CLIENT ALERTS & INSIGHTS

California SB 54 Is Here: What Companies Using Plastic Packaging Need To Do Now

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Key Takeaways

- California's Senate Bill 54 ("SB 54") requires producers of single-use packaging and plastic food service ware (collectively, "Covered Materials") to reduce the use of such materials and ensure full recyclability and compostability by 2032. The final regulations went into effect on May 1, 2026, and impose near-term milestone deadlines for compliance.
- The term "producer" is defined broadly and can reach companies even if they did not manufacture the Covered Materials, creating potential compliance exposure and regulatory risk for a wide range of businesses.
- Companies should promptly review their business and supply chains to assess whether they could be considered "producers," and thus, must comply with SB 54.

SB 54, the Plastic Pollution Prevention and Packaging Producer Responsibility Act, was signed into law on June 30, 2022. Its goal is to create a framework that shifts waste management costs from the local government onto "producers." To that end, SB 54 requires "producers" to (1) reduce the use of Covered Materials; and (2) ensure that all Covered Materials are recyclable or compostable by 2032.

The definition of a "producer" is not 100% straightforward. You are considered a "producer" if you are the "person who manufactures a product that uses covered material and who owns or is the licensee of the brand or trademark under which the product is used in a commercial enterprise, sold, offered for sale, or distributed in the state."[1] However, if no such person is located in California, the "producer of the covered material is the owner or, if the owner is not in the state, the exclusive licensee of a brand or trademark under which the product using the covered material is used in a commercial enterprise, sold, offered for sale, or distributed in the state."[2] But if there is no such person in California either, the "producer" is "the person who sells, offers for sale, or distributes the product that uses the covered material in or into the state."[3]

To the extent you are a "producer," the final regulations implementing SB 54-which went into effect May 1, 2026-have set near-term milestones with which you must comply. First, by June 1, 2026, all producers (subject to very limited exceptions) must either (1) participate in an approved Producer Responsibility Organization ("PRO"), or (2) decide to comply individually and register with CalRecycle. Depending on which path a "producer" decides to follow, it will also be subject to subsequent deadlines. "Producers" who plan to participate in an approved PRO must have a producer responsibility plan in place by June 15, 2026. If you choose to comply individually and register with CalRecycle, they must approve you, and once you are approved, you must prepare and submit a producer responsibility plan within six months.

Whether SB 54-and its implementing regulations-will remain unscathed is unclear. Industry groups have challenged similar laws in other states. For example, on February 6, 2026, the National Association of Wholesaler-Distributors successfully challenged the Oregon law akin to SB 54, securing a preliminary injunction against its enforcement.[4] Similarly, in March 2026, the Independent Lubricant Manufacturers Association ("ILMA") filed a lawsuit against the Colorado Department of Public Health and the Environment ("CDPHE") challenging enforcement of the Colorado law akin to SB 54.[5] That case remains pending. It seems that it is only a matter of time before an industry group challenges SB 54.

The final regulations implementing SB 54 also are expected to face legal challenges from environmental organizations such as the Natural Resources Defense Council ("NRDC") and Californians Against Waste.[6] Both have signaled their intent to challenge the new regulations in court but have not yet filed suit.

Existing litigation about other statutes may also impact SB 54. SB 54's definition of recyclability is derived from SB 343, California's "Truth in Labeling" statute.[7] The California League of Food Producers and other industry organizations have challenged SB 343 as violating the First Amendment and Fourteenth Amendment, asserting, among other grounds, that the recyclability criteria are impermissibly vague and ambiguous.[8] The California League of Food Producers has also filed a motion for preliminary injunction to prohibit enforcement of SB 343. As the definition of recyclability under SB 54 is derived from SB 343, what happens in the SB 343 lawsuit could impact SB 54.

Despite the actual and threatened litigation noted above, companies should comply with SB 54 considering the significant penalties involved. Violations can result in an administrative civil penalty of up to $50,000 per day per violation. At the same time, companies should closely monitor existing and future legal proceedings, as those proceedings might further redefine the California regulatory framework on waste and recycling.

For guidance and advisement on SB 54 and/or SB 343 compliance, please contact Laura Kogan, Krista Enns, or Kristin Lee.

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[1] Cal. Pub. Res. Code § 42041(w)(1).

[2] *Id.* § 42041(w)(2).

[3] *Id.* § 42041(w)(3).

[4] Order, *Nat'l Ass'n of Wholesale Distributors v. Feldon, et al,* No. 3:25-cv-13334 (D.Or. Feb. 26, 2026), ECF No. 88.

[5] ILMA, ILMA Files Lawsuit to Protect Independent Lubricant Manufacturers (Mar. 26, 2026), https://ilma.org/ilma-files-lawsuit-to-protect-independent-lubricant-manufacturers/.

[6] NRDC, *Environmental Advocates to Challenge Plastics Regulations in Court* (May 6, 2026), https://www.nrdc.org/press-releases/environmental-advocates-challenge-plastics-regulations-court

[7] *See* Benesch, *Client Alerts & Insights: California's "Truth in Recycling" Law Raises the Stakes for Packaging Labels* (Apr. 20, 2026), https://www.beneschlaw.com/insight/californias-truth-in-recycling-law-raises-the-stakes-for-packaging-lab
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[8] Compl., *California League of Food Producers v. Bonta*, No. 26-cv-01675 (S.D. Cal. Mar. 17, 2026). ECF No. 1.