

ASSEMBLY BILL

No. 2240

Introduced by Committee on Agriculture (Galgiani (Chair), Tom Berryhill (Vice Chair), Conway, Ma, Mendoza, and Yamada)

February 18, 2010

An act to amend Sections 55861, 55861.5, and 55862.7 of the Food and Agricultural Code, relating to agriculture.

LEGISLATIVE COUNSEL'S DIGEST

AB 2240, as introduced, Committee on Agriculture. Agriculture: processors of farm products: licensing: fees.

Existing law requires processors of farm products and cash buying processors to be licensed and to pay to the Department of Food and Agriculture an annual license application fee in accordance with a specified schedule determined by the annual dollar volume of business based on farm product volumes. The department is required to reevaluate that fee structure based on operating costs in fiscal years 1998–99 and 1999–2000 and to submit a report, with specified information, to the Legislature within 60 days subsequent to June 30, 2000.

This bill, instead, would authorize the department to reevaluate the fee structure based on operating costs. The bill would also delete outdated fee structure and reporting provisions.

Existing law provides that the application fees are maximum fees and that the Secretary of Food and Agriculture may fix the fees at a lesser amount or adjust the fees whenever the secretary finds that the cost of administration can be defrayed with the below-maximum fees.

This bill would authorize the secretary to appoint an advisory committee of producers and licensees to provide guidance in establishing

those fees or to rely on input from any similar advisory committee already assembled by the secretary.

This bill would make other technical, nonsubstantive changes.

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 55861 of the Food and Agricultural Code
 2 is amended to read:

3 55861. (a) Except as otherwise provided in this article or in
 4 Section 56574, each applicant for a license shall pay to the
 5 department a fee in accordance with the schedule in subdivision
 6 (b), except that an agent shall pay thirty-five dollars (\$35) for each
 7 license period of the principal.

8 (b) The amount of the fee due each year from the applicant shall
 9 be determined by the annual dollar volume of business based on
 10 the value of the farm products that is returned to the grower, as
 11 follows:

12 (1) For a dollar volume of less than twenty thousand dollars
 13 (\$20,000), the fee shall be one hundred dollars (\$100).

14 (2) For a dollar volume of ~~twenty thousand dollars (\$20,000)~~
 15 ~~and over, but less than fifty thousand dollars (\$50,000), the fee~~
 16 ~~shall be four hundred dollars (\$400). Effective January 1, 1999,~~
 17 ~~for a dollar volume of twenty thousand dollars (\$20,000) and over,~~
 18 ~~but less than fifty thousand dollars (\$50,000), the fee shall be three~~
 19 ~~hundred dollars (\$300). Effective January 1, 2000, for a dollar~~
 20 ~~volume of twenty thousand dollars (\$20,000) and over, but less~~
 21 ~~than fifty thousand dollars (\$50,000), the fee shall be two hundred~~
 22 ~~dollars (\$200).~~

23 (3) For a dollar volume of ~~fifty thousand dollars (\$50,000) and~~
 24 ~~over, but less than two million dollars (\$2,000,000), the fee shall~~
 25 ~~be five hundred dollars (\$500). Effective January 1, 1999, for a~~
 26 ~~dollar volume of fifty thousand dollars (\$50,000) and over, but~~
 27 ~~less than two million dollars (\$2,000,000), the fee shall be four~~
 28 ~~hundred dollars (\$400). Effective January 1, 2000, for a dollar~~
 29 ~~volume of fifty thousand dollars (\$50,000) and over, but less than~~
 30 ~~two million dollars (\$2,000,000), the fee shall be three hundred~~
 31 ~~dollars (\$300).~~

1 (4) For a dollar volume of ~~two million dollars (\$2,000,000) and~~
2 ~~over, the fee shall be six hundred dollars (\$600). Effective January~~
3 ~~1, 1999, for a dollar volume of two million dollars (\$2,000,000)~~
4 ~~and over, the fee shall be five hundred dollars (\$500). Effective~~
5 ~~January 1, 2000, for a dollar volume of two million dollars~~
6 ~~(\$2,000,000) and over, the fee shall be four hundred dollars (\$400).~~

7 (c) The department ~~shall~~ *may* reevaluate the fee structure based
8 on operating costs in ~~fiscal years 1998–99 and 1999–2000 and,~~
9 ~~notwithstanding Section 7550.5 of the Government Code, shall~~
10 ~~report on the fee structure to the Legislature within 60 days~~
11 ~~subsequent to June 30, 2000. The report shall include, but shall~~
12 ~~not be limited to, a summary of the fees paid by commodity and~~
13 ~~dollar volume, an analysis of whether the fee structure is~~
14 ~~appropriate to overall program revenues, and the volume of services~~
15 ~~utilized by the major commodity groups covered under this chapter.~~
16 The fees shall adequately cover the costs to fully administer and
17 operate the program in an effective and efficient manner.

18 SEC. 2. Section 55861.5 of the Food and Agricultural Code is
19 amended to read:

20 55861.5. The fees provided by Section 55861 are maximum
21 fees. ~~The director~~ *secretary* may fix ~~such those~~ fees at a lesser
22 amount, and may adjust ~~such those~~ fees from time to time,
23 whenever ~~he~~ *the secretary* finds that the cost of administering this
24 chapter can be defrayed with ~~such those~~ below-maximum fees.
25 *The secretary may appoint an advisory committee of producers*
26 *and licensees to provide guidance in establishing those fees or*
27 *may rely on input from any similar advisory committee already*
28 *assembled by the secretary.*

29 SEC. 3. Section 55862.7 of the Food and Agricultural Code is
30 amended to read:

31 55862.7. (a) If any person is found to be operating a business
32 without the license required by Section 55521, or failed to pay a
33 fee in accordance with the schedule in subdivision (b) of Section
34 55861, that person shall pay to the ~~director~~ *secretary* double the
35 amount of the license fee due pursuant to this chapter.

36 (b) In addition to subdivision (a), if any person is found to be
37 operating a business within the past five years without a license
38 required by Section 55521, or failed to pay the fees in accordance
39 with the schedule in subdivision (b) of Section 55861, that person
40 shall pay to the ~~director~~ *secretary* an amount equal to that portion

- 1 of the fees ~~which~~ *that* were not paid for the last five years the
- 2 business has operated.

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