CLIENT ALERTS & INSIGHTS

New Lawsuit Challenges California's SB 54 Plastic Regulations-Claiming the Regulations Do Not Go Far Enough

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Featured Practices: Litigation, Product Liability & Mass Tort Litigation, Environmental Litigation

Featured Industries: Retail & E-Commerce, Plastics & Performance Materials

Key Takeaways

- Three environmental groups have filed a lawsuit challenging California's SB 54 plastic regulations, arguing that some sections do not meet the law's requirements and contain loopholes that could undermine environmental goals.
- If the Court agrees with the challengers, California regulators may be forced to rewrite and strengthen the regulation, leading to stricter compliance obligations and higher costs for companies producing, selling or distributing plastic products in the state.
- Businesses should reassess their SB 54 compliance strategies now, monitor the litigation closely and plan for stricter standards-especially around recycling methods, hazardous waste definitions and producer obligations.

Three environmental nonprofits-the Natural Resources Defense Council, Californians Against Waste Foundation and Oceana (the "Groups")-filed suit against the Department of Resources Recycling and Recovery ("CalRecycle") in San Francisco Superior Court, challenging the agency's final regulations implementing California's landmark plastics law.[1] The Groups allege that CalRecycle's regulations implementing SB 54 (the Plastic Pollution Prevention and Packaging Producer Responsibility Act) fall short of the statute's mandates in several critical respects. The complaint is verified, meaning CalRecycle must respond to each allegation individually rather than issuing a general denial-a procedural maneuver that increases the litigation burden on the agency from the outset.

If your company produces, sells or distributes plastic products in California, this matters for you and your next business decisions. Now is the time to evaluate your compliance posture and prepare for the possibility of stricter regulatory requirements ahead.

With this case, the Groups identify what they perceive as loopholes in the regulations-alleging, among other things, the regulations: fail to exclude chemical recycling methods purportedly harmful

to the environment; use a the federal standard for defining hazardous waste, which the Groups claim to be inconsistent with the ordinary meaning of the term "hazardous waste" as well as the definition of that term in California's Health and Safety Code; and allow "producers" (as that term is defined by SB 54) of certain plastic materials to avoid SB 54's requirements indefinitely. [2]

This case matters because it attacks aspects of the regulations that businesses may be relying on as they implement their responses to SB 54. If the Court sides with the Groups, CalRecycle would need to rewrite portions of the regulations-and likely make the regulations stricter. The final regulations already impose costly operational changes and fees on producers. A ruling for the Groups could require further business changes and, thus, increase costs.

Benesch is actively monitoring this lawsuit and its implications for our clients. If you have questions about how this case-or SB 54 more broadly-may affect your operations, reach out to Laura Kogan, Krista Enns or Kristin Lee.

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[1] *Natural Resources Defense Council, Inc. v. Department of Resources Recycling and Recovery* (Super. Ct. S.F., filed June 2, 2026).

[2] *See* Cal. Pub. Res. Code § 42041(w).