

STATE OF CALIFORNIA — DEPARTMENT OF FINANCE  
**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**

STD. 399 (Rev. 10/2019)

**ECONOMIC IMPACT STATEMENT**

DEPARTMENT NAME <b>Board of Forestry and Fire Protection</b>	CONTACT PERSON <b>Jane Van Susteren</b>	EMAIL ADDRESS <b>jane.vansusteren@bof.ca.gov</b>	TELEPHONE NUMBER <b>916.619.9795</b>
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 <b>Watercourse Crossings and Emergency Notice Watercourse Crossing Requirements, 2024</b>			NOTICE FILE NUMBER <b>Z</b>

**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 business 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):

*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.*

**Board of Forestry and Fire Protection**

2. The Board of Forestry and Fire Protection (Agency/Department) estimates that the economic impact of this regulation (which includes the fiscal impact) is:

- 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: unknown

Describe the types of businesses (Include nonprofits): Timber owners, timberland owners, and timber operators

Enter the number or percentage of total businesses impacted that are small businesses: 80%

4. Enter the number of businesses that will be created: none expected eliminated: none expected

Explain: The action represents a continuation of existing forest practice regulations.

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

6. Enter the number of jobs created: none expected and eliminated: none expected

Describe the types of jobs or occupations impacted: The action represents additional regulatory requirements for the protection of watercourses during emergency notice timber operations. No impacts to jobs are expected.

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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**ECONOMIC IMPACT STATEMENT (CONTINUED)**

**B. ESTIMATED COSTS** *Include calculations and assumptions in the rulemaking record.*

- What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ 6,000,000
  - Initial costs for a small business: \$ 2800 Annual ongoing costs: \$ 2800 Years: 10
  - Initial costs for a typical business: \$ 28000 Annual ongoing costs: \$ 28000 Years: 10
  - Initial costs for an individual: \$ 0 Annual ongoing costs: \$ 0 Years: 10
  - Describe other economic costs that may occur: No other economic costs are expected.

2. If multiple industries are impacted, enter the share of total costs for each industry: N/A

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. \$ \_\_\_\_\_

- 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: State law compels the regulation of Timber Operations pursuant to the Z'berg-Nejedly Forest Practice Act of 1973.

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: The proposed action ensures compliance with existing requirements of the Forest Practice Rules and with the permit processes of other state agencies when under an Emergency Notice.

2. Are the benefits the result of:  specific statutory requirements, or  goals developed by the agency based on broad statutory authority?  
Explain: PRC 4551 authorizes the Board the adopt regulations for the harvesting of timber and protection of natural resourc

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

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: All businesses which would preform the work described within the proposed action are currently extant and will not expand or contract as a result of the proposed action.

**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: The Board considered taking no action, but that would not address the problem. The Board considered replacing the prescriptive standards with performance-based regulations. That alternative would reduce consistency with other portions of the rules which rely on operational limitations.

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

Regulation: Benefit: \$ Unknown Cost: \$ 6,000,000

Alternative 1: Benefit: \$ Unknown Cost: \$ 0

Alternative 2: Benefit: \$ Unknown Cost: \$ 6,000,000

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: It is not possible to quantify intangible benefits to the environment which will occur as a result of the proposed action.

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: These regulations are a balance of performance-based and prescriptive requirements and are only as prescriptive as necessary to implement and enforce the regulations and achieve better environmental and compliance outcomes.

**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: none expected

The incentive for innovation in products, materials or processes: none expected

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: Improved environmental outcomes from facilitating oversight from review team agencies on potential watercourse crossing construction and reconstruction.

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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 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 \_\_\_\_\_  
\_\_\_\_\_

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**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

 **Jane Van Susteren**

 Digitally signed by Jane Van Susteren  
Date: 2024.10.11 11:53:39 -07'00'

DATE

October 11, 2024

*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

 **Bryan Cash**

DATE

10/18/2024

*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

## Supplement to 399

### Economic Impact Statement

B1: Emergency Notice timber operations are an effort to recuperate some of the timber value lost to catastrophic events such as wildfire or drought. As a result, the impacts of changes to these regulations on landowners will be episodic. In the last ten years, the number of Emergency Notices filed per year has ranged from 81 to 452, with an average of 250. The number of acres covered ranges from 14,133 to 94,552, with an average of 47,781. Average Emergency Notice size ranges from 174 acres to 208 acres, with an average of 196.

Compliance with the additional requirements of the “Watercourse Crossings and Emergency Notice Watercourse Crossing Requirements, 2024” rule package includes:

1. Additional mapping costs under §1052(a)(4).

Work to map all tractor road crossings and logging road watercourse crossings that will be constructed or reconstructed will require determining the locations of those roads and crossings before the notice is submitted. This requires exploring, and in the case of post-wildfire emergencies, gaining access to the property. This is expected to require 32 additional hours of RPF work per emergency notice.

2. Costs of identifying and describing constructed or reconstructed watercourse crossings.

Identifying and describing constructed or reconstructed watercourse crossings and then submitting the table of watercourse crossings is expected to require 8 extra hours of RPF work per emergency notice.

3. Updating that table with new information on a monthly basis.

Updating the above table is estimated to require 16 extra hours of RPF effort per emergency notice.

Current advertised salaries for a Registered Professional Forester in California are approximately \$35-\$65 per hour.

The estimated impacts to a business, including small businesses, would be between \$1960 and \$3640 per emergency notice, with an average cost of \$2800. While impacts are episodic, it's estimated that a small business would use approximately one emergency notice per year. A larger business is expected to use approximately ten emergency notices per year, with costs between \$19,600 and \$36,400 and an average cost of \$28,000.

The estimated economic impact (based on number of Emergency Notices filed per year) of this regulatory change is between \$136,080 to \$1,410,240 a year with an estimated impact of \$600,000 a year. The lifetime impact of this rule is estimated to be \$6,000,000.

No other parts of this rule package are expected to have an economic or fiscal impact.

D2: Alternative Analysis:

Alternative 1: No Action. No additional costs expected.

Alternative 2: Prescriptive standards replaced with performance-based standards. Under these circumstances, watercourse crossing protection measures would be less clearly described in the Forest Practice Rules, and determined through consultation with a CAL FIRE inspector. The time required for a forester to meet these requirements is determined to be equivalent: applicants would still need to map all watercourse crossings to determine protection needs, would need to spend time describing the crossings to the inspector, and would need to update the inspector throughout the length of time where the Emergency Notice Timber Operations were active.