

AMENDED IN ASSEMBLY MARCH 1, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1894

Introduced by Committee on Agriculture

February 11, 2016

An act to amend ~~Section 48003 of~~ *Sections 48003, 61345, 61412, 61805, and 62211 of*, and to add *Section 61306.5 to*, the Food and Agriculture Code, relating to ~~agriculture: food and agriculture, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1894, as amended, Committee on Agriculture. ~~Handlers: navel oranges, Valencia oranges, lemons, and mandarin citrus varieties: failure to pay fees.~~ *Food and agriculture: omnibus bill.*

(1) Existing law establishes the California Citrus Advisory Committee and requires the committee to develop and make recommendations to the Secretary of Food and Agriculture regarding procedures for implementing an inspection program. Existing law requires producers of navel oranges, Valencia oranges, lemons, or mandarin citrus varieties grown in this state and prepared for fresh market in certain counties of the state to pay an assessment, as provided. Existing law requires the assessment to be collected from the producer by the first handler, and requires that the assessment be remitted to the Department of Food and Agriculture by the first handler, along with an assessment form, at the end of each month during the marketing season. Existing law requires any handler that does not file the required assessment report and assessments by the 10th day of the month following the month for which the assessment is payable to pay a penalty

of 10% of the assessment owed, and, in addition, 1.5% interest per month on the unpaid balance.

This bill would instead require a handler to file the required assessment form and pay the assessment and inspection fees by the last day of the month immediately following the month in which the commodities were received, and would additionally apply the 10% penalty and 1.5% interest to a failure to pay an inspection fee. The bill would make a handler personally liable for the payment of assessments and inspection fees.

(2) Existing law regulates the production, handling, and marketing of milk and dairy products and requires every milk handler subject to that regulatory scheme to pay specified assessments and fees to the secretary to cover the costs of regulating milk. In that regard, existing law requires every milk handler who receives manufacturing milk subject to the milk marketing regulatory requirements or a handler subject to a milk stabilization and marketing plan, including producer-handlers, to deduct a specified assessment from payments made to producers for manufacturing milk or market milk, respectively. Existing law establishes the Department of Food and Agriculture Fund as a special fund, and continuously appropriates moneys in the fund for the administration and enforcement of, among other things, laws regulating the marketing of milk and other dairy products and the stabilization and marketing of market milk.

This bill would, for purposes of those provisions, define the term “educational and research activities” and would additionally provide for the regulation of milk and dairy products-related educational and research activities. The bill would authorize the use of moneys from the above-described assessments and fees for administering and enforcing the manufacturing milk and market milk laws, including the regulation of those educational and research activities. By authorizing the expenditure of moneys from the fund for a new purpose, that is, for milk and dairy-related educational and research activities, the bill would make an appropriation.

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

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

- 1 SECTION 1. Section 48003 of the Food and Agricultural Code
- 2 is amended to read:

1 48003. (a) Every person acting as a handler of commodities
2 subject to this chapter shall be personally liable for the payment
3 of assessments and inspection fees. Any handler who fails to file
4 the required assessment form or pay an assessment or inspection
5 fee by the last day of the month immediately following the month
6 in which the commodities were received shall pay to the secretary
7 a penalty of 10 percent of the assessment, inspection fee, or the
8 sum of both the assessment fee and the inspection fee, owed and,
9 in addition, 1.5 percent interest per month on the unpaid balance.

10 (b) It shall be unlawful for a handler to refuse to collect the
11 assessments or remit the assessments and the proper forms required
12 by this chapter.

13 (c) A handler shall not charge a producer an administrative fee
14 for collecting or remitting an assessment.

15 (d) A producer who disputes the amount of the assessment may
16 file a claim with the secretary. The producer shall prove his or her
17 claim by a preponderance of the evidence.

18 (e) A producer may not bring a claim against a handler for
19 damages, or otherwise, in connection with the assessment or the
20 required deduction by the handler of the moneys owed to the
21 producer.

22 *SEC. 2. Section 61306.5 is added to the Food and Agricultural*
23 *Code, to read:*

24 *61306.5. "Educational and research activities" means any*
25 *effort to develop and improve the management practices of dairy*
26 *producers and processors, including, but not limited to, practices*
27 *associated with the environmental sustainability of land, air*
28 *quality, and water quality.*

29 *SEC. 3. Section 61345 of the Food and Agricultural Code is*
30 *amended to read:*

31 61345. (a) Chapter 2 (commencing with Section 61801),
32 Chapter 2.5 (commencing with Section 62500), and Chapter 3
33 (commencing with Section 62700) shall be liberally construed as
34 being complementary of, and supplemental to, this chapter, and
35 these chapters shall constitute a single comprehensive scheme for
36 the regulation of the production and handling of ~~milk~~ *milk and*
37 *related educational and research activities.* However, each of the
38 chapters, and each article, section, subdivision, sentence, clause,
39 and phrase of each chapter is severable.

40 ¶

1 (b) If one of the chapters or any article, section, subdivision,
2 sentence, clause, or phrase of any one of the chapters is for any
3 reason held void, invalid, or unconstitutional, the decision shall
4 not affect the validity of any other chapter or any of its articles,
5 sections, subdivisions, sentences, clauses, or phrases.

6 SEC. 4. Section 61412 of the Food and Agricultural Code is
7 amended to read:

8 61412. (a) (1) Every milk handler who receives manufacturing
9 milk subject to the provisions of this article shall deduct as an
10 assessment from payments made to producers for manufacturing
11 milk the sum of one and two-tenths cents (\$0.012) per
12 hundredweight of manufacturing milk.

13 The
14 (2) The amount of the assessments so deducted pursuant to
15 paragraph (1) shall be paid to the ~~director~~ secretary on or before
16 the 45th day following the last day of the month during which the
17 manufacturing milk was received.

18 Every
19 (b) (1) Every milk handler who receives manufacturing milk
20 subject to the provisions of this article that purchases or handles
21 manufacturing milk from producers shall pay a fee of six-tenths
22 of one cent (\$0.006) per hundredweight of manufacturing milk.

23 The
24 (2) The amount of the fee shall be paid to the ~~director~~ secretary
25 on or before the 45th day following the last day of the month in
26 which the manufacturing milk was received.

27 (c) Moneys from the amounts paid to the secretary pursuant to
28 subdivisions (a) and (b) may be used to administer and enforce
29 this chapter.

30 SEC. 5. Section 61805 of the Food and Agricultural Code is
31 amended to read:

32 61805. The purposes of this chapter are to do all of the
33 following:

34 (a) Provide funds for administration and enforcement of this
35 chapter, by assessments to be paid by producers and handlers of
36 market milk in the manner prescribed in this chapter.

37 (b) Authorize and enable the ~~director~~ secretary to prescribe
38 marketing areas and to determine minimum prices to be paid to
39 producers by handlers for market milk ~~which~~ that are necessary
40 due to varying factors of costs of production, health regulations,

1 transportation, and other factors in the marketing areas of this state.
2 In determining minimum prices to be paid producers by handlers,
3 ~~the director~~ *secretary* shall endeavor under like conditions to
4 achieve uniformity of cost to handlers for market milk within any
5 marketing area. However, no minimum prices established or
6 determined under this chapter shall be invalid because uniformity
7 of cost to handlers for market milk in any marketing area is not
8 achieved as a result of the minimum producer prices so established
9 or determined.

10 (c) Authorize and enable ~~the director~~ *secretary* to formulate
11 stabilization and marketing plans, subject to the limitations
12 prescribed in this chapter with respect to the contents of the
13 stabilization and marketing plans, and to declare the plans in effect
14 for any marketing area.

15 (d) Enable the dairy industry, with the aid of the state, to develop
16 and maintain satisfactory marketing conditions, bring about and
17 maintain a reasonable amount of stability and prosperity in the
18 production of market milk, and provide means for ~~carrying on~~
19 ~~essential~~ *conducting educational and research* activities.

20 *SEC. 6. Section 62211 of the Food and Agricultural Code is*
21 *amended to read:*

22 62211. (a) (1) Every handler subject to the provisions of any
23 stabilization and marketing plan, including a producer-handler,
24 shall deduct as an assessment from payments made to producers
25 for market milk, including the handler's own production, the sum
26 of one and six-tenths cents (\$0.016) per hundredweight of market
27 milk.

28 ~~The~~

29 (2) *The* amount of the assessments so deducted shall be paid to
30 ~~the director~~ *secretary* on or before the 45th day following the last
31 day of the month during which such market milk was received.

32 ~~Every~~

33 (b) (1) *Every* handler subject to the provisions of any
34 stabilization and marketing plan that purchases or handles market
35 milk from producers, including the handler's own production, if
36 any, shall pay a fee of eight-tenths of one cent (\$0.008) per
37 hundredweight of market milk.

38 ~~The~~

1 (2) *The amount of such fee shall be paid to the ~~director~~ secretary*
2 *on or before the 45th day following the last day of the month in*
3 *which ~~such~~ that market milk was received.*
4 (c) *Moneys from the amounts paid to the secretary pursuant to*
5 *subdivisions (a) and (b) may be used to administer and enforce*
6 *this chapter.*

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