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Litigation threatens enforcement of California's SB 54 efforts to reduce plastic waste

California's enforcement of Senate Bill 54 faces competing legal challenges, with one lawsuit attacking the statute's constitutionality and another arguing the implementing regulations unlawfully weaken the law.

By Sarah P. Bell

Two lawsuits — one filed by numerous state attorneys general alleging the law is unconstitutional, the other filed by environmental groups alleging that implementing regulations weaken the law — threaten implementation of California's landmark act aimed at reducing plastic packaging waste in California.

CalRecycle, the state agency overseeing recycling management in California, estimates that packaging constitutes over 50% (by volume) of waste disposed in California's landfills. The Plastic Pollution Prevention and Packaging Producer Responsibility Act — known more commonly as Senate Bill 54 — was signed into law in 2022 and requires reductions in the use of and increases in recycling and composting of single-use plastic packaging and food service ware. Senate Bill 54 is one of a number of California's Extended Producer Responsibility "EPR" laws, which typically seek to hold businesses accountable for the financial burden of managing the waste streams associated with consumer products and packaging. (Other EPR laws in California target textiles, batteries, battery-embedded products, carpets and other goods.) CalRecycle has characterized SB 54 as "the most significant overhaul of California's plastics and packaging recycling



policy in history," and as going "further than any other state on cutting single-use plastic at the source and represents a giant step toward a more circular economy that is essential to combat climate change." CalRecycle, [SB 54 Plastic Pollution Prevention and Packaging Producer Responsibility Act Permanent Regulations](#). California is one of several states, including Oregon, Maine, Colorado and others, that has recently enacted EPR legislation aimed

at consumer product companies and the plastic packaging waste.

Compliance with SB 54 presents significant burdens to businesses, such as joining a producer responsibility organization "PRO," complex data submissions, payment of eco-modulated fees, and compliance with aggressive recycling and source reduction benchmarks. Indeed, CalRecycle's first attempt at formal rulemaking to develop implementing regulations for SB 54 failed.

Beginning in March 2024, CalRecycle convened three public comment periods. Just before the one-year deadline to finalize the draft rules, in March 2025, Gov. Newsom directed CalRecycle to restart the rulemaking process "to ensure California's bold recycling law can achieve its goal of cutting plastic pollution and is implemented fairly" while "minimizing costs for small businesses and working families as much as possible." Susanne Rust, [Newsom](#)

[Stymies Implementation of Landmark California Plastic Law, Orders More Talks](#),” Los Angeles Times (Mar. 7, 2025); Recycling Today, “[Newsom orders SB 54 revision](#).” CalRecycle’s second rulemaking attempt began in August 2025, and the regulations were finalized and approved in May 2026, setting off a series of onerous collection, submission and fee requirements for businesses selling consumer goods in California.

A month later, on June 2, 2026, three environmental groups — the Natural Resources Defense Council, Californians Against Waste Foundation and Oceana Inc. — filed suit in San Francisco Superior Court on the basis that the revised regulations “weakened” SB 54 and otherwise created “giant loopholes that undermine [Senate Bill 54’s] recycling and plastic reduction goals.” NRDC, Environmental Advocates to Challenge Plastics Regulations in Court, <https://www.nrdc.org/press-releases/environmental-advocates-challenge-plastics-regulations-court>. The environmental groups’ challenge takes issue with certain definitions in the 2026 regulations that rely on federal law rather than state standards alleged to be more strict, as well as changes in the 2026 regulations that the environmental

groups say create recycling rate compliance loopholes. Overall, the groups argue that CalRecycle’s final 2026 regulations create invalid exclusions and exemptions and fail to prevent the use of harmful recycling technologies that SB 54 should restrict. The environmental groups’ complaint seeks injunctive relief requiring CalRecycle to address and correct the “weakened” regulations and to continue to implement and enforce SB 54 while developing the corrected regulations. Verified Pet. for a Writ of Mandate and Compl. for Declaratory and Injunctive Relief, No. CPF-26-519769 (SF Superior Court June 25, 2026).

A few weeks after the NRDC and other environmental groups sued CalRecycle on the basis that the regulations weakened SB 54, on June 22, 2026, 17 states led by Nebraska’s Attorney General, along with the National Association of Wholesaler-Distributors “NAW,” filed suit against CalRecycle and the Circular Action Alliance (the PRO for SB 54) in the United States District Court for the Eastern District of California alleging that SB 54 is unconstitutional. Compl. for Declaratory and Injunctive Relief, No. 2:26-cv-02214-DC-CKD (E.D. Cal. June 22, 2026), ECF No. 1. Calling SB 54 an “offen[se to] State

sovereignty,” the attorneys general of Alabama, Florida, Idaho, Indiana, Iowa, Louisiana, Missouri, Montana, North Dakota, Oklahoma, South Carolina, South Dakota, Texas, Utah and West Virginia joined with Nebraska and the NAW in alleging various violations of the United States and California Constitutions, including the commerce and due process clauses, and the First Amendment. *Id.* ¶ 3. The states and NAW seek a permanent injunction preventing the California Attorney General and CAA and persons acting in concert with them from implementing or enforcing SB 54. *Id.* ¶ 296(C).

Consumer product companies are left in limbo for now, working to comply with SB 54 and the complex data collection, reporting and fee schemes established by the regulations and CAA, notwithstanding these legal challenges. Businesses and environmental groups are closely monitoring these cases, particularly waiting to see if the states and NAW in *Nebraska v. Heller* seek a preliminary injunction. The plaintiffs may be waiting for the ruling on the merits in *National Association of Wholesaler-Distributors v. Feldon*, No. 3:25-cv-01334-SI (D. Or.). There, NAW filed suit in July 2025 against the Oregon Department of Environmental Quality and others in the United

States District Court for the District of Oregon challenging the constitutionality of Oregon’s plastic packaging EPR law. The Oregon District Court granted a preliminary injunction in February 2026 prohibiting enforcement of Oregon’s plastic packaging EPR law against NAW’s members. Minutes of Prelim. Inj. Hearing: Order (Feb. 6, 2026), ECF No. 87. Trial on the merits proceeded in July 2026, and post-trial briefs are due on July 31, 2026. The ruling is sure to make waves among parties impacted by plastic packaging EPR laws and the parties challenging these laws in court.

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