submitted by a designee of the mattress recycling organization advisory committee, established pursuant to subsection (3) of subdivision (a) of section 42987 of the Public Resources Code to the mattress recycling organization no later than 30 days prior to when the annual report is due to the department. The annual report may be submitted electronically according to instructions provided by the department. A hard copy, signed by a designated representative of the advisory committee shall be submitted to the mattress recycling organization.

(b) The annual report shall contain the following:

(1) Contact information. Identify the designated representative of the advisory committee responsible for annual report submittal and each member of the advisory committee, including member name and company/affiliation.

(2) A summary of the consultative process between the advisory committee and the mattress recycling organization relating to the ongoing implementation of the plan, as well as any other information deemed pertinent by the advisory committee to maximize the recovery and recycling of used mattresses in the state, per subdivision (k) of section 42990.1 the Public Resources Code.


§18969. Records.

Each mattress recycling organization, manufacturer, renovator, retailer, recycler, and distributor required to comply with Chapter 21 (commencing with section 42985), Part 3, Division 30 of the Public Resources Code shall:

(a) Maintain records to support the requirements in this Article.

(1) Mattress recycling organizations shall maintain records to support section 18962.
(2) Retailers, renovators, recyclers and distributors shall provide access to existing records on all mattresses sold or offered for sale in the state including:

(A) The manufacturer of the mattress.

(B) The date(s) the retailer purchased the mattress from the manufacturer.

(C) The date(s) the retailer sold the mattress.

(D) Certification letter(s) from the department, if provided by a manufacturer, to demonstrate that the mattress from the manufacturer is or was subject to a department-approved mattress recycling plan. A retailer shall provide access to a certification letter only if it is being used as proof of compliance, pursuant to subdivision (b) of section 42993 of the Public Resources Code that a manufacturer not listed on the department’s internet website is in compliance and may sell or offer for sale mattresses in California.

(b) Provide the department with reasonable and timely access, as determined by the department, to its facilities, operations, and any relevant records necessary to determine compliance with this Article, upon request.

(1) Manufacturers, renovators, retailers, distributors, and recyclers will maintain and provide access to records required by this Article for 3 years.

(2) Mattress recycling organizations will maintain and provide access to records required by this Article for 3 years after submission of the annual report which relies upon those records.

(c) The department may take enforcement action against any mattress recycling organization, manufacturer, renovator, retailer, recycler, or distributor who fails to provide the department with access pursuant to this section and subdivision (c) of section 42993.3 of the Public Resources Code.

(d) In addition to the provisions in subdivision (c) of section 42987.3 of the Public Resources Code, records supplied to the department pursuant to this Article that are, at the time of submission, claimed to be proprietary, confidential, or trade secret shall be subject to the provisions in Title 14, California Code of Regulations, Division 7, Chapter 1, Article 4 (commencing with section 17041).

§18970. Criteria to Impose a Civil Penalty.

In assessing or reviewing the amount of civil penalty imposed for a violation of this article, the department or the court shall consider the totality of the circumstances, which may include, but is not limited to, the following:

(a) The nature, circumstances, extent, and gravity of the violation(s).
(b) The number and severity of the violation(s).
(c) Evidence that the violation was intentional, knowing, or negligent.
(d) The size of the violator.
(e) History of violation(s) of the same or similar nature.
(f) The willfulness of the violator’s misconduct.
(g) Whether the violator took good faith measures to comply with this chapter and the period of time over which these measures were taken.
(h) Evidence of any financial gain resulting from the violation(s).
(i) The economic effect of the penalty on the violator.
(j) The deterrent effect that the imposition of the penalty would have on both the violator and the regulated community.
(k) Any other factor that justice may require.

§18971. Procedure for Imposing Civil Penalties.

(a) Civil penalties may be administratively imposed in accordance with the procedures outlined in the Administrative Procedure Act at Article 10 of Chapter 4.5 (commencing with section 11445.10) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) The accusation or complaint and all accompanying documents may be served on the respondent by the following means:

   (1) Personal service.

   (2) Substitute service by using the same service procedures as described in section 415.20 of the Code of Civil Procedure.

   (3) Certified Mail: For respondents who have submitted a mattress recycling plan, certified mail or registered mail if the letter containing the accusation or complaint and accompanying material is mailed, addressed to the respondent at the latest facility or mailing address(es) on file with the department. Proof of service of the accusation or complaint shall be the certified mail receipts or registered mail receipts proving the accusation or complaint and accompanying materials were sent to respondent by certified mail or registered mail. For respondents who have not submitted or are not required to submit a mattress recycling plan to the department, certified mail or registered mail pursuant to the procedures indicated in the Administrative Procedure Act at subdivision (c) of section 11505 of the Government Code applies.

(c) Civil penalties may be imposed pursuant to subdivision (a) of section 42993.1 of the Public Resources Code.