STATE OF CALIFORNIA — DEPARTMENT OF FINANCE

MAJOR REGULATIONS STANDARDIZED REGULATORY IMPACT ASSESSMENT SUMMARY

DF-131 (NEW 11/13)

STANDARDIZED REGULATORY IMPACT ASSESSMENT SUMMARY

Agency (Department) Name	Contact Person	Mailing Address
OSHSB	Millie Barajas	2520 Venture Oaks Way, Suite 350 Sacramento CA, 95833
Email Address	Telephone Number	
Mbarajas@dir.ca.gov	916-274-5721	

1. Statement of the need for the proposed major regulation.

Tree care workers face severe occupational hazards while operating brush chippers. In California, on average, there are approximately 10 non-fatal occupational injuries reported annually and about 1 fatality every 5 years that could be prevented with an effective brush chipper safety device. The proposed amendments to Cal. Code Regs, Tit. 8, §§ 3420 and 3424 would require, with certain exceptions, the installation and use of a certified presence sensing system on brush chippers not supplied by and installed by the manufacturer to prevent workers from being pulled into the rotating chipper knives.

2. The categories of individuals and business enterprises who will be impacted by the proposed major regulation and the amount of the economic impact on each such category.

Brush chippers are primarily used in the landscaping services industry (NAICS 561730) for tree care and maintenance and the electric power distribution industry (NAICS 221122) for utility line clearing operations. The proposed regulation is anticipated to impact about 3,289 landscaping businesses with total direct costs of $100.2M and about 105 electric power distribution companies with total direct costs of $18.8M over a 10-year period (SRIA Table 3.5). The proposed regulation is estimated to have total direct benefits to businesses of $4.3M and total direct benefits to employees of $154.4M over a 10-year period (SRIA Table 2.3).

3. Description of all costs and all benefits due to the proposed regulatory change (calculated on an annual basis from estimated date of filing with the Secretary of State through 12 months after the estimated date the proposed major regulation will be fully implemented as estimated by the agency).

The costs and benefits of the proposed amendments would scale up gradually over the four-year implementation period from 2027 to 2031, when the proposed regulation would be fully implemented. The estimated economic impacts are $30.7M in total benefits and $21.4M in total private sector costs in the first 12 months after the proposed regulation would be fully implemented. This calculation uses the direct economic impacts (SRIA Table 3.4) and the value added estimates of indirect and induced impacts (SRIA Table 6.4) for calendar year 2031 to avoid double-counting.

4. Description of the 12-month period in which the agency estimates the economic impact of the proposed major regulation will exceed $50 million.

The proposed regulation is anticipated to be fully implemented in 2031, which would account for the greatest economic impact in any single calendar year. However, the impact of the proposed regulation is not anticipated to exceed $50M in any 12-month period in terms of either estimated costs or benefits. Due to uncertainty regarding the magnitude of these estimates several sensitivity analyses were conducted. As a result, under different analytical assumptions the impact of the proposed regulation could potentially exceed $50M in 2031. Therefore, DIR has prepared a SRIA despite the primary estimated economic impact falling below this threshold.

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5. Description of the agency's baseline:

An estimated 3,394 California landscaping services and electric power distribution businesses, which collectively employee approximately 37,300 workers, are anticipated to be impacted by the proposed regulation. These businesses are likely to own or operate about 11,250 brush chippers statewide, in total. This figure is anticipated to grow by about 3% per year. Today, less than 1% of brush chippers in California are equipped with a presence sensing system. However, currently about 80% of brush chippers are equipped with some type of secondary safety device and about 54% of work crews use a dedicated spotter to safeguard the operator while the infeed system is active.

6. For each alternative that the agency considered (including those provided by the public or another governmental agency), please describe:
   a. All costs and all benefits of the alternative
   b. The reason for rejecting alternative

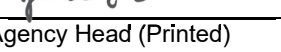
For each regulatory alternative, the direct benefits and costs to businesses, individuals, and state and local government entities are estimated over 10 years, applying a 3% discount rate to future impacts. The proposed regulation would have an economic impact totaling $131.7M in direct benefits and $113.9M in direct costs (SRIA Table 5.3). Alternative 1 would have direct benefits of $47.0M and direct costs of $38.3M (SRIA Table 7.1). Alternative 1 is rejected because the net benefits are lower and experts opine the presence sensing system is likely to be a more effective safety device than the alternative. Alternative 2 would have direct benefits of $150.5M and direct costs of $152.9M (SRIA Table 7.2). Alternative 2 is rejected because the net benefits are negative as the installation and maintenance of multiple safety devices would greatly increase the cost burden.

7. A description of the methods by which the agency sought public input. (Please include documentation of that public outreach).

From January 2019 through May 2024, DIR convened three advisory committee meetings comprised of members of the community, tree care companies, manufacturers, industry associations, and labor organizations to review discussion drafts and address various regulatory concerns. Those advisory committee meetings were held on January 29, 2019 (1st meeting), October 29, 2019 (2nd meeting), and May 30, 2024 (3rd meeting). In December 2025, five state agencies provided DIR with information on the number of brush chippers they owned or operated as well as relevant information about their work force, operations, and use of brush chipper safety features. These included the California Conservation Corps, California Department of Corrections and Rehabilitation, California Department of General Services, CAL FIRE, and Caltrans.

8. A description of the economic impact method and approach (including the underlying assumptions the agency used and the rationale and basis for those assumptions).

Per unit costs are estimated for installation and accessories, certification, and employee training for brush chipper safety devices. The underlying cost assumptions are based on discussions with tree care companies, manufacturers, and labor organizations. The estimated compliance costs of the proposed regulation are $7,460 per brush chipper (SRIA Table 3.3). Estimates of benefits are based on historic injury rates and evidence in published literature and subject matter expert interviews regarding injury prevention. Monetized benefits are based on published estimates of society's willingness-to-pay to avoid a fatal injury ($13.7M) or non-fatal injury ($1.4M) multiplied by the number of preventable brush chipper injuries (SRIA Table 2.1).

Agency Signature	Date
	6/26/26
Agency Head (Printed)	
Jennifer Osborn, Director	