

**ITEM 8**  
**ADOPTION OF COMMISSION ORDER TO INITIATE RULEMAKING**  
**GENERAL CLEANUP PROVISIONS**

PROPOSED AMENDMENTS TO  
CALIFORNIA CODE OF REGULATIONS, TITLE 2, DIVISION 2, CHAPTER 2.5

ARTICLES 1, 3, 5, AND 7

SECTIONS 1181.2; 1181.3; 1181.4; 1183.1; 1183.7; 1183.17; 1185.2; 1185.3; 1185.4; and  
1187.9

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**EXECUTIVE SUMMARY**

Section 1188.1(a) of the Commission on State Mandates' (Commission's) regulations authorizes the Commission to adopt an order to initiate rulemaking. Following adoption of the order, staff will publish a notice of hearing and notice and rulemaking package to all interested persons for public comment.

The purpose of this rulemaking is to generally clean-up, clarify, and streamline Commission regulations and update language for consistency. The proposed regulations: (1) add a definition of "normal business hours" to clarify the Commission's normal business hours from 8 a.m. until 5 p.m. of each day from Monday to Friday, excluding state holidays, and that 5 p.m. is the filing cutoff for new filings and written materials to be deemed filed that day; (2) clarify the requirements for test claim filing; (3) clarify that test claims and incorrect reduction claims may be either rejected or dismissed for lack of jurisdiction and clarify the process for rejecting or dismissing a test claim for lack of jurisdiction; (4) clarify that service charge and assessment authority are to be included as offsetting revenues and reimbursements in parameters and guidelines consistent with the purpose of article XIII B, section 6 of the California Constitution; (5) clarify the evidentiary standard for requests for extension of time and postponement of hearing; (6) make minor, non-substantive consistency edits, corrections; and (7) update reference citations.

These changes are discussed in detail in the attached Initial Statement of Reasons.<sup>1</sup>

**I. Exhibits**

The proposed regulatory text is attached as Exhibit B. The proposed text is in strikeout and underline to show proposed changes to current regulatory language. Before filing with OAL, staff may make technical corrections, as required.

The Notice of Proposed Rulemaking is attached as Exhibit C and the Initial Statement of Reasons is attached as Exhibit D.

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<sup>1</sup> Exhibit C.

## **II. Timetable**

If the order is adopted at the January 22, 2021 hearing of the Commission, staff will proceed pursuant to the following timetable:

January 26, 2021	Notice of Rulemaking, Initial Statement of Reasons, and Proposed Text will be filed with the Office of Administrative Law for publication.
February 5, 2021	Notice of Proposed Regulatory Action will be issued and published. Comment period opens.
March 8, 2021	Last day to request public hearing.
March 22, 2021	End of public comment period
March 26, 2021	Public Hearing, if requested
May 28, 2021	Adopt proposed rulemaking package.
July 19, 2021	File Adopted Regulations with the Office of Administrative Law.
August 31, 2021	Office of Administrative Law files Adopted Regulations with the Secretary of State
October 1, 2021	Effective date of adopted regulations.

### **Staff Recommendation**

Staff recommends the Commission adopt Proposed Order 21-02.