

**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 805/568-0216
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Add Section 7.50, subsection (b)(91.2), Title 14, CCR Re: Emergency Klamath Spring Chinook Salmon			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:

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

[EIA not required for Emergency regulations -- See Addendum for Fiscal Impacts](#)

***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 _____ 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: _____

Describe the types of businesses (Include nonprofits): _____

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

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

Explain: _____

5. Indicate the geographic extent of impacts: Statewide
 Local or regional (List areas): _____

6. Enter the number of jobs created: _____ and eliminated: _____

Describe the types of jobs or occupations impacted: _____

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? \$ _____
- a. Initial costs for a small business: \$ _____ Annual ongoing costs: \$ _____ Years: _____
- b. Initial costs for a typical business: \$ _____ Annual ongoing costs: \$ _____ Years: _____
- c. Initial costs for an individual: \$ _____ Annual ongoing costs: \$ _____ Years: _____
- d. Describe other economic costs that may occur: _____
- _____
2. If multiple industries are impacted, enter the share of total costs for each industry: _____
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.* \$ _____
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: _____
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ _____

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: _____
- _____
2. Are the benefits the result of: specific statutory requirements, or goals developed by the agency based on broad statutory authority?
- Explain: _____
3. What are the total statewide benefits from this regulation over its lifetime? \$ _____
4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: _____
- _____
- _____

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: _____
- _____
- _____

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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: \$ _____ Cost: \$ _____

Alternative 1: Benefit: \$ _____ Cost: \$ _____

Alternative 2: Benefit: \$ _____ Cost: \$ _____

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: _____

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: _____

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 [The proposed emergency action to permit limited take of spring Chinook salmon at high](#) 
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).

\$ [The proposed action to open portions of th](#) *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 [increase local sales & transient occupancy taxes to local governme](#)  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 [gains in California state sales tax and may](#)  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 on file, signed 5/28/2019*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 on file, signed 5/30/2019*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



**STD399 CALCULATIONS WORKSHEET
ADDENDUM**

**Emergency Action to Add Subsection (b)(91.2) to Section 7.50,
Title 14, California Code of Regulations**

Re: Special Order Regarding Take of Chinook Salmon in Anadromous Waters of the
Klamath River Basin Downstream of Iron Gate and Lewiston Dams

Economic Impact Statement

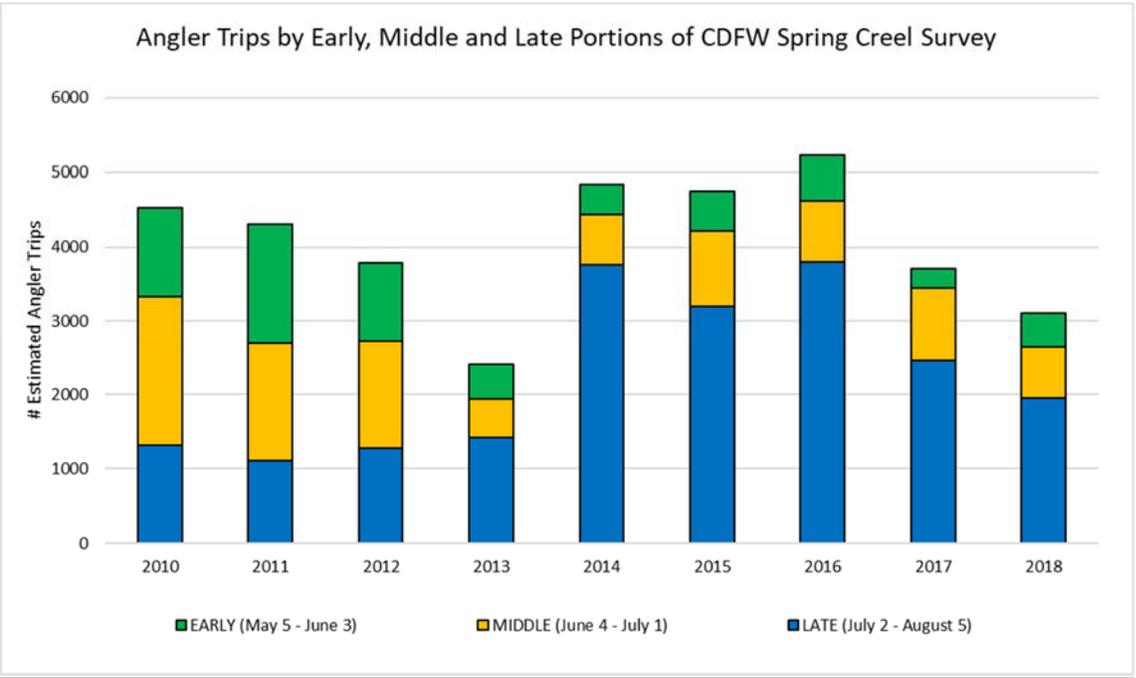
Emergency regulations do not require Economic Impact Assessment; only Fiscal impacts must be evaluated (Ca Gov Code section 11346.1).

Fiscal Impact Statement

In February 2019, the Fish and Game Commission (Commission) accepted a petition to list Upper Klamath-Trinity River Spring Chinook Salmon (UKTSCS), which confers “candidacy” status on the species. During the candidacy review period, the CESA take prohibition measures (Fish and Game Code Section 2085) apply. Additionally, the Commission adopted emergency regulations in February 2019 to prohibit take and help protect UKTSCS by minimizing confusion by sports anglers who may not have been aware of the candidacy protections. However, after receiving testimony and letters from the public, as well as the Del Norte County Board of Supervisors and the Siskiyou County Board of Supervisors, the Commission adopted a second emergency action to mitigate potential adverse economic and fiscal impacts of the complete prohibition of take, while still providing protective spring Chinook Salmon regulatory measures.

Hence, the proposed emergency regulations would allow limited fishing opportunity on spring Chinook Salmon in the Klamath River downstream of the confluence of the Highway 96 bridge at Weitchpec, the Trinity River upstream of the mouth of the South Fork Trinity River, and the New River main stem downstream of the confluence of the East Fork to the confluence with the Trinity River. Under this proposed emergency action, these areas will open July 1, 2019, and remain open until their regularly scheduled spring Chinook Salmon season close, after which Klamath River Fall Chinook Salmon sport fishing regulations will apply. The New River reach was opened to provide additional angling opportunity with continued closure for the upper Klamath and Lower Trinity.

The proposal to open certain areas on the lower Klamath River and the upper Trinity River to limited fishing is during historically high visitation periods, as shown in the chart of Angler Trips by Early, Middle, and Late Portions of California Department of Fish and Wildlife (CDFW) Spring Creel Survey data. Increasingly since 2014, the period from July 2 to August 5 reflects a much higher share of angler activity. Opening in this period that coincides with generally higher work and school vacations should optimize the potential for increased visitor expenditures, sales tax and transient occupancy taxes to the affected areas particularly: Crescent City and Klamath (Del Norte County), Eureka, Arcata, and Willow Creek (Humboldt County), Yreka (Siskiyou County), Weaverville (Trinity County).



Angler spending is anticipated to be received by an array of small businesses that serve sport fishing activities. Previous analysis of the lower Klamath River Basin area provided estimates of the share of angler spending by business type. The order of recipient estimated shares are as follows: lodging 35%; fishing guides 15%, campsites 14%, restaurants 7%, markets 6%, gas 5%.

Angler expenditures in the cities and counties impacted by the re-opened areas are subject state and local sales tax and for lodging and private campsites, transient occupancy taxes (TOT). Estimated impacts to local and state tax revenues are provided in the following Fiscal Impact section.

A. Fiscal Impact on Local Government

1. Tax Revenue Impact Projections Methods

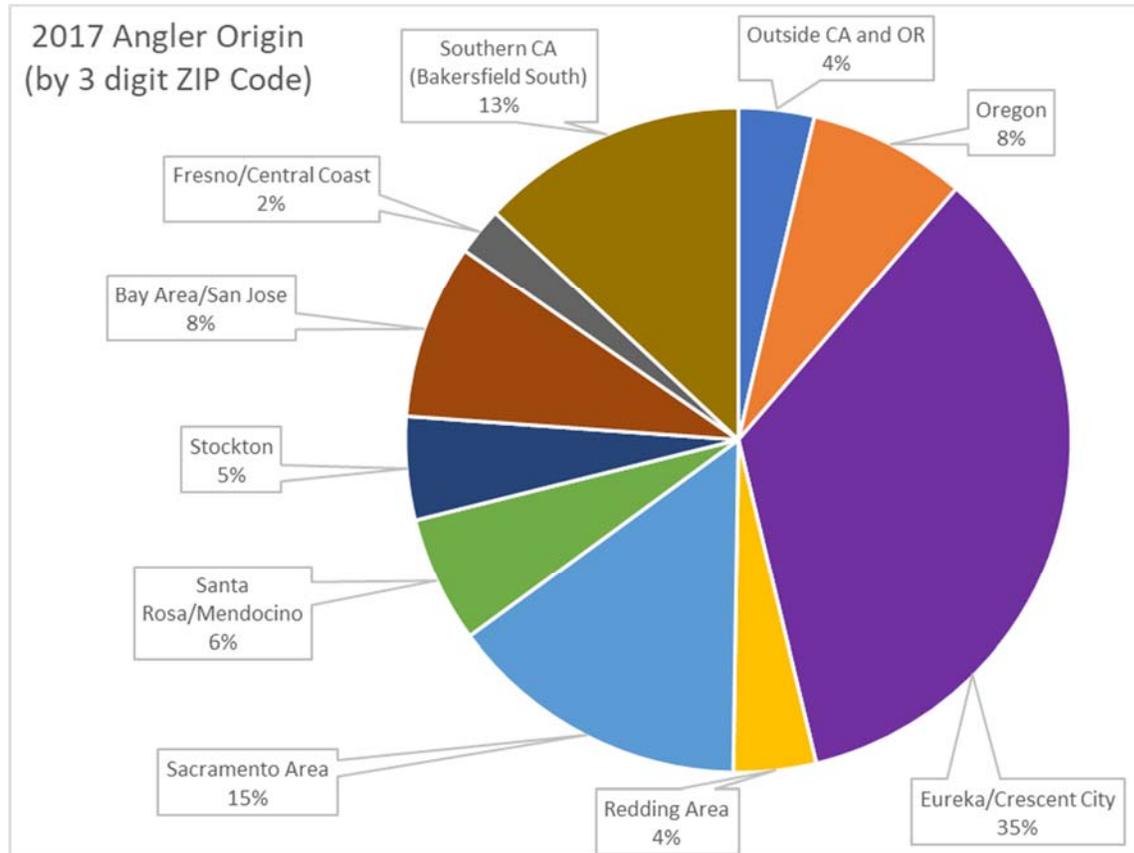
a. Local Sales Tax

The proposed re-opening was evaluated as to what extent it would impact travel times, visits to each fishery area, and length of stay to each area. These activities involve participant expenditures in the retail, food and accommodations, automotive service and fuel, sporting equipment sales/rent/lease, and recreational services sectors. These direct expenditures generate local sales and TOT for the Klamath River Basin area local governments. The California State Board of Equalization (BOE) reports local sales tax rates for the areas under evaluation. Local sales tax rates in Del Norte, Siskiyou, Trinity, and Humboldt counties range from 1.30% to 1.83%. Increases in visitor spending due to increased numbers of visits and in the length of stay could

result in sales tax revenue gains that are estimated to range from \$5,918 to \$11,551 over the open period.

b. Transient Occupancy Tax (TOT)

Lower Klamath River spring Chinook Salmon creel data sorted by zip code of angler origin and depicted in the pie chart below show that a large share of out of area anglers participate in the fishery.



Sport anglers' survey responses reveal that those who travel a greater distance to the fishery area are more likely to choose to stay overnight in the area. Those who live in the closest proximity to fishery sites and those who fish in the earliest hours of the day show a lower likelihood of staying overnight. Overnight stays are often at private campgrounds, motels, and hotels, all of which collect TOTs. County Treasurer Tax Collectors report the TOTs. TOT rates in Del Norte, Siskiyou, Trinity, and Humboldt counties range from 8% to 10%. The projected gains in overnight stays range from 1,750 to 3,420 nights, which could result in gains in local TOT revenues to local governments from \$27,599 to \$53,865 over the season.

B. Fiscal Impact on State Government

1. State Government Sales Tax Revenue

Additional spending in the impacted lower Klamath River Basin areas is expected to

also translate into small increases in California state sales tax revenue in the range of \$24,182 to \$47,196 over the season.

2. California Department of Fish and Wildlife (Department) Revenue Impact

a. Changes in North Coast Salmon Report Card Sales

Estimates of North Coast Salmon Report Card sales losses or gains are based on the Department License and Revenue Branch (LRB) sport fishing license volume and revenue historical records. Surveys of the Klamath River Basin fishing community, fishers and businesses also inform these estimates.

Apparent relations between changes in take limits and report card sales may not be indicative of continued patterns in the future. Other factors may influence participation in the fishery, such as gas prices, weather, consumer confidence and other unknowns.

While difficult to predict, as compared to the current complete closure, the proposed re-openings could result in an estimated increase in North Coast Salmon Report Card sales in the range of 1,000 to 3,000, cards which could result in card sales revenue gains to the Department from \$6,740 to \$20,220 at the 2019 card price of \$6.74. Any changes in card sales revenue for the following two fiscal years 2020/21 and 2021/22 cannot be projected as the future status of the candidate species is not known at this time.