

Assembly Bill No. 655

Passed the Assembly August 23, 2016

Chief Clerk of the Assembly

Passed the Senate August 17, 2016

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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

LEGISLATIVE COUNSEL'S DIGEST

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

(1) Existing law regulates rendering, which is defined as the recycling, processing, and conversion of, among other things, inedible kitchen grease. 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, 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, 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.

Appropriation: yes.

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, 2020, and, as of January 1, 2021, is repealed, unless a later enacted statute that becomes operative on or before January 1, 2021, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 19312 of the Food and Agricultural Code is amended to read:

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

- (1) The applicant's name and address.
- (2) A description of the operations to be performed by the applicant.
- (3) The vehicles to be used in the transportation.
- (4) A registration fee not to exceed two hundred fifty dollars (\$250).
- (5) A list of the names of the drivers employed by the transporter who transport inedible kitchen grease subject to this article and their drivers' license numbers.
- (6) Any other information that may be required by the department.

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

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

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

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

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

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

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

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

SEC. 3. 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 his or her 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 his or her 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 his or her 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, 2020, and, as of January 1, 2021, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2021, deletes or extends the dates on which it becomes inoperative and is repealed.

Approved _____, 2016

Governor