

## **ITEM 3**

### **ADOPTION OF PROPOSED REGULATION AMENDMENTS AFTER CLOSE OF 45-DAY COMMENT PERIOD**

#### **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

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#### **EXECUTIVE SUMMARY**

##### **Background**

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.<sup>1</sup>

At its regular meeting on July 25, 2025, the Commission adopted Order No. 25-01 to initiate rulemaking proceedings in accordance with Government Code sections 11346.2, 11346.4, 11346.8, and 11346.9.

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<sup>1</sup> Exhibit D.

The proposed text was posted on the Commission's website and served on the regulatory mailing list on July 29, 2025; was published in the California Regulatory Notice Register 2025, Number 32-Z on August 8, 2025; and was available to the public through September 22, 2025 for the 45-day comment period. There was no request to hold a public hearing and no comments were filed on the proposed amendments as of the issue date of this Item, September 11, 2025.<sup>2</sup>

Pursuant to Government Code section 11346.9(a)(4), staff finds that no alternative would be more effective in carrying out the purpose for which the regulations are proposed, would be as effective as and less burdensome to affected private persons than the proposed regulations, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Staff, therefore, recommends that the Commission adopt the regulations as originally proposed to be amended in the Commission's Order No. 25-01 to initiate rulemaking proceedings, adopted on July 25, 2025 and issued on July 29, 2025.

### **Staff Recommendation**

Staff recommends that the Commission:

- Find that no alternative would be more effective in carrying out the purpose for which the regulations are proposed, would be as effective as and less burdensome to affected private persons than the proposed regulations, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.
- Adopt the Final Statement of Reasons (Exhibit F).
- Adopt the proposed amendments, as originally noticed, to California Code of Regulations, Title 2, Division 2, Chapter 2.5, Articles 1, 3, 4, 5, 6, 7, 8, and 10, effective January 1, 2026 (Proposed Text, Exhibit B).
- Authorize staff to issue the Order to Adopt Proposed Rulemaking, Commission Order No. 25-01 (Exhibit G), and make any non-substantive, technical corrections to the proposed regulatory text requested by the Office of Administrative Law or Barclays Official California Code of Regulations prior to publication.

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<sup>2</sup> In the event comments are received by the deadline on September 22, 2025, this Item will be rescheduled for the December 5, 2025 hearing.