

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1795 (Gipson) – As Amended April 27, 2026

Policy Committee:	Environmental Safety and Toxic Materials	Vote:	5 - 1
	Insurance		14 - 2

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

SUMMARY:

This bill requires the California Environmental Protection Agency (CalEPA) to create statewide testing standards for smoke damage and establishes a smoke damage claim process under the California Department of Insurance (CDI).

Specifically, this bill, among other things:

- 1) Requires CalEPA, in coordination with other state agencies and local public health departments, to develop health-based standards for required sampling, testing, and chemical screening levels for residential properties that have sustained smoke damage as a result of a wildland urban interface (WUI) fire or urban conflagration, as specified; requires the standards to include required parameters and thresholds for pre-remediation testing, post-remediation testing, and clearance of a residential property for habitation after remediation is completed (with specified requirements as provided in the bill); and, requires CalEPA to consult with agencies including Department of Toxic Substances Control (DTSC), the Office of Environmental Health Hazard Assessment (OEHHA), California Air Resources Board (CARB), California Department of Public Health (CDPH), and air pollution control districts, as necessary.
- 2) Requires CalEPA and the California Department of Forestry and Fire Protection (CAL FIRE) to adopt regulations as necessary to implement or make more specific the above requirements.
- 3) Authorizes CalEPA to impose requirements pertaining to a specific wildfire, including requirements for the identification of additional WUI or urban conflagration contaminants, additional minimum sampling and testing recommendations or requirements, or additional chemical screening levels for residential properties that have sustained smoke damage, and exempts these requirements from the Administrative Procedure Act.
- 4) Requires CalEPA, by January 1, 2028, to consult with CDI, CDPH, Department of Industrial Relations (DIR), Contractors State License Board (CSLB), State Water Resources Control Board (State Water Board), and any other state or local government agency, as necessary, to establish training and certification requirements for a person who inspects, evaluates, samples, tests, analyzes, or restores residential properties that have sustained smoke damage as a result of a WUI fire or urban conflagration, as specified.

- 5) Requires CalEPA to promulgate regulations, if necessary, to implement, administer, and enforce the training and certification requirements, establish rules for noncompliance, and determine which entity or entities will have jurisdiction over the different categories of persons subject to the requirements; requires these regulations to establish certification fees; provides that these fees shall be established at levels that do not exceed an amount sufficient to cover administration and enforcement costs; and requires fees to be deposited into the Wildfire Remediation Certification and Training Fund, established to support the above activities.
- 6) Prohibits an insurer from terminating coverage for additional living expenses for a covered smoke damage claim submitted under a policy of residential property insurance as a result of a WUI fire or urban conflagration that is declared a state of emergency, as specified, until the property has been cleared for habitation pursuant to the CalEPA guidance.
- 7) Provides that, in addition to the CalEPA guidance, if a local or state public health department, environmental agency, or any other government agency with jurisdiction over the area where a wildfire has occurred issues a public notice, bulletin, or advisory that provides explicit guidance pertaining to a specific wildfire, as specified, that guidance shall also apply to claims within the impact zone submitted under residential property insurance, as specified, using the same tiered sampling and testing recommendations for each zone developed by CalEPA.
- 8) Requires an insurer to be responsible for covering the cost of the sampling and testing required pursuant to this bill, as specified, subject to the terms and provisions of the policy; requires that all of a specified list of conditions and limitations apply to covered smoke damage claims resulting from a WUI fire or urban conflagration that is declared a state of emergency; provides that specified provisions in the bill apply to all policies of residential property insurance issued, amended, or renewed on or after the bill's operative date; requires CDI to implement and enforce specified standards; gives CDI administrative authority to assess penalties for noncompliance, as specified; and authorizes CDI to adopt regulations as necessary to implement specified provisions of the bill.
- 9) Requires CDI, by January 1, 2028, to develop a training and certification program for public insurance adjusters in inspecting, evaluating, sampling, or testing smoke damage caused by a WUI fire or urban conflagration in residential properties on behalf of insurers, and requires CDI to implement and enforce these standards, as specified.

For a more detailed summary of this bill's provisions, please see the Assembly Insurance Committee's analysis of this bill.

FISCAL EFFECT:

- 1) CalEPA estimates ongoing annual costs of \$6 million for 25 positions and ongoing annual contracting costs of an unknown but potentially significant amount to develop remediation requirements for residential properties that have sustained smoke damage from a WUI fire or urban conflagration, to establish wildfire remediation training and certification requirements, and to promulgate regulations to implement, administer, and enforce these requirements.

Most of these costs would be borne by the General Fund. The bill requires CalEPA's regulations to implement, administer, and enforce training and certification requirements (for

a person who inspects, evaluates, samples, tests, analyzes, or restores residential properties that have sustained smoke damage as a result of wildfire) and to establish fees to cover the agency's administrative and enforcement costs (Wildfire Remediation Certification and Training Fund). However, any startup costs to implement this requirement would likely need to be covered by the General Fund.

- 2) The committee anticipates this bill may result in ongoing costs to CDI to enforce new standards for residential wildfire smoke damage insurance claims, including insurer obligations for testing, remediation payments, additional living expenses, claim timelines, and unfair practice penalties; adopt related regulations, as needed; and create and enforce training and certification programs for adjusters who inspect or evaluate smoke damage.

For its part, CDI estimates a one-time cost of \$14,000 (Insurance Fund) to develop the training and certification program for adjusters.

- 3) OEHHA anticipates ongoing annual costs of \$624,000 (Wildfire Remediation Certification and Training Fund and General Fund) for one position and contract dollars to maintain and update required standards; identify and develop additional standards as new WUI-related fire hazards are identified; prepare chemical assessments for WUI-related chemicals that currently lack an assessment; develop and oversee contracts to complete this work; and provide technical support to CalEPA in developing training materials and certification competencies to ensure certified professionals are knowledgeable about chemicals and their toxicities.
- 4) One-time or ongoing General Fund costs of an unknown amount to CAL FIRE to, among other things, coordinate with CalEPA on regulations.
- 5) ARB estimates ongoing annual General Fund costs of \$373,000 for about two positions to consult with CalEPA on the development of health-based standards for smoke-damaged properties. ARB notes it is actively involved in the development of indoor air quality guidelines and conducts research on all aspects of indoor air quality, with a focus on determining levels of exposure to harmful indoor air pollutants like volatile organic compounds. ARB contends this type of research and indoor air quality expertise will be necessary as CalEPA develops its standards.
- 6) While the bill tasks CalEPA with creating the health-based standards and training certification requirements, DTSC anticipates considerable involvement in this process because of DTSC's technical expertise, significant on-the-ground experience with wildfire emergency response, and recent experience developing and issuing its "Residential Soil Evaluation: Guidance for the 2025 Los Angeles Wildfires." Accordingly, DTSC estimates General Fund contract costs of at least \$1.4 million in fiscal year (FY) 2027-28, followed by ongoing annual General Fund costs of about \$600,000 for two positions to, among other things, survey and collect information from other state and local entities, review the latest relevant literature, compile this information for factual and policy review by DTSC staff and management, assist CalEPA during regulation development, and, in an ongoing capacity, provide guidance related to the use of the established standards and requirements.
- 7) Costs of an unknown amount to the State Water Board, DIR, CSLB, and other impacted agencies.

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

COMMENTS:

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

AB 1795 creates a consistent statewide framework for handling wildfire smoke damage insurance claims which would be the first in the nation. This bill would require that homes contaminated after a wildfire are properly evaluated and restored to a safe and habitable condition – and hold insurance companies accountable when standards are not met. Right now, the absence of statewide standards has created confusion, unfair claims handling, and uncertainty for families already coping with unimaginable losses. Consumer protection is my number one priority, and establishing clear rules will ensure that homeowners are protected and survivors can safely move back into their restored homes knowing they do not face life-long health risks.

2) **Background.** Wildfire survivors have filed thousands of smoke damage insurance claims as a result of recent wildfires in the state, including the Eaton and Palisades fires in January 2025. According to CDI, because no authoritative, enforceable standards exist for testing or remediating smoke damage, survivors report inconsistent claims handling, partial or total denials, and refusals by insurers to pay for pre- or post-remediation testing. Contaminants from wildfires may also pose significant long-term risks to people's health. CDI further notes while property insurance policies that cover fire also cover smoke damage caused by fire, California has no statewide standards governing the inspection or testing of smoke-damaged homes, no minimum sampling or clearance protocols, no mandated remediation methods, and no training or certification requirements for professionals who assess or remediate smoke damage. No state agency is currently designated to enforce uniform smoke damage remediation standards, and existing claims-handling requirements lack the specificity needed for consistent enforcement.

In May 2025, out of recognition that the state needs consistent statewide standards for investigating and paying smoke damage claims, CDI established the Smoke Claims and Remediation Task Force (Task Force). In March 2026, the Task Force issued its formal report. CDI is sponsoring this bill to set forth standards and protocols to ensure the health and safety of residents and for the proper handling of smoke-damaged residential property insurance claims caused by wildfires after consideration of the recommendations in the Task Force report, as well as other relevant scientific and health-based sources.

Among others in opposition to this bill, several associations representing the insurance industry argue that while the industry supports smoke claim testing and remediation standards and actively participated in the Task Force, these standards “must be grounded in defensible science and structured in a way that is operationally feasible and legally durable.” The coalition argues this bill, while intended to improve consistency and consumer outcomes, raises significant concerns for insurers related to contract certainty, retroactive application, operational feasibility, and cost escalation.

- 3) **Related Legislation.** AB 1642 (Harabedian) of the current legislative session requires DTSC to adopt regulations specifying science-informed, health-based standards to guide investigation, testing, and remediation efforts after WUI fire events. AB 1642 is pending in this committee.

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