The action establishes the Drift Gill Net Transition Program in accordance with Fish and Game Code section 8583.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 9/15/2019.
### A. PUBLICATION OF NOTICE

#### 1. SUBJECT OF NOTICE
Drift Gill Net Transition Program Implementation

#### 2. REQUESTED PUBLICATION DATE
April 5, 2019

#### 3. NOTICE TYPE
- [X] Notice of Proposed Regulatory Action
- [ ] Other

#### 4. AGENCY CONTACT PERSON
Ona Alminas

#### 5. TELEPHONE NUMBER
(916) 653-1902

#### 6. PUBLICATION DATE
April 5, 2019

### B. SUBMISSION OF REGULATIONS

#### 1a. SUBJECT OF REGULATIONS
Drift Gill Net Transition Program Implementation

#### 2a. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)

#### 3. SECTION(S) AFFECTED

<table>
<thead>
<tr>
<th>ADOP</th>
<th>AMEND</th>
<th>REPEAL</th>
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<tbody>
<tr>
<td>106.5</td>
<td>106,107</td>
<td></td>
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</tbody>
</table>

#### 4. TYPE OF FILING
- [X] Regular Rulemaking (Gov. Code §11346)
- [ ] Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §11346.2-11347.3)  
- [ ] Emergency Rulemaking (Gov. Code, §11346.1(b))  
- [ ] File & Print
- [ ] Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
- [ ] Print Only
- [ ] Other (Specify)

#### 5. EFFECTIVE DATE OF CHANGES
Gov. Code §11346.4(b)(3) requested

#### 6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY
- [ ] Department of Finance (Form STD. 399) (SAM §6660)
- [ ] Fair Political Practices Commission
- [ ] State Fire Marshal
- [ ] Other (Specify)

#### 7. CONTACT PERSON
Michelle Selman

#### 8. SIGNATURE
Charlton H. Bonham, Director
Section 106, Title 14, California Code of Regulations is amended to read as follows:

§ 106. Permits to Commercially Take Shark and Swordfish Using Drift Gill Nets.
(a) Permit Required.
(1) The owner or operator of a vessel using drift gill nets to take shark and swordfish pursuant to sections 8561-85708569 of the Fish and Game Code shall have obtained a valid drift gill net shark and swordfish permit and shall be a permittee in possession of said permit when engaged in such activities.
(2) To Whom Issued. The department shall issue permits to the owner or operator of a currently registered vessel who has qualified for said permit pursuant to sections 8561-85708569 of the Fish and Game Code. The applicant, if the holder of an expired drift gill net shark and swordfish permit, shall have complied with subsection (d) dealing with records during the preceding year.
(b) Limitations of Permit. Except as provided in sectionSection 8564 of the Fish and Game Code, no permit shall be valid for more than one vessel at one time.
(c) Cost of Permit. See sectionSection 8567 of the Fish and Game Code.
(d) Records. Pursuant to section 190 of these regulations, each permittee shall complete and submit an accurate record of all gill net fishing activities on a form (Gill and Trammel Net Log, DFG 174 (10/89), see Appendix A) provided by the department.
(e) Notification Procedure. The department shall notify permittees if the director, pursuant to sectionSection 8577 of the Fish and Game Code, closes the drift gill net shark and swordfish fishery or any area where the fishery is conducted. The department shall notify a permittee if his permit is suspended pursuant to sectionSection 8576 of Fish and Game Code. In either case, the department shall notify permittees by certified mail and by public announcement on VHF/Channel 16 between 0800 hours and 1000 hours during normal business days. Radio transmissions shall commence 48 hours prior to the effective date of a closure or permit suspension and shall continue for 24 hours after the effective date of such action. It shall be the responsibility of the permittee to daily monitor the named radio channel during the specified hours.
(f) A permittee may have any person serve in his place on the permittee's vessel and engage in fishing under his drift gill net shark and swordfish permit for not more than 15 calendar days in any one year, except as otherwise provided in subsection (b) of Section 8563(b) of the Fish and Game Code. A permittee shall notify the department's Los Alamitos office of such a substitution by certified letter or telegram to be received at the Los Alamitos office during normal business hours at least 24 hours prior to the commencement of the trip. Any notice sent in this regard shall include, but is not limited to:
(1) Name of the vessel;
(2) Name and commercial fishing license number of the substitute;
(3) Departure date and port for the trip;
(4) Termination date and port for the trip.
Conviction of a substitute permittee for a willful violation of any provision of Article 16 (commencing with sectionSection 8560) of chapter 2 or article 1 (commencing with
or article 5 (commencing with section 8601) of chapter 3, part 3, division 6 of the Fish and Game Code or any regulation adopted pursuant thereto, while operating under the substitute permit, shall be cause to revoke or suspend the permit issued pursuant to sections 8560-8583 of the Fish and Game Code. (g) Conditions of Permit. Permit holders, their agents, servants, employees or those acting under their direction or control, shall comply with all applicable provisions of the Fish and Game Code relating to commercial fish and any regulations adopted pursuant thereto.

(h) Revocation of Permits. Any permit may be revoked or suspended by the commission, when requested by the department, upon a conviction for a willful violation of any provision of article 16 (commencing with section 8560) of chapter 2 or article 1 (commencing with section 8601) or article 5 (commencing with section 8680) of chapter 3, part 3, division 6 of the Fish and Game Code, or violation of any condition of the permit by the permittee or the permittee’s agent, servant, employee or person acting under the permittee’s direction or control.

All permits issued pursuant to this Section shall be surrendered or revoked and this Section shall be repealed as of January 31 of the fourth year following the department’s notification to the Legislature pursuant to paragraph (2) of subdivision (b) of Section 8583 of the Fish and Game Code.

Note: Authority cited: Sections 1050, 7857, 8394, 8561, 8577, and 8578, 8583, Fish and Game Code.
Reference: Sections 8394.5, 8561-85708569, Fish and Game Code.
FINAL PROPOSED REGULATORY LANGUAGE

Section 106.5, Title 14, California Code of Regulations is added as follows:

§ 106.5. Drift Gill Net Shark and Swordfish Permit Transition Program.
(a) Drift gill net shark and swordfish permittees with valid permits issued pursuant to Section 106 of these regulations who choose to participate in the transition program shall submit a completed and notarized department form, Declaration of Intent to Participate in Drift Gill Net Transition Program (DFW 1083, NEW 08/31/19), herein incorporated by reference. All Declarations of Intent to Participate in Drift Gill Net Transition Program must be postmarked on or before January 1, 2020.
(b) When funds are available, the department shall notify in writing a permittee who submits form DFW 1083 in the order received whether the permittee meets the requirements of Section 8583 of the Fish and Game Code.
(c) Any permittee who meets the requirements of Section 8583 of the Fish and Game Code and voluntarily participates in the transition program shall indicate on form DFW 1083 agreement to:
(1) Upon notification of eligibility in the program pursuant to subsection (b) above, surrender their permit to the department by March 31, 2021.
(2) Upon notification of eligibility in the program pursuant to subsection (b) above, surrender all large mesh (greater than or equal to 14 inch) drift gill nets to an entity approved by the department for the purpose of destroying the nets as defined in subsection (f) of this Section, and provide the department valid receipt of net relinquishment, by March 31, 2021.
(3) Be prohibited from obtaining a new California drift gill net shark and swordfish permit.
(4) Upon receipt of payment, not fish under, transfer, or renew a federal drift gill net permit.
(d) A permittee who the department has determined meets the requirements of Section 8583 of the Fish and Game Code, who complies with subsection (c) of this Section by March 31, 2021, and who submits a completed state form STD 204, Payee Data Record (Rev. 5/2018, incorporated by reference herein) shall be compensated pursuant to subdivision (a) of Section 8583 of the Fish and Game Code.
(e) Any permittee who has completed the steps outlined in subsections (a) or (b) of this Section may withdraw their intent to participate in the Transition Program prior to receipt of compensation outlined in subsection (d) of this Section by submitting written notice postmarked on or before January 1, 2021 to the department’s License and Revenue Branch.
(f) The department shall approve entities upon written request for the purpose of destroying large mesh drift gill nets pursuant to the transition program. Destroy means modification of the nets to the point they may no longer be used for the purpose of drift gill net fishing, and may include recycling net components for non-drift gill net purposes.
(1) Written requests shall be submitted to the department at CPSHMS@wildlife.ca.gov.
(2) Written requests shall document how the entity meets the following criteria:
(A) Be a legal entity, with experience in receiving and destroying commercial fishing gear.
(B) Be able to receive drift gill nets, including attached floats, buoys, and lead lines, from transition program participants, and able to properly deconstruct the nets to prepare all components for destruction.

(C) Be able to provide transition program participants with evidence of receipt of surrendered nets identifying the transition program participant and number of nets surrendered.

(D) Be able to provide a physical location or locations in the ports of San Diego, Los Angeles, Ventura, or Santa Barbara between January 1, 2020 and March 31, 2021 to receive drift gill nets from transition program participants.

(E) Be able to transport surrendered drift gill nets designated for destruction.

(F) Be able to trace surrendered drift gill nets from collection to destruction and provide the department with evidence of net destruction upon request.

Note: Authority cited: Section 8583, Fish and Game Code.
Reference: Sections 8573 and 8579, Fish and Game Code
FINAL PROPOSED REGULATORY LANGUAGE

Section 107, Title 14, California Code of Regulations is amended to read as follows:

§ 107. Broadbill Swordfish
(a) Permit Required.
(1) The owner or operator of a vessel taking broadbill swordfish for commercial purposes shall have obtained a valid swordfish permit and shall be in possession of said permit when engaged in such activities.
(2) To Whom Issued. The department shall issue a permit to the owner or operator of a currently registered vessel. The applicant, if the holder of an expired swordfish permit, shall have complied with subsection 107(e) dealing with records during the preceding year, or during the last year such applicant held a permit, in order to be eligible for a permit.
(b) Vessel Identification. Permittees vessel shall display its assigned permit number in 10" high x 2" wide black Roman alphabet letters and Arabic numerals. Figures shall be black on a white background on both sides of the superstructure of the vessel. Numbers shall be displayed at all times while operating under a swordfish permit.
(c) Conditions of Permit. Provisions of the Fish and Game Code relating to commercial fish except as modified by the provisions of these regulations, shall be a condition of all permits to be fully performed by the holders thereof, their agents, servants, employees, or those acting under their direction or control.
(d) Cost of Permit. See Section 8394.5 of the Fish and Game Code.
(e) Methods of Take.
(1) Swordfish may be taken only with hand-held hook and line, deep set buoy gear authorized under federal law, or handthrusted harpoon.
(2) Aircraft may be used to directly assist a permittee or any person in the taking of any species of fish while operating under a swordfish permit. Only aircraft with current FAA registration which are registered with the department pursuant to Section 7892, Fish and Game Code, and aircraft pilots licensed pursuant to Section 7850, Fish and Game Code, may conduct flights for permittees. Such aircraft shall display the letters “SW” on the underside of each wing in block Roman alphabet at least 24 inches high x 3 inches wide, black in color and on a white background.
(f) Notification Procedure. The department shall notify permittees if the director, pursuant to Section 8577 of the Fish and Game Code, closes the swordfish harpoon fishery or any area where the fishery is conducted. The department shall notify permittees by mail and by public announcement on VHF/Channel 16 between 0800 hours and 1000 hours during normal business days. Radio transmissions shall commence 48 hours prior to the effective date of a closure and shall continue for 24 hours after the effective date of such action. It shall be the responsibility of the permittee to daily monitor the named radio channel during the specified hours.
(g) Revocation of Permits. Any permit may be revoked and canceled by the commission upon breach or violation of any fish and game law or regulation or violation of the terms or conditions of the permit by the holders thereof, their agents, servants, employees or those acting under their direction and control.
Note: Authority cited: Sections 1050, 7857, 7892, 8026 and 8394, Fish and Game Code. Reference: Sections 1050, 7857, 7892, 8026, 8394, 8394.5, and-8577, and 9028, Fish and Game Code.
DECLARATION OF INTENT TO PARTICIPATE IN DRIFT GILL NET TRANSITION PROGRAM

DFW 1083 (NEW 08/31/19)

THIS FORM MUST BE POSTMARKED BY JANUARY 1, 2020

SECTION 1. GENERAL PROVISIONS

Pursuant to Section 8583(a), California Fish and Game Code, by March 31, 2020, the Department shall establish a program to transition the holders of drift gill net permits issued pursuant to Section 8561 out of the drift gill net fishery that includes the following conditions:

(1) A permittee who chooses to participate in the transition program shall indicate his or her intention to the Department to participate by submitting a notarized form provided by the Department on or before January 1, 2020.

(2) A permittee who has landed swordfish or thresher shark with a shark or swordfish gill net or with a federal deep set buoy gear exempted fishing permit between April 1, 2012, and March 31, 2018, inclusive, and who voluntarily surrenders his or her drift gill net permit issued pursuant to Section 8561 and shark or swordfish gill net or nets shall receive, to the extent that funds for the transition program are available, the following amounts: (A) Ten thousand dollars ($10,000) to surrender the permit. (B) One hundred thousand dollars ($100,000) to surrender the net or nets.

(3) A permittee who has not landed swordfish or thresher shark on or after April 1, 2012, and who voluntarily surrenders his or her drift gill net permit issued pursuant to Section 8561 and shark or swordfish gill net or nets shall receive, to the extent that funds for the transition program are available, ten thousand dollars ($10,000).

(4) The Department shall inform a permittee who submits a notarized form pursuant to paragraph (1) whether the permittee meets the requirements of paragraph (2) or (3) and the Department shall submit this information to the fiscal agent.

(5) Any permittee who participates in the transition program by surrendering his or her permit pursuant to paragraph (2) or (3) shall be prohibited from obtaining a new California drift gill net shark and swordfish permit, shall agree not to fish under a federal drift gill net permit, shall agree not to transfer or renew a federal drift gill net permit, and shall surrender his or her shark or swordfish gill net or nets to an entity approved by the department for the purpose of destroying the nets.

A. I AGREE TO RELINQUISH MY DRIFT GILL NET SHARK AND SWORDFISH PERMIT TO THE DEPARTMENT UPON NOTIFICATION OF ELIGIBILITY TO PARTICIPATE ON OR BEFORE MARCH 31, 2021

B. I AGREE TO NOT ACQUIRE A NEW STATE DRIFT GILL NET SHARK AND SWORDFISH PERMIT IN THE FUTURE

C. UPON RECEIPT OF PAYMENT I AGREE TO NOT FISH UNDER, RENEW, OR TRANSFER A FEDERAL DRIFT GILL NET PERMIT

D. I HAVE LANDED SWORDFISH OR THRESHER SHARK USING LARGE-MESH (≥14 INCH MESH) DRIFT GILL NET OR DEEP SET JOY GEAR UNDER A FEDERAL EXEMPTED FISHING PERMIT BETWEEN APRIL 1, 2012 AND MARCH 31, 2018 (PROVIDE LANDING RECEIPTS OR LANING DATE AND LOCATION FOR VERIFICATION)

E. I POSSESS ONE OR MORE LARGE-MESH (≥14 INCH MESH) DRIFT GILL NET(S) AND, UPON NOTIFICATION OF ELIGIBILITY TO PARTICIPATE, AGREE TO RELINQUISH ALL SUCH NETS TO A NET DESTROYING ENTITY APPROVED BY THE DEPARTMENT ON OR BEFORE MARCH 31, 2021. (INDICATE NUMBER AND APPROXIMATE LENGTH OF NETS HERE):

F. I DO NOT POSSESS ANY LARGE-MESH (≥14 INCH MESH) DRIFT GILL NET(S)

I agree to all of the above requirements, and certify that I have read, understand, and agree to abide by all conditions of the applicable provisions of the Fish and Game Code (FGC), and the regulations promulgated thereto. I agree that if I make any false statement as to any fact required as a prerequisite to the review, approval of this declaration, the permit will be surrendered, and I understand that I may be subject to prosecution pursuant to FGC Section 1054 or to other administrative actions pursuant to Section 746, Title 14, of the CCR. I certify under penalty of perjury that the enclosed information is true to the best of my information and belief.

SECTION 4. CERTIFICATION AND SIGNATURE OF PERMITTEE

DATE
DECLARATION OF INTENT TO PARTICIPATE IN DRIFT GILL NET TRANSITION PROGRAM
DFW 1083 (NEW 08/31/19)

STEPS FOR SURRENDER OF DRIFT GILL NET SHARK AND SWORDFISH PERMIT

1) The current permittee must submit this notarized, initialed and signed form to the Department at the address below. Forms must be postmarked by January 1, 2020.
2) The Department will review this form and determine eligibility in the Transition Program. The Department will notify the current permittee of eligibility in writing when funds are available.
3) If eligible, the current permittee must submit the following documentation to the Department at the address below by March 31, 2021:
   • their drift gill net shark and swordfish permit,
   • valid receipt from the relinquishment of net(s) to an entity approved to destroy drift gill nets (subsection (f) of Section 106.5, Title 14, California Code of Regulations), and
   • a completed state form STD 204, Payee Data Record.
4) Upon receipt of permit and net relinquishment, the Department will notify the fiscal agent to initiate payment. Payments will be mailed via check to the address provided in Section 2.

NOTE: This is a voluntary process. Any permittee who has completed the steps outlined in subsections (a) or (b) of Section 106.5, Title 14, CCR may withdraw their intent to participate in the Transition Program prior to receipt of compensation outlined in subsection (d) of Section 106.5, Title 14, CCR, by submitting written notice postmarked on or before January 1, 2021 to the department’s License and Revenue Branch.

INSTRUCTIONS FOR THIS FORM

The following items must be submitted:
   • Original notarized, initialed and signed Declaration of Intent to Participate in Drift Gill Net Transition Program.
   • One landing receipt, or landing date and location, if the permittee meets the description in Section 3, Statement D.

If you have any questions regarding required documents, permit surrender, or payment from the fiscal agent, please contact License and Revenue Branch, at (916) 928-5822 or via email LRB@wildlife.ca.gov.

If you have any questions regarding the Transition Program or relinquishment of nets, please contact the Marine Region, at (831) 649-2870 or via email AskMarine@wildlife.ca.gov.

MAIL DECLARATION AND SUPPORTING DOCUMENTATION TO:
California Department of Fish and Wildlife
License and Revenue Branch
1740 N. Market Blvd.
Sacramento, CA 95834

FORM MUST BE POSTMARKED BY JANUARY 1, 2020
STATE OF CALIFORNIA-DEPARTMENT OF FINANCE
PAYEE DATA RECORD
(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)
STD 204 (Rev. 5/2018)

INSTRUCTIONS: Type or print the information. Complete all information on this form. Sign, date, and return to the state agency (department/office) address shown in Box 6. Prompt return of this fully completed form will prevent delays when processing payments.

Information provided in this form will be used by California state agencies to prepare Information Returns (Form 1099). See next page for more information and Privacy Statement.

NOTE: Governmental entities, i.e. federal, state, and local (including school districts), are not required to submit this form.

<table>
<thead>
<tr>
<th>BUSINESS NAME (As shown on your income tax return)</th>
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<tbody>
<tr>
<td>SOLE PROPRIETOR, SINGLE MEMBER LLC, INDIVIDUAL (Name as shown on SSN or ITIN) Last, First, M</td>
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<thead>
<tr>
<th>MAILING ADDRESS</th>
<th>BUSINESS ADDRESS</th>
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<tr>
<td>CITY</td>
<td>STATE</td>
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<tr>
<th>ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN):</th>
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<tr>
<th>CORPORATIONS:</th>
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<tr>
<td>○ MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)</td>
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<tr>
<td>○ LEGAL (e.g., attorney services)</td>
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<tr>
<td>○ EXEMPT (nonprofit)</td>
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<td>○ ALL OTHERS</td>
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<tr>
<th>ENTER SSN OR ITIN:</th>
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<tr>
<th>PAYEE ENTITY TYPE</th>
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<tr>
<td>○ PARTNERSHIP</td>
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<td>○ ESTATE OR TRUST</td>
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<tr>
<th>CHECK ONE BOX ONLY</th>
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<tbody>
<tr>
<td>○ SOLE PROPRIETOR, INDIVIDUAL, OR SINGLE MEMBER LLC (Disregarded Entity)</td>
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</table>

| SOCIAL SECURITY NUMBER (SSN) or Individual Taxpayer Identification Number (ITIN) are required by authority of California Revenue and Tax Code sections 18646 and 18661 |

<table>
<thead>
<tr>
<th>PAYEE RESIDENCY STATUS</th>
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<tbody>
<tr>
<td>○ CALIFORNIA RESIDENT - Qualified to do business in California or maintains a permanent place of business in California.</td>
</tr>
<tr>
<td>○ CALIFORNIA NON RESIDENT (see next page for more information) - Payments to nonresidents for services may be subject to state income tax withholding.</td>
</tr>
<tr>
<td>○ No services performed in California.</td>
</tr>
<tr>
<td>○ Copy of Franchise Tax Board waiver of state withholding attached.</td>
</tr>
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</table>

I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.

<table>
<thead>
<tr>
<th>AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)</th>
<th>TITLE</th>
<th>TELEPHONE (include area code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGNATURE</td>
<td>DATE</td>
<td>E-MAIL ADDRESS</td>
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</table>

Please return completed form to:

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<tr>
<th>DEPARTMENT/OFFICE</th>
<th>UNIT/SECTION</th>
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<tr>
<th>MAILING ADDRESS</th>
<th>TELEPHONE (include area code)</th>
<th>FAX</th>
</tr>
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<tbody>
<tr>
<td>CITY</td>
<td>STATE</td>
<td>ZIP CODE</td>
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</table>
### Requirement to Complete the Payee Data Record, STD 204

A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.

Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&TC).

Enter the payee's legal business name. The name must match the name on the payee's tax return as filed with the federal Internal Revenue Service. Sole proprietorships and single member limited liability companies (LLCs) must also include the owner's full name. An individual must list his/her full name as shown on the SSN or as entered on the W-7 form for ITIN.

The mailing address should be the address at which the payee chooses to receive correspondence. The business address is the address of the business' physical location.

Check only one box that corresponds to the payee business type. Corporations must check the box that identifies the type of corporation.

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by the R&TC sections 18846 and 18861 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&TC section 18662 and its regulations.

Payees must provide one of the following TINs on this form: social security number (SSN), individual taxpayer identification number (ITIN), or federal employer identification number (FEIN). The TIN for sole proprietorships, single member LLC (disregarded entities), and individuals is the SSN or ITIN. Only partnerships, estates, trusts, corporations, and LLCs (taxed as partnerships or corporations) will enter their FEIN.

### Are you a California resident or nonresident?

A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.

A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.

For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are $1,500 or less for the calendar year.

For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:

- Withholding Services and Compliance Section: 1-888-762-4900
- For hearing impaired with TDD, call: 1-800-822-6268

### Privacy Statement

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to $20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.