



January 12, 2026

Honorable Buffy Wicks
Chairwoman, Assembly Appropriations Committee
State Capitol
Sacramento, CA 95814

RE: AB 405 (Addis) Request to Hold on Suspense File

Dear Chairwoman Wicks,

On behalf of the California Retailers Association (CRA), we respectfully urge you to continue to hold [Assembly Bill 405](#) (Addis), the Fashion Environmental Accountability Act of 2026, on the Suspense File and not accept amendments to the bill. While CRA strongly supports environmental stewardship and sustainability, AB 405 imposes duplicative, costly, and expansive mandates that are inconsistent with California's current fiscal realities and existing regulatory framework.

CRA has proactively leaned into environmental responsibility, including applying to serve as the Producer Responsibility Organization for the state's textile Extended Producer Responsibility (EPR) program under SB 707 (Newman). However, AB 405 goes well beyond existing law by layering new emissions reduction mandates, chemical compliance requirements, and supply-chain reporting obligations that will significantly increase costs for retailers, consumers, and state agencies alike.

State Budget Constraints and Fiscal Responsibility

The Governor's proposed January budget makes clear that California continues to face a significant multibillion-dollar structural deficit and must prioritize core services while avoiding the creation of new, costly regulatory programs. At a time when state agencies are being asked to do more with fewer resources, AB 405 moves in the opposite direction.

As amended, AB 405 would require the Air Resources Board and the Department of Toxic Substances Control to undertake extensive new rulemaking, fee administration, data-platform development, monitoring, and enforcement responsibilities. Even with fee authority, these new programs create startup, oversight, and enforcement costs that compete with limited state resources and divert attention from implementing recently enacted laws such as SB 253 and SB 707.

Affordability Impacts on California Families

California already has the highest cost of living in the nation. AB 405's expanded mandates, including cumulative greenhouse gas emissions reduction targets, chemical testing and disclosure requirements, and detailed supply-chain reporting—will significantly increase compliance costs for retailers. These costs will ultimately be passed on to consumers in the form of higher prices for essential goods such as clothing and household items.

At a time when families are already struggling with inflation, rising housing costs, and higher food prices, AB 405 would exacerbate California's affordability crisis without delivering commensurate environmental benefit beyond what existing laws already achieve.

Duplicative and Conflicting Regulatory Framework

California already leads the nation in environmental accountability. AB 405 unnecessarily duplicates and expands upon existing laws, including:

- **[SB 253](#)** (Wiener), which requires Scope 1–3 greenhouse gas emissions disclosure beginning in 2026.
- **[AB 1817](#)** (Ting), which bans PFAS and other harmful chemicals in textiles.
- **[SB 707](#)** (Newman), which establishes a comprehensive textile recycling and consumer education framework.

Rather than streamlining compliance, AB 405 creates overlapping deadlines, conflicting standards, and new enforcement regimes that will create confusion for regulated entities and increase administrative burdens for the state.

Cumulative Burden During Economic Uncertainty

Retailers are navigating unprecedented economic headwinds, including rising material costs, supply-chain disruptions, and global trade pressures. AB 405’s additional mandates, particularly its enforceable emissions reduction thresholds and chemical compliance penalties, represent a substantial new regulatory burden at a time when businesses are already absorbing significant costs to comply with existing law.

CRA members are already advancing sustainability through renewable energy investments, PFAS-free product lines, and active participation in textile recycling initiatives. These efforts demonstrate meaningful progress without the need for AB 405’s expansive and duplicative mandates.

Given California’s ongoing budget constraints, affordability challenges, and the existence of robust environmental frameworks already being implemented, AB 405 is unnecessary and ill-timed. We respectfully urge the Assembly Appropriations Committee to hold AB 405 on the Suspense File and focus instead on successfully implementing and optimizing existing programs.

CRA remains committed to working collaboratively with the Legislature on practical, balanced solutions that advance environmental stewardship while recognizing the fiscal realities facing the state, California families, and employers.

Respectfully,



Rachel Michelin
President + CEO
California Retailers Association