

AMENDED IN SENATE AUGUST 1, 2016

AMENDED IN SENATE JUNE 15, 2016

AMENDED IN SENATE JULY 1, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 655**

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### Introduced by Assembly Member Quirk

February 24, 2015

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An act to amend Sections 19227, 19312, and 19315 of, and to add Section 19300.1 to, of the Food and Agricultural Code, relating to rendering, and making an appropriation therefor.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 655, as amended, 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.

~~(5) This bill would also make related findings and declarations regarding the rendering industry and the process of rendering and would require, to the extent feasible, the Department of Food and Agriculture to consider the regional “highest and best use” of unprocessed mammalian, poultry, fish material, and inedible kitchen grease from inspected establishments, retail stores, custom slaughterers, and custom processors when developing regulations and policies governing the handling and recycling of these regulated materials and establishments.~~

Vote: majority. 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 19227 of the Food and Agricultural Code  
2 is amended to read:

3     19227. (a) In addition to the license fee required pursuant to  
4 Section 19225, the department may charge each licensed renderer  
5 and collection center an additional fee necessary to cover the  
6 reasonable costs of administering Article 6 (commencing with  
7 Section 19300) and Article 6.5 (commencing with Section 19310).  
8 The additional fees authorized to be imposed by this section may  
9 not exceed ten thousand dollars (\$10,000) per year per each  
10 licensed rendering plant or collection center.

11     (b) The secretary may, based upon the findings and  
12 recommendation of the Rendering Industry Advisory Board,  
13 determine the additional fee amounts necessary to provide the  
14 revenue needed to carry out the provisions of this chapter specified  
15 in subdivision (a). The secretary and the Rendering Industry  
16 Advisory Board shall not exceed the maximum amount for  
17 additional fees authorized pursuant to subdivision (a). Setting the  
18 additional fee or fees shall not be subject to Chapter 3.5  
19 (commencing with Section 11340) of Part 1 of Division 3 of Title  
20 2 of the Government Code. The secretary shall only have the  
21 authority to raise an additional fee pursuant to this section upon  
22 recommendation of the Rendering Industry Advisory Board.

23     (c) The secretary shall fix the additional fee amounts established  
24 pursuant to this section and may fix different fees for renderers  
25 and collection centers. If an additional fee is imposed on licensed  
26 renderers pursuant to subdivision (a) and an additional fee is  
27 imposed on registered transporters pursuant to subdivision (a) of  
28 Section 19315, only one additional fee may be imposed on a person  
29 or firm that is both licensed as a renderer pursuant to Article 6  
30 (commencing with Section 19300) and registered as a transporter  
31 of inedible kitchen grease pursuant to Article 6.5 (commencing  
32 with Section 19310), which fee shall be the higher of the two fees.

33     (d) If the additional fee established pursuant to this section is  
34 not paid within one calendar month of the date it is due, a penalty  
35 shall be imposed in the amount of 10 percent per annum on the  
36 amount of the unpaid fee.

37     (e) This section shall become inoperative on July 1, 2020, and,  
38 as of January 1, 2021, is repealed, unless a later enacted statute

1 that becomes operative on or before January 1, 2021, deletes or  
2 extends the dates on which it becomes inoperative and is repealed.

3 ~~SEC. 2. Section 19300.1 is added to the Food and Agricultural~~  
4 ~~Code, to read:~~

5 ~~19300.1. (a) The Legislature finds and declares all of the~~  
6 ~~following:~~

7 ~~(1) The rendering industry is a critical health and safety~~  
8 ~~infrastructure for California. Rendering is an effective tool to~~  
9 ~~eliminate many human and animal disease pathogens, protect our~~  
10 ~~groundwater and air resources, and greatly reduce greenhouse gas~~  
11 ~~emissions compared to other alternative disposal options.~~

12 ~~(2) Rendering is the process of recycling waste animal tissue~~  
13 ~~into stable, value-added materials. Each year rendering recycles~~  
14 ~~approximately 59 billion pounds of perishable material generated~~  
15 ~~by the meat and poultry processing, food processing, supermarket,~~  
16 ~~and restaurant industries. The rendering industry turns this material~~  
17 ~~into valuable ingredients including biofuels, various soaps, paints,~~  
18 ~~varnishes, cosmetics, explosives, toothpaste, pharmaceuticals,~~  
19 ~~leather, textiles, and lubricants used daily in most households.~~

20 ~~(b) Therefore, to the extent feasible, the department shall~~  
21 ~~consider the regional “highest and best use” of unprocessed~~  
22 ~~mammalian, poultry, fish material, and inedible kitchen grease~~  
23 ~~from inspected establishments, retail stores, custom slaughterers,~~  
24 ~~and custom processors when developing regulations and policies~~  
25 ~~governing the handling and recycling of these regulated materials~~  
26 ~~and establishments.~~

27 ~~SEC. 3.~~

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

30 ~~19312. (a) Registration shall be made with the department and~~  
31 ~~shall include all of the following:~~

32 ~~(1) The applicant’s name and address.~~

33 ~~(2) A description of the operations to be performed by the~~  
34 ~~applicant.~~

35 ~~(3) The vehicles to be used in the transportation.~~

36 ~~(4) A registration fee not to exceed two hundred fifty dollars~~  
37 ~~(\$250).~~

38 ~~(5) A list of the names of the drivers employed by the transporter~~  
39 ~~who transport inedible kitchen grease subject to this article and~~  
40 ~~their drivers’ license numbers.~~

1 (6) Any other information that may be required by the  
2 department.

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

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

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

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

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

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

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

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

25 ~~SEC. 4.~~

26 *SEC. 3.* Section 19315 of the Food and Agricultural Code is  
27 amended to read:

28 19315. (a) Except as provided in subdivision (c), in addition  
29 to the registration fee required by Section 19312, the department  
30 may charge a fee necessary to cover the costs of administering this  
31 article. Any additional fee charged pursuant to this section shall  
32 not exceed five hundred dollars (\$500) per year per vehicle that  
33 is operated to transport kitchen grease, and shall not exceed ten  
34 thousand dollars (\$10,000) per year per registered transporter.

35 (b) The secretary may, based upon the findings and  
36 recommendation of the Rendering Industry Advisory Board,  
37 determine the specific fee per vehicle necessary to provide the  
38 revenue needed to carry out the provisions of this article. The  
39 secretary and the Rendering Industry Advisory Board shall not  
40 exceed the maximum fee amounts established by this section.

1 Setting the fee amounts authorized pursuant to subdivision (a)  
2 shall not be subject to Chapter 3.5 (commencing with Section  
3 11340) of Part 1 of Division 3 of Title 2 of the Government Code.  
4 The secretary shall only have the authority to raise an additional  
5 fee pursuant to this section upon recommendation of the Rendering  
6 Industry Advisory Board.

7 (c) An individual registered pursuant to this article who  
8 transports inedible kitchen grease for his or her own personal,  
9 noncommercial use as an alternative fuel is exempt from 75 percent  
10 of the fee charged pursuant to subdivision (a), and shall meet all  
11 of the following requirements:

12 (1) The individual shall meet all other requirements of this  
13 article.

14 (2) The individual shall not transport more than 55 gallons of  
15 inedible kitchen grease per load for that purpose, and shall have  
16 no more than 165 gallons of inedible kitchen grease in his or her  
17 possession or control at any time.

18 (3) The individual shall not take any inedible kitchen grease  
19 from a container owned by another registered transporter of  
20 inedible kitchen grease or from an inedible kitchen grease provider  
21 under contract with a registered transporter of inedible kitchen  
22 grease or from a container owned by a renderer or collection center.

23 (4) The individual shall have a document in his or her possession  
24 while transporting inedible kitchen grease signed by the responsible  
25 party providing the inedible kitchen grease to the individual at the  
26 source of the inedible kitchen grease that provides permission for  
27 the inedible kitchen grease to be removed from that site.

28 (5) The individual shall specify where the inedible kitchen  
29 grease is stored and processed as an alternative fuel, if that address  
30 is different from the address included on the registration form for  
31 that individual pursuant to Section 19312.

32 (6) The individual shall not sell, barter, or trade any inedible  
33 kitchen grease.

34 (d) The secretary shall fix the additional fees established  
35 pursuant to this section and may fix different fees for transporters  
36 of inedible kitchen grease and collection centers, and for  
37 transporters of interceptor grease. If an additional fee is imposed  
38 on licensed renderers pursuant to subdivision (a) of Section 19227  
39 and an additional fee is imposed on registered transporters pursuant  
40 to subdivision (a) of this section, only one additional fee may be

1 imposed on a person or firm that is both licensed as a renderer  
2 pursuant to Article 6 (commencing with Section 19300) and  
3 registered as a transporter of inedible kitchen grease pursuant to  
4 this article, which fee shall be the higher of the two fees.

5 (e) If the additional fee established pursuant to this section is  
6 not paid within one calendar month of the date it is due, a penalty  
7 shall be imposed in the amount of 10 percent per annum on the  
8 amount of the unpaid fee.

9 (f) For purposes of this section, “interceptor grease” means  
10 inedible kitchen grease that is principally derived from food  
11 preparation, processing, or waste, and that is removed from a grease  
12 trap or grease interceptor.

13 (g) This section shall become inoperative on July 1, 2020, and,  
14 as of January 1, 2021, is repealed, unless a later enacted statute,  
15 which becomes effective on or before January 1, 2021, deletes or  
16 extends the dates on which it becomes inoperative and is repealed.