

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1603 (Schultz) – As Amended April 6, 2026

Policy Committee: Environmental Safety and Toxic Materials      Vote: 5 - 2

Urgency: No      State Mandated Local Program: Yes      Reimbursable: No

**SUMMARY:**

This bill prohibits, commencing January 1, 2035, the use, manufacture, or sale of pesticides that contain intentionally added perfluoroalkyl and polyfluoroalkyl (PFAS) substances, prohibits the Department of Pesticide Regulation (DPR) from registering new pesticides that contain intentionally added PFAS, and places other restrictions on the use, manufacture, and sale of pesticides that contain intentionally added PFAS.

Specifically, this bill, among other things:

- 1) Prohibits DPR from registering a pesticide that has not previously been registered by DPR and that contains PFAS that are intentionally added as active, adjuvant, or inert ingredients.
- 2) Commencing July 1, 2028:
  - a) Deems a registered pesticide containing PFAS that are intentionally added as active, adjuvant, or inert ingredients a “restricted material”.
  - b) Provides that use of a PFAS-restricted material shall be permitted only in accordance with current restricted material law that authorizes agricultural use only under a written permit of the county agricultural commissioner (CAC), as specified, and requires a permit issued for use of a PFAS-restricted material to state, “This product contains perfluoroalkyl and polyfluoroalkyl substances, or PFAS, and can contaminate produce, groundwater, drinking water, soil, and the environment.”
  - c) Requires any public disclosure by DPR of the use of a PFAS-restricted material, including through DPR's SprayDays California program, to include the above statement.
- 3) Prohibits, commencing January 1, 2030, a person from using and a person or entity from manufacturing, selling, delivering, holding, or offering for sale in commerce a pesticide that contains any of 23 specified PFAS chemicals that are intentionally added as active, adjuvant, or inert ingredients.
- 4) Prohibits, commencing January 1, 2035, a person from using and a person or entity from manufacturing, selling, delivering, holding, or offering for sale in commerce any pesticide that contains PFAS that are intentionally added as active, adjuvant, or inert ingredients.

**FISCAL EFFECT:**

- 1) DPR estimates ongoing annual workload costs of approximately \$778,000 for four staff, operating expenses, and equipment to implement the requirements of the bill. Absent a General Fund appropriation, these costs will be borne by the DPR Fund, which is supported by mill, registration, and licensing fees. These staff will be housed under DPR's enforcement division and will manage workload resulting from pesticides deemed restricted materials and subsequently banned; enforce the bill's restrictions on the use, manufacture, and sale of PFAS-containing pesticides; conduct on-the-ground and online inspections; respond to complaints; manage CAC case referrals; and develop policies and procedures to implement and enforce the requirements of the bill.
- 2) Decreased revenue, likely in the tens of millions of dollars annually, to the DPR Fund, resulting from a decrease in pesticide product registrations and renewals and a decrease in collection of the mill assessment.

According to DPR, there are currently 1,153 products registered for use in California that contain at least one fully fluorinated chemical and 53 pesticides that are captured under this bill. Pursuant to the bill, by 2030, 23 of these pesticides would be banned (which translates to 790 products currently registered for use), and by 2035, the remaining 30 pesticides would be banned (which translates to an additional 363 products currently registered for use.)

Registration revenue loss: The product registration renewal fee is currently \$2,300 (with a 2.3% credit card surcharge); assuming this rate remains the same in 2030, the annual revenue loss to the DPR Fund would be approximately be \$1.8 million. For products banned in 2035, the annual revenue loss would be approximately \$834,900 – resulting in a total annual registration renewal loss of about \$2.7 million for all 1,153 products currently registered for use.

Mill assessment revenue loss: The largest revenue source for the DPR Fund is the mill assessment, a tax levied on pesticides when first sold into or within the state. The mill rate will be 30 mills (\$0.03) per dollar of sales starting July 1, 2027. To calculate the mill assessment revenue loss, DPR made two assumptions – that the mill rate remains at 30 mills in 2030 and 2035 and average pesticide sales remain consistent with sale volumes over the last several years. Based on these assumptions, DPR estimates an annual mill assessment revenue loss of approximately \$6.7 million in 2030 and an additional annual revenue loss of about \$8 million in 2035 – totaling a revenue loss of about \$15 million.

- 3) DPR provides the California Department of Food and Agriculture's (CDFA) Office of Pesticide Consultation and Analysis around \$2 million annually (through an additional mill assessment on agricultural use pesticides). If mill fee revenues decrease as fewer agricultural pesticides are sold in the state, CDFA estimates an annual revenue loss of between \$500,000 and \$800,000 (Food and Agriculture Fund), effectively eliminating CDFA's annual Biologically Integrated Farming System grant program, which provides grants to growers to transition to biologically integrated plant-based farming systems that reduce chemical pesticide inputs.

CDFA's Plant Division has approval to use "bifenthrin" (which will be banned by 2030 under the bill) to control spotted lanternfly, a highly destructive invasive pest expected to arrive in California soon. Without bifenthrin, CDFA notes the management of this pest will require three years of quarantine, costing the state between \$2 million and \$3 million annually and potentially jeopardizing the state's grape industries and commercial and native host plants.

Relatedly, CDFA notes the restrictions in the bill may jeopardize the department's primary tool used in its Hydrilla Eradication Program, a statewide effort to detect and mitigate a highly invasive aquatic weed, potentially costing the state \$2.4 million annually. Finally, CDFA notes the bill bans pesticides integral to the state's cotton industry, with an estimated loss of about \$1.5 million annually from a reduction in state-mandated assessment revenue. There may be a similar reduction in revenue from other commodity-specific programs that support CDFA through industry-funded assessments.

CDFA notes these estimates are preliminary as it continues to analyze the bill and potential impacts on the department.

- 4) Increased workload and costs of an unknown but potentially significant amount to CACs to identify and take enforcement action on potential violations and to refer cases to DPR for investigation and enforcement. In California, local pesticide enforcement is carried out, in large part, by CACs in nearly all 58 counties. CACs have joint authority with DPR in the enforcement of pesticide laws and regulations. DPR annually allocates an amount equal to the revenue derived from 7.6 mills per dollar of sales to CACs as reimbursement for costs incurred by CACs in the local enforcement of pesticide laws and regulations. Aside from the mill, CACs also receive an Unclaimed Gas Tax subvention each year from CDFA. Outside of these funding sources, CACs generally rely on their county general funds for support. When the total amount of mill collected decreases, the amount of mill dollars apportioned to CACs also proportionally decreases. These local costs are potentially reimbursable by the state, subject to a determination by the Commission on State Mandates (General Fund).
- 5) Department of Justice (DOJ) anticipates costs of an unknown but potentially significant amount (Legal Services Revolving Fund) to its Natural Resources Law Section within the Public Rights Division to respond to increased referrals from DPR (its client agency) relating to client representation and litigation arising from this bill. Relatedly, DPR notes additional costs of an unknown but potentially significant amount to the department's legal division due to an anticipated increase in litigation.
- 6) Potential costs of an unknown amount to state agencies that currently use pesticides subject to this bill's restrictions, to the extent these agencies may be required to transition to costlier alternatives (if available) or find other methods of control.

For example, the Department of Parks and Recreation (State Parks) anticipates potentially significant General Fund cost pressures along with a decreased ability to adequately perform natural resources work if currently used pesticides become unavailable. The department uses some of the pesticides identified in this bill, some of which do not have current alternatives and others have alternatives that may be significantly more expensive. Of the pesticides identified in the bill, State Parks' Division of Boating and Waterways (DBW) uses "fluridone" to control aquatic weeds. State Parks notes that while DBW is very tactical in its use of this pesticide, there are currently no other products available to control certain aquatic invasive weeds.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

#### COMMENTS:

1) **Purpose.** According to the author:

PFAS pesticides are being spread in large quantities across our most valuable agricultural land and on our most popular crops...For most people, food and drinking water are the primary routes of exposure to PFAS. That makes the use of these chemicals in agriculture especially concerning; PFAS do not belong on our food or dinner tables. We should not eat them. We need to end the use of these very problematic pesticides now.

2) **Background.** PFAS, often referred to as “forever chemicals,” are a ubiquitous class of nearly 15,000 synthetic chemicals linked to a variety of health harms, such as cancer, endocrine disruption, developmental and reproductive toxicity, and immune dysregulation. These chemicals are harmful at extremely low doses; contaminate the air, soil, drinking water, plants, and wildlife during production, use and, disposal; and are extremely persistent in the environment. In 2022, PFAS were detected in 79% of the 150 public water systems tested throughout California.

A coalition of organizations in support of this bill cites research and analysis from the Environmental Working Group (EWG), which have found that 15 million pounds of PFAS pesticides were applied to California farmland between 2018 and 2023 and that 37% of non-organic California-grown produce contained PFAS pesticide residues. The coalition argues that since California grows over half of the nation’s produce, “these findings suggest that Californians and families across the United States are regularly exposed to PFAS pesticides in their food.” Counties with the highest PFAS application rates also have high percentages of Latino farmworker populations, who are on the frontlines of PFAS pollution and live or work near fields that regularly apply PFAS pesticides. The coalition writes:

The California Legislature has recognized the need to drastically curb the use of PFAS by enacting numerous laws prohibiting PFAS in consumer products and firefighting foam. However, widespread use of PFAS pesticides – which contaminate our food – has gone unfettered. Assembly Bill 1603 calls for greater transparency around PFAS pesticide usage in California, halts new approvals of PFAS pesticides, and protects all Californians and other states from additional PFAS bioaccumulation and chronic, environmental persistence by banning all PFAS pesticides by 2035.

Writing in opposition, a coalition of organizations argue the state’s \$50 billion agricultural industry faces significant challenges including competition from growers in other states and countries, where pesticides containing PFAS would still be legal if this bill passed, creating “another significant obstacle to growing crops economically and with a high enough yield to remain profitable.” The coalition argues, among other things, that the U.S. Environmental Agency and DPR already provide comprehensive, rigorous, and science-based oversight of pesticides in the state; that detection of residues does not equate to risk; that this bill eliminates a broad range of pesticide products used across agriculture, structural pest control, and public health tools (forcing a shift to older chemistries and broader-spectrum pesticides that may require higher application rates and carry different environmental or public health risks); that the scope of and timelines in the bill pose significant implementation challenges

for both the regulated community and DPR; and that this bill undermines recently enacted legislation (AB 2113 (Garica), Chapter 60, Statutes of 2024), which was intended to strengthen DPR's ability to conduct science-based reviews and address emerging concerns, reducing the need for product-specific bans enacted through statute.

***DPR Fund and Reevaluations.*** The fiscal year (FY) 2024-25 budget included \$10.8 million from the DPR Fund and 47 new permanent positions in FY 2024-25 (increasing to \$35.1 million and 117 positions in FY 2027-28 and ongoing) to support various programmatic expansions for the department. These enhancements were enabled by two significant policy and administrative changes that will increase the amount of annual revenues deposited into the DPR Fund. First, AB 2113 increased the mill assessment over a four-year period. Second, DPR will use its existing authority to increase both registration and licensing fees through regulations. In addition to supporting programmatic expansions, the additional revenues are intended to address the structural deficit the DPR Fund has experienced over the past several years.

On July 1, 2026, DPR will receive the last batch of the 117 newly authorized positions and is in the process of hiring new staff. Separately, the Governor's budget includes the permanent elimination of certain vacant state positions in environmental departments to generate budgetary savings, initially proposed as part of the 2025-26 budget but delayed subject to further legislative review. As part of this effort, DPR is being asked to eliminate 19 of its positions. The Joint Legislative Budget Committee did not concur with the elimination of 15 of these 19 positions and conversations are ongoing as part of the budget process.

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