

STATE OF CALIFORNIA
ECONOMIC AND FISCAL IMPACT STATEMENT
 (REGULATIONS AND ORDERS)

STD. 399 (Rev. 2-98)

See SAM Sections 6600 - 6680 for Instructions and Code Citations

DEPARTMENT NAME California Department of Fish and Game	CONTACT PERSON Susan Ashcraft, Senior Marine Biologist	TELEPHONE NUMBER (916) 651-7670
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Amend Section 632, Re: Marine Protected Areas (MPAs)		NOTICE FILE NUMBER Z

ECONOMIC IMPACT STATEMENT

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 businesses 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 standards
- g. Impacts individuals
- h. None of the above (Explain below. Complete the Fiscal Impact Statement as appropriate.)

h. (cont.) _____

(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: Unknown Describe the types of businesses (Include nonprofits): Fishing and related supporting businesses.

Enter the number or percentage of total businesses impacted that are small businesses: 100%

3. Enter the number of businesses that will be created: Unknown eliminated: Unknown

Explain: Few fishing businesses may be eliminated, but most will shift to other areas. Unknown non-consumptive businesses will be created.

4. Indicate the geographic extent of impacts: Statewide Local or regional (list areas): Primary counties will be Mendocino, Sonoma, Marin, San Francisco and San Mateo Counties. Minor impacts may extend into other counties.

5. Enter the number of jobs created: Unknown or eliminated: Unknown Describe the types of jobs or occupations impacted: Jobs in commercial fishing, fish processing, and within the recreational fishing industry may be eliminated. Non-consumptive and tourism jobs may be created.

6. 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:

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: _____
- b. Initial costs for a typical business: \$ 0 Annual ongoing costs: \$ 0 Years: _____
- c. Initial costs for an individual: \$ 0 Annual ongoing costs: \$ 0 Years: _____

d. Describe other economic costs that may occur: Potential loss to commercial fishery related income may amount to \$0.526 million annually. Unknown losses to recreational fishing industry related income 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: \$ _____ and the 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: The State of California's Marine Life Protection Act of 1999 directs the state to redesign California's system of marine protected areas to function as a network in order to: increase coherence and effectiveness in protecting the state's marine life and habitats, marine ecosystems, and marine natural heritage, as well as to improve recreational, educational and study opportunities provided by marine ecosystems subject to minimal human disturbance.

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 that may result from this regulation and who will benefit: Benefits primarily will result from natural resource protection and enhancements and improved resource sustainability. Non-consumptive recreation and tourism industries will likely benefit from the regulation. The recreation and tourism industries in general presently generate \$5 Billion annually in the affected region.

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

Explain: The California Legislature has specifically required the Fish and Game Commission to reevaluate existing MPAs and design a network of MPAs in state waters that together will contribute toward specific biodiversity and habitat protection goals.

3. What are the total statewide benefits from this regulation over its lifetime? \$ Unknown

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: Three special alternatives are provided in the ISOR. These alternatives vary in the total area included in both no-take and limited-take MPAs within the region.

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

Regulation:	Benefit: \$ <u>Unknown</u>	Cost: \$ <u>526,000 to Commercial Fishing</u>
Alternative 1:	Benefit: \$ <u>Unknown</u>	Cost: \$ <u>465,000 to Commercial Fishing</u>
Alternative 2:	Benefit: \$ <u>Unknown</u>	Cost: \$ <u>397,000 to Commercial Fishing</u>
Alternative 3:	Benefit: \$ <u>Unknown</u>	Cost: \$ <u>696,000 to Commercial Fishing</u>

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: Because it is difficult to determine how fishing businesses and recreational anglers will react in terms of fishing behavior to the regulation, the true direct and immediate impacts have not been determined. Additionally, the regulation's purpose is to promote long-term environmental health and population sustainability. Thus, in the long-term, benefits should outweigh any immediate costs.

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.)

Cal/EPA boards, offices and departments are subject to the following additional requirements per Health and Safety Code section 57005.

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? Yes No (If No, skip the rest of this section)

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

Alternative 1:

Alternative 2:

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

Regulation:	\$ _____	Cost-effectiveness ratio:	_____
Alternative 1:	\$ _____	Cost-effectiveness ratio:	_____
Alternative 2:	\$ _____	Cost-effectiveness ratio:	_____

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 of approximately \$ _____ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:

a. is provided in (Item _____, Budget Act of _____) or (Chapter _____ Statutes of _____)

b. will be requested in the _____ Governor's Budget for appropriation in Budget Act of _____
(FISCAL YEAR)

2. Additional expenditures of approximately \$ _____ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:

a. implements the Federal mandate contained in _____

b. implements the court mandate set forth by the court in the case of _____ vs. _____

c. implements a mandate of the people of this State expressed in their approval of Proposition No. _____ at the _____ election;
(DATE)

d. is issued only in response to a specific request from the _____, which is/are the only local entity(s) affected;

e. will be fully financed from the _____ authorized by Section _____
(FEES, REVENUE, ETC.)
_____ 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 such unit.

3. Savings of approximately \$ _____ annually.

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

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

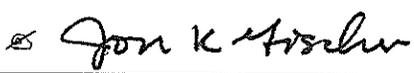
6. Other. _____

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 of approximately \$ 0 in the current State Fiscal Year. It is anticipated that State agencies will:
- a. able to absorb these additional costs within their existing budgets and resources.
 - b. request an increase in the currently authorized budget level for the 10/11 fiscal year. There will not be expenditures in addition to those provided for in the existing budget of \$4.8 million for the 9/10 fiscal year. For fiscal year 10/11, there is the potential for a request for an increase in the currently authorized budget level. However, the amount of any such request is unknown and cannot be determined at this time.
2. Savings of approximately \$ _____ in the current State Fiscal Year.
3. No fiscal impact exists because this regulation does not affect any State agency or program.
4. Other.

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 of approximately \$ _____ in the current State Fiscal Year.
- 2. Savings of approximately \$ _____ in the current State Fiscal Year.
- 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
- 4. Other.

SIGNATURE 		TITLE
AGENCY SECRETARY ¹		DATE
APPROVAL/CONCURRENCE		<u>21 April 2009</u>
DEPARTMENT OF FINANCE ²		DATE
APPROVAL/CONCURRENCE		

1. *The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6600-6680, 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.*
2. *Finance approval and signature is required when SAM sections 6600-6670 require completion of the Fiscal Impact Statement in the STD. 399. However, Finance must immediately receive a copy of each STD. 399 submitted to OAL without Finance signature, and Finance may subsequently question the "no fiscal impact" finding of a state agency.*