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PUBLIC RESOURCES CODE - PRC

DIVISION 30. WASTE MANAGEMENT [40000 - 49620] (*Division 30 added by Stats. 1989, Ch. 1096, Sec. 2.)*

PART 3. STATE PROGRAMS [42000 - 42999] (*Part 3 added by Stats. 1989, Ch. 1096, Sec. 2.)*

CHAPTER 1. Market Development Programs [42000 - 42024] (*Chapter 1 added by Stats. 1993, Ch. 733, Sec. 2.)*

ARTICLE 3. Market Development Zone Program [42010 - 42024] (*Article 3 added by Stats. 1993, Ch. 733, Sec. 2.)*

42010. (a) The local governing body may, either by ordinance or resolution, upon the recommendation of the appropriate land use planning agency, propose eligible parcels of property within its jurisdiction as a recycling market development zone.

(b) The proposal of a recycling market development zone shall be based upon the following findings by the local governing body:

(1) The current waste management practices and conditions are favorable to the development of postconsumer waste material markets.

(2) The designation as a recycling market development zone is necessary to assist in attracting private sector recycling investments to the area.

(*Amended by Stats. 1999, Ch. 467, Sec. 2. Effective January 1, 2000.*)

42011. Any parcel of property designated as a recycling market development zone shall retain this designation for 10 years.

(*Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.*)

42012. The local governing body, or any person through the local governing body, may apply to the board for designation as a recycling market development zone.

(*Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.*)

42013. The board shall adopt regulations and guidelines concerning the necessary contents of each application for designation and, in the countywide integrated waste management plans, shall determine the maximum number of recycling market development zones to be designated pursuant to this chapter.

(*Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.*)

42014. The board may designate or redesignate recycling market development zones for persons applying for that designation.

(*Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.*)

42015. If there are more applications for designation than the number of recycling market development zones to be designated, the board shall select the applicants who shall receive the designation of a recycling market development zone based on a comparison of the applications submitted and an indication that the applicant's proposals include effective, innovative, and comprehensive tax incentives and regulatory incentives, and other incentives programs, to attract private sector investment in the proposed recycling market development zone.

(*Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.*)

42016. For the purpose of Section 42015, "regulatory incentives" include, but are not limited to, all of the following:

(a) The suspension or relaxation of locally originated or modified building codes, zoning laws, and general plans.

(b) The elimination or reduction of fees for applications, permits, and local government services, and the establishment of a streamlined local permit process.

(Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.)

42017. For purposes of Section 42015, "tax incentives" include, but are not limited to, the elimination or reduction of construction taxes or business license taxes.

(Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.)

42018. For purposes of Section 42015, "other incentives" may include, but are not limited to, all of the following:

(a) The provision for expansion of infrastructure.

(b) Provisions for increased amounts of recyclable feedstock.

(Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.)

42019. In evaluating an application for the designation of a recycling market development zone, the board shall consider the amount of landfill capacity remaining in the jurisdiction where the zone would be located.

(Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.)

42020. In evaluating an application for the designation of a recycling market development zone, the board shall not deny the application solely because of technical deficiencies. The board shall provide applicants with an opportunity to correct technical deficiencies. An application shall be denied if technical deficiencies are not corrected within 14 days.

(Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.)

42021. Nothing in this chapter prohibits an applicant from seeking designation of an enterprise zone and receiving economic incentives as defined in Section 7073 of the Government Code.

(Amended by Stats. 2004, Ch. 225, Sec. 62. Effective August 16, 2004.)

42023. Nothing in this section shall be interpreted to limit the authority of local governments to make land use decisions within their jurisdiction.

(Added by Stats. 1993, Ch. 733, Sec. 2. Effective January 1, 1994.)

42023.1. (a) The Recycling Market Development Revolving Loan Subaccount is hereby created in the account for the purpose of providing loans for purposes of the Recycling Market Development Revolving Loan Program established pursuant to this article and for making payments pursuant to subdivision (g).

(b) Notwithstanding Section 13340 of the Government Code, the moneys deposited in the subaccount are hereby continuously appropriated to the department without regard to fiscal year for making loans pursuant to this article and for making payments pursuant to subdivision (g).

(c) The department may expend interest earnings on moneys in the subaccount for administrative expenses incurred in carrying out the Recycling Market Development Revolving Loan Program, upon the appropriation of moneys in the subaccount for that purpose in the annual Budget Act.

(d) The moneys from loan repayments and fees, including, but not limited to, principal and interest repayments, fees and points, recovery of collection costs, income earned on an asset recovered pursuant to a loan default, and funds collected through foreclosure actions shall be deposited in the subaccount.

(e) All interest accruing on interest payments from loan applicants shall be deposited in the subaccount.

(f) The department may expend the moneys in the subaccount to make loans to local governing bodies, private businesses, and nonprofit entities within recycling market development zones, or in areas outside zones where partnerships exist with other public entities to assist local jurisdictions to comply with Section 40051.

(g) The department may expend the moneys in the subaccount to make payments to local governing bodies within a recycling market zone for services related to the promotion of the zone. The services may include, but are not limited to, training, outreach, development of written promotional materials, and technical analyses of feedstock availability.

(h) The department shall not fund a loan until it determines that the applicant has obtained all significant applicable federal, state, and local permits. The department shall determine which applicable federal, state, and local permits

are significant.

(i) The department shall establish and collect fees for applications for loans authorized by this section. The application fee shall be set at a level that is sufficient to fund the department's cost of processing applications for loans. In addition, the department shall establish a schedule of fees or points for loans that are entered into by the department, to fund the department's administration of the revolving loan program.

(j) The department may expend moneys in the subaccount for the administration of the Recycling Market Development Revolving Loan Program, upon the appropriation of moneys in the subaccount for that purpose in the annual Budget Act. In addition, the department may expend moneys in the account to administer the revolving loan program, upon the appropriation of moneys in the account for that purpose in the annual Budget Act. However, funding for the administration of the revolving loan program from the account shall be provided only if there are not sufficient moneys in the subaccount to fully fund the administration of the program.

(k) The department, pursuant to subdivision (a) of Section 47901, may set aside moneys for the purposes of paying costs necessary to protect the state's position as a lender-creditor. These costs shall be broadly construed to include, but not be limited to, foreclosure expenses, auction fees, title searches, appraisals, real estate brokerage fees, attorney's fees, mortgage payments, insurance payments, utility costs, repair costs, removal and storage costs for repossessed equipment and inventory, and additional expenditures to purchase a senior lien in foreclosure or bankruptcy proceedings.

(l) (1) Except as provided in paragraph (2), this section shall become inoperative on July 1, 2021, and as of January 1, 2022, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2022, deletes or extends the date on which it becomes inoperative and is repealed.

(2) The repeal of this section pursuant to paragraph (1) shall not extinguish any loan obligation or the authority of the state to pursue appropriate actions for the collection of a loan.

(Amended by Stats. 2016, Ch. 86, Sec. 260. (SB 1171) Effective January 1, 2017. Inoperative July 1, 2021. Repealed as of January 1, 2022, by its own provisions.)

42023.2. (a) Upon authorization by the Legislature in the annual Budget Act, the Controller shall transfer a sum, as available, from the account to the subaccount as necessary to meet anticipated loan demand under the program.

(b) (1) Except as provided in paragraph (2), this section shall become inoperative on July 1, 2021, and as of January 1, 2022, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2022, deletes or extends the date on which it becomes inoperative and is repealed.

(2) (A) The repeal of this section pursuant to paragraph (1) shall not extinguish any loan obligation or the authority of the state to pursue appropriate actions for the collection of a loan.

(B) The department shall not be obligated to pay interest on the amount appropriated from the account to the subaccount pursuant to subdivision (a). This subparagraph shall apply retroactively from January 1, 1992.

(Amended by Stats. 2010, Ch. 275, Sec. 3. (SB 390) Effective January 1, 2011. Inoperative July 1, 2021. Repealed as of January 1, 2022, by its own provisions.)

42023.3. (a) All money remaining in the subaccount on July 1, 2021, and all money received as repayment and interest on loans shall, as of July 1, 2021, be transferred to the account and any money due and outstanding on loans as of July 1, 2021, shall be repaid to the department and deposited by the department in the account until paid in full, except that, upon authorization by the Legislature in the annual Budget Act, interest earnings may be expended for administrative costs associated with the collection of outstanding loan accounts.

(b) (1) Except as provided in paragraph (2), this section shall become inoperative on July 1, 2021, and as of January 1, 2022, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2022, deletes or extends the dates on which it becomes inoperative and is repealed.

(2) The repeal of this section pursuant to paragraph (1) shall not extinguish any loan obligation or the authority of the state to pursue appropriate actions for the collection of a loan.

(Amended by Stats. 2010, Ch. 275, Sec. 4. (SB 390) Effective January 1, 2011. Inoperative July 1, 2021. Repealed as of January 1, 2022, by its own provisions.)

42023.4. (a) A loan made pursuant to Section 42023.1 shall be subject to all of the following requirements:

(1) The terms of an approved loan shall be specified in a loan agreement between the borrower and the department. The loan agreement shall include a requirement that the failure to comply with the agreement shall result in any remaining unpaid amount of the loan, with accrued interest, being immediately due and payable. Notwithstanding any term of the agreement, a recipient of a loan that the department approves shall repay the

principal amount, plus interest on the basis of the rate of return for money in the Surplus Money Investment Fund at the time of the loan commitment. All money received as repayment and interest on loans made pursuant to this section shall be deposited in the subaccount.

(2) The term of a loan made pursuant to this section shall be not more than 10 years when collateralized by assets other than real estate, or not more than 15 years when partially or wholly collateralized by real estate.

(3) The department shall approve only those loan applications that demonstrate the applicant's ability to repay the loan. The highest priority for funding shall be given to projects that demonstrate that the project will increase market demand for recycling the project's type of postconsumer waste material.

(4) The department shall not finance more than three-fourths of the cost of a project or two million dollars (\$2,000,000), whichever is less.

(5) The Department of Finance may audit the expenditure of the proceeds of a loan made pursuant to Section 42023.1 and this section.

(b) (1) Except as provided in paragraph (2), this section shall become inoperative on July 1, 2021, and as of January 1, 2022, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2022, deletes or extends the dates on which it becomes inoperative and is repealed.

(2) The repeal of this section pursuant to paragraph (1) shall not extinguish any loan obligation or the authority of the state to pursue appropriate actions for the collection of a loan.

(Amended by Stats. 2010, Ch. 275, Sec. 5. (SB 390) Effective January 1, 2011. Inoperative July 1, 2021. Repealed as of January 1, 2022, by its own provisions.)

42023.5. (a) The department shall, as part of the annual report to the Legislature, pursuant to Section 40507, include a report on the performance of the Recycling Market Development Revolving Loan Program, including the number and size of loans made, characteristics of loan recipients, projected loan demand, and the cost of administering the program.

(b) This section shall become inoperative on July 1, 2021, and as of January 1, 2022, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2022, deletes or extends the date on which it becomes inoperative and is repealed.

(Amended by Stats. 2010, Ch. 275, Sec. 6. (SB 390) Effective January 1, 2011. Inoperative July 1, 2021. Repealed as of January 1, 2022, by its own provisions.)

42023.6. (a) The department shall encourage applicants to seek participation from private financial institutions or other public agencies. For purposes of enabling the department and local agencies to comply with Sections 40051 and 41780, the department may participate, in an amount not to exceed five hundred thousand dollars (\$500,000), in the Capital Access Loan Program as provided in Article 8 (commencing with Section 44559) of Chapter 1 of Division 27 of the Health and Safety Code.

(b) For purposes of participating in the Capital Access Loan Program, as specified in subdivision (a), or in a program that leverages subaccount funds, the department may operate both inside and outside the recycling market development zones.

(c) (1) Except as provided in paragraph (2), this section shall become inoperative on July 1, 2021, and as of January 1, 2022, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2022, deletes or extends the date on which it becomes inoperative and is repealed.

(2) The repeal of this section pursuant to paragraph (1) shall not extinguish any loan obligation or the authority of the state to pursue appropriate actions for the collection of a loan.

(Amended by Stats. 2010, Ch. 275, Sec. 7. (SB 390) Effective January 1, 2011. Inoperative July 1, 2021. Repealed as of January 1, 2022, by its own provisions.)

42024. The board, the Treasurer, and other appropriate state agencies shall, to the extent feasible and as appropriate, coordinate activities that will leverage financing for market development projects and encourage joint activities to strengthen markets for recycled materials.

(Amended by Stats. 2004, Ch. 225, Sec. 64. Effective August 16, 2004.)