STATE OF CALIFORNIA — DEPARTMENT OF FINANCE
ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)
STD. 399 (REV. 12/2008)
See SAM Section 6601 - 6616 for Instructions and Code Citations

DEPARTMENT NAME
Fish and Game Commission

CONTACT PERSON
Margaret Duncan

TELEPHONE NUMBER
(916) 653-4676

DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400
Section 149 and Subsection 149.1(a) Commercial Taking of Market Squid

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

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

2. Enter the total number of businesses impacted: 53
   Describe the types of businesses (Include nonprofits.): Commercial market squid fishermen and a small number of fishing vessel owners and operators.

   Enter the number or percentage of total businesses impacted that are small businesses: 86%

3. Enter the number of businesses that will be created: 0
   or eliminated: 0
   Explain: Minor changes in market squid landings are unlikely to result in the creation or elimination of businesses.

4. Indicate the geographic extent of impacts:
   □ Statewide  □ Local or regional (List areas.): Central Coast and South Coast regions

5. Enter the number of jobs created: 0
   or eliminated: 2 to 11
   Describe the types of jobs or occupations impacted: Depending on which option the Commission chooses, the regulation may result in the loss of from 2 to 11 jobs (see attached Economic Impact Assessment).

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? $
   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: **Impacted business sectors are concentrated in the seafood industry which would bear 100% of the economic effect of the regulation.**

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 proposed regulations are necessary to comply with the adopted Market Squid Fishery Management Plan.

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: **Closure of the market squid fishery once the Seasonal Catch Limit has been reached will prevent overfishing and ensure the continued existence of a sustainable market squid resource, benefiting both the commercial fishing industry and the numerous marine species that depend on squid as forage.**

2. Are the benefits the result of: ☐ specific statutory requirements, or ☑ goals developed by the agency based on broad statutory authority? Explain: The proposed regulations implement the Market Squid Fishery Management Plan adopted by the Commission in 2004.

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

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: No alternatives were considered. **Closure of the squid fishery once the Seasonal Catch Limit has been reached is required by the Market Squid Fishery Management Plan.**

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

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Benefit: $</th>
<th>Cost: $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative 1:</td>
<td>Benefit: $</td>
<td>Cost: $</td>
</tr>
<tr>
<td>Alternative 2:</td>
<td>Benefit: $</td>
<td>Cost: $</td>
</tr>
</tbody>
</table>

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: The proposed regulations do not mandate use of specific equipment or procedures. Closing the season when the Seasonal Catch Limit of 118,000 short tons has been reached is a performance standard.

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.

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

2. Briefly describe each equally as an 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: $ ________________

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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 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 ____________, Budget Act of ____________ or Chapter ____________, Statutes of ____________
   b. will be requested in the ___ Governor's Budget for appropriation in Budget Act of ____________

☐ 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 ____________________________ vs. ____________________________
   c. implements a mandate of the people of this State expressed in their approval of Proposition No. ____________ at the ____________ election;  
   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 ____________________________ 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;
   g. creates, eliminates, or changes the penalty for a new crime or infraction contained in ____________________________

☐ 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 regulations.
ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

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 $___________ in the current State Fiscal Year. It is anticipated that State agencies will:
   a. be able to absorb these additional costs within their existing budgets and resources.
   b. request an increase in the currently authorized budget level for the _____________ fiscal year.

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. Fiscal effects to the State in the form of landings tax losses could range from $5,500 to $6,900 annually (attached worksheet).

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.

1. 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 department 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 6601-6616 require completion of Fiscal Impact Statement in the STD.399.
Market Squid Fiscal Impact Calculations Worksheet

The Department of Fish and Wildlife receives a landings tax assessment on all commercial fish landed in California, as required under Fish and Game Code Sections 8040 - 8070. Contained within these code sections, under 8051.(a), is a list of the specific tax rates levied on all fish taken commercially. These specific tax rates vary by species or market group and are applied to the round weight (or estimated round weight) of the fish landed. Currently there are 18 different tax rates that are applied to fish landed commercially in California. Since, approximately 163 different species of fish are harvested commercially along with market squid, estimates of landings tax revenue impact necessitates that landings of each species be assessed separately according to its respective specific tax rate and then combined for a total landings tax projection. In light of the intended lifetime of the proposed regulations, the resulting changes in estimated landings tax revenue paid to the State would be permanent.

### Fiscal Impact to the State from Commercial Fish Landings Tax Revenue

#### Commercial Fish Landings Containing Incidental Take of Market Squid from the 2010/2011, 2011/12, and 2012/13 Squid Seasons

<table>
<thead>
<tr>
<th>Total Pounds (All Species)</th>
<th>Total Landings Tax (All Species)</th>
<th>Pro-rata Estimated Tax Contribution Under a Zero Percent Take of Market Squid</th>
<th>Pro-rata Estimated Tax Contribution Under a 30 Percent Take of Market Squid</th>
<th>Pro-rata Estimated Tax Contribution Under a 30 Percent Allowable Take</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three Season Totals, All Fishermen Combined</td>
<td>1,404,000</td>
<td>$4,776</td>
<td>$ -</td>
<td>$4,357</td>
</tr>
<tr>
<td>Seasonal Average, All Fishermen Combined</td>
<td>468,000</td>
<td>$1,592</td>
<td>$ -</td>
<td>$1,452</td>
</tr>
</tbody>
</table>

#### Commercial Landings of Market Squid Post Season, Taken Under the Two Ton Allowance

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<tr>
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</thead>
<tbody>
<tr>
<td>Three Season Totals, All Fishermen Combined</td>
<td>8,408,000</td>
<td>$16,006</td>
<td>$ -</td>
</tr>
<tr>
<td>Seasonal Average, All Fishermen Combined</td>
<td>2,808,000</td>
<td>$5,335</td>
<td>$ -</td>
</tr>
</tbody>
</table>

#### Total Fiscal Impact to the State from Landings Tax Revenue Changes Under Proposed Regulations

| Range of Seasonal (Annual) Total Tax | $ (5,927) | $ (5,475) | $ (5,456) |

*All dollar amounts shown above are Nominal, and have not been adjusted for prices changes or inflation.*