

State of California
Fish and Game Commission
Final Statement of Reasons for Regulatory Action

Amend Section 700.4
Title 14, California Code of Regulations
Re: Electronic License Display

I. Dates of Statements of Reasons

- | | |
|----------------------------------|-------------------------|
| (a) Initial Statement of Reasons | Date: October 13, 2022 |
| (c) Final Statement of Reasons | Date: February 18, 2023 |

II. Dates and Locations of Scheduled Hearings

(a) Notice Hearing

Date: October 13, 2022	Location: Truckee
------------------------	-------------------

(b) Discussion Hearing

Date: December 15, 2022	Location: San Diego
-------------------------	---------------------

(c) Adoption Hearing

Date: February 8, 2023	Location: Sacramento
------------------------	----------------------

III. Update

There have been no changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Action. The final regulatory text was amended when filing with the Office of Administrative Law to change language in subsection (f) from "...the department *may* accept licenses..." to "...the department *shall* accept licenses..." (italics added) to ensure clarity and reduce ambiguity about the acceptability, for enforcement purposes, of licenses displayed on a designated mobile device application. Other minor typographical changes were made as well.

IV. Summary of Primary Considerations Raised in Support of or Opposition to the Proposed Actions and Reasons for Rejecting Those Considerations

Responses to public comments received from October 25, 2022 to January 25, 2023 were included in the pre-adoption email received January 26, 2023 and are listed below. The Commission concurs with the Department's response to the public comments and recommendation not to make further amendments to the regulatory proposal.

Comment 1: Oral comment, December 15, 2022. Joe Exline: Expressed concern that the mobile application for license display would require internet connectivity to function.

Response 1: The mobile application for license display will not require internet connectivity to display a valid license.

The following comment was also received at the rulemaking's adoption hearing.

Comment 1: Oral comment, February 8, 2023. Mark Smith, Coastal Conservation Association of California: Compliments the Department and the Commission for their work to implement the 365-day fishing license, as well as electronic license display, and asked for updated statistics for license sales with implementation of the 365-day fishing license.

Response 1: The Department acknowledges support and will provide updated statistics for license sales when available at: <https://wildlife.ca.gov/Licensing/Statistics>.

Additionally, the Commission and the Department acknowledge the comments below of general support for the proposal.

Comment 1: Email comment, received November 9, 2022. Sven Lindquist, President, Safari Club International, commends the Department for the proposed changes.

Comment 2: Oral comment, December 15, 2022. Mark Henley, California Waterfowl, expressed full support for the proposal on behalf of his organization.

Comment 3: Oral Comment, December 15, 2022. Bill Gaines, on behalf of several groups, expressed strong support for the proposal.

Comment 4: Oral Comment, December 15, 2022. Nathan Yancheff expressed support for the proposal. Believes that electronic display will be convenient for anglers and mitigate honest mistakes by license-holders.

V. Description of Reasonable Alternatives to Regulatory Action

(a) Alternatives to Regulation Change

No alternatives were identified by or brought to the attention of Commission staff that would have the same desired regulatory effect.

(b) No Change Alternative

If the proposed amendments are not adopted, the Department will continue to allow only paper copies for proof of valid licenses. This may result in licensees without proof of a valid license in their possession, as well as frustration that the Department has not modernized its practices.

(c) Consideration of Alternatives

In view of information currently possessed, no alternative considered would be more effective in carrying out the purpose for which the regulation is proposed, would be as effective and less burdensome to affected private persons than the adopted regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

(d) Description of Reasonable Alternatives that Would Lessen Adverse Impact on Small Business

None identified.

VI. Impact of Regulatory Action

The potential for significant statewide adverse economic impacts that might result from the proposed regulatory action has been assessed, and the following determinations relative to the required statutory categories have been made:

(a) Significant Statewide Adverse Economic Impact Directly Affecting Businesses, Including the Ability of California Businesses to Compete with Businesses in Other States

The proposed regulation will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. This regulatory action will not impose cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed regulation nor is it anticipated to result in substantial changes in the demand for goods and/or services throughout the state.

All current license purchase processes (point-of-sale, online, or telephone) will remain available. The proposed regulation adds an electronic display option that allows anglers to more easily add-on to angling activities without the need to print out temporary entitlements, wait for items to be mailed, or detour to a point-of-sale location. This proposed administrative process could result in increased fishing participation that would add to sportfish-supporting businesses' (sporting goods, bait and tackle, general retail, fuel, food, and accommodations) revenue. However, the dominant factors correlated with increased license sales have historically been fish abundance and bag and possession limit regulations. Other states that have deployed electronic display of licenses indicate that the offering has increased customer satisfaction, but they do not report a substantial (>100k) increase or decrease in fishing license purchases. The choice of purchase process may gradually change over time but is not anticipated to have adverse economic impacts nor impact California competitiveness.

Table 1. Sport Fish License Items* by Purchase Process, 2021.

Sales Channel Name	Unique Customers	Percent	Sales Qty	Percent
Independent Point of Sale (IPOS)	1,258,918	78%	2,228,173	81%
Telephone	2,949	0.2%	3,598	0.1%
CDFW Online Sales	351,730	22%	520,100	19%
Totals	1,613,597	100%	2,751,871	100%

Source: DFW Automated License Data System (ALDS), Dec. 6, 2022. * Items include: base licenses, validations, report cards, and vouchers.

(b) Impact on the Creation or Elimination of Jobs Within the State, the Creation of New Businesses or the Elimination of Existing Businesses, or the Expansion of Businesses in California; Benefits of the Regulation to the Health and Welfare of California Residents, Worker Safety, and the State's Environment

The Commission does not anticipate impacts on the creation or elimination of jobs within the state, the creation of new business, the elimination of existing businesses, or the expansion of businesses in California because the proposed regulations are unlikely to change the demand for goods or services related to sport fishing. The Commission does not anticipate direct benefits to the general health and welfare of California residents, the environment, or to worker safety.

(c) Cost Impacts on a Representative Private Person or Business

The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

(d) Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State

The Department ALDS estimates a one-time implementation cost of \$448,975 to contract with Aspira for the development of the electronic license display application that is fundamental to the proposed regulation. These costs are within existing budgets and resources.

No impact to federal funding to the state should occur. No nondiscretionary costs, or savings are anticipated for State agencies other than the Department due to this regulation change.

(e) Nondiscretionary Costs/Savings to Local Agencies

None.

(f) Programs Mandated on Local Agencies or School Districts

None.

(g) Costs Imposed on Any Local Agency or School District that is Required to be Reimbursed Under Part 7 (commencing with Section 17500) of Division 4, Government Code

None.

(h) Effect on Housing Costs

None.

Updated Informative Digest/Policy Statement Overview

Unless otherwise specified, all section references in this document are to Title 14 of the California Code of Regulations.

Section 1050 of the Fish and Game Code authorizes the California Fish and Game Commission (Commission) to determine the form of all licenses, permits, tags, reservations, and other entitlements and the method of carrying and displaying all licenses. The regulations are in Section 700 and 700.4.

Section 1050.4 of the Fish and Game Code authorizes the Department of Fish and Wildlife (Department) to provide an option to display a sport fishing license, validation, report card, or other sport fishing entitlement electronically on a mobile device.

Based on the regulatory directive of AB 817, which creates Section 1050.4 of the Fish and Game Code, the Commission is proposing to amend Section 700.4 to include electronic license display as part of the Automated License Data System (ALDS).

The proposed changes to Section 700.4 include the following:

Adds a new subsection to allow the Department to accept electronic display of licenses on an official Department application.

Makes non-substantive changes to language and punctuation.

BENEFIT OF THE REGULATIONS

These regulations will allow the Department to accept proof of valid licenses using a mobile application as an alternative to carrying a paper license.

Technology has changed significantly and there has been an increased demand for electronic license display. Licensees may forget a paper copy of a license but are likely to have a mobile device. The regulatory action proposed herein will provide flexibility in the method licensees may use to verify license validity.

CONSISTENCY AND COMPATIBILITY WITH EXISTING REGULATIONS

The Commission has reviewed its own regulations and finds that the proposed regulatory action is neither inconsistent nor incompatible with existing state regulations. The Commission has searched the California Code of Regulations and finds no other state agency regulations pertaining to the acceptable physical presentations of sport fishing and hunting licenses.

Update:

Section 1050.4 has been added as an authority for the amended section of Title 14.

There have been no other changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Action. The Commission adopted the regulations as initially proposed at its February 8, 2023 meeting.