

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

House Bill 881

(Delegate S. Robinson)

Environmental Matters

Education, Health, and Environmental Affairs

Agriculture - Waste Kitchen Grease

This bill requires specified persons to register annually with the Maryland Department of Agriculture (MDA) before transporting waste kitchen grease. The bill specifies application and other requirements, including payment of a \$100 application fee and a \$100 vehicle registration fee. The bill establishes a Waste Kitchen Grease Fund to be used to implement the bill, which receives the application and vehicle registration fees. The bill also prohibits certain conduct and establishes penalties for violations of the bill's provisions. The State's Attorney of a county must enforce the bill's provisions. It is the intent of the General Assembly that MDA has no enforcement responsibilities under the bill.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: Special fund revenues and expenditures increase annually by an undetermined amount, possibly in the range of \$10,000, due to annual fee collections and use of the fees for administrative costs. The bill's penalty provisions are not expected to materially affect State finances.

Local Effect: The bill's penalty provisions are not expected to materially affect local government finances. The requirement that State's Attorneys enforce the bill is not expected to have a fiscal impact.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: “Waste kitchen grease” is defined as animal fats or vegetable oils used in cooking or generated by a food establishment that will not be consumed or reused as food.

A person is required to register annually with MDA before transporting waste kitchen grease unless the person falls under specified exemptions allowing certain transportation of limited quantities of waste kitchen grease for small-scale production of biofuel without registering with MDA.

Applicants for registration are required to submit an application for registration to MDA that includes information on the applicant’s vehicle(s); a description of the operations to be performed by the applicant; proof of vehicle insurance with personal injury and property damage combined single limit liability limits of at least \$1,000,000; a \$100 application fee; and a \$100 vehicle registration fee for each vehicle that the applicant will use to transport waste kitchen grease. A registration must be renewed annually on the payment of the application and vehicle registration fees.

MDA is required to register each applicant who submits a complete application and issue each registrant a unique registration number and a certificate confirming registration. Each registrant must (1) carry the registration certificate containing the unique registration number when transporting waste kitchen grease; (2) conspicuously display the registrant’s name on any vehicle that the registrant will use to transport waste kitchen grease; and (3) keep for two years and make available for inspection by the State’s Attorney a record of the source, destination, date, and volume of waste kitchen grease hauled.

The bill establishes a Waste Kitchen Grease Fund to be used to implement the bill. The fund primarily consists of fees collected under the bill.

The bill prohibits a person from knowingly (1) selling or offering for sale waste kitchen grease to an unregistered person for transport in violation of the bill’s provisions; (2) removing waste kitchen grease from a container owned by another person; (3) stealing or damaging a waste kitchen grease container owned by another person, or placing a label on a container owned by another person to assert ownership over the container; or (4) taking possession of waste kitchen grease that was stolen or transported in violation of the bill’s provisions.

A person who violates the provisions of the bill is guilty of a misdemeanor and on conviction is subject to (1) for a first offense, a fine of up to \$1,000 for each violation and

court costs; and (2) for a second offense, a fine of up to \$10,000, imprisonment for up to one year, or both.

The State's Attorney of a county must enforce the provisions of the bill. The bill states that it is the intent of the General Assembly that MDA has no enforcement responsibilities under the bill.

Current Law/Background: MDA has relatively limited formal involvement with the biofuels industry among its various regulatory, promotional, and other activities. One manner of involvement is that the department provides staff for the Renewable Fuels Incentive Board (along with the Department of Business and Economic Development, and the Maryland Department of the Environment) and the Secretary of Agriculture or the Secretary's designee serves on the board. The board is established to pay production credits for specified ethanol and biodiesel production. The department does not have a regulatory role with respect to biofuels.

Virginia passed a law similar to the bill in 2010 (Chapter 868). The law is administered by the Virginia Department of Agriculture and Consumer Services.

State Fiscal Effect: Special fund revenues and expenditures increase annually due to the collection of application and vehicle registration fees and use of those funds by MDA for costs of processing registrations and issuing certificates, including the hiring of temporary staff as needed. The fee revenue is expected to be sufficient to cover any administrative costs. It is unclear how many persons and vehicles will be registered. MDA indicates that up to 100 trucks may be registered, which would generate \$10,000 in vehicle registration fees and an additional amount from application fees depending on the number of vehicles each applicant owns.

Small Business Effect: The bill's requirements, such as those requiring recordkeeping, may affect the business practices of a given small business that transports waste kitchen grease to at least a minimal extent, and the businesses would be subject to the bill's annual application and vehicle registration fees. Whether any small business will be meaningfully impacted, however, is uncertain. Presumably, enforcement of the bill's prohibitions, including those against removing waste kitchen grease from a container owned by another person, stealing or damaging a waste kitchen grease container owned by another person, etc., could also benefit small businesses possessing or transporting waste kitchen grease.

Additional Information

Prior Introductions: None.

Cross File: SB 607 (Senator Conway) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland Department of Agriculture, Department of Health and Mental Hygiene, Judiciary (Administrative Office of the Courts), Maryland Energy Administration, Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2011
ncs/lgc Revised - House Third Reader - March 31, 2011

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