

FINDING OF EMERGENCY  
DEPARTMENT OF PESTICIDE REGULATION

Title 3. California Code of Regulations  
Amend Sections 6148, 6148.5, 6170 and 6216  
Pesticide Product Registration Fees

The Department of Pesticide Regulation (DPR) finds that pursuant to section 12812(e) of the Food and Agricultural Code (FAC), an emergency exists and that the adoption of these regulations are necessary for the immediate preservation of the public peace, health, safety, and general welfare, and that these regulations shall remain in effect until amended by the Director.

INFORMATIVE DIGEST

DPR protects human health and the environment by fostering reduced-risk pest management and strictly regulating pesticide sales and use. DPR's strict regulatory oversight includes: pesticide product evaluation and registration; continuous evaluation of registered pesticides; statewide licensing of commercial and private pesticide applicators, dealers, and advisers; environmental and exposure monitoring; and pesticide residue testing of fresh produce. This regulatory scheme is set forth primarily in FAC Divisions 6 and 7.

All pesticide products must be scientifically evaluated and registered by DPR before they can be sold for use in the State of California. Before a product is registered, DPR scientists conduct a thorough review of the product label and evaluate scientific data pertaining to the product formulation, product labeling, and the active ingredient within the product. During the evaluation of the product label and pertinent scientific data, DPR scientists ensure all appropriate mitigation and restrictions are listed on the label and may require additional mitigation measures as needed. Each pesticide product's certificate of registration expires on December 31 of each year and must be renewed by January 31 to avoid a late penalty. DPR also evaluates proposed label and formulation amendments to registered pesticide products. Currently, only applications for registration, renewal, and amendments, including amendments allowed by notifications of minor changes ('notifications'), to currently registered products, require a fee. See below for actions that do not require a fee.

Legislation enacted in 1970 authorized DPR (which was, at that time, a division within the Department of Food and Agriculture) to charge a \$40 application fee for each pesticide product submitted to DPR for registration and/or renewal. In 1987, Chapter 503, Statutes of 1986 increased the registration and renewal application fee for each pesticide product to \$200. In 2003, DPR was given broad authority (Chapter 741, Statutes of 2003) to adjust fees through emergency regulations and set the fee schedule to ensure that total revenue collected each fiscal year is sufficient to support the expenditure levels for the registration program contained in the annual Budget Act. Subsequently, in 2004, DPR set the application fee for each pesticide product submitted for registration and for annual renewal at \$750. DPR also set an application fee for amendments to the labeling of registered pesticide products at \$100 when the amendment must be supported by scientific data. DPR also established a 20 percent late-payment penalty on the renewal fee if a registrant does not apply for renewal within one calendar month after the pesticide product's certificate expires. In October 2015, DPR revised both the application fee to

register new pesticide products and the annual renewal fee for each registered product to \$1,150. At the same time, DPR also revised the application fee to \$25 for all amendments, including notifications, to registered pesticide products, regardless of whether scientific data was required. In October 2021, DPR revised the annual renewal fee for each registered product to \$1,525 but continued to charge \$1,150 for the application fee to register new pesticide products and \$25 for applications to amend, including notifications, pesticide products. Existing regulations in sections 6148, 6148.5, and 6216 in title 3 of the California Code of Regulations (3 CCR) establish fees for registration, amendments (including notifications), and renewals, respectively, for each pesticide product. See **Table 1** for history of fees.

**Table 1: History of Fees**

Year	Applications to Register	Applications to Amend	Annual Renewal Fee	Late-Payment Penalty on Late Renewals (%)
1970	\$40	N/A	\$40	N/A
1987	\$200	N/A	\$200	N/A
2004	\$750	\$100 (amendments supported by scientific data)	\$750	20
2015	\$1150	\$25 (all amendments)	\$1150	20
2021	\$1150	\$25 (all amendments)	\$1525	20

Since fiscal year 2021-22, registration program revenue collected each fiscal year by DPR has not been sufficient to support the expenditure levels for the registration program contained in the annual Budget Act. In addition, expansions in service levels for the registration program over the last two years (additional discussion below) require increased revenue to support those programs. As a result, DPR is proposing to amend sections 6148, 6148.5, and 6216 to increase registration, amendment, notification, and renewal fees for each pesticide product. DPR is also proposing to amend section 6170 to update the revision date of the application form incorporated by reference. As shown in **Table 2** below, DPR is proposing to amend section 6148 to increase new product application fees from \$1,150 to \$1,500, amend section 6148.5 to increase amendment fees for each pesticide product from \$25 to \$300 and increase notification fees for each pesticide product from \$25 to \$100, and amend section 6216 to increase annual renewal fees from \$1,525 to \$2,300.

**Table 2. Current Registration Fees Set Forth in Title 3, CCR Sections 6148, 6148.5, and 6216, and Proposed Revised Fees in This Emergency Rulemaking**

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
Approximate Revenues Generated	\$20,500,000	\$31,000,000

The changes proposed in this emergency rulemaking action will increase pesticide registration fees for registering new pesticide products, amending pesticide products through amendments and notifications, and annual renewal fees for pesticide products. The increase in all registration fees will ensure that the total collected revenue for the current fiscal year is sufficient to support projected expenditure levels for DPR's pesticide registration program. The program includes the Pesticide Registration Branch and registration evaluation scientists in the Pesticide Evaluation, Environmental Monitoring, Human Health Assessment, Worker Health and Safety, and Enforcement Branches.

Additionally, operation of the registration program also encompasses several registration-related business and administrative functions for which separate fees are not charged. These other registration-related business functions include special local needs registrations, emergency exemptions from registration, research authorizations, adverse effects submissions, reevaluation, risk assessment, risk mitigation, ombudsman inquiries, and requests for review of products to determine if products require registration or meet the minimum risk classification. Registration-related administrative functions include areas such as initial application intake, scientific study indexing, pesticide data maintenance and storage, product licensing, product label coding, and responses to Public Records Act requests.

In addition to increasing the registration fees, this emergency rulemaking action will amend the application form incorporated by reference in section 6170 to reflect the new fees and will make nonsubstantive changes to add informative language regarding DPR's web-based application, the California Pesticide Electronic Submission Tracking (CalPEST) system.

The broad objective of this emergency action is to ensure that DPR has sufficient funds to administer its registration program, as required by law. The proposed action will benefit the environment, worker safety, and the health of California residents by enabling DPR, as required by FAC section 12824, to continue to effectively evaluate applications for registration of new pesticide products and amendments to currently registered products and to continuously evaluate registered pesticides to ensure that use of the products will not result in significant adverse impacts on human health or the environment.

During the process of developing these emergency regulations, DPR conducted a search of any similar regulations and concluded that these proposed regulations are neither inconsistent nor incompatible with existing state regulations. DPR is the only state agency that has the authority to regulate pesticides. No other state agency has the authority to establish pesticide product registration fees.

#### SPECIFIC FACTS SHOWING NEED FOR IMMEDIATE ACTION

FAC section 12812(c) requires the total registration fee revenue collected each fiscal year to be sufficient to support the expenditure levels for the registration program contained in the annual Budget Act. In other words, the pesticide registration program must be self-supporting and supported by the fee payers that receive direct benefits from DPR's pesticide registration program. However, registration fee revenues have not supported DPR's pesticide registration program expenditures since 2021-22.

The registration fees were last increased in early fall 2021, primarily to support the development of CalPEST. CalPEST will convert DPR’s current paper-based pesticide registration processes into a more efficient technology-based system, which will provide several benefits to both registrants and DPR. While the costs of CalPEST were included in the 2021 registration fee increase, subsequent operating expenditure increases not approved at that time were not included. For example, the revenues generated from the 2021 registration fees have not covered subsequently approved statewide increases to employee compensation and retirement adjustments (approximately \$4 million).

Additionally, the fiscal year (FY) 2023-2024 budget authorized six permanent positions, costing an additional \$1.2 million per year. These positions are allowing DPR to begin addressing critical registration program needs in reevaluation, chemistry, microbiology, ecotoxicology, and the public report program.

In addition to the above increases in authorized expenditures, 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 117 positions throughout the department, 31.2 of which are focused on the pesticide registration program over three years (FY 24/25, 25/26, and 26/27). In addition, fractional support of additional positions with some registration program related duties and general administrative support (such as contracting, hiring, or internet technology), will increase expenditures by approximately \$7.667 million (36.9 positions in total). To support the existing program costs and new expenditures, DPR will need to raise registration fees in 2024. **Table 3** illustrates the projected deficit for the coming years if registration fees are not increased.

**Table 3: Pesticide Registration Program Expenditures and Revenues<sup>†</sup>, Fiscal Years 2019-20 through 2028-29.**

Fiscal Year	2019-20	2020-21	2021-22	2022-23	2023-24*	2024-25*	2025-26*	2026-27*	2027-28*	2028-29*
Expenditures	15,896	15,990	22,589	19,433	27,484	30,282	32,011	31,045	31,045	31,045
Revenues	16,181	21,029	20,714	20,498	20,498	20,498	20,498	20,498	20,498	20,498
Surplus/Deficit	0	191	(1,560)	1,281	(6,986)	(9,784)	(11,513)	(10,547)	(10,547)	(10,547)

<sup>†</sup> In thousands; \*Projection

Based on registration data from the last three years, DPR receives an average of 936 applications to register pesticide products and 1,570 applications for amendments and notifications, combined, for each year. Of the 1,570 applications for amendments and notifications, DPR estimates about 80% were amendment applications and 20% were notification applications. Based on renewal data from the last ten years, DPR renews an average of 12,645 products each year. At the current fee levels, DPR collects approximately \$20.5 million in registration fee revenue. As previously indicated in **Table 2**, the projected deficit in 2023-24 is about \$7.0 million and continues to grow in the following years. Without immediate action, the pesticide registration program will not be the self-supported program as required by 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. The webinar was attended by 61 stakeholders through the Zoom platform. Stakeholders were also able to view the webinar by webcast, however, DPR does not have the ability to track the number of those attendees. DPR presented possible scenarios to address the existing deficit and additional resource needs associated with the Governor's proposed budget. The webinar held a question-and-answer session for attendees. 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 reviewed and considered these comments in determining the fee increases described within this document.

While the comments included various suggestions on how to change the fees in California, one consistent comment was that notifications should not require the same fee amount as amendments. DPR incorporated this suggestion by proposing a lower fee for notifications in this rulemaking (\$100 instead of \$300 proposed for amendments).

Other suggestions for revising the fee proposal included incorporating small business discounts, increasing fees for chemicals under reevaluation, and having different fees for submissions with or without data. These suggestions require extensive changes to the fee framework and are not currently feasible. However, DPR will continue to explore these suggestions for future revisions to the fee structure.

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. The Governor recently signed Assembly Bill (AB) 2113 (Stats. 2024, Ch. 60, Sec. 17) establishing registration timelines in statute to provide transparency and predictability (FAC section 12839). The law requires DPR, on and after July 1, 2027, to meet certain timelines to review and 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, for the prior calendar year, average processing times for applications to register new pesticide products and applications to amend existing pesticide product registrations.

Also, to increase predictability in timeframes, DPR is working to streamline its paper-based processes by launching the first implementation of CalPEST in Fall 2024. CalPEST will significantly modernize DPR's system to allow for electronic submission and processing of registration documentation. Additionally, CalPEST will allow electronic payment of registration fees for new registrations, amendments, notifications, and renewals. CalPEST will allow registered users to log into the system and view the status of a pending submission. Additionally, CalPEST's robust tracking capabilities will allow DPR to readily provide more information about the registration process than is currently available. For example, applicants will have immediate access to evaluation reports, accepted product labels, and licenses. CalPEST is expected to improve processing times. For example, submissions entering formal scientific evaluation will be routed to all required evaluation programs simultaneously, where possible. Currently, most submissions are routed sequentially.

DPR is committed to and working on improvements in these areas and notes that this will be a continuous process over several years. Over the next three years, DPR plans to use the positions authorized in the 2024 Budget Act to support various programs handling registration activities, modernize processes by implementing the CalPEST, and meet registration timeframes established in FAC section 12839 (AB 2113, 2024). Collectively, this work will improve consistency, predictability, and transparency of processing times, and overall enhancement of the pesticide registration program.

While DPR understands the fiscal concerns raised by commenters, DPR is unable to postpone implementation of the fee increase. Currently, registration fees, which have not increased since 2021, are not adequate to support the registration program, including the review of pesticide applications, and protect human health and the environment in accordance with DPR's mission and statutory requirements. FAC section 12812(c) requires the registration program to be self-supporting. Consequently, DPR must raise fees to levels that support the expenditures of the registration program. The increases are based on various factors such as current and historical values of revenue collected from the number of registration and amendment application and annual renewal fees received; and program expenses for FY 24/25. DPR will continue to evaluate fees on a regular basis and may make adjustments as needed.

DPR proposes an effective date of October 1, 2024 for the following proposed fee changes. DPR proposes to amend the application fee specified in 3 CCR section 6148 from \$1,150 to \$1,500, the amendment fee specified in section 6148.5 from \$25 to \$300, and the notification fee specified in 3 CCR section 6148.5 from \$25 to \$100. In subsection 6148.5(b), DPR also proposes to clarify that a notification of minor changes is an amendment to a registered pesticide product that has no potential to cause a significant adverse impact to human health or the environment. The Director shall determine whether an amendment to a registered pesticide product may be allowed by a notification. The Director shall issue a public notice describing types of amendments allowed by notifications of minor changes and publish the notice on the Department's Web site. This proposed addition is for consistency with title 40, Code of Federal Regulations section 152.46, which provides for changes to pesticide registrations permitted by the United States Environmental Protection Agency, and for consistency with 3 CCR sections 6220 and 6254 regarding significant adverse impacts. Notifications are typically non-substantive and overall, require less resources to process; therefore, a lower fee is appropriate for these types of amendments. Additionally, DPR proposes to amend 3 CCR section 6216 to reflect the change in the renewal application fee from \$1,525 to \$2,300 and establish that the increased fee will apply to all certificates of registration (licenses) expiring on December 31, 2024, or after.

Additionally, DPR is proposing to amend 3 CCR section 6170 to update the revision date of the application form incorporated by reference. The increased registration, amendment, and notification fees will apply to all submissions received on or after October 1, 2024.

**Table 4: Pesticide Registration Program Revenue Sources**

	<b>Current Fee Schedule (FY 2023-24*)</b>	<b>Proposed Fee Schedule (FY 2024-25*)</b>	<b>Increase over Current Fee Schedule</b>
New Product Application Fee	\$1,076,000	\$1,404,000	\$328,000
Amendment Fee	\$31,000	\$377,000	\$346,000
Notification Fee	\$8,000	\$31,000	\$23,000
Annual Renewal Fee	\$19,284,000	\$29,084,000	\$9,800,000
Totals	\$20,498,000	\$30,995,000	\$10,497,000

\*Projection

The proposed increase in registration-related fees, as shown in **Table 4**, is projected to generate \$10.5 million more revenue per year than the current fees. The proposed fees are anticipated to cover increased expenses phased in through 2027-28, at current salary levels. However, the Legislature recently passed Senate Bill (SB) 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. DPR notes that the current pesticide registration program expenditure projections focus on the three largest drivers—previous increases in statewide employee compensation, the addition of six registration positions authorized in the FY 23/24 budget, and 36.9 new positions to support the registration program authorized in the FY 24/25 budget.

Additionally, DPR proposes to amend the "Application for Pesticide Registration DPR-REG-030 (Rev. 10/21)," incorporated by reference in section 6170 to include a new revision date of 10/24. The changes to the application include revising the fees and making non-substantive changes to add informative language regarding DPR’s web-based application, CalPEST system. These non-substantive changes do not materially alter any requirement, right, responsibility, condition, prescription, or other regulatory element of any CCR provision. All changes to the forms are described in greater detail below:

Application for Pesticide Registration DPR-REG-030

Page 3:

- Change the application fee from \$1150 to \$1500 for consistency with proposed change to section 6148.

Page 4:

- Change the renewal fee from \$1525 to \$2300 for consistency with proposed change to section 6216.
- Add informational language: “**California Pesticide Electronic Submission Tracking (CalPEST) System** CalPEST is a web-based application that allows applicants to submit

new product applications, amendments, renewals, and several other pesticide product registration actions. Applicants may alternatively submit their application through CalPEST at <<https://www.cdpr.ca.gov/docs/registration/calpest.htm>>. Applications submitted through CalPEST will allow for electronic payment and faster processing. Additionally, users will be able to view their submission status in real-time.”

Page 6:

- Delete “-39-“ from “DPR-REG-39-030” to reflect the correct form number.

If regulations to increase registration, renewal, amendment, and notification fees are not adopted, DPR will not be able to realize approximately \$10.5 million in revenue to support the pesticide registration program appropriation contained in the 2024-25 Budget Act. Regulations must be adopted to comply with FAC section 12812(e). Therefore, an increase in all registration fees is necessary to keep pace with rising pesticide registration program expenditures.

#### AUTHORITY

This regulatory action is taken pursuant to the authority vested by FAC sections 12781 and 12812.

#### REFERENCE

This regulatory action implements, interprets, or makes specific FAC sections 12811, 12812, and 12815.

#### MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

DPR has determined that the proposed regulatory action does not impose a mandate on school districts, nor does it require reimbursement by the State pursuant to Part 7 (commencing with section 17500) of Division 4 of the Government Code because the regulatory action does not constitute a new program of higher level of service of an existing program within the meaning of section 6 of Article XIIB of the California Constitution. DPR has also determined that no nondiscretionary costs or savings to local agencies or school districts are expected to result from the proposed regulatory action.

#### COSTS OR SAVINGS TO STATE AGENCIES

DPR has determined that no savings or increased costs to any state agency will result from this regulatory action.

#### EFFECT ON FEDERAL FUNDING TO THE STATE

DPR has determined that no effect on federal funding to the State will result from this regulatory action.