



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2594

PRINTER'S NO. 3758

PRIME SPONSOR: Friel

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: HB 2594 PN 3758 establishes the hauler or broker of food processing residuals certification program. This legislation will take effect in 60 days.

ANALYSIS: This legislation creates freestanding Hauler or Broker of Food Processing Residual Waste Certification Act. Bill further provides for the ability of the Department of Agriculture to regulate the storage, transport, use, and application of food processing residuals. Specifically, this legislation includes:

- **Hauler or Broker of Food Processing Residuals Certification System**
 - Requires Department of Agriculture (AGR), in consultation with and the State Conservation Commission (Commission) to establish certification program for haulers and brokers of food processing residuals
 - To be established within 18 months of the effective date of this legislation
 - Certifications shall be valid for 3 years and eligible for renewal if a certified hauler or broker of food processing residuals completes 6 continuing education credits
 - Continuing education credits to be approved by the Department of Agriculture
 - The Department of Agriculture shall by regulation establish conditions and fees for certification
- **Educational and Filing Requirements**
 - Requires AGR, in consultation with the State Conservation Commission, to develop training and educational requirements. Training shall address at least:
 - Best Management Practices as it relates to the transport, storage, and application of food processing residuals
 - Process to determine nearby odor receptors and reporting of mitigation measures
 - Land application system forms
 - Record keeping
 - Food processing residuals data sheet procedures
 - Requires AGR in consultation with the State Conservation Commission, to develop food processing residuals data sheet and electronic filing procedures. The data sheet shall include:
 - Quantity/content/composition/origin/age/prior processor/processing of food processing residuals, including testing
 - Record of prior transfers of possession of food processing residuals

- Application site or any other destination where food processing residuals would be utilized
- **Haulers and Brokers Requirements**
 - Prohibits haulers and brokers of food processing residuals from transporting or applying them in this commonwealth unless they have been certified and have received complete food processing residuals data sheet
 - Requires parties to maintain records for three years and make them available for review
- **Penalties**
 - Provides for the ability of the Department of Agriculture to assess administrative penalties for violations as follows:
 - Maximum of \$500 for the first day and \$100 for each additional day of continued violation
 - If unable to collect penalties, the department may refer a case to the Office of General Counsel

FISCAL IMPACT: The enactment of this legislation would have a fiscal impact on commonwealth funds, specifically the General Fund. The fiscal impact would be a function of the costs related to the Department of Agriculture, and the State Conservation Commission and the collection of administrative penalties.

According to the Department of Agriculture and the State Conservation Commission, two additional positions would be needed to comply with the provisions of the bill, specifically related to the implementation and development of land application systems, at an estimated cost of \$500,000 per fiscal year.

As it relates to the collection of administrative penalties, the amount received would be a function of the number of penalties assessed, the number of violations, and the duration of each violation. As a result of the unknown number of penalties, violations, or the duration of violations is indeterminate.

PREPARED BY: Gueorgui Tochev, Senior Budget Analyst
House Appropriations Committee (D)

DATE: October 21, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.