

**ITEM 7**  
**ADOPTION OF PROPOSED REGULATION AMENDMENTS**  
**AFTER CLOSE OF 45-DAY COMMENT PERIOD**  
**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**

**Background**

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.

At its regular meeting on January 22, 2021, the Commission adopted Order No. 21-02 to initiate rulemaking proceedings in accordance with Government Code sections 11346.2, 11346.4, 11346.8, and 11346.9.

The proposed text was posted on the Commission’s website and served on the regulatory mailing list on February 3, 2021; was published in the California Regulatory Notice Register 2021, Number 6-Z on February 5, 2021; and was available to the public through March 22, 2021 for the 45-day comment period. There was no request to hold a public hearing and no comments were filed on the proposed amendments.

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. 21-02 to initiate rulemaking proceedings, adopted on January 22, 2021 and issued on February 3, 2021.<sup>1</sup>

### **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 E).
- Adopt the proposed amendments, as originally noticed, to California Code of Regulations, Title 2, Division 2, Chapter 2.5, Articles 1, 3, 5, and 7, effective October 1, 2021 (Proposed Text, Exhibit B).
- Authorize staff to issue the Order to Adopt Proposed Regulatory Action, Commission Order No. 21-03, (Exhibit F) 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>1</sup> Exhibit B, Proposed Text.