

STAFF SUMMARY FOR APRIL 18-19, 2018

11. ROCKPORT ROCKS SPECIAL CLOSURE**Today's Item**Information Action

Authorization to publish notice of intent to repeal Rockport Rocks Special Closure regulations.

Summary of Previous/Future Actions

- | | |
|---------------------------------|---------------------------------|
| • Today's notice hearing | Apr 18-19, 2018; Ventura |
| • Discussion hearing | Jun 20-21, 2018; Sacramento |
| • Adoption hearing | Aug 22-23, 2018; Fortuna |

Background

The Marine Life Protection Act established a programmatic framework for designating marine protected areas (MPAs) in the form of a statewide network. Through the designation process, relatively small special closures were used as a management tool to protect sea bird rookeries and marine mammal haul-out sites by restricting ocean-based access to these areas seasonally or year-round.

On June 6, 2012, FGC adopted changes to Section 632, establishing Rockport Rocks Special Closure, six other special closures, and 15 MPAs along California's north coast. The Rockport Rocks Special Closure seasonally protects more than 2,500 breeding and nesting seabirds from disturbance by prohibiting visitor access closer than 300 feet, from March 1 to August 31.

In 2015, the Mendocino Redwood Company LLC submitted a petition to FGC requesting the repeal of Rockport Rocks Special Closure (subsection 632(b)(17)) from regulation. The petition states that current regulations prohibit the company from accessing its private property, in conflict with a 2008 DFW memorandum stating that MPAs do not affect private property rights.

After reviewing the company's petition and supporting documents, DFW, in consultation with the California State Lands Commission and the U.S. Bureau of Land Management (BLM), confirmed that in 1927, BLM patented the area referred to as Rockport Rocks and deeded ownership to an individual, and that, in 1998, Mendocino Redwood Company LLC obtained ownership of Rockport Rocks.

Significant Public Comments (N/A)**Recommendation**

FGC staff: Authorize publication of the notice as recommended by DFW.

DFW: Authorize publication of the notice as detailed in the draft initial statement of reasons (ISOR) to repeal the Rockport Rocks Special Closure regulation.

Exhibits

1. [DFW memo, received March 7, 2018](#)
2. [Draft ISOR](#)

STAFF SUMMARY FOR APRIL 18-19, 2018

3. [DFW presentation](#)
4. [Draft economic and fiscal impact statement](#)

Motion/Direction

Moved by _____ and seconded by _____ that the Commission authorizes publication of a notice of its intent to amend subsection 632(b)(17) related to Rockport Rocks Special Closure.

Memorandum

2018 MAR -7 PM 4: 12

Date: February 28, 2018

To: Valerie Termini
Executive Director
Fish and Wildlife Commission

From: Charlton H. Bonham
Director



Subject: **Submission of Initial Statement of Reasons to Amend Section 632, Title 14, California Code of Regulations, Re: Rockport Rocks Special Closure**

The Department of Fish and Wildlife (Department) requests the Fish and Game Commission (Commission) authorize publishing notice of its intent to amend subsection (b)(17) of Section 632 of Title 14, California Code of Regulations concerning the repeal of Rockport Rocks Special Closure. Authorization of this request to publish notice will allow for discussion and possible adoption at the June 20 and August 22, 2018 Commission meetings, respectively.

At the time of adoption by the Commission June 6, 2012, Rockport Rocks Special Closure was unknowingly implemented around the privately held lands of the Mendocino Redwood Company, LLC, (MRC). Based on review of the petition, supporting documents, and land ownership history, the Department recommends the repeal of Rockport Rocks Special Closure from regulation. All aspects of the special closure are proposed for repeal, except for modification of the name from "Rockport Rocks Special Closure" to "Repealed: Rockport Rocks Special Closure".

If you have any questions regarding this item, please contact Dr. Craig Shuman, Marine Regional Manager at (916) 445-6459. The public notice for this rulemaking should identify Environmental Scientist, Ms. Amanda Van Diggelen as the Department's point of contact. Her contact information is (562) 342-7176 or Amanda.VanDiggelen@wildlife.ca.gov.

ec: Stafford Lehr, Deputy Director
Wildlife and Fisheries Division
Stafford.Lehr@wildlife.ca.gov

Craig Shuman, Regional Manager
Marine Region
Craig.Shuman@wildlife.ca.gov

Valerie Termini, Executive Director
Fish and Wildlife Commission
February 28, 2018
Page 2

Bob Puccinelli, Captain
Law Enforcement Division
Robert.Puccinelli@wildlife.ca.gov

Michelle Selmon
Program Manager
Regulations Unit
Michelle.Selmon@wildlife.ca.gov

Scott Barrow
Senior Environmental Scientist
Regulations Unit
Scott.Barrow@wildlife.ca.gov

Susan Ashcraft, Marine Adviser
Fish and Game Commission
Susan.Ashcraft@fgc.ca.gov

Becky Ota, Marine Region
Habitat Program Manager
Becky.Ota@wildlife.ca.gov

Stephen Wertz, Marine Region
Senior Environmental Scientist
Stephen.Wertz@wildlife.ca.gov

Amanda Van Diggelen
Environmental Scientist
Marine Region
Amanda.VanDiggelen@wildlife.ca.gov

STATE OF CALIFORNIA
FISH AND GAME COMMISSION
INITIAL STATEMENT OF REASONS FOR PROPOSED REGULATORY ACTION

Amend subsection (b)(17) of Section 632
Title 14, California Code of Regulations
Re: Marine Protected Areas

I. Date of Initial Statement of Reasons: February 2, 2018

II. Dates and Locations of Scheduled Hearings:

- | | | |
|-------------------------|-----------|-----------------|
| (a) Notice Hearing: | Date: | April 18, 2018 |
| | Location: | Ventura, CA |
| (b) Discussion Hearing: | Date: | June 20, 2018 |
| | Location: | Sacramento, CA |
| (c) Adoption Hearing: | Date: | August 22, 2018 |
| | Location: | Fortuna, CA |

III. Description of Regulatory Action:

- (a) Statement of Specific Purpose of Regulation Change and Factual Basis for Determining that Regulation Change is Reasonably Necessary:

Background Information

The Marine Life Protection Act (MLPA) (Fish and Game Code sections 2850-2863) established a programmatic framework for designating marine protected areas (MPAs) in the form of a statewide network. During this designation process, relatively small special closures were used as a management tool to protect seabird rookeries and marine mammal haul-out sites by restricting ocean-based access to these areas seasonally or year-round (Attachment 1).

On June 6, 2012, the Fish and Game Commission (Commission) adopted regulations establishing Rockport Rocks Special Closure along with six other special closures, 15 MPAs and one marine managed area, and amending regulations for four existing MPAs along California's North Coast MPA region [Section 632, Title 14, California Code of Regulations (CCR)]. The Rockport Rocks Special Closure was enacted to seasonally protect breeding and nesting seabirds from disturbance by prohibiting visitor access closer than 300 feet March 1 to August 31 [Subsection 632(b)(17)] (Figure 1).

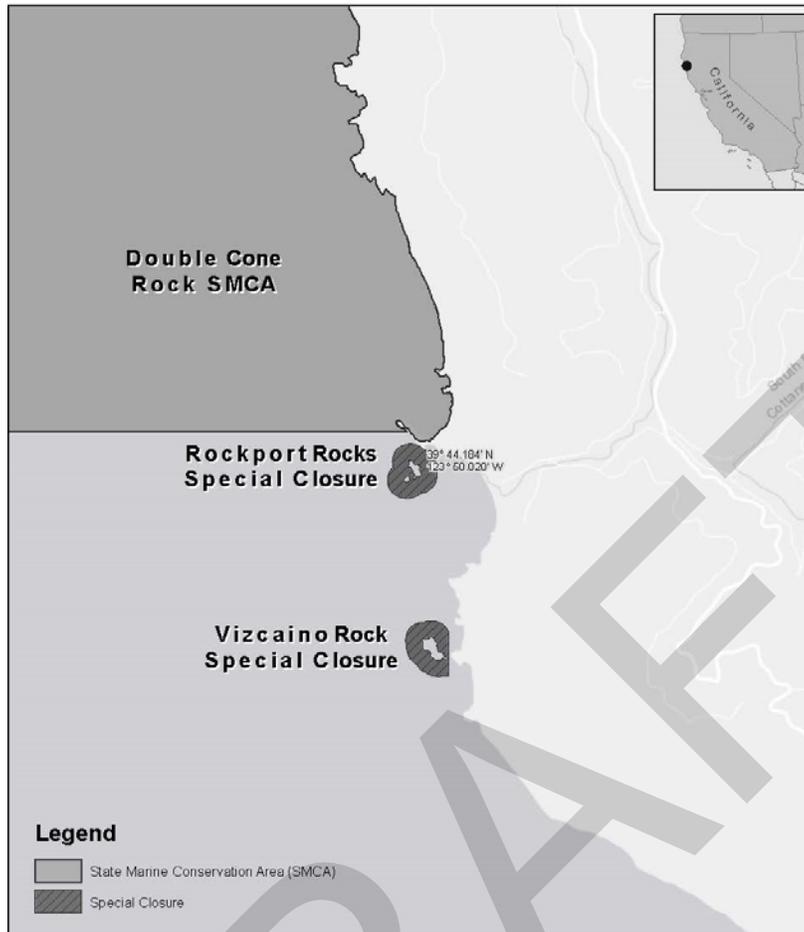


Figure 1. Map of Rockport Rocks Special Closure

In 2015, the Mendocino Redwood Company, LLC, (MRC) submitted a petition to the Commission requesting the repeal of the Rockport Rocks Special Closure regulations. The petition alleges the Rockport Rocks Special Closure prohibits MRC from accessing its private property (Attachment 2).

After reviewing the MRC petition and supporting documents (attachments 3-6) the California Department of Fish and Wildlife (Department) in consultation with the State Lands Commission and US Bureau of Land Management (BLM), confirmed that in 1927 the BLM had patented the area referred to as Rockport Rocks, and deeded ownership to Edgar T. Dusenbury. In 1927, Dusenbury sold the area to Finkbine-Guild Lumber Company, which in 1998, and then known as L-P Redwood, LLC, sold the area to MRC (Attachment 4).

Proposed Amendment to Subsection 632(b)(17):

Subsection 632(b)(17) defines a geographic area surrounding Rockport Rocks as a special closure prohibiting seasonal access to the area from March 1 to August 31. This subsection is proposed for amendment by repealing all aspects of the special closure. The subsection heading will be modified from “Rockport Rocks Special Closure” to “Repealed: Rockport Rocks Special Closure”;

thereby ensuring historical tracking of enforcement citations statewide, avoiding costs of reprinting outreach materials, and avoiding an amendment of every MPA serial number in subsection 632(b).

Necessity and Rationale:

The current regulation inadvertently restricts access to privately owned land. A 2008 Department memorandum about private land ownership and MPAs stated that “the MPA designation process must take into account existing California State Lands Commission leases, California Fish and Game Commission state water bottom and kelp leases, tide and submerged lands grants, private tidelands, and any other legal entitlements” (Attachment 3). Repeal of the Rockport Rocks Special Closure regulations will address the original intent of the MLPA design criteria to not impact private land ownership.

(b) Goals and Benefits of the Regulation:

The proposed regulations will make the MPA network consistent with original planning criteria regarding private land ownership and MPA implementation.

(c) Authority and Reference Sections from Fish and Game Code for Regulation:

Authority: Sections 200, 205(c), 265, 399, 1590, 1591, 2860, 2861, and 6750, Fish and Game Code; and Sections 36725(a) and 36725(e), Public Resources Code.

Reference: Sections 200, 205(c), 265, 399, 2861, 5521, 6653, 8420(e), and 8500, Fish and Game Code; and Sections 36700(e), 36710(e), 36725(a) and 36725(e), Public Resources Code.

(d) Specific Technology or Equipment Required by Regulatory Change:

None

(e) Identification of Reports or Documents Supporting Regulation Change:

Attachment 1: Department Memorandum, dated November 1, 2007 - Special Closures as they apply to the Marine Life Protection Act (MLMA)

Attachment 2: Petition No. 2015-006 Remove special closure regulations for Rockport Rocks in 14 CCR § 632(b)(17)

Attachment 3: Department Memorandum, dated January 31, 2008 - Private Land Ownership and Marine Protected Areas

Attachment 4: MRC Land Ownership History

- Patent # 999463 as recorded in Book 22, page 54, of the

- Mendocino County Book of Records
- Record of Patents, Patent # 999463
- Map of Patent Area, Patent # 999463
- Grant Deed as recorded in Book 22, page 55, of the Mendocino County Book of Records
- Pages 1, 92, and 94 of Grant Deed, dated June 24, 1998

Attachment 5: Commission letter, dated July 31, 2017, granting Petition No. 2015-006

Attachment 6: California Marine Life Protection Act North Coast Project – North Coast Special Closure Recommendations, October 26, 2010

(f) Public Discussions of Proposed Regulations Prior to Notice Publication:

MRC presented the petition to the Commission at its December 9, 2015, meeting. At its February 10, 2016, meeting, the Commission referred the petition to the Department, and at its June 22, 2017, meeting, the Commission granted the petition, no other public meetings were held addressing the petition prior to the notice publication. The 45-day comment period provides adequate time for public review of the proposed amendments.

IV. 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:

The no-change alternative would leave Rockport Rocks Special Closure in its current location, and continue to impact the MRC adversely by limiting legal access to its private land. MRC has stated “the special closure is a potential encumbrance to being able to sell the parcel or sell a conservation easement to an interested party.”

V. Mitigation Measures Required by Regulatory Action:

The proposed regulatory action will have no negative impact on the environment; therefore, no mitigation measures are needed.

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 initial 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 action 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 because the proposed repeal removes an access restriction that may impart limited positive impacts to only one private landowner.

- (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 any impacts on creation or elimination of jobs, the creation of new businesses, the elimination of existing businesses or the expansion of businesses in California because these changes will neither increase nor decrease recreational or commercial opportunities within the state of California.

The Commission does not anticipate any benefits to the health and welfare of California residents, worker safety, or the environment.

- (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: None.
- (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.

VII. Economic Impact Assessment

- (a) Effects of the Regulation on the Creation or Elimination of Jobs Within the State:

The proposed amendment will not create or eliminate jobs within the state because the proposed repeal removes an access restriction that only affects a private landowner, the MRC. This change will neither increase nor decrease recreational or commercial opportunities within California.

- (b) Effects of the Regulation on the Creation of New Businesses or the Elimination of Existing Businesses Within the State:

The proposed amendment will not create any new businesses or eliminate existing businesses because the proposed repeal will neither increase nor decrease recreational or commercial opportunities within California.

- (c) Effects of the Regulation on the Expansion of Businesses Currently Doing Business Within the State:

The proposed amendment is not expected to result in the expansion of businesses currently doing business within the state because the proposed regulations will neither increase nor decrease recreational or commercial opportunities within California.

- (d) Benefits of the Regulation to the Health and Welfare of California Residents:

The Commission does not anticipate any benefits to the health and welfare of California residents.

- (e) Benefits of the Regulation to Worker Safety:

The proposed amendment does not have foreseeable benefits to worker safety because the regulation does not affect working conditions.

- (f) Benefits of the Regulation to the State's Environment:

The Commission anticipates benefits to the state's environment will remain consistent with the protections provided by the MPA network as a whole.

Informative Digest/Policy Statement Overview

The Marine Life Protection Act (MLPA) (Fish and Game Code sections 2850-2863) established a programmatic framework for designating marine protected areas (MPAs) in the form of a statewide network. During this designation process, relatively small special closures were used as a management tool to protect seabird rookeries and marine mammal haul-out sites by restricting ocean-based access to these areas seasonally or year-round.

The Rockport Rocks Special Closure was enacted in 2012 to seasonally protect breeding and nesting seabirds from disturbance by prohibiting visitor access closer than 300 feet March 1 to August 31 [Subsection 632(b)(17), Title 14, California Code of Regulations (CCR)].

In 2015, the Mendocino Redwood Company, LLC, (MRC) submitted a petition to the Fish and Game Commission (Commission) requesting the repeal of the Rockport Rocks Special Closure regulations. The petition alleges the Rockport Rocks Special Closure prohibits MRC from accessing its private property.

The proposed amendment will repeal all aspects of the special closure, except for modification of the name from “Rockport Rocks Special Closure” to “Repealed: Rockport Rocks Special Closure”.

Benefits of the Proposed Regulation

The proposed amendment to Section 632 corrects inadvertent implementation of regulations that conflict with Department policy to not establish MPAs or special closures that prohibit access to private lands. Retaining the name with a slight modification will ensure historical tracking of enforcement citations for this area as well as all other MPAs and special closures in the statewide network, avoid costs of reprinting statewide materials, and avoid an amendment of every MPA serial number in subsection 632(b).

Consistency and Compatibility with Existing State Regulations

Commission staff has searched the CCR and has found no other regulations concerning Rockport Rock Special Closure and therefore has determined that the proposed regulations are neither inconsistent, nor incompatible, with existing state regulations.

Regulatory Language

Section 632, Title 14, CCR, is amended to read:

[No changes to current regulatory text in subsections 632(a) through (b)(16)]

(17) ~~Repealed:~~ Rockport Rocks Special Closure. ~~Special restrictions on boating and access apply to Rockport Rocks as follows.~~

~~(A) A special closure is designated from the mean high tide line to a distance of 300 feet seaward of the mean lower low tide line of any shoreline of Rockport Rocks, located in the vicinity of 39° 44.184 ' N. lat. 123° 50.020 ' W. long. during the period of March 1 to August 31.~~

~~(B) Except as permitted by federal law or emergency caused by hazardous weather, or as authorized by subsection 632(b)(17)(C), no vessel shall be operated or anchored from the mean high tide line to a distance of 300 feet seaward of the mean lower low tide line of any shoreline of Rockport Rocks during the period of March 1 to August 31.~~

~~(C) No person except department employees or employees of the United States Fish and Wildlife Service, National Oceanic and Atmospheric Administration, or United States Coast Guard, in performing their official duties, or unless permission is granted by the department, shall enter the area defined in subsection 632(b)(17)(B) during the period of March 1 to August 31.~~

[No changes to current regulatory text in subsections 632(b)(18) through (b)(147)]

Note: Authority cited: Sections 200, 205(c), 265, 399, 1590, 1591, 2860, 2861 and 6750, Fish and Game Code; and Sections 36725(a) and 36725(e), Public Resources Code. Reference: Sections 200, 205(c), 265, 399, 2861, 5521, 6653, 8420(e) and 8500, Fish and Game Code; and Sections 36700(e), 36710(e), 36725(a) and 36725(e), Public Resources Code.



Propose Repeal: Rockport Rocks Special Closure



Photo credit: Mendocino Redwood Company.

Amanda Van Diggelen, Environmental Scientist

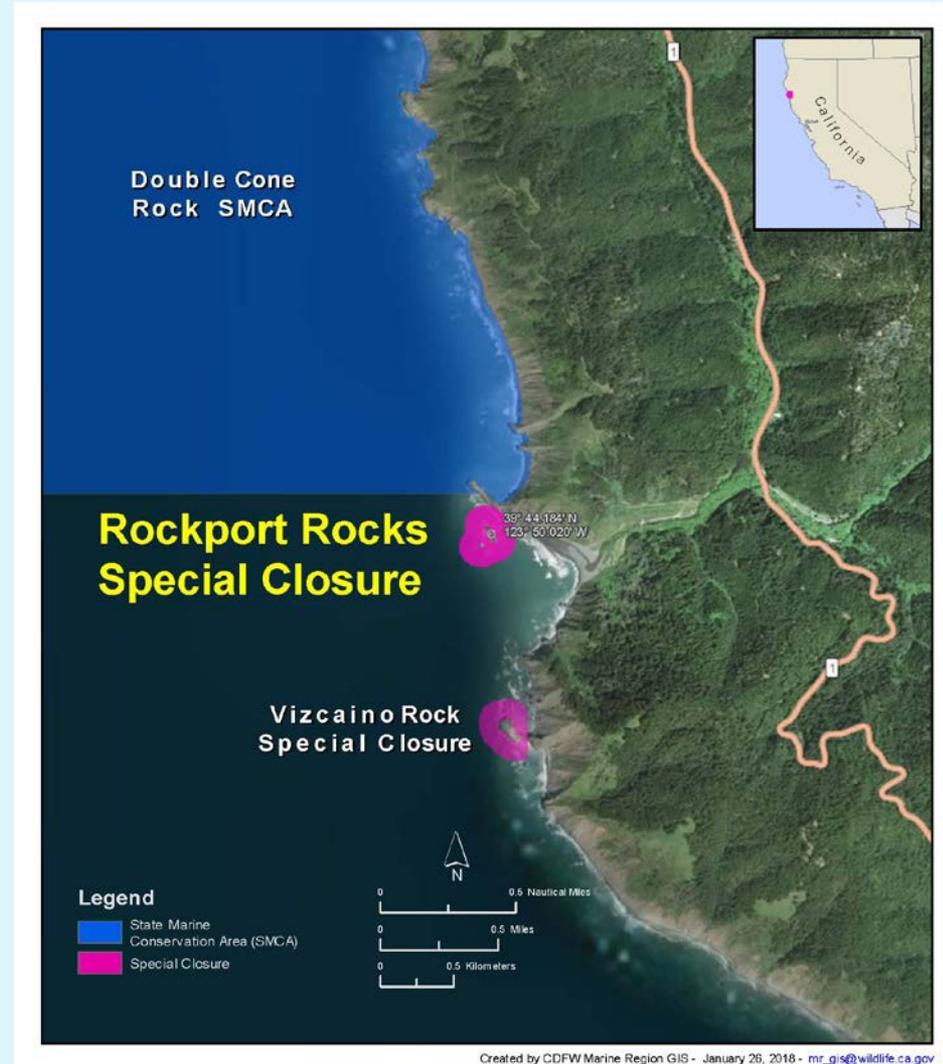
April 18, 2018

Fish and Game Commission Meeting
Ventura, CA



Proposed Amendment

1. Overview of proposed repeal
2. Review Regulatory Amendment timeline





Background





Overview of Proposed Repeal

Will MPAs Change existing property ownership? No. The MLPA is an ecosystem-based conservation and management act for public trust resources that does nothing to affect private property rights. MPAs only exist seaward of the mean high tide line, so potential for overlap with other property interests is very limited. If such overlap occurs, the MPA designation process must take into account existing California State Lands Commission leases, California Fish and Game state water bottom and kelp leases, tide and submerged lands grants, private tidelands, and any other legal entitlements.



Overview of Proposed Repeal

- 2012: Special Closure adopted
- 2015: Mendocino Redwood Company, LLC, submitted petition
- 2016: Confirmed land ownership in December



Photo credit: Doris M. Schoenhoff Mendocino Redwood Company.



2018 Regulatory Timeline

- February 2: Contacted California Tribes
- April 18: Notice Hearing
- June 20: Discussion Hearing
- August 22: Adoption Hearing



Photo credit: Doris M. Schoenhoff Mendocino Redwood Company.



Thank You Questions?



Photo credit: Mendocino Redwood Company.



**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

SAM Section 6601-6616

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Fish and Game Commission	CONTACT PERSON Margaret Duncan margaret.duncan@	EMAIL ADDRESS wildlife.ca.gov	TELEPHONE NUMBER 916 653-4676
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Amend subsection (b)(17) of Section 632, Title 14, CCR, Re: Marine Protected Areas			NOTICE FILE NUMBER Z

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:

- | | |
|--|---|
| <input type="checkbox"/> a. Impacts business and/or employees | <input type="checkbox"/> e. Imposes reporting requirements |
| <input type="checkbox"/> b. Impacts small businesses | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input type="checkbox"/> c. Impacts jobs or occupations | <input type="checkbox"/> g. Impacts individuals |
| <input type="checkbox"/> d. Impacts California competitiveness | <input checked="" type="checkbox"/> h. None of the above (Explain below): |

Proposed amendment introduces no new private sector costs.

***If any box in Items 1 a through g is checked, complete this Economic Impact Statement.
If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.***

2. The _____ estimates that the economic impact of this regulation (which includes the fiscal impact) is:

(Agency/Department)

- Below \$10 million
- Between \$10 and \$25 million
- Between \$25 and \$50 million
- Over \$50 million *[If the economic impact is over \$50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: _____

Describe the types of businesses (Include nonprofits): _____

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

4. Enter the number of businesses that will be created: _____ eliminated: _____

Explain: _____

5. Indicate the geographic extent of impacts: Statewide
 Local or regional (List areas): _____

6. Enter the number of jobs created: _____ and eliminated: _____

Describe the types of jobs or occupations impacted: _____

7. 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: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT (CONTINUED)

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: _____

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: \$ _____
 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: _____
 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 of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: _____

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

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

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: _____

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: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT (CONTINUED)

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: _____

E. MAJOR REGULATIONS *Include calculations and assumptions in the rulemaking record.*

California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? YES NO

*If YES, complete E2. and E3
If NO, skip to E4*

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

Alternative 1: _____

Alternative 2: _____

(Attach additional pages for other alternatives)

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

Regulation: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 1: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 2: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

YES NO

If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.

5. Briefly describe the following:

The increase or decrease of investment in the State: _____

The incentive for innovation in products, materials or processes: _____

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

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 in the current State Fiscal Year which are reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

- a. Funding provided in _____
Budget Act of _____ or Chapter _____, Statutes of _____

- b. Funding will be requested in the Governor's Budget Act of _____
Fiscal Year: _____

- 2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

- a. Implements the Federal mandate contained in _____

- b. Implements the court mandate set forth by the _____ Court.

Case of: _____ vs. _____

- c. Implements a mandate of the people of this State expressed in their approval of Proposition No. _____

Date of Election: _____

- d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: _____

- e. Will be fully financed from the fees, revenue, etc. from: _____

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;

- g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in _____

- 3. Annual Savings. (approximate)

\$ _____

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

- 5. No fiscal impact exists. This regulation does not affect any local entity or program.

- 6. Other. Explain _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

SAM Section 6601-6616

FISCAL IMPACT STATEMENT (CONTINUED)

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 in the current State Fiscal Year. (Approximate)

\$ _____

It is anticipated that State agencies will:

a. Absorb these additional costs within their existing budgets and resources.

b. Increase the currently authorized budget level for the _____ Fiscal Year

2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

3. No fiscal impact exists. This regulation does not affect any State agency or program.

4. Other. Explain _____

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 in the current State Fiscal Year. (Approximate)

\$ _____

2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

4. Other. Explain _____

FISCAL OFFICER SIGNATURE



DATE

3/1/15

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 departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY



DATE

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER



DATE