

**ECONOMIC AND FISCAL IMPACT STATEMENT****(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2008)

See **SAM Section 6601 - 6616** for Instructions and Code Citations

|   |   |                                      |
|---|---|--------------------------------------|
| DOCUMENT NAME<br>Food and Agriculture   | CONTACT PERSON<br>Dr. Douglas Hepper, Chief, MPI Branch | TELEPHONE NUMBER<br>(916) 654-0504   |
| DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400<br>MPI Rendering Regulations |   | NOTICE FILE NUMBER<br>Z-2011-0208-14 |

**ECONOMIC IMPACT STATEMENT****A. ESTIMATED PRIVATE SECTOR COST IMPACTS** (Include calculations and assumptions in the rulemaking record.)

1. Check the appropriate box(es) below to indicate whether this regulation:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> a. Impacts businesses and/or employees | <input type="checkbox"/> e. Imposes reporting requirements  |
| <input checked="" type="checkbox"/> b. Impacts small businesses            | <input type="checkbox"/> f. Imposes prescriptive instead of performance   |
| <input type="checkbox"/> c. Impacts jobs or occupations                    | <input type="checkbox"/> g. Impacts individuals   |
| <input type="checkbox"/> d. Impacts California competitiveness             | <input type="checkbox"/> h. None of the above (Explain below. Complete the Fiscal Impact Statement as appropriate.) |

h. (cont.) \_\_\_\_\_

(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: apprx 447 Describe the types of businesses (Include nonprofits.): Renderers = 40  
Collection Centers = 37, Dead Animal Haulers = 28, Transporters of Inedible Kitchen Grease = 342Enter the number or percentage of total businesses impacted that are small businesses: 100%3. Enter the number of businesses that will be created: 0 eliminated: 0Explain: This proposal does not affect the creation or elimination of businesses.4. Indicate the geographic extent of impacts:  Statewide  Local or regional (List areas.): \_\_\_\_\_5. Enter the number of jobs created: 0 or eliminated: 0 Describe the types of jobs or occupations impacted: This proposal does not affect the creation or elimination of jobs.

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

 Yes No

If yes, explain briefly: \_\_\_\_\_

**B. ESTIMATED COSTS** (Include calculations and assumptions in the rulemaking record.)1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ Attached

a. Initial costs for a small business: \$ \_\_\_\_\_ Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_

b. Initial costs for a typical business: \$ \_\_\_\_\_ Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_

c. Initial costs for an individual: \$ \_\_\_\_\_ Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_

d. Describe other economic costs that may occur: No economic costs anticipated. This proposal will enhance the economy by ensuring the safe handling of animal products and grease waste materials.

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

2. If multiple industries are impacted, enter the share of total costs for each industry: \_\_\_\_\_
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. (Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.): \$ Attached
4. Will this regulation directly impact housing costs?  Yes  No If yes, enter the annual dollar cost per housing unit: \_\_\_\_\_ and the number of units: \_\_\_\_\_
5. Are there comparable Federal regulations?  Yes  No Explain the need for State regulation given the existence or absence of Federal regulations: Food & Agricultural Code, Ch. 5, Part 3, Div. 9, authorizes the Department to regulate the rendering industry.
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ 0

C. ESTIMATED BENEFITS (Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. Briefly summarize the benefits that may result from this regulation and who will benefit: This proposal will benefit consumers and the industry by updating and clarifying the requirements for the renderers, collection centers, dead animal haulers, and transporters of inedible kitchen grease.
2. Are the benefits the result of:  specific statutory requirements, or  goals developed by the agency based on broad statutory authority?  
Reason: Food & Agricultural Code, Ch. 5, Part 3, Div. 9, authorizes the Department to regulate the rendering industry.
3. What are the total statewide benefits from this regulation over its lifetime? \$ 0

D. ALTERNATIVES TO THE REGULATION (Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: No alternatives were presented or considered by the Department at this time. This proposal will benefit consumers and the industry by updating and clarifying the requirements for renderers, collection centers, dead animal haulers, and transporters of inedible kitchen grease.
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:
- |                |                   |                |
|----------------|-------------------|----------------|
| Regulation:    | Benefit: \$ _____ | Cost: \$ _____ |
| Alternative 1: | Benefit: \$ _____ | Cost: \$ _____ |
| Alternative 2: | Benefit: \$ _____ | Cost: \$ _____ |

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: \_\_\_\_\_

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?  Yes  No  
Reason: This proposal may mandate the use of specific technologies or equipment in accordance with specified standards of the rendering industry.

E. MAJOR REGULATIONS (Include calculations and assumptions in the rulemaking record.) Cal/EPA boards, offices, and departments are subject to the following additional requirements per Health and Safety Code section 57005.

**ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)**

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million?  Yes  No (If No, skip the rest of this section.)

2. Briefly describe each equally as an effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: \_\_\_\_\_

Alternative 2: \_\_\_\_\_

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

|                |          |                                    |
|----------------|----------|------------------------------------|
| Regulation:    | \$ _____ | Cost-effectiveness ratio: \$ _____ |
| Alternative 1: | \$ _____ | Cost-effectiveness ratio: \$ _____ |
| Alternative 2: | \$ _____ | Cost-effectiveness ratio: \$ _____ |

**FISCAL IMPACT STATEMENT**

A. FISCAL EFFECT ON LOCAL GOVERNMENT (Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:

a. is provided in \_\_\_\_\_, Budget Act of \_\_\_\_\_ or Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_

b. will be requested in the \_\_\_\_\_ (FISCAL YEAR) Governor's Budget for appropriation in Budget Act of \_\_\_\_\_

2. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:

a. implements the Federal mandate contained in \_\_\_\_\_

b. implements the court mandate set forth by the \_\_\_\_\_ court in the case of \_\_\_\_\_ vs. \_\_\_\_\_

c. implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_ at the \_\_\_\_\_ (DATE) election;

d. is issued only in response to a specific request from the \_\_\_\_\_, which is/are the only local entity(s) affected;

e. will be fully financed from the \_\_\_\_\_ (FEES, REVENUE, ETC.) authorized by Section \_\_\_\_\_ of the \_\_\_\_\_ Code;

f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit;

g. creates, eliminates, or changes the penalty for a new crime or infraction contained in \_\_\_\_\_

Savings of approximately \$ \_\_\_\_\_ annually.

4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law regulations.

**ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)**

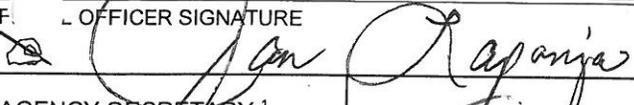
- e. No fiscal impact exists because this regulation does not affect any local entity or program.
- v. Other.

**B. FISCAL EFFECT ON STATE GOVERNMENT** (Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year. It is anticipated that State agencies will:
- a. be able to absorb these additional costs within their existing budgets and resources.
- b. request an increase in the currently authorized budget level for the \_\_\_\_\_ fiscal year.
2. Savings of approximately \$ \_\_\_\_\_ in the current State Fiscal Year.
3. No fiscal impact exists because this regulation does not affect any State agency or program.
4. Other.

**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** (Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year.
2. Savings of of approximately \$ \_\_\_\_\_ in the current State Fiscal Year.
3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
4. Other.

|   |                        |                 |
|---|------------------------|-----------------|
| F. OFFICER SIGNATURE<br>  |                        | DATE<br>1-18-11 |
| AGENCY SECRETARY <sup>1</sup><br>APPROVAL/CONCURRENCE<br>     |                        | DATE<br>2-4-11  |
| DEPARTMENT OF FINANCE <sup>2</sup><br>APPROVAL/CONCURRENCE<br> | PROGRAM BUDGET MANAGER | DATE            |

1. The signature attests that the agency has completed the STD.399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or department not under an Agency Secretary must have the form signed by the highest ranking official in the organization.
2. Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD.399.

## **Economic and Fiscal Impact Statement (STD 399)**

### **Attachment**

#### **Economic Impact Statement, Item B1**

The fees for license application, registration, and renewal are set in statute. The Department of Food and Agriculture (Department) is updating the existing requirements for renderers, collection centers, dead animal haulers, and transporters of inedible kitchen grease. There are no new or additional fees or costs for persons or businesses to comply with this proposal.

#### **Economic Impact Statement, Item B3**

The fees for license application, registration, and renewal are set in statute. There are no new or additional fees or costs for persons or businesses to comply with this proposal. There are standard record keeping and paperwork requirements for persons engaged in the business of rendering, or operating a collection center, dead animal haulers and transporters of inedible kitchen grease.

- Record keeping: Standard business records, receipts, logs, accounting records, and inspection records.
- Paperwork: Application forms for licensure, vehicle registration, survey forms, and schedule of operation forms that are provided by the Department and must be submitted to Department as specified in this proposal.