

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date 06/27/22
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3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)
Ch. NR 20, Fishing: Inland and Outlying Waters

4. Subject
FH-16-21, Reporting requirements for sport trolling licensees

5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
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7. Fiscal Effect of Implementing the Rule

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs	<input type="checkbox"/> Decrease Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Could Absorb Within Agency's Budget	

8. The Rule Will Impact the Following (Check All That Apply)

<input type="checkbox"/> State's Economy	<input checked="" type="checkbox"/> Specific Businesses/Sectors
<input type="checkbox"/> Local Government Units	<input type="checkbox"/> Public Utility Rate Payers
	<input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)

9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).
\$14,280

The total estimated cost to the charter fleet overall is estimated to be \$6,120 to \$14,280. This cost is based entirely on the estimated number of sport trolling licensees without a basic smartphone and data plan and the estimated cost to obtain such a device. The necessity of a mobile device for entering the reports comprises the sole anticipated cost of implementation.

10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)?
Yes No

11. Policy Problem Addressed by the Rule

This rule improves the consistency and accuracy of reporting across the Great Lakes by requiring sport trolling licensees (charter captains who guide anglers in sport trolling for trout and salmon on the outlying waters) to report electronically rather than on paper forms. Commercial fishers and licensed fishing guides in the Great Lakes are also required to report electronically, which improves the accuracy and timeliness of the data that the department receives through these reports. Electronic reporting will also improve efficiency for both the department and sport trolling licensees. The department would no longer need to manually enter paper reports into an electronic format for analysis, and sport trolling licensees would no longer need to compile all of their trip reports into one monthly paper report to send to the department because all fishing trip reports for that month would already be compiled in the electronic reporting system. This rule also further specifies information required on the report form, including the licensee's boat identification information, number of fish of each species harvested, and fin clip information, the latter two of which are important for fish management. Also, this rule adjusts the reporting timeline to improve the accuracy of reporting data, requiring trip information to be entered before returning to the dock or shore. This is only a minimal change from the existing reporting timeline, which requires most trip information to be recorded no later than ½ hour after returning to the dock or shore.

12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments.

The group most affected by this rule is the charter fishing fleet (sport trolling licensees) that operates in Lake Michigan, Green Bay and Lake Superior. The department held a public meeting prior to drafting this rule to gain feedback on the general electronic reporting proposal, and solicited comments from sport trolling licensees during the EIA comment period. Most comments indicated support for a change to electronic reporting. Some comments also suggested a less frequent reporting timeline due to the busy trip schedules of charter captains.

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13. Identify the Local Governmental Units that Participated in the Development of this EIA.

Local governments are not expected to be impacted by this rule, but will have an opportunity to submit comments on this rule and its impacts during the EIA comment period.

14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

Small charter fishing businesses in Lake Michigan and Lake Superior (those holding sport trolling licenses for outlying waters) may be minimally impacted only if they do not already possess an electronic device capable of entering and submitting the trip reports. In that case, these licensees may need to purchase a basic smartphone and data plan to submit the reports; however, the number of licensees affected is likely to comprise a small proportion of all Lake Superior and Lake Michigan sport trolling licensees. According to Pew Research Center, as of 2022, an estimated 85 percent of Americans own a smartphone. Therefore, with 338 charter captains currently licensed to operate in Lake Michigan and Lake Superior, about 287 charter captains already have a smartphone and 51 may need to purchase one to enter the reports.¹ With the initial cost of a basic smartphone and prepaid data plan estimated at \$120 - \$240 per licensee, the total cost of implementation for all licensees without a smartphone is estimated to be \$6,120 to \$14,280.^{2,3}

Sources:

1. Demographics of mobile device ownership and adoption in the United States. (2021, April 07). Retrieved June 21, 2022, from <https://www.pewresearch.org/internet/fact-sheet/mobile/>.

2. *Prepaid no contract cell phones*. Prepaid No Contract Cell Phones & Smartphones - QVC.com. (n.d.). Retrieved June 27, 2022, from <https://www.qvc.com/electronics/phones/prepaid-no-contract-cell-phones/ /N-oor0/c.html>

3. Brooks, Onjeinika. *Best Prepaid Cell Phone Plans of 2022*. U.S. News and World Report. (2021, Jan. 27). Retrieved June 23, 2022, from <https://www.usnews.com/360-reviews/services/cell-phone-plans/best-prepaid-cell-phone-plans>.

15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

This rule will provide a quicker, easier and more accurate reporting form for sport trolling licensees that will improve the quality and timeliness of reporting data from chartered fishing trips, which constitute a significant proportion of the trips targeting trout and salmon in the Great Lakes. This data will be used to model and manage Great Lakes trout and salmon populations.

If this rule is not implemented, sport trolling licensees would continue to use antiquated monthly paper reports, which are less efficient, require the department to manually enter the data into an electronic format for future use, and can result in data input errors which affect the quality of the data. The monthly paper reports are also not as efficient for licensees to complete as the new electronic reporting form.

16. Long Range Implications of Implementing the Rule

In the long-term, this rule will help improve the sport trolling reporting dataset with enhanced reporting detail and accuracy. This dataset, along with other reporting data from Great Lakes commercial fishers and guides, will provide a better basis for management of the Lake Michigan and Lake Superior fisheries.

17. Compare With Approaches Being Used by Federal Government

While charter captains are required by state and federal law to possess a valid U.S. Coast Guard operator's license and follow those license requirements, no other federal regulations specifically relating to trip reporting apply. States possess inherent authority to manage the fishery and wildlife resources within their boundaries, except insofar as preempted by federal treaties and laws, including regulations established in the Federal Register.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

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In Michigan, charter captains (both sport trolling charter captains and those using other fishing methods) in the Great Lakes are required to submit monthly reports to the Michigan Department of Natural Resources using an electronic system. The reports contain information on lake fished, date, specific location and hours fished, total number of anglers, total catch of major species, targeted species, and sea lamprey presence on certain salmonids. The Michigan DNR collects this data by sending a notification of reporting requirements to charter captains either by email or by hard-copy mailing, and then follows up with an additional postcard or mail notification and law enforcement contacts for those charter captains that have not yet submitted reports. This approach resulted in a 99 percent compliance rate in 2019-2020¹.

Illinois also considers charter boats to include those taking anglers on paid fishing trips for sportfish in Lake Michigan. The Illinois DNR requires charter sportfishing boat operators to complete daily catch reports, all of which are due by the 15th of the following month, on forms and in the manner established by the managing DNR program. Those who do not comply may be subject to penalties and may not be able to obtain a charter boat permit in future years^{2,3}.

Minnesota requires licensed Lake Superior fishing guides (including charters) to submit monthly fishing reports by the 10th day of the following month during the fishing season. Those that do not submit reports three times in a 2-year period may not be eligible for a guide license for up to three years.⁴

Iowa does not require guide licenses or guide reporting.

Sources:

1. Wesander, D. L., & Clapp, D. F. (2020, September). Charter Boat Catch and Effort from the Michigan Waters of the Great Lakes, 2019. Retrieved from Michigan Department of Natural Resources: https://www.michigan.gov/documents/dnr/CharterFishRpt-2019_709759_7.pdf
2. Fish (515 ILCS 5/) Fish and Aquatic Life Code. (2021). Retrieved from Illinois General Assembly: <https://www.ilga.gov/legislation/>
3. Lake Michigan Sportfishing Charter Boat Operator Information. (2021). Retrieved from Illinois Department of Natural Resources: https://www.ifishillinois.org/lmich/L_Michigan_Charter_Operators.html
4. Minnesota Administrative Rules - 6262.3050 Required Record Keeping. (2008, June 11). Retrieved from Minnesota Legislature: https://www.revisor.mn.gov/rules/6262.3050/?keyword_type=all&keyword=fishing+guide

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

Small charter fishing businesses in Lake Michigan and Lake Superior (those holding sport trolling licenses for outlying waters) may be minimally impacted only if they do not already possess an electronic device capable of entering and submitting the trip reports. In that case, these licensees may need to purchase a basic smartphone and data plan to submit the reports. However, the number of licensees affected is likely to comprise a small proportion of all Lake Superior and Lake Michigan sport trolling licensees. According to Pew Research Center, as of 2022, an estimated 85 percent of Americans own a smartphone. Therefore, with 338 charter captains currently licensed to operate in Lake Michigan and Lake Superior, about 287 charter captains already have a smartphone and 51 may need to purchase one to enter the reports. With the initial cost of a basic smartphone and prepaid data plan estimated at \$120 - \$240 per licensee, the total cost of implementation for all licensees without a smartphone is estimated to be \$6,120 to \$14,280.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

The estimated number of sport trolling licensees without a smartphone is estimated from data from the Pew Research Center: Demographics of mobile device ownership and adoption in the United States. (2021, April 07). Retrieved June 21, 2022, from <https://www.pewresearch.org/internet/fact-sheet/mobile/>. The cost of a smartphone and data plan is derived from an overview of prepaid data plans from U.S. News and World Report: <https://www.usnews.com/360-reviews/services/cell-phone-plans/best-prepaid-cell-phone-plans> and low-cost prepaid smartphone plans available on the market: <https://www.qvc.com/electronics/phones/prepaid-no-contract-cell-phones/ /N-oor0/c.html>.

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

Because fishing trip information will be entered into the electronic reporting system and may be submitted after each fishing trip, all fishing trips for the month will be more efficiently compiled and submitted to the department as compared to the paper monthly report form, which requires sport trolling licensees to compile the required reporting information for all fishing trips for the entire month and then send the monthly report to the department.

5. Describe the Rule's Enforcement Provisions

Requiring fishing trip information to be recorded before returning to the dock or shore will allow department law enforcement to verify compliance with the trip-specific reporting requirements.

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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