**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
   - [X] h. None of the above (Explain below):

   Private sector participation is voluntary and they are not otherwise affected.

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

2. The (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: ________________

   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: ________________

   ________________

   ________________
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:

   __________________________________________

   __________________________________________

   __________________________________________

   __________________________________________

   __________________________________________
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:

   ________________________________
STATE OF CALIFORNIA — DEPARTMENT OF FINANCE
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
   ________________________________ 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).
   $ Unknown (see Attachment 1)
   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: Attachment 1
       Authorized by Section: 27397 (c)(1), (2) and (3) of the Government 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
   ________________________________

PAGE 4
B. FISCAL EFFECT ON STATE GOVERNMENT

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 Expenditures in next two fiscal years, see Attachments 1 and 2.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS

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
ATTACHMENT 1
FISCAL IMPACT STATEMENT

A. Fiscal Effect on Local Government

2. Additional expenditures of approximately $\text{Unknown}^{*}$ 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:

   e. Will be fully financed from the following:

      • A County Recorder may impose a fee in an amount up to and including one dollar ($1) for each document that is recorded by the county.
      • A County Recorder may impose a fee upon any vendor seeking approval of software and other services as part of an ERDS.
      • A County Recorder may impose a fee upon any person seeking to contract as an authorized submitter and/or agent.

   Authorized by Government Code section 27397 (c)(1), (2), and (3).

   *Note: These regulations could result in additional costs to local government to the extent that they choose to participate in the program. However, the amount of required liability coverage set by these regulations (one million dollars) is currently an industry standard and was recommended by the Electronic Recording Delivery System (ERDS) Advisory Committee due to it being the minimum amount of coverage currently carried by most submitters. It is unknown how many new submitters would start once these proposed regulations are adopted.

   Additionally, the updated technology standards, which would align with federal and industry standards, were incorporated at the direction of the ERDS Advisory Committee in order to allow County Recorders more flexibility in implementing technology security measures in a way that they see fit while also ensuring that federal standards are met. The Department of Justice has determined that it is difficult to approximate the potential fiscal effect these proposed changes may have, due to this being a voluntary program and those County Recorders that do currently participate already meeting these proposed standards.

   These costs would not be reimbursable by the state because participation in the program is optional.

B. Fiscal Effect on State Government
1. Additional expenditures of approximately $241,459.00 in the current State Fiscal Year.

Note: Pursuant to Government Code section 27397(a) and (d), any State costs would be reimbursed by local governments that choose to participate in the program. Therefore, this program would not result in any General Fund costs to the state.

See Attachment 2 for projected calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.
ATTACHMENT 2
PROJECTED CALCULATIONS AND ASSUMPTIONS
CURRENT YEAR AND TWO SUBSEQUENT YEARS

The method of calculating a county proportionate share of the cost per year to participate in electronic recording is outlined in Article 3, Section 999.115 of these regulations. The calculations and assumptions within the attachment are estimated.

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<th>FY 19/20</th>
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