

**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**

STD. 399 (Rev. 10/2019)

**ECONOMIC IMPACT STATEMENT**

DEPARTMENT NAME <b>Pesticide Regulation</b>	CONTACT PERSON <b>Joy Dias</b>	EMAIL ADDRESS <b>Joy.Dias@cdpr.ca.gov</b>	TELEPHONE NUMBER <b>916-324-4183</b>
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 <b>Groundwater Protection List</b>			NOTICE FILE NUMBER <b>Z</b>

**A. ESTIMATED PRIVATE SECTOR COST IMPACTS** *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> a. Impacts business and/or employees | <input type="checkbox"/> e. Imposes reporting requirements              |
| <input checked="" type="checkbox"/> b. Impacts small businesses          | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input type="checkbox"/> c. Impacts jobs or occupations                  | <input type="checkbox"/> g. Impacts individuals                         |
| <input type="checkbox"/> d. Impacts California competitiveness           | <input type="checkbox"/> h. None of the above (Explain below):          |

*If any box in Items 1 a through g is checked, complete this Economic Impact Statement.**If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.*2. The Department of Pesticide Regulation  
(Agency/Department) estimates that the economic impact of this regulation (which includes the fiscal impact) is:

- Below \$10 million  
 Between \$10 and \$25 million  
 Between \$25 and \$50 million  
 Over \$50 million [If the economic impact is over \$50 million, agencies are required to submit a [Standardized Regulatory Impact Assessment](#) as specified in Government Code Section 11346.3(c)]

3. Enter the total number of businesses impacted: 400Describe the types of businesses (Include nonprofits): amusement parks, private hospitals, buildings & property, apt. & office complexesEnter the number or percentage of total businesses impacted that are small businesses: unknown4. Enter the number of businesses that will be created: 0 eliminated: 0Explain: Amending list of pesticide required by FAC 13145.5. Indicate the geographic extent of impacts:  Statewide  
 Local or regional (List areas): \_\_\_\_\_6. Enter the number of jobs created: 0 and eliminated: 0Describe the types of jobs or occupations impacted: N/A7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?  YES  NO

If YES, explain briefly: \_\_\_\_\_

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**ECONOMIC IMPACT STATEMENT (CONTINUED)****B. ESTIMATED COSTS** *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ 159,800-279,650
- a. Initial costs for a small business: \$ 80-140 Annual ongoing costs: \$ 80-140 Years: 5
- b. Initial costs for a typical business: \$ 80-140 Annual ongoing costs: \$ 80-140 Years: 5
- c. Initial costs for an individual: \$ 0 Annual ongoing costs: \$ 0 Years: N/A
- d. Describe other economic costs that may occur: none

2. If multiple industries are impacted, enter the share of total costs for each industry: Not able to quantify

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.* \$ 80-140

4. Will this regulation directly impact housing costs?  YES  NO

If YES, enter the annual dollar cost per housing unit: \$ \_\_\_\_\_

Number of units: \_\_\_\_\_

5. Are there comparable Federal regulations?  YES  NO

Explain the need for State regulation given the existence or absence of Federal regulations: \_\_\_\_\_

Mandated by Food and Agricultural Code section 13145

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ 159,800-279,650

**C. ESTIMATED BENEFITS** *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: Prevent pesticide pollution of groundwater that is used to supply drinking water.

2. Are the benefits the result of:  specific statutory requirements, or  goals developed by the agency based on broad statutory authority?

Explain: Food and Agricultural Code section 13141

3. What are the total statewide benefits from this regulation over its lifetime? \$ benefit not quantified

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: \_\_\_\_\_

No expansion

**D. ALTERNATIVES TO THE REGULATION** *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: \_\_\_\_\_

No alternatives were considered. Regulation is mandated by Food and Agricultural Code section 13145.

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**ECONOMIC IMPACT STATEMENT (CONTINUED)**

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ not quantified Cost: \$ 159,800-279,650

Alternative 1: Benefit: \$ N/A Cost: \$ \_\_\_\_\_

Alternative 2: Benefit: \$ N/A Cost: \$ \_\_\_\_\_

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: N/A

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?  YES  NO

Explain: Regulation is mandated by Food and Agricultural Code section 13145.

**E. MAJOR REGULATIONS** *Include calculations and assumptions in the rulemaking record.*

*California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.*

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million?  YES  NO

*If YES, complete E2. and E3  
If NO, skip to E4*

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: \_\_\_\_\_

Alternative 2: \_\_\_\_\_

*(Attach additional pages for other alternatives)*

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

Alternative 1: Total Cost \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

Alternative 2: Total Cost \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

YES  NO

*If YES, agencies are required to submit a [Standardized Regulatory Impact Assessment \(SRIA\)](#) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.*

5. Briefly describe the following:

The increase or decrease of investment in the State: None

The incentive for innovation in products, materials or processes: None

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: \_\_\_\_\_

Prevent pesticide pollution of groundwater that is used to supply drinking water.

**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**

**FISCAL IMPACT STATEMENT**

**A. FISCAL EFFECT ON LOCAL GOVERNMENT** *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ \_\_\_\_\_

a. Funding provided in \_\_\_\_\_

Budget Act of \_\_\_\_\_ or Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_

b. Funding will be requested in the Governor's Budget Act of \_\_\_\_\_

Fiscal Year: \_\_\_\_\_

2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ \_\_\_\_\_

*Check reason(s) this regulation is not reimbursable and provide the appropriate information:*

a. Implements the Federal mandate contained in \_\_\_\_\_

b. Implements the court mandate set forth by the \_\_\_\_\_ Court.

Case of: \_\_\_\_\_ vs. \_\_\_\_\_

c. Implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_

Date of Election: \_\_\_\_\_

d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: \_\_\_\_\_  
\_\_\_\_\_

e. Will be fully financed from the fees, revenue, etc. from: \_\_\_\_\_

Authorized by Section: \_\_\_\_\_ of the \_\_\_\_\_ Code;

f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in \_\_\_\_\_

3. Annual Savings. (approximate)

\$ \_\_\_\_\_

4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

5. No fiscal impact exists. This regulation does not affect any local entity or program.

6. Other. Explain [No impact to CACs or local governmental agencies. Public schools could see total lifetime costs, due to additional reporting, ranging from \\$72,330-126,578.](#)

[See attachment.](#)

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**FISCAL IMPACT STATEMENT (CONTINUED)**

**B. FISCAL EFFECT ON STATE GOVERNMENT** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

*It is anticipated that State agencies will:*

a. Absorb these additional costs within their existing budgets and resources.

b. Increase the currently authorized budget level for the \_\_\_\_\_ Fiscal Year

2. Savings in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

3. No fiscal impact exists. This regulation does not affect any State agency or program.

4. Other. Explain \_\_\_\_\_  
\_\_\_\_\_

**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

2. Savings in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

4. Other. Explain \_\_\_\_\_  
\_\_\_\_\_

FISCAL OFFICER SIGNATURE

*Christina Bugai*

[Christina Bugai \(Feb 21, 2025 12:24 PST\)](#)

DATE

02/21/2025

*The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.*

AGENCY SECRETARY

*[Signature]*

DATE

5/6/2025

*Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.*

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

*[Signature]*

Digitally signed by Andrew March

Date: 2026.03.26 11:59:50 -07'00'

DATE

3/26/2026

**Economic and Fiscal Impact Statement**  
**Attachment to Std. 399**  
**Department of Pesticide Regulation**  
**Groundwater Protection List Rulemaking**  
**Assumptions and Calculations**

**Economic Impact Statement**

A. Estimated Private Sector

Food and Agricultural Code (FAC) section 13145(g) requires use reporting by persons who apply pesticides included in the Groundwater Protection List (GWPL) but who do not otherwise report their applications. This requirement is clarified by 3CCR sections 6624(a)(5) and 6627 to require recordkeeping and reporting by persons who use pesticides included in subsection (b) of the Groundwater Protection List for any outdoor institution or outdoor industrial use. Licensed pest control businesses will not be affected by these proposed regulation changes because they are already required to report all pesticide applications regardless of application site. Similarly, reporting of restricted materials will not be affected by the proposed regulations because they are already required to be reported for uses other than the production of an agricultural commodity.

Based on the reporting requirements and pesticide use data reported to the Department of Pesticide Regulation (DPR) from 2015 through 2021 for the pesticides proposed to be added to and eliminated from 3CCR section 6800(b) and (c), DPR estimates that this rulemaking would generate an additional 1,598 pesticide use reports for outdoor industrial or outdoor institutional pesticide applications by 400 businesses or individuals who are not otherwise required to report their pesticide use (Table 1).

B. Estimated Costs to Private Businesses and Individuals

For this estimate, DPR conservatively assumes that the number of use reports submitted by businesses and individuals, who are not otherwise required to report their pesticide use, would be equal to the average annual records of non-production Monthly Summary Pesticide Use Reports (DPR-ENF-060, rev. 1-18) submitted by non-licensed applicators statewide minus any restricted materials (Table 1). The Monthly Summary Pesticide Use Report summarizes applications by pesticide: if an applicator reported applying two pesticides during a month, DPR's data system would count this as two pesticide use *records* even though the applicator only submitted one *report*. By equating use records with use reports, DPR is creating an upper bound of estimated costs to affected businesses and individuals. It is possible that some of these estimated reports would be submitted anyway because they contain pesticide use data of non-3CCR section 6800(b) and (c) pesticides; businesses and individuals would be adding additional information to the report if they also apply 6800(b) and (c) pesticides in that month. According to the non-production Monthly

Summary Pesticide Use Reports (Table 1), around 3% of the applications of proposed additions to 3CCR section 6800(b) and (c) were on the same use report.

Another source of cost overestimation is related to how application sites are reported on the Monthly Summary Pesticide Use Report form. Businesses and individuals are allowed to identify application sites using broad categories such as “structural,” “landscape maintenance” or “rights-of-ways”. These categories include applications to structures, roadsides, landscapes, utility poles, railways, ditch banks, and waterways which are far more common than applications to outdoor industrial and outdoor institutional use sites.

Additionally, some application sites on the non-production monthly use reports are production agricultural use: alfalfa, almond, beans, cotton, etc. These could be reporting errors, applications adjacent to the crop (such as ditch banks), or examples of crops used in landscaping. If you remove these application sites, the number of reportable records decreases 7%. For the purposes of this estimate, all application sites on the non-production Monthly Summary Pesticide Use Reports are included in the cost calculation as a conservative assumption.

Table 1. Pesticide Use Reporting Data for 2015 – 2021 for Pesticides Proposed to be Added to and Deleted from 3CCR section 6800[b] and [c], Corrected for Restricted Materials

	Average Annual Monthly Summary Pesticide Use Records Submitted by <u>Non-Licensed</u> Applicators (Restricted Materials Corrected)
Pesticides Added	6,653
Pesticides Deleted <sup>1</sup>	5,055
Average Annual Increase	1,598

Outdoor industrial and outdoor institutional pesticide use sites primarily include areas surrounding buildings and structures. Since most pesticide use occurs during the warmer months, DPR estimates that a business or individual affected by the proposed regulation changes would submit an average of four use reports per year. DPR further estimates that an affected business or individual would spend approximately 30 minutes, with hourly costs ranging from \$40 to \$70, assembling the required information and completing and submitting the use report. At \$20 to \$35 per report, initial and annual additional costs for a business or individual would range from \$80 to \$140 (4 reports/year X \$20 - \$35/report) and lifetime costs would range from \$159,800 to \$279,650 (1,598 additional reports/year X \$20 - \$35/report X 5 years).

**Fiscal Impact Statement**

A. Fiscal Impact on Local Government

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<sup>1</sup> This category does not include pesticides that have been proposed for elimination because they are no longer registered or legal for use in California.

Item 6:

DPR estimates that this regulation would result in an additional 3,196 Monthly Summary Pesticide Use Reports submitted to the county agricultural commissioners (CACs) by private businesses and individuals (1,598 reports) and by local governmental agencies such as airports, hospitals, libraries, ports, water treatment plants and zoos (1,598 reports).

While the proposed regulation changes are expected to slightly increase the total number of use reports submitted statewide, these changes will have a negligible effect on an individual CAC's annual funding due to the way local assistance funds are disbursed. In Fiscal Year 22/23, DPR allocated approximately \$36 million to the CACs for local assistance as required by FAC 12841(g)(1)(C). This funding was distributed to the CACs based on the mill disbursement criteria included in 3CCR sections 6390 through 6397. In general, funding is based on the amount of pest control activities, costs, workload, and performance reported by an individual county in proportion to that reported by all counties.

In Fiscal Year 22/23, DPR reimbursed CACs approximately \$10 million to process, review and correct approximately 3.8 million pesticide use *records*<sup>2</sup> submitted by licensed applicators and property operators, or \$2.61 / record (3CCR section 6393[b][9]). Each CAC's reimbursement is based on the total pesticide use records submitted in relation to the total number of pesticide use records submitted by all CACs. Therefore, the small projected increase in use *reports* submitted will be spread among all CACs and will not have a disproportionate impact on any individual county.

Local Governmental Agencies Other Than Public Schools

DPR estimates that there will be no fiscal impacts to local governmental agencies because of the proposed regulation changes.

Local governmental agencies control and maintain a wide variety of sites including office buildings, libraries, swimming pools, parks, golf courses, roadsides and rights-of-ways. Applications of restricted or general use pesticides to parks, golf courses, roadsides and rights-of-way by local governmental agencies are reported to CACs on the Monthly Summary Pesticide Use Report (DPR-ENF-060, rev. 4-12). Outdoor institutional applications of pesticides currently listed in the GWPL to sites such as landscaping surrounding county or city office buildings would also be reported by these agencies using this form.

Per the Alameda, Los Angeles, Sacramento, and San Diego CACs, most city and county agencies have restricted material permits or operator identification numbers (for general use pesticides) and already report much of their pesticide use. In some cases, public works or recreation departments

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<sup>2</sup> A use record is one line of data on a use report. The Monthly Summary Pesticide Use Report summarizes applications by pesticide: if an applicator reported applying two pesticides during a month, DPR's data system would count this as two pesticide use *records* even though the applicator only submitted one *report*.

manage pest control for most, or all, of the public agencies within their jurisdiction. They supervise applications by public employees to various county or city properties and submit Monthly Summary Pesticide Use Reports covering these agricultural and non-agricultural application. To varying degrees, counties and cities also hire licensed pest control businesses to make and report pesticide applications.

The proposed regulation changes may result in adding or deleting a small number of use *records* from the Monthly Summary Pesticide Use Reports that are, and will continue to be, submitted by local governmental agencies. Local governmental agencies that hire licensed pest control businesses will not be affected by the proposed regulatory changes because the licensees are already required to report all pesticide applications they make.

Public Schools

Since 2015, public school staff are required to report applications of most pesticides directly to DPR as required by the Healthy Schools Act of 2000 (HSA). Although some school districts rely exclusively on licensed pest control businesses for all pesticide applications, many rely on their staff to manage weed and insect pests on their playing fields or landscaped areas. Since licensed pest control businesses must report to their pesticide use to both DPR (yearly) and local CAC (monthly), this cost analysis is focused on school district employee pesticide use reporting.

School districts appoint an IPM Coordinator to comply with the provisions of the HSA as part of their integrated pest management plan. Typically, once a year in January, the school district sends a compilation of all pesticides used in the previous year directly to DPR. School districts are also required to report applications of restricted materials or pesticides listed in 3CCR section 6800(b) to their local CAC on the Monthly Summary Pesticide Use Report. For this estimate, DPR calculates the additional records that school districts will submit due to the proposed regulations, minus any restricted materials, as the average annual school employee applications submitted to DPR from 2015 to 2021. Based on the proposed regulations, an additional 2,411 records will be generated each year for monthly reporting to the CACs (Table 2). Additionally, according to HSA pesticide use reporting, school districts average five monthly use reports per year.

Table 2. Healthy School Act Pesticide Use Reporting Data for 2015 – 2021 for Pesticides Proposed to be Added to and Deleted from 3CCR section 6800[b] and [c], Corrected for Restricted Materials

	Average Annual Pesticide Use Records Submitted by <u>School Employees</u> (Restricted Materials Corrected)
Pesticides Added	2,715
Pesticides Deleted <sup>3</sup>	304
Average Annual Increase	2,411

<sup>3</sup> This category does not include pesticides that have been proposed for elimination because they are no longer registered or legal for use in California.

DPR estimates that an affected school district would spend approximately 15 minutes, with hourly costs ranging from \$40 to \$70, assembling the required information and completing and submitting the use report. Since school districts must comply with HSA reporting requirements, they are already tracking and submitting pesticide use records directly to DPR. Therefore, 15 minutes per record was estimated as some of the overhead costs are already captured by HSA compliance. For direct comparison to private business costs, a conservative ceiling for increased costs to school districts is calculated by assuming each net new record is equal to one report. With that assumption, lifetime costs would range from \$72,330 to \$126,578 (2,411 additional reports/year X \$10 - \$17.50/report X 3 years). At \$10 to \$17.50 per report, average annual additional costs for a school district would range from \$50 to \$87.50 (5 reports/year X \$10 - \$17.50/report).

Like with private businesses and individuals, these costs are likely overestimated. Additional monthly pesticide use reporting to local CACs is not expected to substantially increase overhead costs related to “programming, record keeping, reporting, and other paperwork” because of current HSA reporting requirements.

## B. Fiscal Impact on State Government

### Item 3:

Adding pesticides to section 6800(b) and (c) – and potentially increasing the CACs’ workload for review, processing and correction of pesticide use records – would not increase the amount of local assistance funding required to be provided to the CACs. The amount of DPR fund allocated to the CACs for local assistance is mandated by FAC section 12841(g)(1)(C) and is currently set at 7.6 mills per dollar of sales for all pesticides sold in California. DPR distributes this funding to the CACs based on the mill disbursement criteria included in 3CCR sections 6390 through 6397. In general, funding is based on the amount of pest control activities, costs, workload, and performance reported by an individual county in proportion to that reported by all counties. Due to this funding method, the small projected increase in the number of use *reports* submitted will be spread among all counties and will not have a disproportionate impact on any individual county.

FAC 13148 requires DPR to monitor pesticides included in proposed 3CCR section 6800(b) and (c) to determine whether they have migrated to groundwater. DPR currently has resources for targeted monitoring of two to five pesticides per year. Adding pesticides to 3CCR section 6800(b) and (c) will not increase the number of pesticides DPR can monitor per year. Therefore, this rulemaking will not result in an increase in annual monitoring costs.