# CALIFORNIA ENVIRONMENTAL QUALITY ACT
# NOTICE OF EXEMPTION

To: Office of Planning and Research
State Clearinghouse
P.O. Box 3044, 1400 Tenth Street, Room 212
Sacramento, CA 95812-3044

From: Department of Toxic Substances Control
Hazardous Waste Management Program
P.O. Box 806, 1001 "I" Street, 11th Floor
Sacramento, CA 95812-0806

**Project Title**: Industrial Ethyl Alcohol Exemption

**Project Location**: Statewide

**County**: All

**Project Applicant**: Department of Toxic Substances Control

**Approval Action Under Consideration by DTSC**: Regulations

**Statutory Authority**: California Health and Safety Code, Chapter 6.5

**Project Description**: The Department of Toxic Substances Control (DTSC) is proposing to amend California Code of Regulations, title 22, division 4.5, chapter 11, section 66261.6 to conditionally exempt industrial ethyl alcohol (IEA), that is legitimately recycled, from hazardous waste management requirements. This rulemaking would adopt an analogous federal recycling exemption found in 40 Code of Federal Regulations sections 261.6(a)(3)(i) through 261.6(a)(3)(i)(B). This exemption, however, does not apply to the requirements for imports and exports of IEA, as established in California Code of Regulations, title 22, division 4.5, chapter 12, article 8.

**Background**: Early in the Coronavirus Disease 2019 (COVID-19) pandemic, a heightened demand for alcohol-based hand sanitizer led to the antiseptic's increased production. Aided by the U.S. Food and Drug Administration's (FDA) 2020 decision to temporarily allow companies that were not registered as drug manufacturers to produce alcohol-based hand sanitizers, this demand ultimately resulted in a surplus of the product. Stockpiles continued to grow after the FDA withdrew its temporary guidance and prohibited these hand sanitizers from being sold or distributed by manufacturers after March 31, 2022 (86 Fed. Reg. 56960).

These stockpiles are a risk to public health and the environment as alcohol-based hand sanitizers contain a minimum concentration of 60 percent ethyl or isopropyl alcohol by volume and have a room temperature flashpoint (approximately 66 to 77 degrees Fahrenheit). The highly flammable nature of these products has caused fires in Carson, Moreno Valley, and various areas of Los Angeles County. In addition, DTSC responded to a report of 2,600 gallons of alcohol-based hand sanitizer abandoned in Lucerne Valley, Los Angeles County officials investigated 19 such incidents within their jurisdiction, and Kern County Public Health staff have reported four.

Alcohol-based hand sanitizers are federally regulated as an ignitable hazardous waste and are typically disposed of through incineration, but a backlog currently exists for many commercial hazardous waste incinerators which has impacted the ability of generators to properly manage excess product. In an effort to provide an alternative management pathway to prevent additional fires and illegal dumping incidents while also encouraging legitimate recycling, DTSC adopted the federal exemption for IEA as an emergency rulemaking on October 7, 2024. This emergency rulemaking was also readopted, twice, with the first readoption occurring on April 7, 2025, and the second on July 8, 2025. On November 17, 2025, the IEA Exemption became a permanent subsection in the California Code of Regulations through the regular rulemaking process.

**Project Activities**: This rulemaking permanently adds the federal IEA recycling exemption found in 40 Code of Federal Regulations sections 261.6(a)(3)(i), 261.6(a)(3)(i)(A), and 261.6(a)(3)(i)(B) to California Code of Regulations, title 22, division 4.5, chapter 11, subsections 66261.6(a)(3)(D), 66261.6(a)(3)(D)1, and 66261.6(a)(3)(D)2. The applicability of this exemption is contingent upon generators meeting the recycling legitimacy criteria defined in 40 Code of Federal Regulations section 260.43, and ethyl alcohol recycling facilities obtaining an appropriate permit to conduct industrial distillation activities from the Alcohol and Tobacco Tax and Trade Bureau (TTB).

**Name of Public Agency Approving Project**: DTSC

**Name of Person or Agency Carrying Out Project**: DTSC

**Exempt Status**: Categorical Exemption: Title 14, California Code of Regulations, Section 15308. Actions by Regulatory Agencies for Protection of the Environment.

**Reasons Why Project is Exempt**: DTSC has determined that the proposed rulemaking is an action taken by DTSC to assure the maintenance, restoration, enhancement, or protection of the environment. Exempting IEA from the hazardous waste regulations in California Code of Regulations, title 22, division 4.5, and Health and Safety Code section 25153.6 will maintain this new waste management pathway and encourage businesses to recycle their surplus ethyl alcohol-based hand sanitizer. It will also continue to prevent duplicative regulatory oversight of IEA recycling with the TTB, which is the reason U.S. EPA promulgated 40 Code of Federal Regulations section 261.6(a)(3)(i) in 1985.

Through incentivized recycling, generators will have a permanent pathway to reduce the retention time of ethyl alcohol-based hand sanitizer stockpiles in storage yards, warehouses, and onsite, which also reduces the risk of fire and its associated pollution across the state. In addition, the cost savings generators experience from the IEA Exemption may disincentivize illegal dumping, which has the potential to poison wildlife through ingestion and runoff. Moreover, this exemption will not affect local codes or ordinances, Department of Transportation regulations, or any Occupational Safety and Health Administration regulations pertaining to flammable liquids.

The administrative record for this project is available to the public, by appointment, at the following location:

Department of Toxic Substances Control
Hazardous Waste Management Program
P.O. Box 806, 1001 “I” Street, 11th Floor
Sacramento, CA 95812-0806

Additional project information is available on EnviroStor: www.envirostor.dtsc.ca.gov/public/

| Contact Person | Contact Title | Phone Number |
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Approver’s Signature:

Jessica Twining

Date:

December 2, 2025

| Approver’s Name | Approver’s Title | Approver’s Phone Number |
|---|---|---|
| Jessica Twining | Environmental Program Manager I | (916) 926-9036 |

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