

Julie Henderson Director Department of Pesticide Regulation

Gavin Newsom Governor

Yana Garcia Secretary for Environmental Protection

California Notice 2024-15

TO: Pesticide Registrants and Other Stakeholders

SUBJECT: NOTICE OF EMERGENCY RULEMAKING FOR REGISTRATION FEE INCREASE AND RESPONSES TO PUBLIC COMMENTS

The Governor signed the 2024-25 State Budget in June 2024, which allocated increased funding based in part on increases in registration fees. The 2024-25 State budget included 36.9 positions (includes positions that require fractional financial support) to support the Department of Pesticide Regulation's (DPR's) pesticide registration program and goals to expand the availability of safer pest management alternatives. Increasing registration fees is necessary to meet current baseline funding needs and the new positions approved as part of the Fiscal Year 2024-2025 budget. Without immediate action, the pesticide registration program will not be the self-supported program as required by Food and Agricultural Code (FAC) section 12812(c).

On April 23, 2024, DPR held a virtual stakeholder webinar to discuss the deficit in the pesticide registration program and to obtain input from stakeholders on the best approach to close the widening deficit. DPR also held an informal comment period separate from the webinar and received nine comments, including letters from registrant associations, individual registrants, and user organizations. DPR thanks its stakeholders for submitting comments on the proposal presented at the April webinar to increase fees for the pesticide registration program. DPR's response to comments received during the public comment period can be found in the Finding of Emergency on DPR's Web site at <cdpr.ca.gov/docs/legbills/emergregs.htm>.

After careful evaluation of all comments received, DPR made a change to the proposal by creating a category for applications for amendments allowed by notifications of minor changes (notifications) and proposing a fee lower than the proposed application fee for amendments. As previously announced in California Notice 2024-12 <cdpr.ca.gov/docs/registration/canot/ 2024/ca2024-12.pdf>, the fees will be revised as shown in Table 1. In addition, DPR received numerous comments focused on the need for DPR to provide predictable registration timeframes and increased accountability and transparency related to program metrics. DPR understands the importance of predictable timeframes and has committed to and is working towards improving the timeliness and transparency of scientific evaluation and registration of pesticide products. On July 2, 2024, the Governor signed Assembly Bill 2113 (FAC section 12839), a companion policy bill to the 2024-2025 State Budget, which establishes registration timelines in statute to provide transparency, predictability and accountability. The law requires DPR, on and after July 1, 2027, to meet certain timelines to evaluate and issue final decisions on applications to register new pesticide products or amend existing pesticide product registrations. The law also requires DPR to annually report average processing times for applications to register new pesticide products and applications to amend existing pesticide product registrations for the prior calendar year.

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Category	Current Fees	Proposed Revised Fees
New Product Application Fee	\$1,150	\$1,500
Amendment Fee	\$25	\$300
Notification Fee	\$25	\$100
Annual Renewal Fee	\$1,525	\$2,300

Table 1. Current Registration Fees and Proposed Revised Fees Proposed

The proposed increase in registration-related fees, as shown in **Table 1**, are anticipated to cover increased expenses phased in through 2027-28, at current salary levels. However, the Legislature recently passed Senate Bill 181 (FAC sections 19829.9852, 19829.9853, 19829.9854, and 19829.9855), which, if signed by the Governor, will result in significant salary increases over the next three years for rank-and-file staff within State Bargaining Units 8 and 10. This will impact salaries for a majority of positions in DPR's registration program, likely necessitating an additional fee increase in the coming year. DPR will continue to evaluate its registration fee schedule on a regular basis and will make adjustments as needed. Pursuant to FAC section 12812(f), DPR will provide notice by January 31 of a given year, if it determines that an increase in fees is necessary during that calendar year.

As required by statute, DPR will file these regulation changes as an emergency regulation. The <u>documents associated with the emergency regulation</u> are available on DPR's Web site at <cdpr.ca.gov/docs/legbills/emergregs.htm>.

DPR intends to file the emergency regulation with the Office of Administrative Law on September 12, 2024, at which time a five-day public comment period will begin that ends on September 17, 2024. Thereafter, DPR will respond to public comments received. The emergency regulations are proposed to become effective October 1, 2024.

If you have questions regarding the emergency regulation, please send an email to <<u>dpr2402e@cdpr.ca.gov</u>>. If you have other questions regarding the information in this notice, please send an email to <<u>Regfees@cdpr.ca.gov</u>>.

Original signed by

09/03/2024

Tulio Macedo, Chief Pesticide Registration Branch 916-324-3527 Date