

**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

**ECONOMIC IMPACT STATEMENT**

DEPARTMENT NAME <b>Fish and Game Commission</b>	CONTACT PERSON <b>Margaret Duncan Margaret.Duncan</b>	EMAIL ADDRESS <b>@wildlife.ca.gov</b>	TELEPHONE NUMBER <b>(916) 653-4676</b>
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 <b>Amend Subsection (b)(91.1) of Sec. 7.50, re: Klamath River Basin Sport Fishing Regulations, Title 14, CCR</b>			NOTICE FILE NUMBER <b>Z</b>

**A. ESTIMATED PRIVATE SECTOR COST IMPACTS** *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- a. Impacts business and/or employees
- b. Impacts small businesses
- c. Impacts jobs or occupations
- d. Impacts California competitiveness
- e. Imposes reporting requirements
- f. Imposes prescriptive instead of performance
- g. Impacts individuals
- h. None of the above (Explain below):

***If any box in Items 1 a through g is checked, complete this Economic Impact Statement.  
If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.***

2. The Fish and Game Commission estimates that the economic impact of this regulation (which includes the fiscal impact) is:  
(Agency/Department)

- Below \$10 million
- Between \$10 and \$25 million
- Between \$25 and \$50 million
- Over \$50 million *[If the economic impact is over \$50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: ~30 to 50

Describe the types of businesses (Include nonprofits): Fishing business, boat, & tackle store owners, guides, food, fuel, lodging, camping vendor

Enter the number or percentage of total businesses impacted that are small businesses: 80%

4. Enter the number of businesses that will be created: unknown eliminated: unknown

Explain: The anticipated increase in fishing activity is not expected to be large enough to induce business loss/creation.

5. Indicate the geographic extent of impacts:  Statewide  
 Local or regional (List areas): Siskiyou, Trinity, Del Norte and Humboldt Counties

6. Enter the number of jobs created: 45 to 70 and eliminated: unknown

Describe the types of jobs or occupations impacted: Sport fishing business owners, boat owners, tackle store owners, fishing guides, vendors of food, bait, fuel, lodging, campgrounds.

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?  YES  NO

If YES, explain briefly: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**ECONOMIC IMPACT STATEMENT (CONTINUED)**

**B. ESTIMATED COSTS** *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ 0

a. Initial costs for a small business: \$ 0 Annual ongoing costs: \$ 0 Years: 1

b. Initial costs for a typical business: \$ 0 Annual ongoing costs: \$ 0 Years: 1

c. Initial costs for an individual: \$ 0 Annual ongoing costs: \$ 0 Years: 1

d. Describe other economic costs that may occur: N/A, This action should increase Klamath River Fall-Run Chinook (KFRC) bag limits with no new compliance costs.

2. If multiple industries are impacted, enter the share of total costs for each industry: N/A

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.* \$ N/A

4. Will this regulation directly impact housing costs?  YES  NO

If YES, enter the annual dollar cost per housing unit: \$ \_\_\_\_\_

Number of units: \_\_\_\_\_

5. Are there comparable Federal regulations?  YES  NO

Explain the need for State regulation given the existence or absence of Federal regulations: Fish and Game Code (FGC) §200, §205

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ 0

**C. ESTIMATED BENEFITS** *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: This action should result in the continued sustainability of the salmon fisheries that benefit sport anglers and the area businesses that support sport fishing activities.

2. Are the benefits the result of:  specific statutory requirements, or  goals developed by the agency based on broad statutory authority?

Explain: Legislature provides the Fish & Game Commission authority to establish sport fishing regulations (FGC §200, §205)

3. What are the total statewide benefits from this regulation over its lifetime? \$ 2 M to 2.66 M annually

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: The expected increase in fishing activity to pre-2017 levels may be sufficient to induce the expansion of businesses currently doing business within the State.

**D. ALTERNATIVES TO THE REGULATION** *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: See ISOR for more detail.

Alternatives considered 1) More liberal bag/possession limits and fishing methods could induce a rush to fish that may damage salmon stocks.

2) No Change would leave the 2017 complete Klamath River Fall-Run Chinook (KRFC) closure in place which would not stimulate the local economy.

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2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ 2 M to 2.66 M Cost: \$ 0

Alternative 1: Benefit: \$ 2 M to 2.66 M Cost: \$ KFRC stock loss

Alternative 2: Benefit: \$ unknown Cost: \$ unknown

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: Intermittant reductions or increases in bag limits are intended to preserve sustainable fish stocks to enable fishing activity that contributes to local economies ad infinitum.

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?  YES  NO

Explain: Fisheries management regulations traditionally involve setting harvest quotas, seasons, and gear restrictions.

**E. MAJOR REGULATIONS** *Include calculations and assumptions in the rulemaking record.*

*California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.*

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million?  YES  NO

*If YES, complete E2. and E3  
If NO, skip to E4*

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: \_\_\_\_\_

Alternative 2: \_\_\_\_\_

*(Attach additional pages for other alternatives)*

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

Alternative 1: Total Cost \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

Alternative 2: Total Cost \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

YES  NO

*If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.*

5. Briefly describe the following:

The increase or decrease of investment in the State: \_\_\_\_\_

The incentive for innovation in products, materials or processes: \_\_\_\_\_

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: \_\_\_\_\_

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**FISCAL IMPACT STATEMENT**

**A. FISCAL EFFECT ON LOCAL GOVERNMENT** *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ \_\_\_\_\_

a. Funding provided in \_\_\_\_\_

Budget Act of \_\_\_\_\_ or Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_

b. Funding will be requested in the Governor's Budget Act of \_\_\_\_\_

Fiscal Year: \_\_\_\_\_

2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ \_\_\_\_\_

*Check reason(s) this regulation is not reimbursable and provide the appropriate information:*

a. Implements the Federal mandate contained in \_\_\_\_\_

b. Implements the court mandate set forth by the \_\_\_\_\_ Court.

Case of: \_\_\_\_\_ vs. \_\_\_\_\_

c. Implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_

Date of Election: \_\_\_\_\_

d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: \_\_\_\_\_

e. Will be fully financed from the fees, revenue, etc. from: \_\_\_\_\_

Authorized by Section: \_\_\_\_\_ of the \_\_\_\_\_ Code;

f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in \_\_\_\_\_

3. Annual Savings. (approximate)

\$ \_\_\_\_\_

4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

5. No fiscal impact exists. This regulation does not affect any local entity or program.

6. Other. Explain This action may result in increases (>\$100K) in local governments' sales, motor fuel, & transient occupancy taxes and (>\$400K) in state and local income taxes if it results in increased visits & angler spending in the Klamath Basin area. See attached, Worksheet, Sec A.

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**FISCAL IMPACT STATEMENT (CONTINUED)**

**B. FISCAL EFFECT ON STATE GOVERNMENT** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

*It is anticipated that State agencies will:*

a. Absorb these additional costs within their existing budgets and resources.

b. Increase the currently authorized budget level for the \_\_\_\_\_ Fiscal Year

2. Savings in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

3. No fiscal impact exists. This regulation does not affect any State agency or program.

4. Other. Explain The California Department of Fish and Wildlife (CDFW) may have an estimated \$88,550 increase in annual revenue if salmon report card sales return to pre-2017 levels. State income tax revenue may also increase with more visits. See attached Calculations Worksheet.

**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)


\$ \_\_\_\_\_

2. Savings in the current State Fiscal Year. (Approximate)

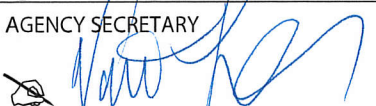
\$ \_\_\_\_\_

3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.


4. Other. Explain \_\_\_\_\_

FISCAL OFFICER SIGNATURE 	DATE 12/28/17
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*The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.*

AGENCY SECRETARY 	DATE 12/28/17
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*Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.*

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER 	DATE
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STD. 399 CALCULATIONS WORKSHEET

Amend Subsection (b)(91.1) of Section 7.50  
Title 14, California Code of Regulations  
Re: Klamath River Basin Sport Fishing Regulations

Fiscal Impact Statement

**Section A. Fiscal Effect on Local Government**

Question 6. Other. This regulatory action may result in increases (up to \$138,000) in local governments' sales, motor fuel, and transient occupancy taxes if changes to the 2018 limits on fall-run salmon result in increased visits and angler spending in the Klamath River Basin area. An estimated increase in state and local income taxes (up to \$431,724) may also result.

**Table 1. Klamath River Fall-Run Chinook (KRFC) Salmon State and Local Tax Impacts**

Total KRFC Angler Spending	Sales and Motor Fuel Taxes (0.068)	State and Local Income Taxes (0.213)
\$ 2,027,138	\$ 137,845	\$ 431,724

**Section B. Fiscal Effect on State Government**

Question 4. Other. The proposed action may result in the continuation of zero (0) harvest of Chinook Salmon for both adults and grilse. However, if the bag and possession limits are increased, the California Department of Fish and Wildlife (CDFW) may have an increase in Salmon card sales revenue up to an estimated at \$88,550 during the 2018 season. CDFW revenues for the next two fiscal years are unknown because the proposed regulations may not be in effect in the years ahead.

**Table 2. CDFW Annual Salmon Report Card Revenue Change Estimate (at \$5.75 per card)**

Salmon Cards Average 2012-2016	Current Year as of 9/30/2017	2018 Card Sales Increase	CDFW Revenue Increase
25,517	10,000	15,400	\$ 88,550