AMENDED IN SENATE MAY 11, 2005

# SENATE BILL No. 120

**Introduced by Senator Florez**

January 27, 2005

~~An act to amend Sections 22303 and 22304 of, and to add Section 22343 to, the Financial Code, relating to loans.~~*An act to add Section 13275 to the Water Code, relating to water quality.*

LEGISLATIVE COUNSEL'S DIGEST

SB 120, as amended, Florez. ~~Consumer loans.~~ *Water quality: sewage sludge.*

*(1) Existing law, the Porter-Cologne Water Quality Control Act, requires the State Water Resources Control Board or the California regional water quality control boards to prescribe general waste discharge requirements for dewatered, treated, or chemically fixed sewage sludge, including agronomic applications of that sludge and the use of that sludge as a soil amendment or fertilizer. Existing law requires the state board to develop a state pretreatment program to regulate the discharge of pollutants into publicly owned treatment works (POTW) and requires the regional board to prescribe effluent limitations as part of the waste discharge requirements of a POTW for specified substances.*

*This bill would require a POTW to submit a certification to the regional board that any sewage sludge transferred from the facility for disposal or further processing meets the requirements and standards for any pollutants listed in the waste discharge requirements for the POTW issued by the regional board, as specified. The bill would require the POTW to submit the certification to any person or facility that accepts sewage sludge from that POTW for disposal or processing and would authorize a person or facility that*

*accepts sewage sludge, and the county in which the sewage sludge is disposed or processed, to require the POTW to indemnify the receiving party for any liability for remediation costs associated with the disposal or processing of the sewage sludge.*

*The bill would require the state board, by June 1, 2007, in consultation with the California Integrated Waste Management Board, the State Air Resources Board, and the Department of Food and Agriculture, to conduct a study on the content of, and management options for, sewage sludge. The bill would require the state board to request the assistance of the Environmental Protection Agency in conducting the study.*

*The bill would impose a state-mandated local program by imposing new duties upon local agencies, with regard to the operation of a POTW.*

*(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.*

~~Existing law, the California Finance Lenders Law, provides for the licensure and regulation by the Commissioner of Corporations of those engaged in making consumer loans, as defined. The law exempts a licensee from certain regulations for loans of a bona fide principal amount less than $2,500. The law makes a willful violation of its provisions a misdemeanor.~~

~~This bill would instead exempt a licensee from certain regulations for loans if the bona fide principal amount is less than $10,000. The bill would prohibit a licensee from taking the title to a vehicle as security for a consumer loan unless certain conditions are satisfied.~~

~~Because a violation of the bill's provisions would be a crime, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

1 *SECTION 1. Section 13275 is added to the Water Code, to*
2 *read:*
3 *13275. (a) For purposes of this section, the following*
4 *definitions shall apply:*
5 *(1) "POTW" means a publicly owned treatment works, as*
6 *defined in Section 212 of the Federal Water Pollution Control*
7 *Act (33 U.S.C. Sec. 1292) that is owned by a state or a local*
8 *agency.*
9 *(2) "Sewage sludge" means any solid, semisolid, or liquid*
10 *residue that contains materials removed from municipal or*
11 *domestic wastewater during treatment, including primary and*
12 *secondary residues. "Sewage sludge" includes, but is not limited*
13 *to, residuals or solid wastes consisting of materials collected and*
14 *removed by sewage treatment.*
15 *(b) A POTW shall submit a certification to the regional board*
16 *that any sewage sludge that is transferred from the facility for*
17 *disposal or further processing meets the requirements and*
18 *standards for any pollutants listed in the waste discharge*
19 *requirements for the POTW issued by the regional board,*
20 *including, but not limited to, any requirements or standards*
21 *governing the 126 priority toxic pollutants listed in Section*
22 *131.38 of Title 40 of the Code of Federal Regulations.*
23 *(c) The POTW shall submit the certification specified in*
24 *subdivision (b) to any person or facility that accepts sewage*
25 *sludge from that POTW for disposal or processing. A person or*
26 *facility that accepts sewage sludge from a POTW for disposal or*
27 *further processing, and the county in which the sewage sludge is*
28 *disposed or processed, may also require the POTW to indemnify*
29 *the receiving party for any liability for remediation costs*
30 *associated with the disposal or processing of the sewage sludge.*
31 *(d) On or before June 1, 2007, the state board, in consultation*
32 *with the California Integrated Waste Management Board, the*
33 *State Air Resources Board, and the Department of Food and*
34 *Agriculture, shall conduct a study on the content of, and*

*management options for, sewage sludge that addresses, at a minimum, all of the following issues:*

*(1) The pollutants in sewage sludge for which the state should adopt standards, including, but not limited to, all of the following:*

*(A) Regulated pesticides.*

*(B) Pharmaceutical residuals.*

*(C) Chemicals known to the state to cause cancer or reproductive toxicity listed pursuant to Section 25249.8 of the Health and Safety Code.*

*(D) Hazardous wastes that are listed in the regulations adopted pursuant to Section 6921 of Title 42 of the United States Code.*

*(E) Priority toxic pollutants listed pursuant to Section 131.38 of Title 40 of the Code of Federal Regulations.*

*(F) Pollutants that are not regulated by the Environmental Protection Agency, but are of particular concern for the state, especially with regard to the state's industries.*

*(2) The adequacy of detection methods for each of the pollutants for which the state should adopt standards, as specified in paragraph (1), including the feasibility of achieving lower detection limits.*

*(3) The effects of reuse options, including land application and composting, on the pollutants in sewage sludge, including the effects of those reuse options on a person or facility that accepts sewage sludge from a POTW for disposal or further processing.*

*(e) The state board shall request the assistance of the Environmental Protection Agency in conducting the study required by subdivision (d).*

*SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.*

~~SECTION 1. Section 22303 of the Financial Code is amended to read:~~

~~22303. Every licensee who lends any sum of money may contract for and receive charges at a rate not exceeding the sum of the following:~~

~~(a) Two and one-half percent per month on that part of the unpaid principal balance of any loan up to, including, but not in excess of two hundred twenty-five dollars ($225).~~

~~(b) Two percent per month on that portion of the unpaid principal balance in excess of two hundred twenty-five dollars ($225) up to, including, but not in excess of nine hundred dollars ($900).~~

~~(c) One and one-half percent per month on that part of the unpaid principal balance in excess of nine hundred dollars ($900) up to, including, but not in excess of one thousand six hundred fifty dollars ($1,650).~~

~~(d) One percent per month on any remainder of such unpaid balance in excess of one thousand six hundred fifty dollars ($1,650).~~

~~This section does not apply to any loan of a bona fide principal amount of ten thousand dollars ($10,000) or more as determined in accordance with Section 22251.~~

~~SEC. 2. Section 22304 of the Financial Code is amended to read:~~

~~22304. As an alternative to the charges authorized by Section 22303, a licensee may contract for and receive charges at the greater of the following:~~

~~(a) A rate not exceeding 1.6 percent per month on the unpaid principal balance.~~

~~(b) A rate not exceeding five-sixths of 1 percent per month plus a percentage per month equal to one-twelfth of the annual rate prevailing on the 25th day of the second month of the quarter preceding the quarter in which the loan is made, as established by the Federal Reserve Bank of San Francisco, on advances to member banks under Sections 13 and 13a of the Federal Reserve Act, as now in effect or hereafter from time to time amended, or if there is no such single determinable rate for advances, the closest counterpart of this rate as shall be determined by the Commissioner of Financial Institutions of the State of California. Charges shall be calculated on the unpaid principal balance.~~

~~This section does not apply to any loan of a bona fide principal amount of ten thousand dollars ($10,000) or more as determined in accordance with Section 22251.~~

~~SEC. 3. Section 22343 is added to the Financial Code, to read:~~

~~22343. No licensee shall take the title to a vehicle as security for any consumer loan unless the following requirements are satisfied:~~

~~(a) The annual interest rate for the consumer loan is no greater than _____ percent.~~

~~(b) The licensee provides the consumer with a disclosure that informs the consumer of the interest rate and any fees or other charges associated with the consumer loan, and the consequences for defaulting on the consumer loan.~~

~~SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.~~

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