

**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 Department of Justice	CONTACT PERSON Vera GatersAbel	TELEPHONE NUMBER 916-227-3376
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Electronic Recording Delivery System		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
  e. Imposes reporting requirements  
 b. Impacts small businesses
  f. Imposes prescriptive instead of performance  
 c. Impacts jobs or occupations
  g. Impacts individuals  
 d. Impacts California competitiveness
  h. None of the above (Explain below. Complete the Fiscal Impact Statement as appropriate.)

h. (cont.) Private sector participation is voluntary and they are not otherwise affected.

(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: Unknown Describe the types of businesses (Include nonprofits.): Attachment 1Enter the number or percentage of total businesses impacted that are small businesses: Unk3. Enter the number of businesses that will be created: Unknown eliminated: UnknownExplain: It is not anticipated that any businesses will be created or eliminated specifically as a result of this legislation4. Indicate the geographic extent of impacts:  Statewide  Local or regional (List areas.): \_\_\_\_\_5. Enter the number of jobs created: Unk or eliminated: Unk Describe the types of jobs or occupations impacted: Unable to determine.

Participation is voluntary. It is unknown the types of jobs or occupations that will be impacted by this legislation.

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? \$ N/A

- 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: \_\_\_\_\_

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

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

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.): \$ Unknown

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: Attachment I

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ Unknown

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: Attachment I  
Participants in electronic recording will incur significant cost savings by employing this technology.

2. Are the benefits the result of:  specific statutory requirements, or  goals developed by the agency based on broad statutory authority?  
Explain: The enabling statutes envisioned the use of electronic recording as a cost savings measure

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

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.) Cal/EPA boards, offices, and departments are subject to the following additional requirements per Health and Safety Code section 57005.

**ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)**

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 \$ 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:
- 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 Attachment 2 \_\_\_\_\_ authorized by Section  
(FEES, REVENUE, ETC.)  
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 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.

**ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)**

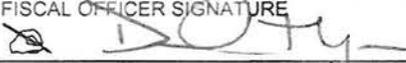
5. No fiscal impact exists because this regulation does not affect any local entity or program.
6. Other.

**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 \$ Attach 2/3 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.

**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 SIGNATURE		DATE
		5-11-12
AGENCY SECRETARY <sup>1</sup> APPROVAL/CONCURRENCE		DATE
DEPARTMENT OF FINANCE <sup>2</sup> APPROVAL/CONCURRENCE	PROGRAM BUDGET MANAGER 	DATE
		10 July 2012
		6/29/12

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

ATTACHMENT 1  
ECONOMIC IMPACT STATEMENT

A. Estimated Private Sector Cost Impacts

2. The total number of businesses impacted: Unknown, participation is voluntary.

C. Estimated Benefits

1. Benefits that may result from these regulations and who will benefit:

The types of businesses impacted: The types of private sector businesses that could be impacted consist of those businesses associated with real estate transactions in preparation for recording documents with a County Recorder. Such industry entities may include Title Companies, Banks, Mortgage Companies, etc. In addition, vendors of system and software development as well as industry entities representing information systems security could be impacted if in agreement with a participating County Recorder's electronic recording delivery system. These regulations allow for the implementation of technologies that will result in significant net savings to participants. Businesses will be employed to implement the technologies.

ATTACHMENT 3  
 PROJECTED CALCULATIONS AND ASSUMPTIONS  
 CURRENT YEAR AND TWO SUBSEQUENT YEARS

The method of calculating a counties 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 this attachment are estimated.

<u>Projected Fiscal Detail Expenditures</u>	<u>FY 11/12</u>	<u>FY 12/13</u>	<u>FY 13/14</u>
<b><u>Personal Services</u></b>			
Salaries	\$145,710	\$145,710	\$145,710
Staff Benefits	\$ 59,368	\$ 59,368	\$ 59,368
<b>Total Personal Services</b>	<b>\$205,078</b>	<b>\$205,078</b>	<b>\$205,078</b>
<b><u>Operating Expenses &amp; Equipment</u></b>			
Printing	\$ 3,424	\$ 600	\$ 600
Postage	\$ 610	\$ 610	\$ 610
Travel-In-State	\$ 5,000	\$ 8,000	\$ 8,000
Data Processing	\$ 1,000	\$ 1,000	\$ 1,000
Equipment	\$	\$ 5,000	\$
<b>Total Operating OE &amp; E</b>	<b>\$ 10,034</b>	<b>\$ 15,210</b>	<b>\$ 10,210</b>
<b>Total Direct Excess Spending Authority Departmental Services</b>			
<b>TOTAL</b>	<b>\$215,112</b>	<b>\$220,228</b>	<b>\$215,288</b>