

**ITEM 10**  
**ADOPTION OF PROPOSED REGULATORY ACTION**

**GENERAL CLEANUP PROVISIONS**

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

- Article 1. General  
Article 3. Test Claims  
Article 5. Incorrect Reduction Claims  
Article 6. Review of Office of State Controller's Claiming Instructions  
Article 7. Hearings and Decisions  
Article 8. Rulemaking and Informational Hearings

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**EXECUTIVE SUMMARY**

The purpose of the proposed regulations is to (1) encourage the use of electronic filing, (2) move all subvention claim matters to Article 7 quasi-judicial hearings, and (3) clarify procedures that will increase the ease and efficiency of the process, and encourage the reduction of the fiscal and environmental costs of the mandates process for all parties and interested parties.

The initial proposed text was made available to the public for 50 days from June 10, 2010 through July 30, 2010, but no comments were received. Following the initial comment period, staff modified the text to include the following technical and clarifying changes:

- The modification of proposed section 1183.01, subdivision (a) added a reference to section 1181.1 which defines "filing date" in order to assist parties and the public in figuring out the filing date for documents filed with the Commission.
- The modification of proposed section 1185 corrected the lettering of the subdivisions in that section.
- The modification of proposed section 1187 consolidated subdivisions (a) and (b) to eliminate redundant regulatory language and re-lettered the subdivisions accordingly.

The proposed modified text was made available to the public for 15 days from August 16, 2010 through August 31, 2010, but no comments were received. No public hearing was requested.

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

## **Staff Recommendation**

Therefore, staff recommends that the Commission:

- Find that no alternative would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective as and less burdensome to affected private persons than the proposed regulations.
- Adopt the proposed amendments to California Code of Regulations, Title 2, Division 2, Chapter 2.5, Articles 1, 3, 5, 6, 7 and 8 as modified, effective January 1, 2011.
- Authorize staff to make any non-substantive, technical corrections requested by the Office of Administrative Law or Barclays Official California Code of Regulations prior to publication.

BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

In the Matter of:

Amendments to California Code of  
Regulations, Title 2, Division 2, Chapter 2.5,  
Articles 1, 3, 5, 6, 7 and 8

No. 10-01

ADOPTION OF PROPOSED  
REGULATORY ACTION

*General Cleanup Provisions*

On September 30, 2010, at a duly noticed public hearing held in Room 447 of the State Capitol, Sacramento, California, the Commission on State Mandates adopted the proposed regulatory action after close of the public comment period.

**PROPOSED REGULATORY ACTION.** The Commission proposes to add sections 1185.21 and 1189; amend sections 1181, 1181.1, 1181.2, 1181.4, 1183-1183.03, 1183.06-1183.09, 1183.11-1183.12, 1183.131-1183.21, 1183.30-1183.32, 1185, 1185.2-1185.6, 1186-1187.3, 1187.9-1188.31, 1189.1 and 1189.3 and delete sections 1181.3, 1189.4, and 1189.5 of the California Code of Regulations, Division 2, Title 2, Chapter 2.5 with a proposed effective date of January 1, 2011. (See attached regulations)

The purpose of the proposed regulations is to (1) encourage the use of electronic filing, (2) move all subvention claim matters to Article 7 quasi-judicial hearings, and (3) clarify procedures that will increase the ease and efficiency of those procedures, and encourage the reduction of the fiscal and environmental costs of the mandates process for all parties and interested parties.

By: \_\_\_\_\_

Paula Higashi, Executive Director

Dated: September 30, 2010