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AB-419 Food and agriculture. (2019-2020)



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Assembly Bill No. 419

CHAPTER 261

An act to amend Sections 19227, 19315, 42815, 52323, 52324, and 52325 of the Food and Agricultural Code, relating to food and agriculture, and making an appropriation therefor.

[Approved by Governor September 06, 2019. Filed with Secretary of State September 06, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

AB 419, Committee on Agriculture. Food and agriculture.

(1) Existing law regulates rendering, which is defined as the recycling, processing, and conversion of, among other things, inedible kitchen grease. Existing law requires renderers and collection centers to be licensed and to pay a specified license fee. Existing law, operative until July 1, 2020, authorizes the Department of Food and Agriculture to charge each licensed renderer and collection center an additional fee, up to a specified maximum amount per year for each licensed rendering plant or collection center, to cover the reasonable costs of administering provisions regulating renderers, collection centers, and transporters of inedible kitchen grease. Existing law requires fees and penalties collected pursuant to these provisions to be deposited into the Department of Food and Agriculture Fund (fund) and continuously appropriates the collected funds for the purposes described above.

This bill would extend the operation of the provisions authorizing the department to charge an additional fee until July 1, 2025, and would repeal them on January 1, 2026. By extending the operation of provisions authorizing the collection of fees and penalties that are deposited into a continuously appropriated fund, this bill would make an appropriation.

(2) Existing law requires transporters of inedible kitchen grease to be registered and to pay a registration fee. Existing law, operative until July 1, 2020, authorizes the department to charge each registered transporter an additional fee per vehicle, up to a specified maximum amount per year for each transporter, for purposes of administering the provisions regulating these transporters. Existing law requires fees and penalties collected pursuant to these provisions to be deposited into the fund and continuously appropriates the collected funds for the purposes described above.

This bill would extend the operation of the provisions authorizing the department to charge an additional fee until July 1, 2025, and would repeal them on January 1, 2026. By extending the operation of provisions authorizing the collection of fees and penalties that are deposited into a continuously appropriated fund, this bill would make an appropriation.

(3) Existing law, until January 1, 2020, requires the Secretary of Food and Agriculture (secretary) to create an industry-funded standardization program for purposes of implementing and enforcing provisions relating to fruits, nuts, and vegetable standards. Existing law requires the secretary to adopt regulations reasonably necessary to carry out those provisions, including establishing assessment rates and procedures for payment of assessments. Existing law establishes specified assessment rates for commodities that are not otherwise subject to a mandatory inspection fee, and for commodities that are subject to a mandatory inspection fee, to be deposited into the fund and used for implementing and enforcing the provisions specified above. Existing law requires the secretary to exempt any commodity subject to those provisions if a petition representing a specified percentage of the producers is submitted to the secretary, as specified.

This bill would extend the repeal date of the standardized program provisions to January 1, 2025.

(4) Existing law, the California Seed Law (the seed law), regulates the shipment, delivery, transport, and sale of agricultural or vegetable seed, as defined, within the state, as well as the investigation and prosecution of breach of contract or patent infringement claims against farmers for unauthorized possession or use of genetically engineered plants. The seed law is enforced by the secretary and by county agricultural commissioners and their qualified representatives, as provided. The seed law establishes a subvention program under which the secretary is required to annually apportion \$120,000, in aggregate, among counties that choose to participate in the program as a subvention for costs that the counties incur in the enforcement of the seed law. Under the seed law, the provisions that establish and govern participation in the program are inoperative on July 1, 2019, except as specified, and all provisions relating to the program are repealed on January 1, 2020.

This bill would extend the inoperative dates specified above to July 1, 2020, and would extend the repeal dates specified above to January 1, 2024.

Under existing law, the moneys collected pursuant to the seed law, including registration fees, assessments, and penalty revenues, are continuously appropriated to the department to carry out its provisions.

By extending the operation of these subvention provisions, this bill would make an appropriation.

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 19227 of the Food and Agricultural Code is amended to read:

- **19227.** (a) In addition to the license fee required pursuant to Section 19225, the department may charge each licensed renderer and collection center an additional fee necessary to cover the reasonable costs of administering Article 6 (commencing with Section 19300) and Article 6.5 (commencing with Section 19310). The additional fees authorized to be imposed by this section may not exceed ten thousand dollars (\$10,000) per year per each licensed rendering plant or collection center.
- (b) The secretary may, based upon the findings and recommendation of the Rendering Industry Advisory Board, determine the additional fee amounts necessary to provide the revenue needed to carry out the provisions of this chapter specified in subdivision (a). The secretary and the Rendering Industry Advisory Board shall not exceed the maximum amount for additional fees authorized pursuant to subdivision (a). Setting the additional fee or fees shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The secretary shall only have the authority to raise an additional fee pursuant to this section upon recommendation of the Rendering Industry Advisory Board.
- (c) The secretary shall fix the additional fee amounts established pursuant to this section and may fix different fees for renderers and collection centers. If an additional fee is imposed on licensed renderers pursuant to subdivision (a) and an additional fee is imposed on registered transporters pursuant to subdivision (a) of Section 19315, only one additional fee may be imposed on a person or firm that is both licensed as a renderer pursuant to Article 6 (commencing with Section 19300) and registered as a transporter of inedible kitchen grease pursuant to Article 6.5 (commencing with Section 19310), which fee shall be the higher of the two fees.
- (d) If the additional fee established pursuant to this section is not paid within one calendar month of the date it is due, a penalty shall be imposed in the amount of 10 percent per annum on the amount of the unpaid fee.
- (e) This section shall become inoperative on July 1, 2025, and, as of January 1, 2026, is repealed, unless a later enacted statute that becomes operative on or before January 1, 2026, deletes or extends the dates on which it becomes inoperative and is repealed.
- **SEC. 2.** Section 19315 of the Food and Agricultural Code is amended to read:
- **19315.** (a) Except as provided in subdivision (c), in addition to the registration fee required by Section 19312, the department may charge a fee necessary to cover the costs of administering this article. Any additional fee charged pursuant to this section shall not exceed five hundred dollars (\$500) per year per vehicle that is operated to transport kitchen grease, and shall not exceed ten thousand dollars (\$10,000) per year per registered transporter.
- (b) The secretary may, based upon the findings and recommendation of the Rendering Industry Advisory Board, determine the specific fee per vehicle necessary to provide the revenue needed to carry out the provisions of this article. The secretary and the

Rendering Industry Advisory Board shall not exceed the maximum fee amounts established by this section. Setting the fee amounts authorized pursuant to subdivision (a) shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The secretary shall only have the authority to raise an additional fee pursuant to this section upon recommendation of the Rendering Industry Advisory Board.

- (c) An individual registered pursuant to this article who transports inedible kitchen grease for the individual's own personal, noncommercial use as an alternative fuel is exempt from 75 percent of the fee charged pursuant to subdivision (a), and shall meet all of the following requirements:
 - (1) The individual shall meet all other requirements of this article.
 - (2) The individual shall not transport more than 55 gallons of inedible kitchen grease per load for that purpose, and shall have no more than 165 gallons of inedible kitchen grease in the individual's possession or control at any time.
 - (3) The individual shall not take any inedible kitchen grease from a container owned by another registered transporter of inedible kitchen grease or from an inedible kitchen grease provider under contract with a registered transporter of inedible kitchen grease or from a container owned by a renderer or collection center.
 - (4) The individual shall have a document in the individual's possession while transporting inedible kitchen grease signed by the responsible party providing the inedible kitchen grease to the individual at the source of the inedible kitchen grease that provides permission for the inedible kitchen grease to be removed from that site.
 - (5) The individual shall specify where the inedible kitchen grease is stored and processed as an alternative fuel, if that address is different from the address included on the registration form for that individual pursuant to Section 19312.
 - (6) The individual shall not sell, barter, or trade any inedible kitchen grease.
- (d) The secretary shall fix the additional fees established pursuant to this section and may fix different fees for transporters of inedible kitchen grease and collection centers, and for transporters of interceptor grease. If an additional fee is imposed on licensed renderers pursuant to subdivision (a) of Section 19227 and an additional fee is imposed on registered transporters pursuant to subdivision (a) of this section, only one additional fee may be imposed on a person or firm that is both licensed as a renderer pursuant to Article 6 (commencing with Section 19300) and registered as a transporter of inedible kitchen grease pursuant to this article, which fee shall be the higher of the two fees.
- (e) If the additional fee established pursuant to this section is not paid within one calendar month of the date it is due, a penalty shall be imposed in the amount of 10 percent per annum on the amount of the unpaid fee.
- (f) For purposes of this section, "interceptor grease" means inedible kitchen grease that is principally derived from food preparation, processing, or waste, and that is removed from a grease trap or grease interceptor.
- (g) This section shall become inoperative on July 1, 2025, and, as of January 1, 2026, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2026, deletes or extends the dates on which it becomes inoperative and is repealed.
- **SEC. 3.** Section 42815 of the Food and Agricultural Code is amended to read:
- **42815.** This article shall remain in effect only until January 1, 2025, and as of that date is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2025, deletes or extends the dates on which it becomes inoperative and is repealed.
- SEC. 4. Section 52323 of the Food and Agricultural Code is amended to read:
- **52323.** (a) The department's cost of carrying out this chapter shall be funded from money that is received by the secretary pursuant to this chapter. The secretary shall also pay annually, in arrears, one hundred twenty thousand dollars (\$120,000) to counties as an annual subvention for costs incurred in the enforcement of this chapter. The department's costs of administering this chapter shall be paid before allocating funds to the counties under this section.
- (b) This section shall become inoperative on July 1, 2020, and, as of January 1, 2024, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2024, deletes or extends the dates on which it becomes inoperative and is repealed.
- **SEC. 5.** Section 52324 of the Food and Agricultural Code is amended to read:

- **52324.** (a) The subvention program under Section 52323 is an optional program available to counties. The subvention to counties under Section 52323 shall be annually apportioned as follows:
 - (1) At the discretion of the secretary and upon recommendation of the board, counties with no registered seed labelers may annually receive one hundred dollars (\$100).
 - (2) Counties with registered seed labeler operations shall receive subventions based upon enforcement activity generated by the registered seed labeler operations within the county and upon the performance of enforcement activities necessary to carry out this chapter.
- (b) This section shall become inoperative on July 1, 2020, and, as of January 1, 2024, is repealed.
- **SEC. 6.** Section 52325 of the Food and Agricultural Code is amended to read:
- **52325.** (a) Commissioners of counties that choose to participate in the subvention program shall enter into a cooperative agreement with the secretary, whereby the commissioner agrees to maintain a statewide compliance level, determined by the secretary, on all seed within the county. The cooperative agreement shall be in effect for a five-year period. The amount of the subvention designated to each individual participating county shall be established in a memorandum of understanding between the commissioner and the secretary, in consultation with the board.
- (b) The secretary, upon recommendation of the board or upon the secretary's own initiative, may withhold a portion of the funds designated to a county if that county fails to meet the performance standards established by the secretary and set forth in the cooperative agreement with that county.
- (c) The secretary shall provide a written justification to the board for any action taken by the secretary that does not fully implement a recommendation made by the board pursuant to subdivision (b).
- (d) This section shall become inoperative on July 1, 2020, and, as of January 1, 2024, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2024, deletes or extends the dates on which it becomes inoperative and is repealed.