

Senate Bill No. 662

Passed the Senate May 7, 2015

Secretary of the Senate

Passed the Assembly September 3, 2015

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2015, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, 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 moneys 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.

Appropriation: yes.

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

SECTION 1. Section 42023.1 of the Public Resources Code is amended to read:

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

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

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

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

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

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

(g) The department may expend the money in the subaccount to make payments to local governing bodies within a recycling market zone for services related to the promotion of the zone. The services may include, but are not limited to, training, outreach,

development of written promotional materials, and technical analyses of feedstock availability.

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

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

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

(k) The department, pursuant to subdivision (a) of Section 47901, may set aside funds for the purposes of paying costs necessary to protect the state's position as a lender-creditor. These costs shall be broadly construed to include, but not be limited to, foreclosure expenses, auction fees, title searches, appraisals, real estate brokerage fees, attorney fees, mortgage payments, insurance payments, utility costs, repair costs, removal and storage costs for repossessed equipment and inventory, and additional expenditures to purchase a senior lien in foreclosure or bankruptcy proceedings.

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

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

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

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

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

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

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

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

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

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

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

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

Approved _____, 2015

Governor