

AMENDED IN SENATE AUGUST 5, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2584

Introduced by ~~Committee on Agriculture (Matthews (Chair), Maldonado (Vice Chair), Canciamilla, Cardoza, Florez, Hollingsworth, Kelley, Oropeza, Reyes, Salinas, Thomson, and Wiggins)~~ Assembly Member Matthews

February 21, 2002

~~An act to amend Sections 27573 and 27644 of the Food and Agricultural Code, relating to eggs. An act to add Section 638 to the Penal Code, relating to payroll services.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2584, as amended, ~~Committee on Agriculture Matthews. Eggs~~ Payroll services.

Existing law provides that it is unlawful to embezzle property from an employer, or for a bailee to improperly convert property from a party with a legal right to possession, as specified. Existing law does not require licensing or bonding for providers of payroll services.

This bill would make it a misdemeanor for an outside provider of payroll services, as specified, to possess money or negotiable instruments intended for the payroll and payroll deduction expenses of a business to which it is providing those services. This bill would exempt from this prohibition a provider of payroll services that is bonded or has a state license in a profession requiring the provision of fiduciary duties to its clients.

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.

~~(1) Existing law requires the Secretary of Food and Agriculture to appoint a Shell Egg Advisory Committee that is authorized to advise the secretary with respect to various issues related to eggs.~~

~~This bill would allow the committee to advise the secretary with respect to components of the Egg Quality Assurance Plan, a voluntary food safety program developed by the egg industry in cooperation with various public agencies that are consistent with and promote the purposes of California law regarding eggs and egg products.~~

~~(2) Existing law makes it unlawful for an egg handler to sell, offer for sale, or expose for sale eggs that are packed or graded for human consumption unless certain requirements are met, including that the consumer container is labeled with a warning to keep the eggs refrigerated. An existing federal regulation, effective September 4, 2001, requires that, except as specified, the label of a package of eggs bear the statement “SAFE HANDLING INSTRUCTIONS: To prevent illness from bacteria: keep eggs refrigerated, cook eggs until yolks are firm, and cook foods containing eggs thoroughly.”~~

~~This bill would provide that a consumer egg container is adequately marked with a warning to keep the eggs refrigerated if its labeling complies with the safe handling instructions required by the aforementioned federal regulation.~~

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

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

1 SECTION 1.—Section 27573 of the Food and Agricultural
2 SECTION 1. Section 638 is added to the Penal Code, to read:
3 638. (a) For purposes of this section:
4 (1) “Outside payroll services” means services by a party who
5 is not an employee of a business that relate to the preparation of
6 payroll or payroll deduction documentation for that business, and
7 services that relate to the payment of those private or
8 governmental entities payable from the payroll or payroll
9 deduction funds of that business. “Outside payroll services”
10 includes, but is not limited to, preparation of paychecks; payment



1 of payroll remittances for taxes, insurance, and benefits; and
2 preparation of payroll summary information and invoices.

3 (2) “Negotiable instruments” means materials received from a
4 business to provide for payroll or payroll deductions, that can be
5 redeemed for money without further authorized signatures or other
6 provision of authority from that business.

7 (3) “Payroll obligations” means the payments to the
8 employees of a business, and all associated payments due to
9 entities other than the employees, including, but not limited to,
10 federal, state, and local taxes; retirement funds; social security,
11 unemployment, and disability insurance; charitable deductions;
12 and life, health, and dental insurance. “Payroll obligations” does
13 not include fees to an entity providing outside payroll services for
14 the provision of those services.

15 (b) No person, organization, or other entity providing outside
16 payroll services may possess any money or negotiable instrument
17 intended for the payment of the payroll obligations of a business
18 for which it provides payroll services unless that entity is bonded
19 pursuant to state law, or is licensed by the state in a profession
20 requiring the provision of fiduciary duties to its clients.

21 (c) A violation of this section is a misdemeanor punishable by
22 imprisonment in a county jail not to exceed one year, a fine not to
23 exceed ten thousand dollars (\$10,000), or by both that fine and
24 imprisonment.

25 SEC. 2. No reimbursement is required by this act pursuant to
26 Section 6 of Article XIII B of the California Constitution because
27 the only costs that may be incurred by a local agency or school
28 district will be incurred because this act creates a new crime or
29 infraction, eliminates a crime or infraction, or changes the penalty
30 for a crime or infraction, within the meaning of Section 17556 of
31 the Government Code, or changes the definition of a crime within
32 the meaning of Section 6 of Article XIII B of the California
33 Constitution.

34 Code is amended to read:

35 ~~27573. The committee shall be advisory to the Secretary of~~
36 ~~Food and Agriculture on all matters pertaining to standards for~~
37 ~~shell eggs. The committee may advise on:~~

38 ~~(a) Quality of shell eggs.~~

39 ~~(b) Recommendations concerning sampling.~~

40 ~~(c) Uniformity of inspection.~~



1 ~~(d) Adjustment of fees for proper administration and~~
2 ~~enforcement.~~

3 ~~(e) Annual budget for the administration and enforcement of~~
4 ~~this chapter and all matters pertaining to this chapter or regulations~~
5 ~~adopted pursuant thereto.~~

6 ~~(f) Components of the Egg Quality Assurance Plan, a voluntary~~
7 ~~food safety program, that are consistent with and promote the~~
8 ~~purposes of this chapter.~~

9 ~~SEC. 2.—Section 27644 of the Food and Agricultural Code is~~
10 ~~amended to read:~~

11 ~~27644.—(a) It is unlawful for an egg handler, as defined in~~
12 ~~Section 27510, to sell, offer for sale, or expose for sale eggs that~~
13 ~~are packed or graded for human consumption unless at least one~~
14 ~~of the following conditions is met:~~

15 ~~(1) The consumer container is plainly, legibly, and~~
16 ~~conspicuously labeled “KEEP REFRIGERATED” or with words~~
17 ~~of similar meaning. Consumer container labeling that complies~~
18 ~~with the safe-handling instructions required by Section 101.17 of~~
19 ~~the Code of Federal Regulations shall be deemed to comply with~~
20 ~~this paragraph.~~

21 ~~(2) A conspicuous sign is posted at the point of sale for eggs on~~
22 ~~bulk display advising consumers that the eggs are to be~~
23 ~~refrigerated as soon as practical after purchase.~~

24 ~~(b) Except as provided in subdivision (c), it is unlawful for an~~
25 ~~egg handler to sell, offer for sale, or expose for sale eggs that are~~
26 ~~packed for human consumption unless each container intended for~~
27 ~~sale to the ultimate consumer is labeled on one outside top, side,~~
28 ~~or end with all of the following:~~

29 ~~(1) (A) The words “Sell-by” immediately followed by the~~
30 ~~month and day in bold type, for example “June 30” or “6-30.”~~
31 ~~Common abbreviations of months shall be permitted.~~

32 ~~(B) The sell-by date shall not exceed 30 days from the date on~~
33 ~~which the eggs were packed, excluding the date of packing.~~

34 ~~(C) If the eggs are repacked but not regraded, the original~~
35 ~~sell-by date shall apply.~~

36 ~~(2) A Julian pack date. As used in this paragraph, the Julian~~
37 ~~pack date is the consecutive day of the year on which the eggs were~~
38 ~~packed.~~

39 ~~(3) The identification number of the plant of origin.~~



1 ~~(c) This section does not apply to eggs that are packaged for~~
2 ~~export. Paragraph (1) of subdivision (b) does not apply to eggs that~~
3 ~~are packaged for interstate commerce or eggs that are packaged for~~
4 ~~military sales.~~

5 ~~(d) All eggs returned from grocery stores, store warehouses,~~
6 ~~and institutions shall not be reprocessed for retail shell egg sales.~~

7 ~~(e) (1) For the purposes of paragraph (3) of subdivision (b), the~~
8 ~~department, in consultation with the Shell Egg Advisory~~
9 ~~Committee, shall establish a plant identification numbering~~
10 ~~system and assign identification numbers to all egg handling~~
11 ~~facilities.~~

12 ~~(2) For the purposes of complying with paragraph (3) of~~
13 ~~subdivision (b), an egg handling facility that is inspected by the~~
14 ~~United States Department of Agriculture, and to which a federal~~
15 ~~plant identification number has been assigned, may use the federal~~
16 ~~identification number, the identification number assigned by the~~
17 ~~department, or both.~~

