SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1795 (Gipson) - Smoke Damage Recovery Act

Version: July 2, 2026
Urgency: Yes
Hearing Date: August 3, 2026

Policy Vote: INS. 5 - 1, E.Q. 5 - 0
Mandate: No
Consultant: Janelle Miyashiro

Bill Summary: AB 1795 requires the California Environmental Protection Agency (CalEPA) to develop health-based residential smoke damage testing standards by June 30, 2027, establishes a framework that mandates training and certification requirements for property restorers and insurance adjusters, and creates specific regulatory responsibilities for the California Department of Insurance (CDI), as specified.

Fiscal Impact:
- CDI estimates a one-time cost of $91,000 (Insurance Fund) in Fiscal Year (FY) 2026-27 to develop the training and certification program for adjusters and to address the expected increase in rate filing.
- CalEPA estimates ongoing annual costs of $6 million (General Fund) to promulgate regulations and to implement, administer, and enforce the requirements of this bill. CalEPA also anticipates substantial, yet undetermined, annual contracting costs.
- The Office of Environmental Health Hazard Assessment (OEHHA) estimates total ongoing annual costs of $1.024 million (Wildfire Remediation Certification and Training Fund and General Fund). This estimate includes $624,000 to support 1.0 personnel year (PY) and $400,000 in contract funding to maintain and update standards, as well as to identify and develop additional standards as new wildland-urban interface (WUI) related fire hazards are identified.
- The California Department of Public Health (CDPH) estimates ongoing annual costs of $545,000 (General Fund) beginning in FY 2026-27 to consult with CalEPA and to resolve current laboratory and measurement issues, including the specific chemicals to be tested, regarding residential property wildfire remediation and restoration.
- The Department of Industrial Relations (DIR) anticipates any costs associated with its required consultation activities will be minor and absorbable.
- Unknown costs to other state agencies required to consult with CalEPA during the development of the testing standards. Based on feedback from OEHHA, CDPH, and DIR, these costs may range from absorbable to the high hundreds of thousands of dollars (General Fund and special fund).

Staff notes that actual ongoing costs to each affected state agency are unknown because the bill does not specify a timeline or requirements for updating the standards. While the upfront workload to evaluate WUI-related fire hazards may be significant, ongoing costs could decrease in subsequent years. This reduction would occur if agencies review and update standards on an as-needed basis, rather than conducting a full annual review.

Background: When fires in the WUI burn into densely populated areas, wildfires can transition into urban conflagrations, in which fires spread rapidly from structure-to-structure. In the wake of these fires, both the interiors and exteriors of structures can become polluted by smoke residue, ash, and debris, which can contain toxic chemicals. The smoke from these fires doesn't just consist of the chemicals from plant-fueled fires, but also of various toxic compounds from lead-based paint, lithium batteries, vinyl siding, fiberglass insultation, electrical wiring, rubber tires, and more. These chemicals can also be altered from the high intensity of the wildfire and interact with each other as they are being emitted.

Fires have been blamed for a long list of health illnesses. Wildland fire smoke has been linked to increased hospital admissions for asthma, strokes, and heart attacks. House fires have been associated with higher levels of cancer in firefighters. But new hazards arise when these types of fires are combined and amplified by burning entire neighborhoods. Health risks associated with WUI fire toxicants can persist beyond the active burning of the fire, due to contamination of the ecosystem and built environment. Exposure to these toxicants and health impacts can also extend well beyond the WUI communities, as smoke can be transported for hundreds to thousands of kilometers.

Proposed Law:

- Requires CalEPA, by June 30, 2027, to develop health-based standards and requirements for minimum sampling, testing, and chemical screening levels for residential properties that have sustained smoke damage as a result of a WUI fire or urban conflagration.

    - Specifies that these standards must include protocols, parameters, and thresholds for pre-remediation testing, post-remediation testing, and clearance of a residential property for habitation after remediation is complete.

    - Directs CalEPA, when creating these standards, to consult with agencies including the Department of Toxic Substances Control (DTSC), OEHHA, California Air Resources Board (CARB), CDPH, air pollution control districts, and local public health departments, as necessary.

    - Requires the standards to consider differences, if appropriate, based on the distance of a residential structure from the fire perimeter.

    - Mandates consideration of whether certain wildfire smoke byproducts and associated hazardous substances transform or dissipate with the passage of time.

    - Stipulates that the standards must evaluate the adequacy of the practice of sensory inspection, including visual inspection and odor perception assessments, and consider the circumstances under which the employment of these inspection methods is appropriate or inappropriate.

- Requires CalEPA to adopt regulations to implement or make the standards and requirements more specific. Authorizes CalEPA to impose additional standards and requirements pertaining to a particular wildfire, including requirements for the identification of contaminants, supplementary minimum sampling and testing recommendations or requirements, or chemical screening levels for residential properties that have sustained smoke damage. Further states that these requirements, relating to a particular wildfire, shall be exempt from specified state laws that govern rulemaking.

- Creates related definitions, including that "impact zone" means a ZIP Code that is either within the fire perimeter or adjacent to the fire perimeter, as specified, and downwind of the fire perimeter based on maps generated by the National Oceanic and Atmospheric Administration.

- Requires CalEPA, by January 1, 2028, to consult with CDI, CDPH, DIR, Contractors State License Board (CSLB), the State Water Board, and any other state or local government agency, as may be necessary, to establish training and certification requirements for a person who inspects, evaluates, samples, tests, analyzes, remediates, or restores residential properties that have sustained smoke damage as a result of a WUI fire or urban conflagration, including industrial hygienists, restoration professionals, and laboratories.

- Requires CalEPA to adopt regulations to administer the certification program, establish penalties for noncompliance, and determine which governmental entities have jurisdiction over the various categories of regulated individuals.

    - Requires these regulations to include a cost recovery mechanism to cover CalEPA's administrative expenses, funded through the imposition of certification fees on persons who inspect, evaluate, sample, test, analyze, remediate, or restore residential properties that have sustained smoke damage as a result of a wildfire.

- 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 until the property has been cleared for habitation pursuant to CalEPA's standards and requirements, subject to the applicable policy limit.

- States that CalEPA's standards and requirements apply to all covered smoke damage claims within the impact zone submitted under policies of residential property insurance due to a WUI fire or urban conflagration.

- Requires that, if a smoke damage insurance claim is settled on the basis of a written scope or estimate prepared by or for the insurer, the insurer must supply the claimant with a copy of each document upon which the settlement is based.

- Stipulates that the estimate be for an amount that will restore the damaged property to at least its pre-loss condition and allow for restoration to meet or exceed CalEPA's standards and requirements, other relevant laws and regulations, and accepted trade and industry standards that do not conflict with CalEPA's standards and requirements.

- Requires CDI, by January 1, 2028, to develop, implement, and enforce training and certification programs, as specified, for insurance adjusters and public insurance adjusters in inspecting, evaluating, sampling, or testing smoke damage caused by a WUI fire or urban conflagration involving residential properties.

- States legislative findings and declarations.

Related Legislation: AB 1642 (Harabedian) would require DTSC to adopt regulations that specify standards for investigation, environmental testing, and clearance to guide the removal of contamination from WUI fire debris in residential areas after a wildfire. AB 1642 is pending in this committee.

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