

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 21, 2010
POSITION: Neutral

BILL NUMBER: SB 1401
AUTHOR: J. Simitian

BILL SUMMARY: Beverage Containers: Redemption Payments

Existing law allows the Department of Resources Recycling and Recovery (CalRecycle) to reduce expenditures from the Beverage Container Recycle Fund (BCRF) 90 days after it has notified the Legislature that there are inadequate funds to pay statutorily required disbursements. This bill would adjust the timeframe to 80 days. Additionally, the bill would make a technical adjustment to eliminate an out-of-date reference in the Public Resources Code related to the Beverage Container Recycling Program.

FISCAL SUMMARY

The bill would have no fiscal impact.

COMMENTS

The Department of Finance is neutral on this bill.

Chapter 5, Statutes of 2009-10 Eighth Extraordinary Session (ABX8 7) requires CalRecycle to review the BCRF every three months to ensure that there are adequate funds to make all required payments. If CalRecycle determines, pursuant to the review, that there may be inadequate funds, they must notify the Legislature of the need for action.

Currently, CalRecycle must wait at least 90 days after notifying the Legislature before reducing any BCRF payments. Because the BCRF is reviewed quarterly once all sales and recycling information is reported, there is not enough time to analyze the data before having to make a determination about the condition of the fund. Changing lead time to 80 days allows CalRecycle to have ten days to review the data and report information to the Legislature. This will allow CalRecycle to use the most current data in evaluating the BCRF's health and to notify program participants of changes that may take effect on the first day of the following quarter.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)							Fund Code	
	SO	LA	CO	PROP	FC	FC	FC		
	(Dollars in Thousands)								
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	Code
3500/ResRcyclRcvr	SO	No	-----	No/Minor	Fiscal Impact	-----			0133
<u>Fund Code</u>	<u>Title</u>								
0133	Beverage Container Recycling Fund, CA								

Analyst/Principal (0691) K. DaRosa	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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