

**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>Peggy Byerly</b>	EMAIL ADDRESS <b>Peggy.Byerly@cdpr.ca.gov</b>	TELEPHONE NUMBER <b>916-324-4100</b>
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 <b>Citrus/Bee Protection Areas</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 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: 19 per year

Describe the types of businesses (Include nonprofits): See attachment.

Enter the number or percentage of total businesses impacted that are small businesses: 9-18 businesses

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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**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? \$ 5,390-\$53,895
- a. Initial costs for a small business: \$ 49.60-\$495.50 Annual ongoing costs: \$ 49.60-\$495.50 Years: 5
- b. Initial costs for a typical business: \$ 49.60-\$495.50 Annual ongoing costs: \$ 49.60-\$495.50 Years: 5
- c. Initial costs for an individual: \$ \_\_\_\_\_ Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_
- d. Describe other economic costs that may occur: None.

2. If multiple industries are impacted, enter the share of total costs for each industry: Although multiple industries will be impacted, there will only be costs for growers.

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: See attachment.

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

**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 attachment.
2. Are the benefits the result of:  specific statutory requirements, or  goals developed by the agency based on broad statutory authority?  
Explain: See attachment.
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: No expansion of businesses is expected from these regulations.

**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: Do not promulgate regulations.  
If these regulations are not updated, certain requirements will continue to be unenforceable; apiary operators and CACs may not get updated specific application and/or bee movement notices in time, resulting in possible bee exposures.

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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: \$ 2,540 Cost: \$ 5,390-\$53,895

Alternative 1: Benefit: \$ not quantified Cost: \$ 0

Alternative 2: Benefit: \$ \_\_\_\_\_ Cost: \$ \_\_\_\_\_

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

None.

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: Performance standards are appropriate for this rulemaking. Some specific requirements were retained from the current version as they are necessary for compliance and enforcement.

**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: \_\_\_\_\_

The incentive for innovation in products, materials or processes: \_\_\_\_\_

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: \_\_\_\_\_

**ECONOMIC AND FISCAL IMPACT STATEMENT  
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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)

\$ 3,600 \_\_\_\_\_

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 attachment. \_\_\_\_\_  
\_\_\_\_\_

**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 \_\_\_\_\_

**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

*Leslie C. Ford*

DATE

11/30/2020

*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 3.26.21

*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 IMPACT STATEMENT

### A. Estimated Private Sector Cost Impacts

- A3. Farms and agricultural pest control businesses employing workers that apply pesticides labeled “toxic to bees” on growing crops. Apiary businesses are not expected to have additional costs from the proposed changes because the apiary businesses that are registering their apiaries are already required to register online pursuant to Food and Agricultural Code (FAC) section 29040. The new requirement to request notification during registration of apiaries will also occur online using the same web application and will only require apiary businesses to check an additional box as they register.

As shown in the *Economic analysis of proposed changes to regulations regarding bees* prepared by the California Department of Food and Agriculture (CDFA) and dated January 29, 2020 of the Documents Relied Upon, grower IDs were used as a proxy for how many businesses are involved. Approximately 19 unique businesses would be impacted by the regulations. CDFA also estimates that 9-18 of these businesses would be considered small businesses.

### B. Estimated Costs

- B1. Currently, existing subsection 6650(b) (renumbered to subsection 6980(b)) defines bees as inactive from one hour after sunset to two hours before sunrise or when the temperature is below 55 degrees Fahrenheit. DPR proposes lowering the inactive temperature to 50 degrees Fahrenheit. This proposed change has implications for how existing sections 6654 and 6656 (renumbered to sections 6983 and 6984, respectively) are implemented. Section 6654 (renumbered to section 6983) lays out requirements for notifying apiary operators while section 6656 (renumbered to section 6984) specifies requirements for a citrus/bee protection area, which is an area within one mile of any citrus planting of one acre or more in Fresno, Kern or Tulare counties. Section 6654(b) (renumbered to section 6983(b)) requires that a grower wishing to use products labeled as toxic to bees to a blossoming plant must provide at least 48-hour notice to all registered apiary operators within one mile of the application. In addition, section 6656(f) (renumbered to section 6984(f)) currently requires a Notice of Intent (NOI) to be filed with the county agricultural commissioner (CAC) at least 48 hours prior to the intended application of a pesticide toxic to bees to citrus during a citrus bloom period, with the exception of certain pesticides applied when bees are inactive. Section 6656(g) (renumbered to section 6984(g)) describes those pesticide applications that may be made notwithstanding the notification requirement in section 6654(b) (renumbered to section 6983(b)). The proposed change to the inactive temperature will impact the implementation of section 6654 and 6656 (renumbered to sections 6983 and 6984,

respectively). By changing the active temperature threshold from 55 degrees Fahrenheit to 50 degrees Fahrenheit, bees would be considered inactive at temperatures below 50 degrees Fahrenheit instead of 55 degrees Fahrenheit. This means that growers would now need to notice apiary operators in their area if they want to apply a pesticide labeled toxic to bees during bloom when the temperature is over 50 degrees Fahrenheit.

As shown in the *Economic analysis of proposed changes to regulations regarding bees* prepared by CDFA and dated January 29, 2020 of the Documents Relied Upon, it is estimated that there will be initial and annual costs ranging from \$1,078 - \$10,779 per year. The cost was determined using DPR Pesticide Use Records for 2015-2017 for the period of citrus bloom in the citrus/bee protection areas. The records were analyzed to determine the number of applications of pesticides labeled toxic to bees. Using the U.S. EPA estimate of \$37.31/hour for grower time and assuming each notification would take 30 minutes, for the citrus/bee protection area counties, the estimated impact for the extra notifications to apiary operators of applications toxic to bees between 50-54 degrees Fahrenheit would be an average additional cost of \$1,078 - \$10,779 per year. Additionally, CDFA's economic analysis estimates the cost per business ranging from \$37.20-\$557.40 per year, with each business making 2-3 applications per year with a cost of \$18.60-\$185.80 per application. Averaging this out, the cost per business, including small businesses, ranges from \$49.60-\$495.50.

- B.5. U.S. EPA has granted California the authority to implement state regulations as long as they are at least as protective as any federal standards. U.S. EPA does not have federal regulations requiring apiary registration in each state or county where the bees are located or contracted for pollination; it delegates that responsibility to each state to develop and administer. U.S. EPA-registered pesticide labeling does not specify how commercial apiary operators and applicators should communicate so that the apiary operators can be notified of when to protect their bees from exposure to pesticides. Newer labels may state that apiary operators should be notified when bees are at the treatment site. California requires pesticide application notification to the apiary operators for bees located within a mile of the treatment site.

### C. Estimated Benefits

- C.1. As shown in the *Economic analysis of proposed changes to regulations regarding bees* prepared by CDFA, the proposed regulations will benefit pest control operators and beekeepers currently paying the fees established in existing section 6655 (renumbered to section 6985). Because they will no longer need to pay these fees, this will result in a total savings of \$2,540.

These regulations will also have long term benefits to commercially managed bees as apiary operators will be able to receive timely notification of pesticide applications toxic to bees, allowing them to be able to protect their hives. Modernizing the regulations to incorporate and encourage the beekeepers located in or outside California to register their bees that are in California and have electronic options to receive 48-hour notice of pesticide applications toxic to bees will have long term benefits to the commercially managed bees. Revising

existing restrictions on notification requirements will help ensure beekeepers can receive timely notice by their preferred means of communication. Pest control advisers and applicators will be able to obtain beekeeper/local bee broker contact information easily by electronic means at any time, without having to go through the CAC office during business hours.

A secondary benefit to the environment includes the effect on wild bee populations in California. Wild bees are active during similar temperature ranges and time of day as commercially managed bees, and are also susceptible to exposure effects of pesticides labeled toxic to bees.

C.2. FAC section 29102 requires the Director to adopt regulations necessary to minimize hazards to bees, while still providing for the reasonable and necessary application of pesticides toxic to bees to blossoming plants.

## FISCAL IMPACT STATEMENT

### A. Fiscal Effect on Local Government

A.3. As part of the Tri-County Beekeeper Notification program (3 CCR section 6655 (renumbered to section 6985)), Butte, Glenn, and Tehama counties each pay an annual \$1200 membership fee, totaling \$3,600. Since this section will no longer be operative, there will be an annual savings of \$3,600. These totals are based on calculations from the *Economic analysis of proposed changes to regulations regarding bees* prepared by CDFA.

A.6. County agricultural commissioner (CAC) offices will be the local agencies responsible for enforcing the proposed regulations. DPR anticipates that there will be no negative fiscal impact to these agencies, other than the three counties (Butte, Glenn, and Tehama counties) listed under 3 CCR section 6655 (renumbered to section 6985) that requested the section be made inoperative. Other CAC offices are expected to experience a peripheral slight financial benefit, due to the staff time saved processing apiary operator registration forms since most apiary operators are using the new BeeWhere web platform to register and request notification of pesticide applications toxic to bees. 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 laws and regulations related to bee protection.