

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

STD. 399 (Rev. 10/2019)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Department of Pesticide Regulation (DP)	CONTACT PERSON Sam Raburn	EMAIL ADDRESS Samuel.Raburn@cdpr.ca.gov	TELEPHONE NUMBER 916-445-7230
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Enforcement Response			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: 1,203

Describe the types of businesses (Include nonprofits): Non-compliant businesses cited for Class A, Class B, or Class C violations.

Enter the number or percentage of total businesses impacted that are small businesses: 90-96%

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? \$ 1,953,675
- a. Initial costs for a small business: \$ 324.80 Annual ongoing costs: \$ 324.80 Years: 5
- b. Initial costs for a typical business: \$ 324.80 Annual ongoing costs: \$ 324.80 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: N/A

2. If multiple industries are impacted, enter the share of total costs for each industry: N/A

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.* \$ N/A

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: Current regulations need to be updated to clarify language and to account for inflation.

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: Cal. Food and Agricultural Code, § 12999.5

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: No alternatives were considered. This rulemaking intends to clarify language in existing code, as well as updates fine amounts. This authority is granted to DPR through Cal. Food and Agricultural Code, § 13001, which allows the Director of DPR to adjust fines to account for inflation.

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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: \$ 390,735Alternative 1: Benefit: \$ N/A Cost: \$ N/AAlternative 2: Benefit: \$ N/A Cost: \$ N/A

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 NOExplain: N/A**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 attached memo.](#) _____

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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 DPR anticipates an increase in revenue collected by CACs. See attached memo.**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

05/21/2026

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

6/2/26

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 amend sections of title 3, California Code of Regulations (3 CCR) associated with enforcement responses to pesticide use violations. Two sections would be modified – 3 CCR § 6128 and 6130. This addendum provides additional context regarding the benefits of the proposed regulation, associated with sections C.1. and E.5. in the Economic Impact Statement of the Std. 399 form.

Summary of Economic Impact Statement

C.1. ESTIMATED BENEFITS

The proposed regulations are designed to promote the public health and welfare of California residents, promote worker health and safety and safeguard California's environment and natural resources by strengthening the deterrence of pesticide use violations and local implementation of the statewide pesticide compliance and enforcement program by revising the appropriate enforcement responses to be taken by the county agricultural commissioner (CAC) each time a violation(s) occurs to improve effectiveness and clarity of the regulations. The proposed amendments will permit CACs to effectively administer local enforcement of pesticide use laws and regulations, aimed at protecting human health and the environment. The proposed amendments will benefit the public, including California residents and workers, by promoting compliance with pesticide law, regulations and lawful orders and deterring unlawful actions.



Department of Pesticide Regulation

Karen Morrison
Director

Gavin Newsom
Governor

Yana Garcia
Secretary for
Environmental
Protection

MEMORANDUM

TO: Lauren Otani, Senior Environmental Scientist (Specialist)

FROM: Sam Raburn, Economist

DATE: 4/6/2026

SUBJECT: An Economic Impact Analysis on Amending California Code of Regulations, Title 3, Sections 6128 and 6130 (Enforcement Response Regulations)

1. Executive Summary:

The Department of Pesticide Regulation (DPR) proposes to amend California Code of Regulations, title 3, sections 6128 and 6130. This memo analyzes the potential economic impact of the proposed changes. DPR estimates the increase in annual fines (i.e., the economic impact) to be \$390,735. Assuming a rulemaking lifespan of five years, and that average costs are equal across all years, the lifetime total impact would be \$1,953,675. This would also increase the revenue collected by County Agricultural Commissioners by the same amount. Table 1 compares fine totals by violation class under the current text (Old) and proposed regulation (New).

Table 1. Estimated Change in Annual Fines by Violation Class

Violation Class	Old Total	New Total	Change
<i>Class A</i>	\$153,655	-	(\$153,655)
<i>Class A(1)</i>	-	\$253,120	\$253,120
<i>Class A(2)</i>	-	\$134,442	\$134,442
<i>Class B</i>	\$310,757	\$475,088	\$164,331
<i>Class C</i>	\$27,787	\$20,284	(\$7,503)
Total	\$492,199	\$882,934	\$390,735

The remainder of this memo is composed of the economic impact analysis and is broken up into three sections based on violation class.

2. Economic Impact:

Summary statistics regarding the average fine amounts, fine counts, and total fines were provided by the Enforcement Headquarters Branch as part of the California Pesticide Enforcement Activity

Tracking System (CalPEATS) database. Data from January 2023 to September 2025 are summarized in Table 2. Violation counts and fine totals are aggregated over the 33-month period that data were collected.

Table 2. Summary Statistics for Total Fines by Violation Class 2023-2025

Summary Statistic	Class A	Class B	Class C
<i>Mean</i>	\$1,701.61	\$403.58	\$153.52
<i>Median</i>	\$1,000	\$250	\$100
<i>Minimum</i>	\$700	\$250	\$50
<i>Maximum</i>	\$10,000	\$3,000	\$1,500
<i>Count</i>	248	2118	499
Sum	\$421,999	\$854,782	\$76,606

To estimate the potential economic impact from the proposed changes, we assume these totals are representative of average violations annually. This results in an annual (i.e., 12-month) average of 90 Class A violations, 770 Class B violations, and 181 Class C violations. A historical average of 1,041 businesses are estimated to be impacted by this regulation. As we later describe in Section 2.2, DPR anticipates an additional 162 enforcement actions due to extending the review period for Class B violations. In total, DPR estimates an average of 1,203 businesses to be annually impacted by the proposed regulation. Of these, we estimate 90 to 96 percent are small businesses, as defined by Government Code section 11346.3(b)(4)(B).

Because the proposed regulation will impact violation classes differently, we examine classes in separate analyses. In the following three sections, we identify economically relevant changes and estimate the economic impact of the proposed changes. For details on the exact language changes, please refer to the proposed text.

2.1. Class A, A(1), and A(2) Violations:

Currently, Class A violations are a single category. The proposed regulation would alter Class A violations in three ways that would contribute to an economic impact. The regulation would:

- 1) Split Class A violations into two separate violations: Class A(1), which is a violation that caused a health hazard, and Class A(2), which is primarily a violation that caused a property or environmental hazard;
- 2) Increase the fine amount associated with these violations; and
- 3) Introduce a surcharge for repeat violations.

Class A violations currently result in a minimum fine of \$700. Under the proposed regulation, Class A(1) violations would result in a minimum fine of \$3,000 and Class A(2) violations a

minimum fine of \$1,200. Moreover, in the event of a repeat violation, fines will now have an additional minimum 20% surcharge from the previous Class A, Class A(1), or Class A(2) penalty.¹

To estimate the economic impact of this regulation, we use the percent increase in minimum fine amounts as a proxy for the increase in average (mean) fine amounts. For Class A(1) violations, the minimum fine would increase from \$700 (for Class A violations) to \$3,000 – an increase of 229 percent. Applying this to the current average fine amount of \$1,702 results in an estimated new average fine amount of \$5,600. For Class A(2) violations, the minimum fine would increase from \$700 (for Class A violations) to \$1,200 – an increase of 71 percent. Applying this to the current average fine amount results in an estimated new average fine amount of \$2,910.

Notice of Proposed Action (NOPA) descriptions do not currently indicate whether a Class A violation would be Class A(1) or A(2) under the new regulations. For this analysis, we assume that half of the 90 annual Class A violations would be considered A(1) and half would be considered A(2). Of the 45 Class A(1) and 45 Class A(2) violations, we estimate one repeat A(1) violation and six repeat A(2) violations annually, based on NOPA averages.

Table 3 below compares past and projected fine amounts by violation class. Fine minima and maxima are provided for reference but are not used in calculations. Class totals are calculated as the sum of mean-count products. Under the proposed regulation, we estimate the new sum of Class A(1) and Class A(2) fines would total \$387,562.² The increase in total fine amount, or economic impact, for this portion is expected to be \$233,907.

Table 3. Annualized Statistics for Class A Violations

Summary Statistic	Class A (Old)	Class A(1)	Class A(2)	Change
<i>Minimum</i>	\$700	\$3,000	\$1,200	+71-229%
<i>Maximum</i>	\$15,000	\$15,000	\$15,000	-
<i>Mean (Regular)</i>	\$1,701.61	\$5,600.00	\$2,910.00	+71-229%
<i>Count (Regular)</i>	83	44	39	-
<i>Mean (Repeat)</i>	\$1,701.61	\$6,720	\$3,492	+105-295%
<i>Count (Repeat)</i>	7	1	6	-
Subtotal	-	\$253,120	\$134,442	-
Total	\$153,655	\$387,562		+152.2%

¹ For Class A(1) violations: A minimum 20% increase from the minimum of Class A(1) or a minimum 20% increase from the prior violation, whichever is higher, up to the Class A(1) penalty maximum. For Class A(2) violations: A minimum 20% increase from the prior violation penalty up to Class A(2) penalty maximum.

² The total sum of fines could reach \$511,840 if we instead assume 100 percent of Class A violations would be considered A(1).

2.2. Class B Violations:

The proposed regulation directly alters Class B violations in two ways: 1) by increasing the minimum fine from \$250 to \$300; and 2) by extending the two-year history review to five years. Additionally, due to narrowing the definition for Class C violations, a portion of future violations that would be considered Class C under the current text will be considered Class B under the proposed regulation. This will increase the average expected number of Class B violations, and by extension, the total number of Class B fines issued.

To estimate the economic impact from increasing the minimum fine amount, we again approximate the average fine by comparing the old and new minimum fines. A 20 percent increase to the average (i.e., mean) Class B violation fine results in a new average fine of \$484 per violation. DPR estimates that extending the review period for Class B violations would result in an additional 162 enforcement actions (i.e., fines).³ Further, DPR estimates that 27 percent of Class C violations would become Class B violations, which would result in an additional 49 Class B violations per year.

Table 4 below compares Class B violations under the past and proposed new regulations. Fine minima and maxima are provided for reference but are not used in calculations. Totals are calculated as the product of means and counts. Under the proposed regulation, we estimate the new fine total to be \$475,088. The increase in total fine amount, or economic impact, for this portion is expected to be \$164,331.

Table 4. Annualized Statistics for Class B Violations

Summary Statistic	Class B (Old)	Class B (New)	Change
<i>Minimum</i>	\$250	\$300	+20%
<i>Maximum</i>	\$3,000	\$3,000	-
<i>Mean</i>	\$403.58	\$484.29	+20%
<i>Count</i>	770	981	+6%
Total	\$310,757	\$475,088	+52.9%

2.3. Class C Violations:

The proposed regulation alters Class C violations by narrowing the definition; Class C fine amounts will not increase under the proposed regulation. As aforementioned, 27 percent of current Class C violations (49 violations) would be considered a Class B violation under the proposed

³ Of the 450 licenses in 2025 with enforceable responses, 15% had their most recent violation in 2024, 9% had it in 2023, 7% had it in 2022, 3% in 2021, and 2% in 2020. These would all result in enforceable actions under the proposed regulation.

regulation. Table 5 on the following page compares Class C violations under the past and proposed new regulations. Fine minima and maxima are provided for reference but are not used in calculations. Totals are calculated as the product of means and counts. Under the proposed regulation, we estimate the new fine total to be \$20,284. The reduction in total fine amount, or economic impact, for this portion is expected to be (negative) \$7,503.

Table 5. Annualized Statistics for Class C Violations

Summary Statistic	Class C (Old)	Class C (New)	Change
<i>Minimum</i>	\$50	\$50	-
<i>Maximum</i>	\$400	\$400	-
<i>Mean</i>	\$153.52	\$153.52	-
<i>Count</i>	181	132	-27%
Total	\$27,787	\$20,284	-27.0%