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The Responsible Textile Recovery Act of 2024

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On September 22, 2024, California Governor Gavin Newsom signed SB 707 into law, known as the Responsible Textile Recovery Act of 2024 (“the Act”). This new legislation requires companies that produce clothing and textiles sold in California to form and join a producer responsibility organization (“PRO”) by 2026, which will create a plan for collecting, repairing, and recycling textiles, thereby promoting reuse and sustainability.

The fashion industry faces a significant recycling challenge, as only a small percentage of clothing is recycled, while the rest contributes to carbon emissions, landfill waste, and environmental pollution. California State Senator Josh Newman, the author of SB 707, reported that in 2021 approximately 1.2 million tons of textiles were disposed of in the state, despite 95% being reusable or recyclable. The Act aims to address the issues of waste and overproduction driven by “fast fashion” brands, which produce clothing that is not designed to last long. Rather than encourage the “throw away” culture, the goal is to encourage consumers to buy less and create opportunities for Californians to engage in sustainability.

Currently, consumers and taxpayers bear the costs of managing and disposing textile waste. With the Act in place, the costs and responsibilities will shift to the producers and sellers of those products. This policy, known as Extended Producer Responsibility (“EPR”), is designed to incentivize textile manufacturers to minimize waste by holding them financially responsible for their products after they are used. The Act represents the first of its kind to enforce such responsibilities in the textile industry, following the lead of the electronics, pharmaceuticals, and plastic packaging sectors, which already have numerous laws in place that hold producers responsible for their waste.

SB 707 establishes a framework for producers to facilitate the repair, recycle, and reuse of clothing. Californians will have the ability to drop off unwanted apparel and household textiles at convenient locations, such as thrift stores, charities, and other accessible collection sites for sorting and recycling.

Who is considered a producer: Under SB 707, a producer means:

- (1) Any person who manufactures a covered product and who owns or is the licensee of the brand or trademark under which that covered product is sold, offered for sale, or distributed for sale in or into the state.
- (2) If there is no person in the state who is the producer for purposes of the previous paragraph, the producer of the covered product is the owner of a brand or trademark or, if the owner is not in the state, the exclusive licensee of a brand or trademark under which the covered product is sold, imported for sale, offered for sale, or distributed for sale in or into the state, regardless of whether the trademark is registered.



- (3) If there is no person in the state who is the producer for purposes of the previous two paragraphs, then the producer of the covered product is the person that imports the covered product into the state for sale or distribution.
- (4) If there is no other person in the state who is the producer for purposes of the previous three paragraphs, the producer of the covered product is the distributor, retailer, or wholesaler who sells the product in or into the state.

What are the covered products: Under SB 707, covered products include apparel such as undergarments, shirts, pants, skirts, dresses, overalls, bodysuits, costumes, vests, dancewear, suits, saris, scarves, tops, leggings, school uniforms, leisurewear, athletic wear, sports uniforms, swimwear, formal wear, onesies, bibs, footwear, handbags, backpacks, knitted and woven accessories, jackets, coats, snow pants, ski pants, and everyday uniforms for work wear.

What will be required from producers: Under SB 707, required producers of apparel and textiles must form and join an approved PRO by July 1, 2026, and participate in the PRO's stewardship plan by July 1, 2030, or when CalRecycle approves the PRO plan, whichever is sooner, to avoid penalties for non-compliance. Sellers with less than \$1 million in annual global turnover, as well as sellers of second-hand products, are exempt from the program requirements.

The PRO is required to submit a complete plan to the Department of Resources Recycling and Recovery for the collection, transportation, repair, sorting, and recycling of apparel and textile articles in the state. This plan must be reviewed at least every 5 years after approval and the PRO must submit an annual report to the department.

Additionally, clothing producers and retailers operating in California must pay fees to the EPR organization to finance the collection, transportation, repair, sorting, and recycling of used garments. Non-compliance with the Act carries severe penalties, authorizing CalRecycle to impose administrative civil penalties up to \$10,000 per day for violating the program's requirements, or \$50,000 per day for an intentional violations.

What are the next steps: (1) PRO applications are due to Cal Recycle by January 1, 2026, outlining the plans for the collection, transportation, repair, sorting, and recycling, and the safe management of apparel and textile products in the state; (2) Cal Recycle will approve a PRO by March 2026; (3) producers must join the PRO by July 1, 2026; (4) the PRO will complete an initial needs assessment by March 2027; and (5) CalRecycle will adopt regulations, taking effect no earlier than July 1, 2028.

California's Responsible Textile Recovery Act of 2024 is a crucial new law for those in the apparel and textile industry, as it addresses a rapidly evolving area that will have significant impacts in the coming years. For questions or more information on SB 707, contact one of the attorneys at Buchalter.

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