



Anna M. Caballero

14th Senate District

SB 404 – Metal Recycling Regulation Act

SUMMARY

SB 404 establishes a new statutory framework to ensure comprehensive and safe regulation of metal shredding facilities in California. The new framework would be administered and enforced by the Department of Toxic Substances Control (DTSC).

BACKGROUND

Metal shredding facilities recycle millions of end-of-life vehicles, household appliances, and other metallic items produced annually in California. Unless recycled, these materials would rapidly overwhelm all available landfill capacity, creating a massive accumulation of damaged and abandoned cars, appliances, and other items while posing threats to public safety. Instead, recovered material is a valuable product for metal manufacturing. Over the course of the recent LA fires, one facility has been responsible for taking hundreds of burned vehicles from the city and county in order to recycle them into useful metal products. By providing a reliable and effective means of recycling metal products that are no longer serviceable, metal shredding facilities provide an essential service to reduce environmental waste and create a successful circular economy.

PROBLEM

Metal shredding can pose concerns to surrounding communities due to the potential release of materials and the risk of fires. However, the current framework for hazardous waste does not include metal shredding facilities and therefore they are not required to obtain a permit and are not regulated by DTSC. Without a comprehensive regulatory framework, DTSC on their own has begun to regulate the industry using hazardous waste enforcement authority on a facility-by-facility basis. This has created an uncertain and inconsistent legal environment for the facilities, placing California's circular economy at risk.

The industry and DTSC have both acknowledged that a comprehensive regulatory program that recognizes the unique nature and importance of scrap metal is in the best interest of the industry, the state, and communities living near these facilities; and have

engaged in years of discussion about the appropriate nature of regulation for this important industry.

SOLUTION

SB 404 will ensure comprehensive oversight and enforcement of metal shredding facilities under DTSC's authority, while recognizing the difference between these facilities and facilities that engage in the treatment, storage, and disposal of solid and hazardous waste.

This bill will require both existing and new facilities to receive a DTSC permit, and these facilities must meet articulated operational and performance standards to do so. These standards would include implementing fire prevention strategies, emergency response protocols, and stormwater management requirements. The bill specifically establishes detailed standards required to be met to avoid the release of materials such as metal shredder aggregate and residue into the environment. Facilities must also undergo the California Environmental Quality Act (CEQA) review process as part of the permitting process.

The bill gives DTSC robust enforcement authority to ensure these standards are met, including the authority to shut down a metal shredding facility that is posing an imminent and substantial danger to public health and the environment. The bill authorizes DTSC to collect fees from metal shredding facilities to cover administration and enforcement costs.

This bill will ensure that California has a robust regulatory process to oversee the metal shredding industry and will ensure that California remains a sustainability leader in "reducing, reusing and recycling" by fostering the recycling of scrap metal into new metal products.

SUPPORT

California Metal Recyclers Coalition (Sponsor)
California State Council of Laborers
California Professional Firefighters
California State Pipe Trades Council
California State Association of Electrical Workers

Western States Council Sheet Metal, Air, Rail, and
Transportation
California Steel Industries, Inc.
Latino Caucus of California Counties
California Council for Environmental and Economic
Balance (CCEEB)
California Police Chiefs Association
Peace Officers Research Association of California
The Rincon San Luiseno Band of Indians
Resource Recovery Coalition of California
Recycled Materials Association- West Coast Chapter
Waste Management
Recology
Ecology Recycling Services
Pacific Steel Group
State of California Auto Dismantlers Association
Republic Seives, Inc.
Central City Association of Los Angeles
Boys & Girls Clubs of the Los Angeles Harbor
South Colton Diversity Committee
Strength Based Community Change
Beacon House Association of San Pedro
Wilmington Chamber of Commerce
Grand Vision Foundation

CONTACT

Kyle Krueger, Legislative Aide
Kyle.Krueger@sen.ca.gov | (916)651-4014