

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**[SAM Section 6601-6616](#)

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Fish and Game Commission	CONTACT PERSON Margaret Duncan Margaret.Duncan	EMAIL ADDRESS @wildlife.ca.gov	TELEPHONE NUMBER (916) 653-4676
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Amend subsections of 7.50(b) Title 14,CCR, Re: Central Valley Salmon Sport Fishing			NOTICE FILE NUMBER Z

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 e. Imposes reporting requirements
 b. Impacts small businesses f. Imposes prescriptive instead of performance
 c. Impacts jobs or occupations g. Impacts individuals
 d. Impacts California competitiveness 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: ~100 to 200Describe the types of businesses (Include nonprofits): Fishing, boat owners, tackle stores, guides, food, fuel, lodging, camping vendorsEnter the number or percentage of total businesses impacted that are small businesses: 80%4. Enter the number of businesses that will be created: none eliminated: noneExplain: The anticipated impact on fishing activity is not expected to be sufficient to induce business loss/creation.5. Indicate the geographic extent of impacts: Statewide
 Local or regional (List areas): American, Feather, Mokelumne, & Sacramento rivers6. Enter the number of jobs created: none and eliminated: 0 - 20Describe the types of jobs or occupations impacted: Fishing guides, boat owners, and vendors for food, bait, tackle, fuel, lodging and 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 seeks to maintain Central Valley Salmon fishing opportunities 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) sections 200 and 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: Statute provides the Fish & Game Commission authority to establish sport fishing regulations (FGC sections 200 and 205)
3. What are the total statewide benefits from this regulation over its lifetime? \$ 14.8 - 18.5 M annually
4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: Proposed action is anticipated to maintain historically average levels of fishing activity that is not expected 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 addendum for more detail.
Alternatives considered: Option 1) Any size Salmon; Option 2) Lower numbers of Adult Salmon and Grisle take; Option 3) Grisle take only
All options extend the salmon season on part of the Feather River and extend the salmon and hatchery steelhead seasons on part of the Mokelumne River.

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ECONOMIC IMPACT STATEMENT (CONTINUED)

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

Regulation: Benefit: \$ 18.5 M Cost: \$ 0

Alternative 1: Benefit: \$ 16.7 M Cost: \$ 1.9 M

Alternative 2: Benefit: \$ 14.8 M Cost: \$ 3.7 M

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: "Regulation" above refers to Option 1 in the ISOR;"Alternative 1" is Option 2; "Alternative 2" is Option 3. See addendum.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 NOExplain: Fisheries management regulations traditionally involve setting harvest limits, 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 _____

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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 _____**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

 original signature on file 12/19/2018*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

 original signature on file 01/07/2019*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



STD. 399 Addendum

Amend Subsections (b)(5), (b)(68), (b)(124), and (b)(156.5) of Section 7.50,
Title 14, California Code of Regulations
Re: Central Valley Salmon Sport Fishing

The regulatory amendments of subsections (b)(5), (b)(68), (b)(124), and (b)(156.5) of Section 7.50 under consideration will set the 2019 sport fishing regulations for Sacramento River Fall-run Chinook Salmon (SRFC) in the American, Feather, Mokelumne, and Sacramento rivers, respectively, for consistency with the Pacific Fishery Management Council (PFMC) in-river harvest projections. Collectively, these four rivers constitute the “Central Valley fishery” for SRFC for purposes of this document. Three regulatory options are provided for the Fish and Game Commission consideration.

Option 1 would allow anglers to take any size Chinook Salmon up to the daily bag limit [0-4] and possession limit [0-12] (most liberal option).

Option 2 would allow for take of a limited number of adult Chinook Salmon, with grilse Chinook Salmon making up the remainder of the daily bag limit [0-4] and possession limit [0-12].

Option 3 is the most conservative option and allows for take of only grilse Chinook Salmon up to the daily bag limit [0-4] and possession limit [0-12]. Take of adult salmon would not be allowed.

All three options increase fishing opportunities on the Feather and Mokelumne rivers by: (1) extending the salmon fishing season by two weeks on the Feather River between the Thermalito Afterbay Outfall and the Live Oak boat ramp; and (2) by extending the salmon and hatchery steelhead fishing season on approximately 10 miles of the Mokelumne River between the Highway 99 Bridge and Elliott Road.

A normal season for the Central Valley fishery experiences an average of 179,550 sport salmon angler days in which anglers spend an average of \$75 -109 per day contributing a total of \$13.2M (2017\$) in direct expenditures to California businesses. This expenditure is received by area businesses that spend a share on inputs and payroll. As employees receive income, their household spending again circulates in the local economy and statewide. These multiplier effects result in an estimated total economic impact of \$18.5M (2017\$) and up to 130 jobs.

The regional and statewide economic impacts factor into the effort to balance the maintenance of the recreational fishery with resource preservation, while complying with PFMC recommendations. The potential economic impacts that may result from each in-river harvest projection as specified in Option 1, Option 2, and Option 3 are evaluated in terms of each scenario’s probable impact on the number of angler days, and thus area spending.

Table 1. Central Valley Salmon Fishery Economic Impacts (2017\$)

Regulation	Angler Days	Angler Expenditures	Total Econ Impact	Jobs
Option 1	179,550	\$ 13,182,320	\$ 18,536,979	130
Option 2	161,595	\$ 11,864,088	\$ 16,682,731	120
Option 3	143,640	\$ 10,545,856	\$ 14,829,094	110
Difference	Angler Day Loss	Expenditure Loss	Total Impact Loss	Job Loss
Option 1	0	\$ -	\$ -	0
Option 2	17,955	\$ 1,318,232	\$ 1,854,248	10
Option 3	35,910	\$ 2,636,464	\$ 3,707,885	20

Sources: CDFW Fisheries Branch economic analysis; U.S. Fish and Wildlife Service, 2016 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation; dollar figures adjusted for inflation with Implicit Price Deflator for Personal Consumption Expenditures, Bureau of Economic Analysis.

Historical correlations between catch limits and fishery participation levels suggest that Option 1 could enable a historically average number of angler days for the 2019 Chinook Salmon season on the American, Feather, Mokelumne, and Sacramento rivers. Option 2 may result in declines in angler days of 17,955 below an average year. Option 3 may result in larger declines or about 35,910 fewer angler days.

For all options, the proposed extensions of season end dates for portions of the Feather and Mokelumne Rivers would extend the period of angler regional economic contributions. Additionally, anglers may pursue other in-river sport fish aside from Chinook salmon, such as steelhead (*Oncorhynchus mykiss*), striped bass (*Morone saxatilis*), largemouth bass (*Micropterus salmoides*), sturgeon (*Acipenser transmontanus*) and catfish (*Ictalurus spp.*), that may mitigate any adverse impacts from any reductions in salmon fishing. In sum, the options were conceived with the goal of enabling levels of recreational SRFC fishing in the range of historical averages, and thus should not be a source of significant adverse economic impacts.

Section A

Question 4. Number of businesses that will be created or eliminated.

The Commission does not anticipate that any of the proposed options would induce substantial impacts on the creation of new business or the elimination of existing businesses, because the proposed changes to the regulations are unlikely to be substantial enough to stimulate the creation of new businesses or cause the elimination of existing businesses. The season extensions for portions of the Mokelumne and Feather rivers are expected to help sustain the number of fishing trips and the level of economic stimulus within historical averages.

Section A

Question 6. Number of jobs created or eliminated.

The Commission does not anticipate that any of the proposed options would induce substantial impacts on the creation or elimination of jobs. For the Option 1, no change in job creation or elimination is anticipated. Option 2 and Option 3 have the potential to result in fewer angler visits, and absent substitution toward other sportfish and/or activities in the affected areas, the reduction in angler spending could reduce the support for 10 - 20 jobs statewide. These job impacts are statewide and may be

moderated by the additional two and one-half months of fishing opportunity on approximately 10 miles of the Mokelumne River between the Highway 99 bridge and Elliott Road, and by the additional two weeks of fishing opportunity on the Feather River between the Thermalito Afterbay Outfall and the Live Oak boat ramp.

Section B

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

The regulations under consideration seek to maintain Central Valley fall-run Chinook Salmon fishing opportunities with no new compliance costs. The proposed bag and possession limits, river areas and season lengths do not prescribe any particular equipment or methods.

Section C

Question 1. Briefly summarize the benefits of the regulation.

Under all options, the Commission anticipates benefits to the health and welfare of California residents. Chinook Salmon is a nutritious food source and providing inland sport fishery opportunities encourages consumption of this nutritious food. Sport fishing also contributes to increased mental health of its practitioners, as fishing is a hobby and form of relaxation for many. Sport fishing also provides opportunities for multi-generational family activities and promotes respect for California's environment by younger generations, the future stewards of California's natural resources.

Under all options, the Commission does not anticipate any benefits to worker safety from the proposed regulations because inland sport fishing does not impact working conditions.

Under all options, the Commission anticipates benefits to the environment in the sustainable management of Central Valley Chinook Salmon. It is the policy of this State to encourage the conservation, maintenance, and utilization of the living resources of the ocean and other waters under the jurisdiction and influence of the State for the benefit of all the citizens of the State and to promote the development of local fisheries and distant water fisheries based in California in harmony with international law, respecting fishing and the conservation of the living resources of the ocean and other waters under the jurisdiction and influence of the State. The objectives of this policy include, but are not limited to, the maintenance of sufficient populations of all species of aquatic organisms to ensure their continued existence, and the maintenance of a sufficient resource to support a reasonable sport use.

In accordance with this policy, adoption of scientifically-based inland Chinook Salmon regulations provides for the maintenance of sufficient populations of salmon to ensure their continued existence and thus continued economic stimulus.

Under all options, other benefits include consistency with federal fishery management goals and the promotion of businesses that rely on Central Valley sport fishing.

Section C

Question 3. What are the total statewide benefits from this regulation over its lifetime? \$14.8 - 18.5 M in total impact annually. This is the average historical range of total economic impact of the fishery with multipliers for indirect and induced impacts applied to the direct impact. This action is expected to sustain fishery activity within the range of historically normal seasons. Given that the 2018 regulations resulted in a typical season, the potential difference between 2018 conditions and the options under consideration range from \$1.8 - \$3.7 M as shown in Table 1, above.

Section C

Question 4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation.

The Commission does not anticipate that any of the proposed options would induce substantial impacts on the expansion of businesses currently doing business within the state. The proposed regulations are not anticipated to increase demand for services or products from the existing businesses that serve inland sport fishermen. The number of fishing trips and angler economic contributions are expected to remain within the range of historical averages.

Section D

Question 1. Alternatives to the Regulation

The "Regulation" is specified in the Initial Statement of Reasons (ISOR) as **Option 1** which would allow anglers to take any size Chinook Salmon up to the daily bag limit [0-4] and possession limit [0-12] (most liberal option).

Alternative 1 is specified in the ISOR as **Option 2** which would allow for take of a limited number of adult Chinook Salmon, with grilse Chinook Salmon making up the remainder of the daily bag limit [0-4] and possession limit [0-12].

Alternative 2 is specified in the ISOR as **Option 3** which is the most conservative option and allows for take of only grilse Chinook Salmon up to the daily bag limit [0-4] and possession limit [0-12]. Take of adult salmon would not be allowed.

All three options increase fishing opportunities on the Feather and Mokelumne rivers by: (1) extending the salmon fishing season by two weeks on the Feather River between the Thermalito Afterbay Outfall and the Live Oak boat ramp; and (2) by extending the salmon and hatchery steelhead fishing season on approximately 10 miles of the Mokelumne River between the Highway 99 Bridge and Elliott Road.