

Introduced by Committee on Environmental Quality (Senators Wieckowski (Chair), Bates, Gaines, Hill, Jackson, Leno, and Pavley)

February 27, 2015

An act to amend Sections 42023.1 and 48705 of the Public Resources Code, relating to recycling, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 662, as introduced, Committee on Environmental Quality. Recycling.

(1) Existing law requires the Department of Resources Recycling and Recovery to develop a comprehensive market development plan that will stimulate market demand in the state for postconsumer waste material and secondary waste material generated in the state. Existing law authorizes a local governing body, as defined, to propose eligible property within its jurisdiction as a recycling market development zone, as defined, and authorizes the department to designate recycling market development zones.

Existing law creates the Recycling Market Development Revolving Loan Subaccount and continuously appropriates the funds deposited in the subaccount to the department for making loans to local governing bodies, private businesses, and nonprofit entities within the recycling market development zones and in other specified areas for purposes of the Recycling Market Development Revolving Loan Program. Existing law makes these provisions inoperative on July 1, 2021.

This bill would authorize the department to expend money in the subaccount to make payments to local governing bodies within recycling market development zones for services related to the promotion of the

zone. By expanding the purposes of a continuously appropriated fund, the bill would make an appropriation.

(2) The California Integrated Waste Management Act of 1989 requires a manufacturer of architectural paint or the designated stewardship organization to submit to the Department of Resources Recycling and Recovery an architectural paint stewardship plan to develop and implement a recovery program to manage the end of life of postconsumer architectural paint. A manufacturer is required to submit a report to the department by September 1 of each year, describing its paint recovery efforts.

This bill would change the date when the report is due to November 1 of each year.

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 42023.1 of the Public Resources Code
2 is amended to read:

3 42023.1. (a) The Recycling Market Development Revolving
4 Loan Subaccount is hereby created in the account for the purpose
5 of providing loans for purposes of the Recycling Market
6 Development Revolving Loan Program established pursuant to
7 ~~this article.~~ *article and for making payments pursuant to*
8 *subdivision (g).*

9 (b) Notwithstanding Section 13340 of the Government Code,
10 the funds deposited in the subaccount are hereby continuously
11 appropriated to the department without regard to fiscal year for
12 making loans pursuant to this ~~article.~~ *article and for making*
13 *payments pursuant to subdivision (g).*

14 (c) The department may expend interest earnings on funds in
15 the subaccount for administrative expenses incurred in carrying
16 out the Recycling Market Development Revolving Loan Program,
17 upon the appropriation of funds in the subaccount for that purpose
18 in the annual Budget Act.

19 (d) The money from loan repayments and fees, including, but
20 not limited to, principal and interest repayments, fees and points,
21 recovery of collection costs, income earned on an asset recovered
22 pursuant to a loan default, and funds collected through foreclosure
23 actions shall be deposited in the subaccount.

1 (e) All interest accruing on interest payments from loan
2 applicants shall be deposited in the subaccount.

3 (f) The department may expend the money in the subaccount
4 to make loans to local governing bodies, private businesses, and
5 nonprofit entities within recycling market development zones, or
6 in areas outside zones where partnerships exist with other public
7 entities to assist local jurisdictions to comply with Section 40051.

8 *(g) The department may expend the money in the subaccount*
9 *to make payments to local governing bodies within a recycling*
10 *market zone for services related to the promotion of the zone. The*
11 *services may include, but are not limited to, training, outreach,*
12 *development of written promotional materials, and technical*
13 *analyses of feedstock availability.*

14 ~~(g)~~

15 (h) The department shall not fund a loan until it determines that
16 the applicant has obtained all significant applicable federal, state,
17 and local permits. The department shall determine which applicable
18 federal, state, and local permits are significant.

19 ~~(h)~~

20 (i) The department shall establish and collect fees for
21 applications for loans authorized by this section. The application
22 fee shall be set at a level that is sufficient to fund the department's
23 cost of processing applications for loans. In addition, the
24 department shall establish a schedule of fees or points for loans
25 that are entered into by the department, to fund the department's
26 administration of the revolving loan program.

27 ~~(i)~~

28 (j) The department may expend money in the subaccount for
29 the administration of the Recycling Market Development
30 Revolving Loan Program, upon the appropriation of funds in the
31 subaccount for that purpose in the annual Budget Act. In addition,
32 the department may expend money in the account to administer
33 the revolving loan program, upon the appropriation of funds in the
34 subaccount for that purpose in the annual Budget Act. However,
35 funding for the administration of the revolving loan program from
36 the account shall be provided only if there are not sufficient funds
37 in the subaccount to fully fund the administration of the program.

38 ~~(j)~~

39 (k) The department, pursuant to subdivision (a) of Section
40 47901, may set aside funds for the purposes of paying costs

1 necessary to protect the state’s position as a lender-creditor. These
2 costs shall be broadly construed to include, but not be limited to,
3 foreclosure expenses, auction fees, title searches, appraisals, real
4 estate brokerage fees, attorney fees, mortgage payments, insurance
5 payments, utility costs, repair costs, removal and storage costs for
6 repossessed equipment and inventory, and additional expenditures
7 to purchase a senior lien in foreclosure or bankruptcy proceedings.

8 ~~(k)~~

9 (l) (1) Except as provided in paragraph (2), this section shall
10 become inoperative on July 1, 2021, and as of January 1, 2022, is
11 repealed, unless a later enacted statute, which becomes effective
12 on or before January 1, 2022, deletes or extends the date on which
13 it becomes inoperative and is repealed.

14 (2) The repeal of this section pursuant to paragraph (1) shall
15 not extinguish any loan obligation or the authority of the state to
16 pursue appropriate actions for the collection of a loan.

17 SEC. 2. Section 48705 of the Public Resources Code is
18 amended to read:

19 48705. (a) On or before ~~September 1, 2013~~, *November 1, 2016*,
20 and each year thereafter, a manufacturer of architectural paint sold
21 in this state shall, individually or through a representative
22 stewardship organization, submit a report to the department
23 describing its architectural paint recovery efforts. At a minimum,
24 the report shall include all of the following:

25 (1) The total volume of architectural paint sold in this state
26 during the preceding fiscal year.

27 (2) The total volume of postconsumer architectural paint
28 recovered in this state during the preceding fiscal year.

29 (3) A description of methods used to collect, transport, and
30 process postconsumer architectural paint in this state.

31 (4) The total cost of implementing the architectural paint
32 stewardship program.

33 (5) An evaluation of how the architectural paint stewardship
34 program’s funding mechanism operated.

35 (6) An independent financial audit funded from the paint
36 stewardship assessment.

37 (7) Examples of educational materials that were provided to
38 consumers the first year and any changes to those materials in
39 subsequent years.

- 1 (b) The department shall review the annual report required
- 2 pursuant to this section and within 90 days of receipt shall adopt
- 3 a finding of compliance or noncompliance with this chapter.

O