

**ASSEMBLY BILL**

**No. 2739**

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**Introduced by Assembly Member Baugh**

February 25, 2000

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An act to amend Section 25205.6 of the Health and Safety Code, relating to hazardous waste.

LEGISLATIVE COUNSEL'S DIGEST

AB 2739, as introduced, Baugh. Hazardous materials handling charge.

Existing law requires corporations that use, generate, store, or conduct activities in this state related to hazardous materials to pay an annual charge, based upon a schedule of Standard Industrial Classification Codes provided by the Department of Toxic Substances Control to the State Board of Equalization. Existing law establishes a schedule for the fee, based upon the number of employees employed by a corporation, and sets the fee for those corporations that employ more than 1,000 or more employees at \$9,500. For purposes of this charge, existing law provides that the number of employees of a corporation is based on the number of persons employed for more than 500 hours in the preceding calendar year.

Under existing law, specified funds, including the charge imposed on corporations handling hazardous materials, are deposited in the Toxic Substances Control Account in the General Fund and the funds deposited in that account are available upon appropriation to the department for purposes relating to the cleanup of hazardous substance release sites.

This bill would decrease the amount of the fee for corporations that employ 1,000 or more employees, but less than 1,499 employees, to \$4,200, would specify the fee for corporations that employ less than 3,000 employees, and would set the fee for corporations that employ 3,000 or more employees at \$9,500.

The bill would increase the number of hours that a person is required to work during the preceding calendar year to be considered an employee to 1,000.

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

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

1 SECTION 1. Section 25205.6 of the Health and Safety  
2 Code is amended to read:

3 25205.6. (a) On or before November 1 of each year,  
4 the department shall provide the board with a schedule  
5 of codes, that consists of the types of corporations that use,  
6 generate, store, or conduct activities in this state related  
7 to hazardous materials, as defined in subdivision ~~(k)~~ (u)  
8 of Section 25501, including, but not limited to, hazardous  
9 waste. The schedule shall consist of identification codes  
10 from one of the following classification systems, as  
11 deemed suitable by the department:

12 (1) The Standard Industrial Classification (SIC)  
13 system established by the United States Department of  
14 Commerce.

15 (2) The North American Industry Classification  
16 System (NAICS) adopted by the United States Census  
17 Bureau.

18 (b) Each corporation of a type identified in the  
19 schedule adopted pursuant to subdivision (a) shall pay an  
20 annual fee, which shall be set at two hundred dollars  
21 (\$200) for those corporations with 50 or more employees,  
22 but less than 75 employees, three hundred fifty dollars  
23 (\$350) for those corporations with 75 or more employees,  
24 but less than 100 employees, seven hundred dollars  
25 (\$700) for those corporations with 100 or more  
26 employees, but less than 250 employees, one thousand



1 five hundred dollars (\$1,500) for those corporations with  
2 250 or more employees, but less than 500 employees, two  
3 thousand eight hundred dollars (\$2,800) for those  
4 corporations with 500 or more employees, but less than  
5 1,000 employees, ~~and nine thousand five hundred dollars~~  
6 ~~(\$9,500) for those corporations with 1,000 or more~~  
7 ~~employees~~ *four thousand two hundred dollars (\$4,200)*  
8 *for those corporations with 1,000 or more employees but*  
9 *less than 1,499 employees, five thousand six hundred*  
10 *dollars (\$5,600) for those corporations with 1,500 or more*  
11 *employees but less than 1,999 employees, seven thousand*  
12 *dollars (\$7,000) for those corporations with 2,000 or more*  
13 *employees but less than 2,499 employees, eight thousand*  
14 *four hundred dollars (\$8,400) for those corporations with*  
15 *2,500 or more employees but less than 2,999 employees,*  
16 *and nine thousand five hundred dollars (\$9,500) for those*  
17 *corporations with 3,000 or more employees.*

18 (c) The fee imposed pursuant to this section shall be  
19 paid by each corporation that is identified in the schedule  
20 adopted pursuant to subdivision (a) in accordance with  
21 Part 22 (commencing with Section 43001) of Division 2 of  
22 the Revenue and Taxation Code and shall be deposited in  
23 the Toxic Substances Control Account. The revenues  
24 shall be available, upon appropriation by the Legislature,  
25 for the purposes specified in subdivision (b) of Section  
26 25173.6.

27 (d) For purposes of this section, the number of  
28 employees employed by a corporation is the number of  
29 persons employed in this state for more than ~~500~~ *1000*  
30 hours during the calendar year preceding the calendar  
31 year in which the fee is due.

32 (e) ~~The~~ *Except for the fees specified in subdivision (b)*  
33 *for corporations with 1,000 or more employees, the fee*  
34 *rates specified in subdivision (b) are the rates for the 1998*  
35 *calendar year. Beginning with the 1999 calendar year,*  
36 *and for each calendar year thereafter, the board shall*  
37 *adjust the rates annually to reflect increases or decreases*  
38 *in the cost of living during the prior fiscal year, as*  
39 *measured by the Consumer Price Index issued by the*



1 Department of Industrial Relations or by a successor  
2 agency.

3 (f) Pursuant to paragraph (3) of subsection (c) of  
4 Section 104 of the federal Comprehensive  
5 Environmental Response, Compensation, and Liability  
6 Act of 1980, as amended (42 U.S.C. Sec. ~~9404~~ 9604(c)(3)),  
7 the state is obligated, as authorized by paragraph ~~(2)~~ of  
8 ~~subdivision (a) of Section 25351~~ (5) of subdivision (b) of  
9 Section 25173.6, to pay specified costs of removal and  
10 remedial actions carried out pursuant to the federal  
11 Comprehensive Environmental Response,  
12 Compensation, and Liability Act of 1980, as amended (42  
13 U.S.C. Sec. 9601, et seq.). The fee rates specified in  
14 subdivision (b) are intended to provide sufficient  
15 revenues to fund the purposes of subdivision (b) of  
16 Section 25173.6, including appropriations in any given  
17 fiscal year of three million three hundred thousand  
18 dollars (\$3,300,000) to fund the state's obligation pursuant  
19 to paragraph (3) of subsection (c) of Section 104 of the  
20 federal Comprehensive Environmental Response,  
21 Compensation, and Liability Act of 1980, as amended (42  
22 U.S.C. Sec. ~~9404~~ 9604(c)(3)). If the department  
23 determines that the state's obligation under paragraph  
24 (3) of subsection (c) of Section 104 of the federal  
25 Comprehensive Environmental Response,  
26 Compensation, and Liability Act of 1980, as amended (42  
27 U.S.C. Sec. ~~9404~~ 9604(c)(3)) will exceed three million  
28 three hundred thousand dollars (\$3,300,000) in any fiscal  
29 year, the department shall report that determination to  
30 the Legislature in the Governor's Budget. If, as part of the  
31 Budget Act deliberations, the Legislature concurs with  
32 the department's determination, the Legislature shall  
33 specify in the annual Budget Act those pro rata changes  
34 to the fee rates specified in subdivision (b) that will  
35 increase revenues in the next calendar year as necessary  
36 to fund the state's increased obligations. However, the  
37 Legislature shall not specify fee rates in the annual  
38 Budget Act that increase revenues in an amount greater  
39 than eight million two hundred thousand dollars  
40 (\$8,200,000) above the revenues provided by the fee rates



1 specified in subdivision (b). Any changes in the fee rates  
2 approved by the Legislature in the annual Budget Act  
3 pursuant to this subdivision shall have effect only on the  
4 fee payment that is due and payable by the end of  
5 February in the fiscal year for which that annual Budget  
6 Act is enacted.

7 (g) This section does not apply to nonprofit  
8 corporations primarily engaged in the provision of  
9 residential social and personal care for children, the aged,  
10 and special categories of persons with some limits on their  
11 ability for self-care, as described in SIC Code 8361 of the  
12 Standard Industrial Classification (SIC) Manual  
13 published by the United States Office of Management  
14 and Budget, 1987 edition.

