

## **Workshop 4/18/16 - Definitions Related to Convenience Zones and Dealers**

**"Convenience zone (CZ)"** per Public Resources Code (PRC) § 14509.4 means either of the following: **(a)** The area within a one-half mile radius of a supermarket. **(b)** The area designated by the department pursuant to PRC § 14571.5.

**"Convenience Zone Requirements"** per PRC § 14571. (a) state that except as otherwise provided in this chapter, there shall be at least one certified recycling center or location within every convenience zone that accepts and pays the refund value, if any, at one location for all types of empty beverage containers and is open for business during at least 30 hours per week with a minimum of five hours of operation occurring Monday to Friday, from 9:00 a.m. to 5:00 p.m.

### **"Convenience Zone Status"**

- **"Unserved Zone"** per PRC § 14571.6 this status means that all beverage dealers within the unserved zone are required to redeem CRV in-store or opting out of this requirement by paying the daily fee of \$100/day, after the grace period of 60-days elapses.
- **"Exempt zone"** means a CZ which has been granted an exemption pursuant to Section 14571.8 of the Act. The exemption of a convenience zone is based on determination of consumer convenience for access to redemption, and factors in demographics and economics as is specified in PRC 14571.8
- **"Hold Zone"** per PRC § 14571.7.(b) this status means a zone that is statutorily required to undergo review for exemption.
- **"Served Zone"** this status means a convenience zone that has within its boundaries one or more certified and operational recycling centers that accept all CRV types in the program in accordance with PRC § 14571. (a).

**"Dealer"** per PRC § 14510, means a retail establishment (on-sale beverage dealer) which offers the sale of beverages in beverage containers to consumers. However, any lodging, eating, or drinking establishment, or soft drink vending machine operator who engages in the sale of beverages in beverage containers to consumers shall not be deemed a dealer for the purposes of this division, except that these sales are subject to Section 14560. To determine which retail establishments are dealers, the department shall use annual or more frequent updates provided by American Business Information, Inc., as long as the information provided by American Business Information, Inc., is updated at least annually.

**"Dealer Requirements in Unserved Zones"** per PRC § 14571.6, in any convenience zone where no recycling location has been established which satisfies the requirements of Section 14571, and in any convenience zone which has exceeded the 60-day period for the establishment of a recycling center pursuant to PRC § 14571.7, all dealers within that zone shall, until a recycling location has been established in that zone, do one of the following:

**(a)** Submit to the department an affidavit form provided by the department stating that all of the following standards are being met by the dealer:

- (1)** The dealer redeems all empty beverage container types at all open cash registers or one designated location on the dealer's premises, during all hours that the dealer is open for business.
- (2)** The dealer has posted signs which meet the size and location requirements specified in subdivision (b) of Section 14570, and which conform to paragraph (2) of that subdivision.
- (3)** The dealer is delivering, or having delivered, all empty beverage containers received from the public to a certified recycling center or processor for recycling.

**(b)** Pay to the department for deposit in the fund the sum of one hundred dollars (\$100) per day until a recycling location is established or until the standards for redemption specified in subdivision (a) are met.

**“Nonprofit convenience zone recycler”** per PRC 14514.7 means a recycling center that meets the criteria described in subdivision (a) or (b): **(a)** The recycling center is all of the following: **(1)** Operated by an organization established under Section 501(c) or 501 (d) of Title 26 of the United States Code. **(2)** Certified by the department pursuant to Section 14538. **(3)** Located within a convenience zone, but is not necessarily a supermarket site. **(b)** The recycling center is all of the following: **(1)** Operated by an organization established under Section 501(c) or 501(d) of Title 26 of the United States Code and has operated in the same location for a period of not less than five years. **(2)** Certified by the department pursuant to Section 14538. **(3)** Located within one mile of a supermarket that is in a convenience zone that is exempt from the requirements of subdivision (a) of Section 14571.

**“Exemption of a Convenience Zone”** PRC § 14571.8 specifies the following: **(a)** No lease entered into by a dealer after January 1, 1987, may contain a leasehold restriction that prohibits or results in the prohibition of the establishment of a recycling location. **(b)** The director may grant an exemption from the requirements of Section 14571 for an individual convenience zone only after the department solicits public testimony on whether or not to provide an exemption from Section 14571. The solicitation process shall be designed by the department to ensure that operators of recycling centers, dealers, and members of the public in the jurisdiction affected by the proposed exemption are aware of the proposed exemption. After evaluation of the testimony and any field review conducted, the department shall base a decision to exempt a convenience zone on one, or any combination, of the following factors: **(1)** The exemption will not significantly decrease the ability of consumers to conveniently return beverage containers for the refund value to a certified recycling center redeeming all material types. **(2)** Except as provided in paragraph (5), the nearest certified recycling center is within a reasonable distance of the convenience zone being considered from exemption. **(3)** The convenience zone is in the area of a curbside recycling program that meets the criteria specified in Section 14509.5. **(4)** The requirements of Section 14571 cannot be met in a particular convenience zone due to local zoning or the dealer’s leasehold restrictions. For leases in effect on January 1, 1987, and the local zoning or leasehold restrictions are not within the authority of the department and the dealer. However, any lease executed after January 1, 1987, shall meet the requirements specified in subdivision (a). **(5)** The convenience zone has redeemed less than 60,000 containers per month for the prior 12 months and, notwithstanding paragraph (2), a certified recycling center is located within one mile of the convenience zone that is the subject of the exemption. **(c)** The department shall review each convenience zone in which a certified recycling center was not located on January 1, 1996, to determine the eligibility of the convenience zone under the exemption criteria specified in subdivision (b). **(d)** The total number of exemptions granted by the director under this section shall not exceed 35 percent of the total number of convenience zones identified pursuant to this section.

**“Revocation of Exemption”** per PRC 14571.8.(e) this action means Division of Recycling-initiated changing the status of a convenience zone from exempt to unserved. This action is taken when the closure of one or more recycling centers in the proximal area results in diminished convenience for consumers who wish to redeem CRV. If a recycling center opens within an exempt zone, no revocation process is needed since the zone simply changes status from exempt to served.

**“Rural Aggregate Zone”** per PRC 14571.5.(b)(1) this condition creates a non-standard convenience zone in rural locations where no beverage dealer otherwise meets the definition of “supermarket” for the purpose of creating a convenience zone. The creation of a rural aggregate zone requires that no less than 2 dealers that they be located no more than a mile of an existing certified and operational recycling center, the

aggregate sales for all dealers used in the cluster must equal no less than \$2 million per year. The 3-mile radius of the aggregate zone is defined upon the dealer closest to the recycling center, and its three-mile radius cannot overlap with any pre-existing standard convenience zone or an urban boundary polygon.

**"Rural Expanded Zone"** per PRC 14571.5.(a)(1) this condition applies to a convenience zone that is expanded from a half-mile to three-miles, and which has served status. For a rural expanded zone to be created, the three-mile radius zone must include only one certified and operational recycling center, must not overlap with an urban area polygon, though it is okay for the three-mile radius to include other half-mile, standard zones. The zone will be returned to its standard half-mile radius if a second recycling center opens within the three-mile radius. Note that a recycling center within a rural expanded zone must operate at least 30 hours per week to be handling fee eligible.

**"Rural Region"** per PRC 14525.5.1 means a non-urban area identified by the Division on an annual basis using Farmers Home Administration criteria. Such criteria for area include, but are not limited to, places, open country, cities, towns, or census designated places with populations less than 10,000. Areas with populations between 10,000 and 50,000 may be designated as rural unless identified as part of, or associated with, urban areas, as determined by the Department on a case by case basis.

**"Rural region recycler"** per PRC 14525.5.1 means an operator that is certified pursuant to subparagraph (A) of paragraph (2) of subdivision (b) of Section 14571, and who accepts or collects empty beverage containers from consumers pursuant to Section 14572 with the intention to recycle them.

**"Supermarket"** per PRC 14526.5 means a full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items. For purposes of determining which dealers are supermarkets, the department shall use the annual updates of the Progressive Grocer Marketing Guidebook and any computer printouts developed in conjunction with the guidebook.

**"Supermarket site"** per PRC 14526.6 means any certified recycling center which redeems all types of empty beverage containers in accordance with Section 14572, and which is located within, or outside and immediately adjacent to the entrance of, or at, or within a parking lot or loading area surrounding, a supermarket which is the focal point of a convenience zone, or a dealer that is located within that zone, and which is accessible to motor traffic.

**"Zone Number / Instance Number"** Historically, the Division of Recycling assigned zone numbers for each convenience zone. With the implementation of DORIIS, the new reference number is called an "Instance". Therefore, Instance Number serves the same purpose as the Zone Number.