

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Marine Resources Commission
Virginia Administrative Code (VAC) Chapter citation(s)	4 VAC 20-1090
VAC Chapter title(s)	Pertaining to Licensing Requirements and License Fees
Action title	To establish multi-year resident recreational saltwater fishing licenses.
Date this document prepared	December 15, 2022

Cost Benefit Analysis

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions where the agency is exercising discretion, but are not needed if all changes are required by state or federal law or regulation. Delete 1b and 1c if they are not applicable, and include a statement that all changes are mandated.

- (1) **Direct Costs & Benefits:** Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) **Quantitative Factors:**
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
 - (c) Enter the present value of the direct costs based on the worksheet.
 - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) **Benefits-Costs Ratio:** Calculate d divided by c OR enter it from the worksheet.
- (4) **Net Benefit:** Calculate d minus c OR enter it from the worksheet.
- (5) **Indirect Costs & Benefits:** Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct Costs & Benefits</p>	<ul style="list-style-type: none"> • The purpose of this regulation is create a multiyear resident recreational saltwater fishing license with two, three, and four year options. The cost for a one-year saltwater recreational license is \$17.50. The proposed fees for the multiyear licenses are: Two-year: \$33.50, Three-year: \$49.50, and Four-year: \$65.50. This represents a 4.29, 5.71% and 6.43% savings from buying comparable one-year licenses. • Direct Costs: \$55,586 <ul style="list-style-type: none"> • There will be a \$1.50 savings for each two-year license, \$3.00 for each three-year license, and \$4.50 for each four-year license to anglers who decide to purchase these licenses. • In 2022, Department of Wildlife Resources sold 3,865 multiyear resident freshwater recreational licenses: two-year=2,660, three-year=437, and four-year=768, totaling 0.98% of all freshwater fishing licenses. Assuming the same percentages will occur for similar resident saltwater recreational fishing licenses would result in 1,350 two-year licenses, 222 three-year licenses, and 390 four-year licenses (1962 total) based on 200,263 total saltwater recreational fishing licenses. • The multiyear license saltwater recreational fishing license has the potential to save stakeholders \$55,586 in fees (based on similar freshwater fishing license sales at DWR) compared to the purchase of a single year license. <p style="text-align: center;">Direct Benefits: Estimated at \$55,586 per year.</p>		
<p>(2) Quantitative Factors</p>	<p>Estimated Dollar Amount</p>	<p>Present Value</p>	
<p>Direct Costs</p>	<p>(a) 81,754</p>	<p>(c) 137,340</p>	
<p>Direct Benefits</p>	<p>(b)</p>	<p>(d)</p>	
<p>(3) Benefits-Costs Ratio</p>	<p>1.68</p>	<p>(4) Net Benefit</p>	<p>\$55,586</p>

(5) Indirect Costs & Benefits	Indirect Costs: Indirect Benefits:
(6) Information Sources	
(7) Optional	

(i) During the 2022 General Assembly session, Delegate Cordoza introduced HB1112 to require the Commission to sell multiyear resident recreational saltwater fishing licenses. The bill went through several reiterations and was passed by the House on February 15, 2022 (98-Y, 2-N), and the Senate on February 25, 2022 (39-Y 0-N). The bill was approved by the Governor effective July 1, 2022. Given the bill’s effective date was in the middle of the fishing year it was decided to amend the regulation with an effective date with the start of the new calendar year.

Impact on Local Partners

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	
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(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a)
Direct Benefits	(b)
(3) Indirect Costs & Benefits	Multi-year recreational saltwater fishing licenses may increase angler participation which would have a positive impact on associated businesses such as bait and tackle shops, boat fuel, etc.
(4) Information Sources	
(5) Assistance	
(6) Optional	

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	There will be minimal impact of the average family of three.
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(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a)
Direct Benefits	(b)
(3) Indirect Costs & Benefits	
(4) Information Sources	
(5) Optional	

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.
- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	
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(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	Direct costs would be reduced for those recreational anglers who chose to purchase a multi-year license
Direct Benefits	(b) The majority of the Direct Benefits listed previously would reduce license fees for recreational anglers
(3) Indirect Costs & Benefits	
(4) Alternatives	
(5) Information Sources	
(6) Optional	

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

Table 5: Total Number of Requirements

	Number of Requirements			
Chapter number	Initial Count	Additions	Subtractions	Net Change
4 VAC 20-1090	129	3	0	3