

Workshop 9/18 - Definitions Related to Convenience Zones and Handling Fees

"**Convenience zone (CZ)**" per 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 Section 14571.5.

- "**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

"**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.

"**Handling fee**" per PRC 14513.4 means an amount paid to an operator of a supermarket site, a rural region recycler, as defined in Section 14525.5.1, or a nonprofit convenience zone recycler, as defined in Section 14514.7, that is located in a convenience zone for every beverage container redeemed by the operator at the supermarket or within the zone in which the supermarket site is located, by the rural region recycler, or by the nonprofit convenience zone recycler.

“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.

“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

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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.