

**ASSEMBLY BILL**

**No. 1132**

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**Introduced by Assembly Member Eggman**

February 22, 2013

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An act to amend Sections 15053 and 15061 of the Food and Agricultural Code, relating to commercial feed, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1132, as introduced, Eggman. Commercial feed: license fee: inspection tonnage tax.

Existing law requires that a license be obtained from the Secretary of Food and Agriculture for each location where commercial feed is manufactured, distributed, sold, or stored for later sale. Existing law requires each license application to be accompanied by an annual fee specified by the Department of Food and Agriculture for each location of at least \$100, but not exceeding \$600, with the specific fee to be set by the secretary upon recommendation of the Feed Inspection Advisory Board. Beginning on January 1, 2015, the license fee is required to be \$100 for each location. The funds collected are deposited into the Department of Food and Agriculture Fund and are continuously appropriated for purposes relating to the manufacture and distribution of commercial feed.

This bill would extend the date on which the new fee requirement of \$100 for each location would take effect from January 1, 2015, to January 1, 2020. By extending the time during which a higher license fee may be applied, the bill would increase the fees that are deposited into a continuously appropriated fund, thereby making an appropriation.

(2) Existing law establishes an inspection tonnage tax for commercial feed, as specified, with a maximum rate of \$0.15 per ton. The funds collected are deposited into the Department of Food and Agriculture Fund, and are continuously appropriated for purposes of the provisions regulating commercial feed. Existing law, until January 1, 2015, authorizes the secretary to designate a specified amount of the tonnage taxes collected to provide funding for research and education regarding the safe manufacture, distribution, and use of commercial feed.

This bill would extend the secretary’s authority to designate a specified amount of the tonnage taxes collected for those purposes from January 1, 2015, to January 1, 2020. This would constitute a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the Legislature. By extending the purposes for which funds in a continuously appropriated fund may be spent, the bill would make an appropriation.

Vote: 2/3. 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 15053 of the Food and Agricultural Code  
2 is amended to read:  
3 15053. (a) Each application for a license shall be accompanied  
4 by an annual fee specified by the department for each location.  
5 Beginning on January 1, 2007, the minimum license fee shall be  
6 one hundred dollars (\$100) for each location and the maximum  
7 license fee for each location shall not exceed six hundred dollars  
8 (\$600) for each location with the specific fee to be set by the  
9 secretary upon recommendation of the Feed Inspection Advisory  
10 Board. Those licensees with feed licenses on the effective date of  
11 the bill who have previously paid their license fees for the then  
12 current fiscal year shall not be subject to any new fees until their  
13 licenses are renewed. Beginning January 1, ~~2015~~ 2020, the license  
14 fee shall be one hundred dollars (\$100) for each location. Those  
15 licensees with feed licenses on that date who have previously paid  
16 their license fees for the then current fiscal year shall not be subject  
17 to any new license fees until their licenses are renewed.

1 (b) Revenues generated from license fees shall be used to  
2 replenish feed inspection program reserves to a minimum of 25  
3 percent of program expenditures, after which point some of the  
4 revenues from these fees shall be used to reduce feed tonnage taxes  
5 provided for in this chapter upon recommendation of the Feed  
6 Inspection Advisory Board.

7 SEC. 2. Section 15061 of the Food and Agricultural Code, as  
8 amended by Section 74 of Chapter 328 of the Statutes of 2010, is  
9 amended to read:

10 15061. (a) An inspection tonnage tax at the maximum rate of  
11 fifteen cents (\$0.15) per ton of commercial feed sold, except whole  
12 grains, and whole hays when unmixed, shall be paid to the secretary  
13 by any person who distributes commercial feed to a  
14 consumer-buyer in this state. The distributor shall also pay an  
15 inspection tonnage tax for purchased commercial feed fed to his  
16 or her own animals.

17 (b) The secretary may, based upon a finding and  
18 recommendation of the Feed Inspection Advisory Board, determine  
19 the specific rate necessary to provide the revenue needed to carry  
20 out the provisions of this chapter. The secretary and the Feed  
21 Inspection Advisory Board shall not exceed the maximum tonnage  
22 rate established by this section. Setting the tonnage tax rate shall  
23 not be subject to Chapter 3.5 (commencing with Section 11340)  
24 of Part 1 of Division 3 of Title 2 of the Government Code.

25 (c) The secretary may, based upon a finding and  
26 recommendation of the Feed Inspection Advisory Board, designate  
27 15 percent of the tonnage taxes collected, or two hundred thousand  
28 dollars (\$200,000), whichever amount is greater, to provide funding  
29 for research and education regarding the safe manufacture,  
30 distribution, and use of commercial feed. These funds may only  
31 be spent on activities approved by the Feed Inspection Advisory  
32 Board, with approval being made ~~prior to~~ *before* any expenditure.

33 (d) This section shall remain in effect only until January 1, ~~2015~~  
34 *2020*, and as of that date is repealed, unless a later enacted statute,  
35 that is enacted before January 1, ~~2015~~ *2020*, deletes or extends  
36 that date.

37 SEC. 3. Section 15061 of the Food and Agricultural Code, as  
38 amended by Section 3 of Chapter 245 of the Statutes of 2009, is  
39 amended to read:

1 15061. (a) An inspection tonnage tax at the maximum rate of  
2 fifteen cents (\$0.15) per ton of commercial feed sold, except whole  
3 grains, and whole hays when unmixed, shall be paid to the secretary  
4 by any person who distributes commercial feed to a  
5 consumer-buyer in this state. The distributor shall also pay an  
6 inspection tonnage tax for purchased commercial feed fed to his  
7 or her own animals.  
8 (b) The secretary may, based upon a finding and  
9 recommendation of the Feed Inspection Advisory Board, determine  
10 the specific rate necessary to provide the revenue needed to carry  
11 out the provisions of this chapter. The secretary and the Feed  
12 Inspection Advisory Board shall not exceed the maximum tonnage  
13 rate established by this section. Setting the tonnage tax rate shall  
14 not be subject to Chapter 3.5 (commencing with Section 11340)  
15 of Part 1 of Division 3 of Title 2 of the Government Code.  
16 (c) This section shall become operative on January 1, ~~2015~~  
17 2020.