



Board Agenda Item 6

DATE: December 11, 2018

TO: Board of Supervisors

SUBMITTED BY: Les Wright, Agricultural Commissioner/Sealer

SUBJECT: Amendment to Master Schedule of Fees - Department of Agriculture

RECOMMENDED ACTION(S):

1. **Conduct first hearing to amend the Fresno County Master Schedule of Fees, Charges and Recovered Costs Ordinance by amending subsection 3305 of Section 3300-Agriculture (Weights & Measures); waive reading of the Ordinance in its entirety; and set second hearing for January 8, 2019;**
2. **Designate County Counsel to prepare a fair and adequate summary of the proposed Ordinance; and**
3. **Direct the Clerk of the Board to post and publish the required summary of the proposed Ordinance in accordance with Government Code Section 25124(b)(1).**

Assembly Bill (AB) 347 approved by the Governor on September 19, 2018 amends Sections 12240 and 12246 of the Business and Professions Code, relating to weights and measures. AB 347 extends, until January 1, 2022, the authority for a county sealer to recover the costs related to the inspection and testing of weighing and measuring devices, increases the fee caps for the inspection of computing scales and establishes a phased-in fee increase for compressed natural gas (CNG) meters and liquefied natural gas (LNG) meters. The change to the inspection fee cap and the phased-in fee increases related to CNG and LNG meters require an amendment to the Fresno County Master Schedule of Fees (MSF), which requires approval by the Board of Supervisors. The Department would like to adopt the new fee maximums set by the State legislature in AB 347 by updating the MSF for 2019. The new fee caps allow Department to recover a bigger portion of program expenses associated with inspecting and testing of devices. This item is countywide.

ALTERNATIVE ACTION(S):

The Board can choose not to approve the increases to the MSF and the Department would not receive additional revenue from providing mandated inspection services.

FISCAL IMPACT:

The recommended action will allow the Department to collect higher fees for the testing and inspection of selected weighing and measuring devices. The revenue increase is estimated to be \$6,500 for 2019, \$6,700 for 2020, and \$7,000 for 2021. The increase in revenue will offset a portion of the costs of operating the Weights and Measures Division. As the State legislature sets the maximum fees a county can charge, typically the Division does not generate enough revenue to cover all of its expenses. The unreimbursed costs are funded by an allocation from the General Fund.

DISCUSSION:

Your Board approved the amendment to Weights and Measures MSF on December 11, 2012. There have been no fee changes since then. The recommended actions provide for a subsequent amendment to the MSF by increasing certain fees to match the AB 347 caps. Specifically, the amendment to the MSF would gradually raise the annual device fee cap for the CNG and LNG meters from \$20 to \$75 per device in 2019, to \$125 per device in 2020, and to \$185 per device beginning in 2021. Additionally, it would raise the inspection fee cap for computing scales from \$20 to \$23. The last change will affect computing scales that are currently listed in the Produce Scales and All Other Commercial Weighing and Measuring Devices categories. The CNG and LNG devices are grouped on the current MSF in the category of All Other Commercial Weighing and Measuring Devices. The proposed fee schedule adds a new device type category for the CNG and LNG meters, non-produce computing scales, and makes a distinction between computing and non-computing devices in the Produce Scales category. There are 4 CNG meters and approximately 2,100 computing scales registered in the County of Fresno.

The existing law authorizes the Board of Supervisors, by ordinance, to charge fees, not to exceed the county's total cost of inspecting or testing weighing and measuring devices required of the county sealer, to recover the costs of the county sealer to perform these duties. The revenues generated from these fees by the County of Fresno Weights and Measure Division do not cover the total cost of the program. For example, for FY 2017/18 the generated revenue covered approximately 79% of the costs. The approval of the recommended actions will allow the Department to recover a bigger portion of its expenses.

A notice that the Fresno County Master Schedule of Fees, Charges and Recovered Costs Ordinance, Section 3300, Subsection 3305, is proposed for change, will be published in a local newspaper before the second reading on January 8, 2019. With your Board's approval, the ordinance amendment will take effect 30 days if and after it is adopted during the second reading.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A - Fee Schedule Comparison
Ordinance
On file with Clerk - Summary of Ordinance

CAO ANALYST:

Ron Alexander