

ITEM 4

ADOPTION OF COMMISSION ORDER TO INITIATE RULEMAKING

GENERAL CLEANUP

PROPOSED AMENDMENTS TO

CALIFORNIA CODE OF REGULATIONS, TITLE 2, DIVISION 2, CHAPTER 2.5

ARTICLES 1, 3, 4, 5, 6, 7, 8, AND 10

**SECTIONS 1181.1, 1181.2, 1181.3, 1181.4, 1181.6, 1181.8, 1181.9, 1181.10, 1181.13,
1183.1, 1183.2, 1183.3, 1183.4, 1183.5, 1183.6, 1183.7, 1183.8, 1183.9, 1183.10,
1183.11, 1183.12, 1183.13, 1183.15, 1183.16, 1183.17, 1184.1, 1185.1, 1185.2,
1185.4, 1185.5, 1185.6, 1185.7, 1185.8, 1186.2, 1186.4, 1186.6, 1187.1, 1187.4,
1187.5, 1187.6, 1187.8, 1187.9, 1187.10, 1187.12, 1187.14, 1187.15, 1188.1, 1188.2,
1190.1, 1190.2, 1190.3, 1190.4, AND 1190.5**

EXECUTIVE SUMMARY

Section 1188.1(b) 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 ensure that the regulations provide clear and concise direction, use consistent terminology, and provide transparency to the Commission process. The proposed regulations: (1) clarify definitions; (2) clarify the requirements for certification, filing, service, and formatting documents; (3) clarify the holding of teleconferenced meetings; (4) clarify the filing of a second test claim on the same statute or executive order; (5) clarify the requirements for citations and providing documents relied upon in a filing; (6) clarify the Commission's process on the granting or denial of a motion to consolidate or sever test claims; (7) clarify the processing of test claims; (8) clarify who may participate in the processing of claims and development of commission forms; (9) clarify requirements for the contents of parameters and guidelines; (10) clarify the requirements for requests for review of state controller's claiming instructions; (11) clarify requirements for the filing of declarations to be used in lieu of testimony; (12) add new requirements for the timing of filing written testimony, declarations, and other evidence; (13) clarify the process for requesting an extension of time to file comments and rebuttals and to request a postponement of a hearing; and (14) to make minor, non-substantive edits and corrections. These changes are discussed in detail in the attached Initial Statement of Reasons.¹

¹ Exhibit D.

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.

II. Timetable

If the order is adopted at the July 25, 2025 hearing of the Commission, staff will proceed pursuant to the following timetable:

July 29, 2025	Notice of Rulemaking, Initial Statement of Reasons, and Proposed Text will be filed with the Office of Administrative Law for publication.
August 8, 2025	Notice of Proposed Regulatory Action will be issued and published. Comment period opens.
September 8, 2025	Last day to request public hearing.
September 22, 2025	End of public comment period
September 26, 2025	Public Hearing, if requested
September 26, 2025	Adopt proposed rulemaking package, if no public hearing is requested.
October 15, 2025	File Adopted Regulations with the Office of Administrative Law, if no public hearing is requested.
November 30, 2025	Office of Administrative Law files Adopted Regulations with the Secretary of State, if no public hearing is requested.
December 5, 2025	Adopt proposed rulemaking package, if a public hearing is requested.
January 1, 2026	Effective date of adopted regulations, if no public hearing is requested.
January 15, 2026	File Adopted Regulations with the Office of Administrative Law, if a public hearing is requested.
February 28, 2026	Office of Administrative Law files Adopted Regulations with the Secretary of State, if a public hearing is requested.
April 1, 2026	Effective date of adopted regulations, if a public hearing is requested.

Staff Recommendation

Staff recommends the Commission adopt Proposed Order 25-01.