

Date of Hearing: April 19, 2023

ASSEMBLY COMMITTEE ON AGRICULTURE

Robert Rivas, Chair

AB 1733 (Gipson) – As Amended March 23, 2023

**SUBJECT:** Secretary of Food and Agriculture: license or registration: bonds

**SUMMARY:** Allows the California Department of Food and Agriculture (CDFA) to continue the license or registration for a period not to exceed 60 days to enable the licensee or registrant to secure a new bond. Current laws only allows up to 30 days to secure a new bond.

**EXISTING LAW:**

Establishes CDFA. *Food and Agricultural Code (FAC) 101*

Provides, unless otherwise specifically provided in FAC, any license or registration which is issued expires whenever the bond which is required of a licensee or registrant lapses or is canceled. *FAC 261*

Allows CDFA to, if the bond is canceled as a result of the retirement from business of the bonding company and is satisfied that the licensee is solvent, continue the license or registration for up to 30 days to enable the licensee or registrant to secure a new bond. *FAC 261*

**FISCAL EFFECT:** Unknown

**COMMENTS:** Under existing law, CDFA has the authority to continue the license or registration within the Food and Agriculture Code for a period that does not exceed 30 days in order for the licensee or registrant to be able to secure a new bond if their bond is canceled as a result of retirement from the bonding company. This bill would change this existing law, and instead give licensees and registrants a period that does not exceed 60 days to secure a new bond.

The author states this bill will help underserved businesses because of the fact that it will provide businesses up to 30 more days to get a new bond after losing one due to cancellation because of retirement from the bonding organization. As a result, businesses in the food and agriculture sector who may already be struggling as a result of COVID-19, or the short amount of time they have under current rules to obtain a new bond will benefit.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file

**Opposition**

None on file

**Analysis Prepared by:** Victor Francovich / AGRI. / (916) 319-2084