

## Senate Bill No. 549

### CHAPTER 340

An act to amend Sections 27551 and 27552 of the Food and Agricultural Code, relating to eggs, and making an appropriation therefor.

[Approved by Governor September 26, 2011. Filed with  
Secretary of State September 26, 2011.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 549, Rubio. Eggs: assessment fees.

(1) Existing law requires California and out-of-state egg handlers and producers to pay to the Secretary of Food and Agriculture a maximum fee of \$0.05 for each 30 dozen eggs sold in this state, as provided. Any person who commits a 2nd or subsequent violation of these provisions is guilty of a misdemeanor. The fees paid to the secretary under these provisions are deposited in the Department of Food and Agriculture Fund, a continuously appropriated fund for these purposes. The secretary is authorized to establish a lower rate for those fees if the funds derived from the assessment are more than reasonably necessary to cover the cost of administration and enforcement of the preparation for market and marketing of eggs, as specified.

This bill would raise the maximum fee to \$0.15 for each 30 dozen eggs sold in this state, and would expand the scope of the fee requirement to include out-of-state egg handlers and producers who bring egg products, as defined, into the state. By increasing moneys deposited in a continuously appropriated fund, this bill would make an appropriation. Because this bill would expand the scope of a crime, it would impose a state-mandated local program. The bill would further require the secretary to establish a lower rate for those fees if the funds derived from the assessment are more than reasonably necessary to cover the cost of administration and enforcement, as specified.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 27551 of the Food and Agricultural Code is amended to read:

27551. The following persons shall pay to the secretary a maximum fee of fifteen cents (\$0.15) for each 30 dozen eggs sold as provided below:

(a) California egg handlers shall pay the fee on all egg sales from their own production, on eggs purchased or acquired from California egg producers, and on eggs processed into egg products. California egg handlers shall not pay a fee on eggs purchased from out-of-state egg handlers or egg producers.

(b) California egg producers shall pay the fee on all egg sales to anyone not registered under this chapter as an egg handler, to out-of-state purchasers, and to egg breaking plants.

(c) Out-of-state egg handlers and producers shall report and pay the fee on egg sales into California sold to a retailer, producer, handler, or breaking plant, and on egg products brought into the state at a maximum rate of fifteen cents (\$0.15) for each equivalent of 30 dozen eggs.

(d) Shipments of eggs that are accompanied by a United States Department of Agriculture certificate of grade and sold to the federal government or its agencies are exempt from these fees.

(e) Eggs sold to household consumers on the premises where produced from a total flock size of 500 hens or less are exempt from these fees.

(f) The assessment provided for in this section shall only be paid once on any particular egg.

SEC. 2. Section 27552 of the Food and Agricultural Code is amended to read:

27552. The fees provided in Section 27551 are maximum fees and shall be established at a lower rate by the secretary at any time the funds derived from the assessment are more than reasonably necessary to cover the cost of administration and enforcement of this chapter, including the maintenance of a reasonable reserve fund for those purposes.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.