

AMENDED IN SENATE JULY 15, 2015

AMENDED IN ASSEMBLY APRIL 20, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1063**

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**Introduced by Assembly Member Williams**

February 26, 2015

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*An act to amend Sections 48001 and 48004 of, to amend, repeal, and add Section 48000 of, and to add and repeal Section 48000.1 to of, the Public Resources Code, relating to solid waste: waste, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1063, as amended, Williams. Solid waste: disposal facility: fees: charges.

**Existing**

*(1) Existing law requires the operator of a disposal facility to pay to the State Board of Equalization a fee based on the amount of all solid waste disposed of at each disposal site. The act requires the Department of Resources Recycling and Recovery to establish the amount of the fee, as specified, and limits the fee to a maximum of \$1.40 per ton. Existing law requires the moneys collected from the fee to be deposited in the Integrated Waste Management Account and to be used by the department, upon appropriation, for specified purposes.*

*This bill would raise the fee imposed on an operator of a disposal facility from a maximum of \$1.40 per ton to \$5 per ton between January 1, 2017, and January 1, 2022, inclusive, and to \$3.50 per ton on and after January 1, 2022. The bill would require a minimum of \$1 per ton of the fee collected from each operator between January 1, 2017, and*

January 1, 2022, and would authorize some or all of the fee collected thereafter, to be allocated to activities that promote recycling and the highest and best use of materials, as specified.

The bill additionally would require the department, commencing January 1, 2019, to establish, as provided, and impose a charge on all solid waste generators to be collected by a city, county, or city and county and remitted to the state board, as specified. The bill would require that the moneys collected from each solid waste generator between January 1, 2019, and January 1, 2022, be allocated by the department to activities that promote recycling and the highest and best use of materials, as specified. By adding to the duties of local governments, this bill would impose a state-mandated local program.

(2) 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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

~~This bill would require, on or before July 1, 2016, the Department of Resources Recycling and Recovery, to hold a public hearing and workshop to develop a proposal for the Legislature regarding a new solid waste management fee which would provide the department with the revenue necessary to carry out certain actions. The bill would require the department, within 6 months of the public hearing and workshop, to propose a new solid waste management fee to the Legislature.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: yes. State-mandated local program: ~~no~~<sup>yes</sup>.

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

- 1     SECTION 1. Section 48000 of the Public Resources Code is
- 2     amended to read:
- 3     48000. (a) Each operator of a disposal facility shall pay a fee
- 4     quarterly to the ~~State Board of Equalization~~, *state board*, which is
- 5     based on the amount, by weight or volumetric equivalent, as
- 6     determined by the ~~Department of Resources Recycling and~~

1 ~~Recovery~~, *department*, of all solid waste disposed of at each  
2 disposal site.

3 (b) (1) The fee for solid waste disposed of shall be one dollar  
4 and thirty-four cents (\$1.34) per ton. Commencing with the  
5 1995–96 fiscal year, the amount of the fee shall be established by  
6 ~~the Department of Resources Recycling and Recovery~~ *department*  
7 at an amount that is sufficient to generate revenues equivalent to  
8 the approved budget for that fiscal year, including a prudent  
9 reserve, but shall not exceed one dollar and forty cents (\$1.40) per  
10 ton.

11 (2) On and after July 1, 2012, the amount of the fee established  
12 by ~~the Department of Resources Recycling and Recovery~~  
13 *department* pursuant to paragraph (1) shall be increased by twelve  
14 cents (\$0.12) per ton for each operator of a solid waste landfill  
15 whose owner has notified the department that it elects to participate  
16 in the State Solid Waste Postclosure and Corrective Action Trust  
17 Fund pursuant to Article 2.1 (commencing with Section 48010).

18 (c) ~~The Department of Resources Recycling and Recovery~~  
19 *department* shall notify the state board on the first day of the period  
20 in which the rate shall take effect of any rate change adopted  
21 pursuant to paragraphs (1) and (2) of subdivision (b).

22 (d) ~~The Department of Resources Recycling and Recovery~~  
23 *department* and the state board shall ensure that all of the fees for  
24 solid waste imposed pursuant to this section that are collected at  
25 a transfer station are paid to the state board in accordance with this  
26 article.

27 (e) (1) The fee imposed by paragraph (2) of subdivision (b)  
28 shall not be operative on or after July 1, 2012, unless the  
29 ~~Department of Resources Recycling and Recovery~~ *department*  
30 receives, on or before January 1, 2012, letters of participation in  
31 the State Solid Waste Postclosure and Corrective Action Trust  
32 Fund from landfill owners representing at least 50 percent of the  
33 total volume of waste disposed of in 2010.

34 (2) ~~The Department of Resources Recycling and Recovery~~  
35 *department* shall notify the state board, on or before February 29,  
36 2012, if the fee imposed by paragraph (2) of subdivision (b) shall  
37 become operative pursuant to paragraph (1).

38 (f) *This section shall remain in effect only until January 1, 2017,*  
39 *and as of that date is repealed, unless a later enacted statute, that*  
40 *is enacted before January 1, 2017, deletes or extends that date.*

1 SEC. 2. Section 48000 is added to the Public Resources Code,  
2 to read:

3 48000. (a) (1) Each operator of a disposal facility shall  
4 quarterly pay a fee that is based on the amount, by weight or  
5 volumetric equivalent as determined by the department, of all solid  
6 waste disposed at each disposal site. The fee shall be five dollars  
7 (\$5.00) per ton.

8 (2) The fee imposed by this subdivision shall be remitted to the  
9 state board.

10 (b) (1) Notwithstanding Section 48004, no less than one dollar  
11 (\$1.00) per ton collected pursuant to subdivision (a) shall be  
12 allocated by the department, upon appropriation by the Legislature,  
13 to fund activities that promote recycling and the highest and best  
14 use of materials through any of the following:

15 (A) Market incentive payments for recycling infrastructure and  
16 activities.

17 (B) Grants to local governments to implement programs that  
18 increase recycling and reduce disposal.

19 (C) Grants and loans to develop recycling infrastructure.

20 (2) When implementing paragraph (1), if the department  
21 determines there are sufficient moneys collected pursuant to this  
22 section, it shall prioritize the funding of market incentive payments.

23 (c) This section shall become operative on January 1, 2017.

24 (d) This section shall remain in effect only until January 1, 2022,  
25 and as of that date is repealed, unless a later enacted statute, that  
26 is enacted before January 1, 2022, deletes or extends that date.

27 SEC. 3. Section 48000 is added to the Public Resources Code,  
28 to read:

29 48000. (a) (1) Each operator of a disposal facility shall  
30 quarterly pay a fee that is based on the amount, by weight or  
31 volumetric equivalent as determined by the department, of all solid  
32 waste disposed at each disposal site. The fee shall be three dollars  
33 and fifty cents (\$3.50) per ton.

34 (2) The fee imposed by this subdivision shall be remitted to the  
35 state board.

36 (b) Notwithstanding Section 48004, moneys collected pursuant  
37 to subdivision (a) may be allocated by the department, upon  
38 appropriation by the Legislature, to fund activities that promote  
39 recycling and the highest and best use of materials through any  
40 of the following:

1 (1) Market incentive payments for recycling infrastructure and  
2 activities.

3 (2) Grants to local governments to implement programs that  
4 increase recycling and reduce disposal.

5 (3) Grants and loans to develop recycling infrastructure.

6 (c) This section shall become operative on January 1, 2022.

7 SEC. 4. Section 48000.1 is added to the Public Resources Code,  
8 to read:

9 48000.1. (a) (1) The department shall establish and impose  
10 a quarterly charge on solid waste generators in an amount  
11 sufficient to ensure fifteen million dollars (\$15,000,000) per  
12 calendar year is available to be used pursuant to subdivision (c).

13 (2) To the extent possible, the charge shall apply to all solid  
14 waste generators, including residential entities, commercial  
15 entities, public entities, and self-haulers.

16 (b) (1) The charge shall be collected by a city, county, or a city  
17 and county or up to two designees per city or county or city and  
18 county.

19 (2) The charge imposed by this section shall be remitted to the  
20 state board.

21 (c) (1) Notwithstanding Section 48004, the moneys collected  
22 pursuant to this section shall be allocated by the department, upon  
23 appropriation by the Legislature, to fund activities that promote  
24 recycling and the highest and best use of materials through any  
25 of the following:

26 (A) Market incentive payments for recycling infrastructure and  
27 activities.

28 (B) Grants to local governments to implement programs that  
29 increase recycling and reduce disposal.

30 (C) Grants and loans to develop recycling infrastructure.

31 (2) When implementing paragraph (1), if the department  
32 determines there are sufficient moneys collected pursuant to this  
33 section, it shall prioritize the funding of market incentive payments.

34 (d) This section shall become operative on January 1, 2019.

35 (e) This section shall remain in effect only until January 1, 2022,  
36 and as of that date is repealed, unless a later enacted statute, that  
37 is enacted before January 1, 2022, deletes or extends that date.

38 SEC. 5. Section 48000.1 is added to the Public Resources Code,  
39 to read:

1 48000.1. (a) (1) The department shall establish and impose  
2 a quarterly charge on solid waste generators as follows:

3 (A) Commencing January 1, 2022, and every three years  
4 thereafter, the charge on solid waste generators shall be calculated  
5 to collect moneys sufficient to recover the department’s costs to  
6 implement this division that are not covered by the moneys annually  
7 collected pursuant to Section 48000 during the prior three fiscal  
8 years.

9 (B) In determining the amount of moneys required to implement  
10 this division, the department shall set the charge based on the  
11 moneys deposited in the account for the 2018–19 fiscal year less  
12 the amount set to fund activities pursuant to subdivision (b) of  
13 Section 48000 plus any additional or reduced collected moneys  
14 necessary to implement any additional or reduced allocations and  
15 transfers approved by the Legislature.

16 (2) To the extent possible, the charge shall apply to all solid  
17 waste generators, including residential entities, commercial  
18 entities, public entities, and self-haulers.

19 (b) (1) The charge shall be collected by a city, county, or a city  
20 and county or up to two designees per city or county or city and  
21 county.

22 (2) The charge imposed by this section shall be remitted to the  
23 state board.

24 (c) This section shall become operative on January 1, 2022.

25 SEC. 6. Section 48001 of the Public Resources Code is  
26 amended to read:

27 48001. (a) The revenue from the fees paid pursuant to  
28 ~~paragraph (1) of subdivision (b) of Section 48000 shall, after~~  
29 ~~payment of refunds and administrative costs of collection, be~~  
30 ~~deposited~~ this chapter shall be deposited, after payment of refunds  
31 and administrative costs of collection, in the Integrated Waste  
32 Management Account, which is hereby created in the fund.

33 (b) The department and the state board shall ensure all of the  
34 fees for solid waste imposed pursuant to this chapter, including,  
35 but not limited to, fees on solid waste that is exported for disposal,  
36 are remitted to the state board in accordance with this article.

37 SEC. 7. Section 48004 of the Public Resources Code is  
38 amended to read:

1 48004. (a) The money in the account shall be used by the  
2 ~~Department of Resources Recycling and Recovery~~ *department*,  
3 upon appropriation by the Legislature, for the following purposes:

4 (1) The administration and implementation of this division by  
5 ~~the Department of Resources Recycling and Recovery~~; *department*,  
6 *including a prudent reserve*.

7 (2) The state water board's and regional water boards'  
8 administration and implementation of Division 7 (commencing  
9 with Section 13000) of the Water Code at solid waste disposal  
10 sites.

11 (b) It is the intent of the Legislature that an amount that is  
12 sufficient to fund state water board and regional water board  
13 regulatory activities for solid waste landfills be appropriated from  
14 the account by the Legislature in the annual Budget Act. Those  
15 persons who are required to pay the fee imposed pursuant to  
16 Section 48000 shall not be required to pay the annual fee imposed  
17 pursuant to subdivision (d) of Section 13260 of the Water Code  
18 with regard to the same discharge if the requirements for the waiver  
19 of that fee set forth in paragraph (3) of subdivision (d) of Section  
20 13260 of the Water Code are met.

21 (c) Notwithstanding subdivisions (a) and (b), if the fee  
22 established pursuant to Section 48000 does not generate revenues  
23 sufficient to fund the programs specified in this ~~section~~, *section*  
24 or if the amount appropriated by the Legislature for these purposes  
25 is reduced, those reductions shall be equally and proportionally  
26 distributed between funding for the solid waste programs of the  
27 state water board and the regional water boards and the ~~Department~~  
28 ~~of Resources Recycling and Recovery~~; *department*.

29 *SEC. 8. If the Commission on State Mandates determines that*  
30 *this act contains costs mandated by the state, reimbursement to*  
31 *local agencies and school districts for those costs shall be made*  
32 *pursuant to Part 7 (commencing with Section 17500) of Division*  
33 *4 of Title 2 of the Government Code.*

34 *SEC. 9. This act is an urgency statute necessary for the*  
35 *immediate preservation of the public peace, health, or safety within*  
36 *the meaning of Article IV of the Constitution and shall go into*  
37 *immediate effect. The facts constituting the necessity are:*

38 *To ensure the Department of Resources Recycling and Recovery*  
39 *has sufficient resources to efficiently and effectively regulate the*  
40 *generation and disposal of solid waste for the protection of public*

1 *health and safety, it is necessary for this measure to take effect*  
2 *immediately.*

3 SECTION 1. ~~Section 48000.1 is added to the Public Resources~~  
4 ~~Code, to read:~~

5 ~~48000.1. (a) On or before July 1, 2016, the department shall~~  
6 ~~hold a public hearing and workshop to develop a proposal for the~~  
7 ~~Legislature regarding a new solid waste management fee which~~  
8 ~~would provide the department with the revenue necessary to carry~~  
9 ~~out all of the following:~~

10 ~~(1) Develop financial incentives to promote the recycling of~~  
11 ~~organic material through activities, including, but not limited to,~~  
12 ~~composting and anaerobic digestion.~~

13 ~~(2) Provide resources to develop infrastructure and incentives~~  
14 ~~necessary to achieve the statewide policy goal pursuant to Section~~  
15 ~~41780.01.~~

16 ~~(3) Provide a sustainable funding structure that ensures the~~  
17 ~~department's ability to carry out its responsibilities under this~~  
18 ~~division.~~

19 ~~(b) For the public hearing and workshop, the department shall~~  
20 ~~seek public input from interested groups, including, but not limited~~  
21 ~~to, representatives of the solid waste industry, local government,~~  
22 ~~disadvantaged communities, and environmental groups.~~

23 ~~(c) Within six months of the public hearing and workshop held~~  
24 ~~pursuant to subdivision (a), the department shall propose a new~~  
25 ~~solid waste management fee to the Legislature pursuant to Section~~  
26 ~~9795 of the Government Code.~~