

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		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
- 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: 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 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: _____

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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:
- | | | |
|----------------|-------------------|----------------|
| 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: 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 ? Yes 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: \$ _____

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 _____
(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;

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.

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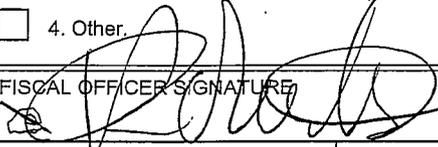
5. No fiscal impact exists because this regulation does not affect any local entity or program.
6. Other.

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 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.

FISCAL OFFICER'S SIGNATURE 	DATE 1/23/14	
AGENCY SECRETARY ¹ APPROVAL/CONCURRENCE 	PROGRAM BUDGET MANAGER 	DATE
DEPARTMENT OF FINANCE ² APPROVAL/CONCURRENCE	PROGRAM BUDGET MANAGER	DATE

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

	Total Pounds (All Species)	Total Landings Tax (All Species)	Pro-rata Estimated Tax Contribution Under a Zero Percent Take of Market Squid	Pro-rata Estimated Tax Contribution Under a 10 Percent Take of Market Squid	Pro-rata Estimated Tax Contribution Under a 30 Percent Take of Market Squid	Incremental Tax Revenue Impact for Zero Percent Allowable Take	Incremental Tax Revenue Impact for 10 Percent Allowable Take	Incremental Tax Revenue Impact for 30 Percent Allowable Take
Three Season Totals, All Fishermen Combined	1,404,000	\$ 4,776	\$ -	\$ 4,357	\$ 4,413	\$ (4,776)	\$ (419)	\$ (363)
Seasonal Average, All Fishermen Combined	468,000	\$ 1,592	\$ -	\$ 1,452	\$ 1,471	\$ (1,592)	\$ (140)	\$ (121.07)

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

	Pounds Market Squid	Total Landings Tax on Market Squid (at \$.0019 / lb.)	Estimated Tax Contribution Under Zero Post-Closure Directed Take of Market Squid	Incremental Tax Revenue Impact Under Zero Post-Closure Directed Take of Market Squid
Three Season Totals, All Fishermen Combined	8,424,000	\$ 16,006	\$ -	\$ (16,006)
Seasonal Average, All Fishermen Combined	2,808,000	\$ 5,335	\$ -	\$ (5,335)

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

Range of Seasonal (Annual) Total Tax	\$ (6,927)	\$ (5,475)	\$ (5,456)
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*All dollar amounts shown above are Nominal, and have not been adjusted for prices changes or inflation.