

AMENDED IN SENATE JULY 1, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 655

Introduced by Assembly Member Quirk

February 24, 2015

An act to amend ~~Section~~ *Sections 19227, 19312, and 19315* of, and to add Section 19300.1 to, the Food and Agricultural Code, relating to rendering, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 655, as amended, Quirk. Rendering: inedible kitchen grease: *registration fee: additional fee: fees.*

~~Existing~~

(1) Existing law regulates rendering, which is defined as the recycling, processing, and conversion of, among other things, inedible kitchen grease. Existing law requires transporters of inedible kitchen grease to be registered and to pay a specified registration fee. Existing law, operative until July 1, 2020, authorizes the Department of Food and Agriculture, in addition to the license fee, to charge each licensed renderer and collection center an additional fee to cover the reasonable costs of administering provisions regulating renderers, collection centers, and transporters of inedible kitchen grease, and requires that the additional fees may not exceed \$3,000 per year.

This bill would increase the maximum amount of these additional fees to \$10,000 per year.

(2) Existing law requires transporters of inedible kitchen grease to be registered and to pay a \$100 registration fee. Existing law, operative

until July 1, 2020, authorizes the ~~Department of Food and Agriculture department, except as specified,~~ to charge an additional fee not to exceed \$300 per year per vehicle that is operated to transport kitchen grease for purposes of administering the provisions regulating these transporters. Existing law exempts from 75% of the additional fee a registered transporter who transports inedible kitchen grease for his or her own personal, noncommercial use as an alternative fuel, subject to specified requirements. Existing transporters, up to a maximum of \$3,000 per year per registered transporter.

This bill would increase the registration fee for transporters of inedible kitchen grease to not to exceed \$250. The bill would also increase the additional fee to not to exceed \$500 per year per vehicle that is operated to transport kitchen grease and the maximum to not exceed \$10,000 per year per registered transporter.

(3) *This bill would also authorize the Secretary of Food and Agriculture, based upon the findings and recommendation of the Rendering Industry Advisory Board, to determine the additional fee amounts, as described above under (1) and (2), necessary to provide the revenue needed to carry out these provisions. The bill would require the secretary and the board to not exceed the maximum amount for additional fees authorized pursuant to these provisions. The bill would provide that the secretary shall only have the authority to raise an additional fee upon recommendation of the board. The bill would exempt the setting of these additional fees from the requirements of the Administrative Procedure Act.*

(4) Existing law requires fees collected pursuant to these provisions to be deposited into the Department of Food and Agriculture Fund and continuously appropriates the collected funds for the purposes described above.

By increasing these additional fees and the registration fee for transporters of inedible kitchen grease, which are deposited into a continuously appropriated fund, the bill would make an appropriation.

~~This bill increase the additional fee to not to exceed \$350 per year per vehicle that is operated to transport kitchen grease. By increasing this additional fee, which is deposited into a continuously appropriated fund, the bill would make an appropriation. The~~

(5) *This bill would also make related findings and declarations regarding the rendering industry and the process of rendering, rendering and would require, to the maximum extent feasible, the Department of Food and Agriculture, the State Department of Public Health, the State*

Air Resources Board, and CalRecycle to consider the “highest and best use” of food material and animal and agricultural byproducts when developing regulations and policies governing the handling and recycling of organic food waste and animal byproducts regulated by the Department of Food and Agriculture.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 19300.1 is added to the Food and
2 Agricultural Code, to read:

3 19300.1. (a) *The Legislature finds and declares all of the*
4 *following: ~~The~~*

5 (1) *The rendering industry is a critical health and safety*
6 *infrastructure for California. Rendering is an effective tool to*
7 *eliminate many human and animal disease pathogens, protect our*
8 *groundwater and air resources, and greatly reduce greenhouse gas*
9 *emissions compared to other alternative disposal options.*

10 ~~(b)~~

11 (2) *Rendering is the process of recycling waste animal tissue*
12 *into stable, value-added materials. Each year rendering recycles*
13 *approximately 59 billion pounds of perishable material generated*
14 *by the meat and poultry processing, food processing, supermarket,*
15 *and restaurant industries. The rendering industry turns this material*
16 *into valuable ingredients such as biofuels, various soaps, paints*
17 *and varnishes, cosmetics, explosives, toothpaste, pharmaceuticals,*
18 *leather, textiles, and lubricants used daily in most households.*

19 (3) *Organic and food waste recycling is an important activity*
20 *that if implemented properly can increase carbon capture and*
21 *reduce carbon emissions, increase food safety, maintain the animal*
22 *health system, and provide valuable recycled byproducts in an*
23 *economically and environmentally sustainable manner. Food*
24 *material and animal and agricultural byproducts have specific*
25 *values and risks requiring special handling that other organic*
26 *materials may not.*

27 (b) *Therefore, to the maximum extent feasible, the department,*
28 *the State Department of Public Health, the State Air Resources*
29 *Board, and CalRecycle shall consider the “highest and best use”*
30 *of these materials when developing regulations and policies*

1 governing the handling and recycling of organic food waste and
2 animal byproducts regulated by the department pursuant to this
3 chapter.

4 SEC. 2. Section 19227 of the Food and Agricultural Code is
5 amended to read:

6 19227. (a) In addition to the license fee required pursuant to
7 Section 19225, the department may charge each licensed renderer
8 and collection center an additional fee necessary to cover the
9 reasonable costs of administering Article 6 (commencing with
10 Section 19300) and Article 6.5 (commencing with Section 19310).
11 The additional fees authorized to be imposed by this section may
12 not exceed ~~three thousand dollars (\$3,000)~~ *ten thousand dollars*
13 *(\$10,000)* per year per each licensed rendering plant or collection
14 center.

15 (b) *The secretary may, based upon the findings and*
16 *recommendation of the Rendering Industry Advisory Board,*
17 *determine the additional fee amounts necessary to provide the*
18 *revenue needed to carry out the provisions of this chapter specified*
19 *in subdivision (a). The secretary and the Rendering Industry*
20 *Advisory Board shall not exceed the maximum amount for*
21 *additional fees authorized pursuant to subdivision (a). Setting the*
22 *additional fee or fees shall not be subject to Chapter 3.5*
23 *(commencing with Section 11340) of Part 1 of Division 3 of Title*
24 *2 of the Government Code. The secretary shall only have the*
25 *authority to raise an additional fee pursuant to this section upon*
26 *recommendation of the Rendering Industry Advisory Board.*

27 ~~(b)~~

28 (c) The secretary shall fix the ~~annual fee~~ *additional fee amounts*
29 established pursuant to this section and may fix different fees for
30 renderers and collection centers. ~~The secretary shall also fix the~~
31 ~~date the fee is due and the method of collecting the fee.~~ If an
32 additional fee is imposed on licensed renderers pursuant to
33 subdivision (a) and an additional fee is imposed on registered
34 transporters pursuant to subdivision (a) of Section 19315, only one
35 additional fee may be imposed on a person or firm that is both
36 licensed as a renderer pursuant to Article 6 (commencing with
37 Section 19300) and registered as a transporter of inedible kitchen
38 grease pursuant to Article 6.5 (commencing with Section 19310),
39 which fee shall be the higher of the two fees.

40 ~~(e)~~

1 (d) If the *additional* fee established pursuant to this section is
2 not paid within one calendar month of the date it is due, a penalty
3 shall be imposed in the amount of 10 percent per annum on the
4 amount of the unpaid fee.

5 ~~(d)~~

6 (e) This section shall become inoperative on July 1, 2020, and,
7 as of January 1, 2021, is repealed, unless a later enacted ~~statute~~;
8 *statute* that becomes operative on or before January 1, 2021, deletes
9 or extends the dates on which it becomes inoperative and is
10 repealed.

11 *SEC. 3. Section 19312 of the Food and Agricultural Code is*
12 *amended to read:*

13 19312. (a) Registration shall be made with the department and
14 shall include all of the following:

15 (1) The applicant's name and address.

16 (2) A description of the operations to be performed by the
17 applicant.

18 (3) The vehicles to be used in the transportation.

19 (4) A registration fee ~~of one hundred dollars (\$100)~~; *not to*
20 *exceed two hundred fifty dollars (\$250)*.

21 (5) A list of the names of the drivers employed by the transporter
22 who transport inedible kitchen grease subject to this article and
23 their drivers' license numbers.

24 (6) Any other information that may be required by the
25 department.

26 (b) Any renderer or collection center that registers pursuant to
27 this article is not required to pay the fee prescribed in this section.

28 (c) The department may refuse to issue an original or renewal
29 registration certificate to an applicant for either of the following
30 reasons:

31 (1) The existence of the grounds specified in subdivisions (a)
32 to (e), inclusive, of Section 19314.

33 (2) A failure to pay, in full by the established due date, any
34 penalty levied by the department for a previous violation of this
35 article or Article 6 (commencing with Section 19300).

36 (d) (1) The applicant may appeal the decision of the department
37 to refuse to register the applicant.

38 (2) The department shall establish procedures for the appeals
39 process, to include a noticed hearing.

1 (3) The department may reverse a decision to refuse to register
 2 the applicant, upon a finding of good cause to do so.

3 (e) The department shall adopt regulations that specify the
 4 maximum time period for which a refusal of registrations may be
 5 imposed, based on the severity or the number of violations that
 6 are the basis of the department’s action. The time period for the
 7 refusal of registration shall not exceed three years from the date
 8 the refusal of registration is imposed.

9 ~~SEC. 2.~~

10 *SEC. 4.* Section 19315 of the Food and Agricultural Code is
 11 amended to read:

12 19315. (a) Except as provided in subdivision ~~(b)~~, (c), in
 13 addition to the registration fee required by Section 19312, the
 14 department may charge a fee necessary to cover the costs of
 15 administering this article. Any additional fee charged pursuant to
 16 this section shall not exceed ~~three hundred fifty dollars (\$350)~~ *five*
 17 *hundred dollars (\$500)* per year per vehicle that is operated to
 18 transport kitchen grease, and shall not exceed ~~three thousand dollars~~
 19 ~~(\$3,000)~~ *ten thousand dollars (\$10,000)* per year per registered
 20 transporter.

21 *(b) The secretary may, based upon the findings and*
 22 *recommendation of the Rendering Industry Advisory Board,*
 23 *determine the specific fee per vehicle necessary to provide the*
 24 *revenue needed to carry out the provisions of this article. The*
 25 *secretary and the Rendering Industry Advisory Board shall not*
 26 *exceed the maximum fee amounts established by this section.*
 27 *Setting the fee amounts authorized pursuant to subdivision (a)*
 28 *shall not be subject to Chapter 3.5 (commencing with Section*
 29 *11340) of Part 1 of Division 3 of Title 2 of the Government Code.*
 30 *The secretary shall only have the authority to raise an additional*
 31 *fee pursuant to this section upon recommendation of the Rendering*
 32 *Industry Advisory Board.*

33 ~~(b)~~

34 (c) An individual registered pursuant to this article who
 35 transports inedible kitchen grease for his or her own personal,
 36 noncommercial use as an alternative fuel is exempt from 75 percent
 37 of the fee charged pursuant to subdivision (a), and shall meet all
 38 of the following requirements:

39 (1) The individual shall meet all other requirements of this
 40 article.

1 (2) The individual shall not transport more than 55 gallons of
2 inedible kitchen grease per load for that purpose, and shall have
3 no more than 165 gallons of inedible kitchen grease in his or her
4 possession or control at any time.

5 (3) The individual shall not take any inedible kitchen grease
6 from a container owned by another registered transporter of
7 inedible kitchen grease or from an inedible kitchen grease provider
8 under contract with a registered transporter of inedible kitchen
9 grease or from a container owned by a renderer or collection center.

10 (4) The individual shall have a document in his or her possession
11 while transporting inedible kitchen grease signed by the responsible
12 party providing the inedible kitchen grease to the individual at the
13 source of the inedible kitchen grease that provides permission for
14 the inedible kitchen grease to be removed from that site.

15 (5) The individual shall specify where the inedible kitchen
16 grease is stored and processed as an alternative fuel, if that address
17 is different from the address included on the registration form for
18 that individual pursuant to Section 19312.

19 (6) The individual shall not sell, barter, or trade any inedible
20 kitchen grease.

21 (e)

22 (d) The secretary shall fix the ~~annual fee~~ *additional fees*
23 established pursuant to this section and may fix different fees for
24 transporters of inedible kitchen grease and collection centers, and
25 for transporters of interceptor grease. ~~The secretary shall also fix~~
26 ~~the date the fee is due and the method of collecting the fee.~~ If an
27 additional fee is imposed on licensed renderers pursuant to
28 subdivision (a) of Section 19227 and an additional fee is imposed
29 on registered transporters pursuant to subdivision ~~(a)~~, *(a) of this*
30 *section*, only one additional fee may be imposed on a person or
31 firm that is both licensed as a renderer pursuant to Article 6
32 (commencing with Section 19300) and registered as a transporter
33 of inedible kitchen grease pursuant to this article, which fee shall
34 be the higher of the two fees.

35 (d)

36 (e) If the *additional* fee established pursuant to this section is
37 not paid within one calendar month of the date it is due, a penalty
38 shall be imposed in the amount of 10 percent per annum on the
39 amount of the unpaid fee.

40 (e)

1 (f) For purposes of this section, “interceptor grease” means
2 inedible kitchen grease that is principally derived from food
3 preparation, processing, or waste, and that is removed from a grease
4 trap or grease interceptor.

5 (f)

6 (g) This section shall become inoperative on July 1, 2020, and,
7 as of January 1, 2021, is repealed, unless a later enacted statute,
8 which becomes effective on or before January 1, 2021, deletes or
9 extends the dates on which it becomes inoperative and is repealed.