

DEPARTMENT OF CONSUMER AFFAIRS
TITLE 16. PROFESSIONAL AND VOCATIONAL REGULATIONS
DIVISION 19.
STRUCTURAL PEST CONTROL BOARD
NOTICE OF PROPOSED REGULATORY ACTION CONCERNING:
Fees

NOTICE IS HEREBY GIVEN that the Structural Pest Control Board (Board) is proposing to take action as described in the Informative Digest below, after considering all comments, objections, and recommendations regarding the proposed action.

The Board has not scheduled a public hearing for this action. However, the Board will hold a hearing if it receives a written request for a public hearing from any interested person, or their authorized representative, no later than 15 days prior to the close of the written comment period. A hearing may be requested by making such request in writing and addressed to the individuals listed under "Contact Person" in this Notice.

WRITTEN COMMENT PERIOD

Written comments relevant to the action proposed, including those sent by mail or e-mail to the addresses listed under "Contact Person" in this Notice, **must be received by the Board at its office no later than by Monday, February 24, 2025**, or must be received by the Board at the hearing, should one be scheduled. Both oral and written comments may also be made at the hearing, should one be scheduled.

AUTHORITY AND REFERENCE

Pursuant to the authority granted by Business and Professions Code (BPC) sections 8525 and to implement, interpret, and make specific BPC sections 27, 30, 31, 114.5, 115.4, 115.5, 135.4, 480, 494.5, 8518, 8560 – 8566, and 8674, and Health and Safety Code sections 11361.5 and 11361.7, the Board is proposing to amend Title 16, California Code of Regulations (16 CCR) sections 1936, 1936.2, 1948, and 1997.

INFORMATIVE DIGEST/ POLICY STATEMENT OVERVIEW

The Board licenses, regulates, and investigates complaints against three license categories in California: structural fumigation, general pest control, and wood-

destroying pests and organisms (WDO). The license types include applicator, field representative, and operator. The Board enforces the Structural Pest Control Act and is authorized through BPC section 8525 to establish necessary rules and regulations for the enforcement of the Act and the laws subject to its jurisdiction.

The maximum fees for exams, licensure, renewals and WDO Activity Reporting per property address is outlined in BPC section 8674. The Board is seeking to increase fees for examinations, licensure, licensure renewal, and WDO Activity Reporting to address a structural imbalance and ensure the Board can fulfill its consumer protection mandate.

The Board's fee schedule and the WDO activity report fee are outlined in 16 CCR sections 1948 and 1997. The Board seeks to increase the fees charged for examination, initial licensure, renewal licensure, and WDO activity reporting. The fee increases are necessary to help alleviate the structural imbalance the Board currently faces; and thus, ensure the Board can meet its consumer protection goals.

Currently, the application requirements for initial applicator, operator, and field representative license are outlined in 16 CCR sections 1936 and 1936.2. The Board proposes amending regulations to include requirements and procedures related to initial licensure application fee waiver and expediting of such applications consistent with BPC section 115.5, which became operative July 1, 2022.

The Board also seeks to amend its initial licensure applications for operators, field representatives, and applicators. Updates to the applications include new questions required by newly enacted legislation. Further, the Board proposes using a different font, restructuring questions, making formatting and grammatical changes, and deleting unnecessary or duplicative information or questions to improve logical flow, readability, and clarity.

Anticipated Benefits of Proposal

The proposed amendments to the Board's fee schedule will help reduce the Board's structural budget imbalance, recover costs, and prevent insolvency, while also allowing the Board enough time to seek authority to increase statutory fee levels to eliminate the structural imbalance.

The Board has historically been able to operate within its existing budget. However, due primarily to recent licensing and enforcement-related workload and costs, Board staff and DCA Budget Office began considering options to stabilize the Board's budget in

November 2023. At the August 26, 2024, Board meeting, Board Members were presented with, and voted to approve, the proposed regulations text.

The proposed fee increases will help to reduce the structural imbalance and help the Board to recover its administrative costs to ensure the Board has funds to carry out its consumer protection mandate.

If this regulatory proposal is not adopted, the Board may need to restrict its core operations, including slowing its ability to process applications, restricting investigations, and limiting the Board's ability to adjudicate violations of the laws of structural pest control in an expedient manner. These restrictions to the operations and functions of the Board could result in licensing backlogs and compromise the Board's ability to achieve its mission and statutory mandate of consumer protection.

Evaluation of Consistency and Compatibility with Existing State Regulations

During the process of developing this regulatory proposal, the Board conducted a search of any similar regulations relating to these topics and has concluded that these regulations are neither inconsistent nor incompatible with existing regulations.

INCORPORATION BY REFERENCE

Application for Operator License: Form 43L-1 (Rev. 08/2024)

Application for Field Representative License: Form 43L-14 (Rev. 08/2024)

Application for Applicator License: Form 43L-21 (Rev. 08/2024)

DISCLOSURES REGARDING THIS PROPOSED ACTION

FISCAL IMPACT ESTIMATES

Fiscal Impact on State Agencies Including Costs or Savings to State Agencies or Costs or Savings in Federal Funding to the State: The Board estimates the proposed regulations will increase revenues by approximately \$1.5 million per year and help to reduce the structural imbalance. Because the Board currently charges the fees in this proposal and performs workload associated with these fees, no additional workload costs are anticipated.

The Board estimates one-time costs of approximately \$16,500 to update the three applications forms and post them on the Board's website. Any workload and costs will be absorbed within existing resources.

The regulations do not result in costs or savings in federal funding to the state.

Non-Discretionary Costs or Savings to Local Agencies: None

Cost to Any Local Agency or School District for Which Government Code Sections 17500-17630 Require Reimbursement: None

Mandate Imposed on Local Agencies or School Districts: None

Significant Effect on Housing Costs: None

BUSINESS IMPACT ESTIMATES

The Board has made the initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Cost Impact on Representative Private Person or Business

The cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action and that are known to the Board would be due to the proposed fee increases in sections 1948 and 1997 as follows:

1. Examination Fees
 - Operator: Current \$65; Proposed \$100
 - Field Representative: Current \$50; Proposed \$75
 - Applicator: Current \$55; Proposed \$60

2. Initial License Fees
 - Operator: Current \$120; Proposed \$150
 - Field Representative: Current \$30; Proposed \$45
 - Applicator: Current \$10; Proposed \$35

3. License Renewal Fees – *every 3 years*
 - Operator: Current \$120; Proposed \$150
 - Field Representative: Current \$30; Proposed \$45
 - Applicator: Current \$10; Proposed \$35

4. WDO Activity Fee: Current \$4; Proposed \$5

RESULTS OF ECONOMIC IMPACT ASSESSMENT / ANALYSIS

The Board has made the initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Impact on Jobs / Businesses

The Board has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California because the proposed fees are anticipated to have minimal impact on businesses because the incremental fee increase is negligible compared to the average salary of licensees.

Benefits of Regulation

This regulatory proposal will benefit the health and welfare of California residents because the proposal will increase the Board's revenue and funding available to continue the Board's enforcement, investigative, licensing, examination, and public outreach operations. The proposal is not anticipated to benefit worker safety or the state's environment.

Business Reporting Requirements

The regulatory action does not require businesses to file a report with the Board.

Effect on Small Business

The Board has determined that the proposed regulations may affect small businesses because this proposal will increase fees for individual licenses and for WDO activities.

Small businesses that perform WDO inspections will incur an increase of \$1 in the fee that they are required to pay to the Board when they report a WDO inspection on a property.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Board must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed; would be as effective and less burdensome to affected private persons than the proposal described in this Notice; or

would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may submit comments to the Board in writing relevant to the above determinations at 2005 Evergreen Street, Suite 1500, Sacramento, CA, 95815 during the written comment period, or at the hearing if one is scheduled or requested.

AVAILABILITY OF STATEMENT OF REASONS AND RULEMAKING FILE

The Board has compiled a record for this regulatory action, which includes the Initial Statement of Reasons, proposed regulatory text, and all the information on which this proposal is based. This material is contained in the rulemaking file and is available for public inspection upon request to the Contact Persons named in this Notice.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations, and any document incorporated by reference, and of the Initial Statement of Reasons, and all of the information upon which the proposal is based, may be obtained upon request from the Board office located at, 2005 Evergreen Street, Suite 1500, Sacramento, California, 95815.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments received, the Board, upon its own motion or at the request of any interested party, may thereafter adopt the proposed regulations substantially as described in this notice or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal (with the changes clearly indicated) will be available for review and written comment for 15 days prior to its adoption from the persons designated in this Notice as the Contact Persons and will be mailed to those persons who submit written comments or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file, which is available for public inspection by contacting the person named below.

You may obtain a copy of the Final Statement of Reasons once it has been prepared by making a written request to the Contact Person named below or by accessing the website listed below.

CONTACT PERSONS

Inquiries or comments regarding the proposed rulemaking action may be addressed to:

Name: Sophia Azar
Address: Structural Pest Control Board
2005 Evergreen Street, Suite 1500
Sacramento, CA 95815
Telephone Number: 279-236-2502
Email Address: Sophia.Azar@dca.ca.gov

The backup contact person is:

Name: Kristina Jackson-Duran
Address: Structural Pest Control Board
2005 Evergreen Street, Suite 1500
Sacramento, CA 95815
Telephone Number: 279-236-2501
Email Address: kristina.jackson-duran@dca.ca.gov

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations with modifications noted, as well as the Final Statement of Reasons when completed, and modified text, if any, can be accessed through the Board's website at https://www.pestboard.ca.gov/pestlaw/proposed_regulations.shtml.