

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

STD. 399 (Rev. 10/2019)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Department of Pesticide Regulation (DPR)	CONTACT PERSON Sam Raburn	EMAIL ADDRESS Samuel.Raburn@cdpr.ca.gov	TELEPHONE NUMBER 916-445-7230
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Pesticide-Treated Seeds			NOTICE FILE NUMBER Z

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:

- a. Impacts business and/or employees e. Imposes reporting requirements
 b. Impacts small businesses f. Imposes prescriptive instead of performance
 c. Impacts jobs or occupations g. Impacts individuals
 d. Impacts California competitiveness 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 estimates that the economic impact of this regulation (which includes the fiscal impact) is:
(Agency/Department)

- 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: 3,139

Describe the types of businesses (Include nonprofits): Pest control businesses and growers using treated seeds

Enter the number or percentage of total businesses impacted that are small businesses: 99%

4. Enter the number of businesses that will be created: 0 eliminated: 0

Explain: N/A

5. Indicate the geographic extent of impacts: Statewide
 Local or regional (List areas): _____

6. Enter the number of jobs created: 0 and eliminated: 0

Describe the types of jobs or occupations impacted: N/A

7. 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? \$ 343,107
- a. Initial costs for a small business: \$ 60.72 Annual ongoing costs: \$ 12.14 Years: 5
- b. Initial costs for a typical business: \$ 60.72 Annual ongoing costs: \$ 12.14 Years: 5
- c. Initial costs for an individual: \$ N/A Annual ongoing costs: \$ N/A Years: N/A
- d. Describe other economic costs that may occur: See addendum.

2. If multiple industries are impacted, enter the share of total costs for each industry: 99% agriculture, 1% non-agriculture (e.g., turf seeds)

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.* \$ 0

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: U.S. EPA regulates pesticide treated seeds as treated articles (7 U.S.C., § 25 subd. (b); 40 C.F.R. § 152.25), which are exempt from all FIFRA requirements.

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ N/A

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: See addendum.

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

Explain: DPR has broad authority to adopt regulations over the registration, sale, and use of pesticides in California.

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

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

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: DPR did not consider alternatives
There are no feasible alternatives to the proposed regulatory action that would achieve the purpose of the regulation with less possible
adverse economic impacts.

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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: \$ 190,615Alternative 1: Benefit: \$ N/A Cost: \$ N/AAlternative 2: Benefit: \$ N/A Cost: \$ N/A3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: N/A4. 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 NOExplain: The proposed regulation does not mandate specific technologies or equipment, or prescribe specific actions or procedures.**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: DPR does not anticipate any change to investment in the State.The incentive for innovation in products, materials or processes: DPR does not anticipate any change to incentives.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: See addendum.

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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 [See addendum.](#)

**ECONOMIC AND FISCAL IMPACT STATEMENT
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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 See addendum.**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



DATE

04/28/2026

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



DATE

04/29/2026

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



DATE

Economic and Fiscal Impact Statement Addendum to Std. 399

The Department of Pesticide Regulation (DPR) proposes to modify sections of title 3, California Code of Regulations (3 CCR) associated with pesticide definitions, reporting, and safety requirements to include pesticide-treated seeds. Four sections would be modified (3 CCR § 6000, 6147, 6691, and 6760) and one section would be added (3 CCR § 6626.5). This addendum provides additional context regarding select calculations from the Economic and Fiscal Impact Statement (Std. 399) form for the DPR's proposed Pesticide-Treated Seeds regulation.

Summary of Economic Impact Statement

B.1. ESTIMATED COSTS

DPR consulted with the Department of Food and Agriculture's (CDFA) Office of Pesticide Consultation and Analysis (OPCA) to analyze the potential economic impact on California agricultural operations, as required by FAC section 11454.2 and the January 15, 2019, Memorandum of Understanding. Economic impacts presented in the Std. 399 form are taken from this report, titled "Economic analysis of proposed changes to regulations on pesticide treated seeds," and dated April 7, 2026, which is listed as a document relied upon in the Initial Statement of Reasons. OPCA notes that estimating the potential impact is challenging and solely quantifies the reporting training cost. The report provides three estimates, depending on the share of operations (10%, 20%, 50%) that would require one employee to undergo training. To remain conservative, and potentially to account for other costs, we use the upper bound estimate (\$190,615) for the initial cost. DPR believes the handler training cost would also be incurred in subsequent years, or \$38,123 annually. Five years of total training costs result in the lifetime economic impact of \$343,107 we use for B.1.

B.1.a-b.

To calculate the average economic impact per business, we divide the initial costs (\$190,615) and annual ongoing costs (\$38,123) by the number of operations that would be impacted by the proposed regulation (3,139). This results in an average annual cost of \$60.72 and \$12.14 per business, respectively.

B.1.d.

The initial and annual costs identified above, from OPCA's report, are limited by the information on pesticide-treated seed use currently available to DPR and CDFA and the implementation of the new regulations expected by DPR and CDFA. OPCA's report provides analysis of possible uncertainties and other unforeseen economic costs associated with implementation of the new regulations. DPR encourages interested stakeholders to review OPCA's report. To minimize uncertainty and unforeseen costs, DPR plans to issue guidance to stakeholders once the regulations are final and closely monitor implementation of the new regulations and respond quickly to any issues that arise.

C.1. ESTIMATED BENEFITS

The broad objective of the proposed regulatory action is to benefit human health and the environment in California by:

- applying certain existing pesticide regulatory requirements to pesticide-treated seeds;
- requiring that all pesticide-treated seeds planted in California be treated with use a DPR-registered seed treatment ensuring the seeds have been evaluated for potential adverse effects to human health and the environment prior to being planted in California, thereby closing a current loophole on use; and
- requiring pesticide use reporting for the planting of pesticide-treated seeds to enable DPR to track their use and assess potential impacts.

Summary of Fiscal Impact Statement

A.6. FISCAL EFFECT ON LOCAL GOVERNMENT

County Agricultural Commissioner (CAC) offices will be the local agencies responsible for enforcing the proposed regulations. DPR anticipates that there will be no fiscal impact to these agencies. DPR establishes an annual work plan with the CACs, which already requires the CACs to conduct pesticide use inspections and investigations and to enforce compliance with California pesticide regulations.

CAC offices use a mix of State and local funding to fund their local pesticide use enforcement programs. The amount of funding the State gives to the CACs is fixed by FAC section 12841(g)(1)(C), which says DPR must reimburse counties 7.6 mills of mill assessment for costs incurred by the counties for pesticide use enforcement. Pursuant to 3 CCR section 6391, reimbursement shall be made by April 1 of each year. DPR is not authorized to reimburse the counties more than the amount generated from 7.6 mills. Because the total funding level from DPR does not change, the counties' workload from this regulation may be redirected according to county priorities. Further, the overall impact to CACs is expected to be minimal as, according to the CDFA consultative analysis, most persons engaged in the planting of pesticide-treated seeds would already be familiar with pesticide use reporting from the application of other pesticides and no additional operator or site identification numbers would need to be established.

B.4. FISCAL EFFECT ON STATE GOVERNMENT

To expand existing reporting features to include pesticide-treated seeds, DPR consulted with its current service provider, CaliCo Solutions LLC. The company provided a memo titled "CalAgPermits Enhancement Proposal Pesticide Use Reporting for Treated Seeds," and dated April 7, 2026, with two cost estimates to add new reporting features for DPR; this memo is listed as a document relied upon in the Initial Statement of Reasons. The base option was quoted at \$12,000 and the second option, with optional features, was quoted at \$20,000. DPR intends to proceed with the second, expanded option at a cost of \$20,000. This cost will not be incurred during the current State Fiscal Year (FY), but likely in FY 26-27.