

## SAM - BUDGETING

### ECONOMIC IMPACT STATEMENT

6603

(Revised 6/2014)

A state agency that proposes to promulgate a regulation must include a completed [STD. 399](#) with each proposed regulation that is submitted to OAL for publication in the California Regulatory Notice Register. Government Code sections [11346.2](#), [11346.3](#), [11346.5](#) and Health and Safety Code section [57005](#) establish requirements for assessing a proposed regulation's estimated economic impact. This SAM section will relate each section of the Economic Impact Statement of the STD. 399 to the corresponding statutory requirements specified in the codes referenced.

#### A. Estimated Private Sector Cost

1. This section references the specific economic impacts of a proposed regulation. If the proposed regulation fits any of the a-g criteria, then the appropriate section of the economic impact statement must be completed.
2. This section references the estimated economic impact of the proposed regulation which an agency must compute to determine if the proposed regulation is a Major Regulation in accordance with California Code of Regulations, [title 1, section 2000](#).
3. Total businesses impacted  
Government Code section [11346.5\(a\)\(7\)\(A\)](#) requires agencies to identify the types of businesses affected by the proposed regulation.
4. Businesses created or eliminated  
Government Code section [11346.3\(b\)\(1\)\(B\)](#) requires agencies to assess the proposed regulation's impact on the creation or elimination of businesses within the state, including regional impacts.
5. Geographic extent of regulation  
Government Code section [11346.3\(b\)\(1\)\(C\)](#) requires agencies to assess the proposed regulation's impact on the expansion of businesses within the state.
6. Employment factors  
Government Code section [11346.3\(b\)\(1\)\(A\)](#) requires agencies to assess the proposed regulation's impact on the creation or elimination of jobs in California.
7. Competition  
Government Code section [11346.3\(a\)\(2\)](#) requires agencies to evaluate the impact on the ability of California businesses to compete with businesses in other states.

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## SAM - BUDGETING

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6603 (Cont. 1)

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#### B. Estimated Costs

1. Initial and ongoing costs to business and individuals  
Government Code section [11346.3\(a\)](#) requires agencies to evaluate the potential cost of compliance of the proposed regulation for businesses and individuals.
2. Share of total costs  
Government Code section [11346.5\(a\)\(7\)\(A\)](#) requires agencies to describe the types of businesses affected by the proposed regulation and their share of the total cost of the proposed regulation if the proposed regulation has a significant statewide adverse economic impact.
3. Reporting requirements  
Government Code section [11346.5\(a\)\(7\)\(B\)](#), requires agencies to identify reporting requirements for businesses if the proposed regulation has a significant statewide adverse economic impact.
4. Housing  
Government Code section [11346.5\(a\)\(12\)](#) requires agencies to determine if the regulation will directly impact housing costs.
5. Federal regulations  
Government Code section [11346.5\(a\)\(3\)\(B\)](#) requires the agency to determine if the regulation differs from an existing comparable federal regulation.

#### C. Estimated Benefits

Parts 1-3 of this sections are required by Government Code section [11346.3\(b\)\(1\)\(D\)](#) which requires agencies to discuss the benefits of the regulation, 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.

4. Expansion of businesses  
Government Code section [11346.3\(b\)\(1\)\(C\)](#) requires agencies to assess the proposed regulation's impact on the expansion of businesses within the state.

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## SAM - BUDGETING

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### ECONOMIC IMPACT STATEMENT

6603 (Cont. 2)

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#### D. Alternatives to the Regulation

Parts 1 and 2 of this section are required by Government Code section [11346.2\(b\)](#), which requires agencies to discuss alternatives to the proposed regulation.

3. This section supplements the comparisons of the proposed alternatives and the proposed regulation in parts 1 and 2 of this section to allow for a standardized comparison.
4. Consideration of performance standards  
Government Code section [11346.2\(b\)](#) requires agencies, when mandating the use of specific technology or equipment, to consider performance standards to help lower compliance costs

#### E. Major Regulations

Parts 1 through 3 of this section apply only to boards, offices and departments within the [California Environmental Protection Agency](#). Health and Safety Code section [57005](#) requires each board, office and department to follow internal guidelines for regulations with an estimated economic impact on the state's business enterprises in an amount exceeding ten million dollars.

Parts 4 and 5 of this section apply to a proposed regulation that is a major regulation. Government Code section [11346.3\(c\)\(1\)](#) requires all state agencies proposing to adopt, amend, or repeal a regulation which is subject to review by OAL and not specifically exempted from the Administrative Procedure Act to conduct a Standard Regulatory Impact Assessment (SRIA) for a major regulation. Three copies of the SRIA and the form required by California Code of regulations, [title 1, section 2002](#) should be submitted to the Department of Finance.

Questions concerning the Economic Impact Statement may be directed to:

California Department of Finance  
915 L Street  
Sacramento, California  
Telephone Number: (916) 322-2263