

**INITIAL STATEMENT OF REASONS**  
**CALIFORNIA CODE OF REGULATIONS**  
**TITLE 2. ADMINISTRATION**  
**DIVISION 2. FINANCIAL OPERATIONS**  
**CHAPTER 2.5. COMMISSION ON STATE MANDATES**  
**GENERAL CLEANUP PROVISIONS**  
**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

**SPECIFIC PURPOSE OF THE REGULATIONS**

The Commission on State Mandates (Commission) is a seven-member quasi-judicial body authorized to resolve disputes regarding the existence of state-mandated local programs (Gov. Code, § 17500 et seq.) and to hear matters involving county applications for a finding of significant financial distress (Welf. & Inst. Code, § 17000.6).

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.

Therefore, the Commission proposes revised language and citations in Articles 1, 3, 5, and 7 of the California Code of Regulations, Division 2, Title 2, Chapter 2.5 (Sections 1181.2; 1181.3; 1181.4; 1183.1; 1183.7; 1183.17; 1185.2, 1185.3, 1185.4, 1187.9) with a proposed effective date of October 1, 2021.

**I. Add a Definition of “Normal Business Hours” to Section 1181.2 and Clarify Filing Cutoff Times in Section 1181.3.**

Section 1181.2. Definitions; Section 1181.3. Certification, Filing, and Service of Written Materials and New Filings.

*Specific Purpose of the Regulation*

Section 1181.2 of the regulations defines, clarifies, and makes more specific, terms in the Government Code and the Commission’s regulations. Section 1181.3 provides the procedure for filing and serving new filings and written materials for all Commission matters. The proposed amendments to section 1181.2(f) and section 1181.3(c) of the regulations are intended to clarify

the Commission's normal business hours, which are the hours that the Commission's office is open: from 8 a.m. to 5 p.m., Monday through Friday, excluding state holidays. This is consistent with Government Code section 11020(a), which requires all state agency offices to remain open, at a minimum and subject to certain exceptions not applicable to the Commission, from 8 a.m. to 5 p.m., Monday through Friday, excluding state holidays.

#### *Proposed Changes*

Section 1181.2(f) defines "filing date" as the date received at the Commission's office during normal business hours. The definition of "normal business hours" is being added to section 1181.2(f) to clarify that the Commission's normal business hours are from 8 a.m. to 5 p.m., Monday through Friday, excluding state holidays.

The proposed addition of subdivision (c)(3) to section 1181.3 is to clarify that new filings and written materials filed with the Commission must be filed no later than 5 p.m. on a business day to be deemed filed that day.

#### *Necessity and Anticipated Benefit*

The proposed amendments are necessary to clarify the Commission's "normal business hours" for purposes of determining the date and time of filing new filings and written materials with the Commission and are consistent with the long-standing business practices of the Commission and with Government Code section 11020(a), which establishes state agency business days and hours.

## **II. Clarify the Requirements for Test Claim Filing in Section 1183.1.**

### Section 1183.1. Test Claim Filing.

#### *Specific Purpose of the Regulations*

Section 1183.1 provides the requirements for test claim filing, including who may file a test claim on behalf of a local agency or school district, when a test claim may be filed jointly, and what must be included for a test claim to be deemed complete. The proposed changes clarify that test claims must comply with the requirements of Government Code sections 17551 and 17553 and must be filed by a person who meets the requirements of subdivision (a). Removing "may file" from subdivision (a) is intended to clarify that the individual who files the test claim on behalf of a local agency or school district must fall into one of the categories enumerated in subdivision(a)(1)-(5). This change is consistent with 1185.1(a), pertaining to who may file an incorrect reduction claim on behalf of a local agency or school district. Changes are proposed to subdivision (f) to clarify what is required for a test claim to be considered complete. The proposed amendments also move the requirements for when a test claim may be filed as a joint effort from subdivision (g) to subdivision (b) for greater readability and clarity. Current subdivision (g) is eliminated and current subdivision (h) is therefore renumbered as subdivision (g).

#### *Proposed Changes*

Language is proposed to be added to section 1183.1(a) to reference Government Code sections 17551 and 17553 and make clear that the requirements of section 1183.1(a) are mandatory, not optional. The language "A local agency or school district" is removed because it is duplicative and unnecessary in light of the other proposed changes to subdivision (a). Subdivision (f) is proposed to be changed as follows:

(f) Within 10 days of receipt of a test claim, or amendment thereto, Commission staff shall notify the claimant if the test claim is complete or incomplete. Test claims will be considered incomplete if any of the ~~elements required in subdivisions (c) and (d)~~ requirements of Government Code section 17553 or this section are illegible, ~~or are not included, or are not met.~~ If a complete test claim is not received within 30 calendar days from the date the incomplete test claim was returned, the executive director may disallow the original test claim filing date. A new test claim may be accepted on the same statute or executive order alleged to impose a reimbursable state-mandated program.

The requirements for joint test claims are moved from subdivision (g) to subdivision (b), current subdivision (g) is eliminated, and current subdivision (h) is renumbered as subdivision (g).

#### *Necessity and Anticipated Benefit*

The proposed amendments to section 1183.1(a) are necessary to clarify that test claims must be filed pursuant to Government Code sections 17551 and 17553 as well as to clarify that the person filing a test claim on behalf of a local agency or school district must fall into one of the categories enumerated in subdivision (a)(1)-(5). Adding language to subdivision (f) that a test claim that does not meet the requirements of section 1183.1 and Government Code section 17553 will be considered incomplete is necessary to clarify that test claims must meet both the technical and substantive requirements of section 1183.1 and Government Code section 17553 to be deemed complete. The proposal to move the joint test claim filing requirements from subdivision (g) to subdivision (b) is intended to improve the readability and clarity of the test claim filing requirements and procedures and will make the mandates process more accessible to the parties, interested parties, and interested persons. Because the text of subdivision (g) is being moved into subdivision (b), subdivision (g) is being eliminated, therefore subdivision (h) must be renumbered as subdivision (g).

### **III. Clarify Rejection and Dismissal for Lack of Jurisdiction of Test Claims in Section 1183.1 and of Incorrect Reduction Claims in Sections 1185.2, 1185.3, and 1185.4.**

Section 1183.1. Test Claim Filing; Section 1185.2. Review of Incorrect Reduction Claims; Section 1185.3. Consolidation of Claims Initiated by an Individual Claimant; Section 1185.4. Joining a Consolidated Incorrect Reduction Claim.

#### *Specific Purpose of the Regulations*

Section 1183.1 provides the requirements for a test claim filing, including that a test claim or any portion thereof may be dismissed by the executive director when the Commission lacks jurisdiction for any reason, with a written notice explaining the reason for the dismissal.

Section 1187.14 also governs the dismissal of a test claim when a test claim has been withdrawn or abandoned by the claimant, or when a test claim has been filed by a local agency that is not eligible to claim reimbursement because it is not subject to the tax and spend provisions of articles XIII A and B of the California Constitution. Dismissal of a test claim under section 1187.14 requires a hearing by the Commission after notice, an opportunity to comment has been provided to the claimant and interested parties, and an opportunity for the substitution of parties allowing the test claim to proceed by another eligible claimant.

The proposed changes to section 1183.1 are intended to clarify that when the Commission lacks jurisdiction to hear and determine a timely and otherwise complete test claim filed by a local

agency that is not eligible to claim reimbursement under article XIII B, section 6 because it is not subject to the tax and spend provisions of articles XIII A and B of the California Constitution, the test claim must proceed under section 1187.14, which requires notice, the opportunity for an eligible claimant to take over the claim by a substitution of parties, a written comment period on the proposed dismissal, and a hearing by the Commission to dismiss the claim if no party is substituted in.

Sections 1185.2, 1185.3, and 1185.4 pertain to incorrect reduction claim filings. Section 1185.2 pertains to review of incorrect reduction claims, section 1185.3 pertains to consolidated incorrect reduction claims, and section 1185.4 pertains to joining a consolidated incorrect reduction claim. These regulations currently provide that an incorrect reduction claim, consolidated incorrect reduction claim, or notice of intent to join a consolidated incorrect reduction claim, respectively, or portions thereof, may be dismissed by the executive director for lack of jurisdiction with a written notice explaining the reason for the dismissal. The proposed changes to these regulations make them consistent with the proposed language in section 1183.1 by clarifying that incorrect reduction claims may be rejected before the claim is deemed complete or dismissed by the executive director for lack of jurisdiction with a written notice explaining the reason for the rejection or dismissal.

#### *Proposed Change*

Accordingly, the language in proposed section 1183.1(g) (which is being renumbered from 1183.1(h)) is amended as follows:

(g) Any test claim, or portion of a test claim, that the Commission lacks jurisdiction to hear for any reason, including that the test claim was not filed within the period of limitation required by subdivision (c) of this section, may be rejected or dismissed by the executive director with a written notice stating the reason ~~for dismissal~~therefor. However, for an otherwise timely and complete test claim over which the Commission would have jurisdiction, except that it was filed by a local agency that is not eligible to seek reimbursement because it is not subject to the taxing and spending limitations of article XIII A and B of the California Constitution, the Commission shall follow the process outlined in section 1187.14(b).

The proposed changes to sections 1185.2, 1185.3, and 1185.4 make them consistent with the proposed language in proposed section 1183.1(g) (which is being renumbered from 1183.1(h)) by clarifying that an incorrect reduction claim may be rejected before the claim is deemed complete or dismissed for lack of jurisdiction by the executive director with a written notice explaining the reason for the rejection or dismissal.

Accordingly, the language in proposed section 1185.2(b) is amended as follows:

(b) Any incorrect reduction claim, or portion of an incorrect reduction claim, that the Commission lacks jurisdiction to hear for any reason, including that the incorrect reduction claim was not filed within the period of limitation required by section 1185.1(c) of these regulations, may be rejected or dismissed by the executive director with a written notice stating the reason ~~for dismissal~~therefor.

In addition, the language in proposed section 1185.3(d) is amended as follows:

(d) Any consolidated incorrect reduction claim, or portion of a consolidated incorrect reduction claim, that the Commission lacks jurisdiction to hear for any reason may be rejected or dismissed by the executive director in accordance with section 1185.2(b) of these regulations.

Finally, the language in proposed section 1185.4(d) is amended as follows:

(d) Any notice of intent to join the consolidated incorrect reduction claim, or portion thereof, that the Commission lacks jurisdiction to hear for any reason, including that the notice was not filed within the period of limitation required by section 1185.1(c) of these regulations, may be rejected or dismissed by the executive director with a written notice stating the reason ~~for~~ dismissal therefor.

#### *Necessity and Anticipated Benefit*

The proposed amendments to section 1183.1 are necessary to clarify when the process in section 1183.1 applies and when the process in section 1187.14 applies to rejections or dismissals of test claims, and to prevent any conflicting interpretation of these sections. Because of the importance of the test claim process to interested parties that may rely on a test claim filed by another agency to protect their right to reimbursement, it is necessary to clarify that the process under section 1187.14(b), which allows an eligible agency to take over a test claim prior to dismissal and requires a dismissal hearing if no one timely substitutes in for the ineligible claimant, applies to a timely and otherwise complete test claim filed by a local agency that is not eligible to seek reimbursement because it is not subject to the taxing and spending limitations of article XIII A and B of the California Constitution.

The proposed amendments to sections 1185.2, 1185.3, and 1185.4 are to make the regulations pertaining to rejection or dismissal of incorrect reduction claims on jurisdictional grounds consistent with the proposed amendments to proposed section 1183.1(g).

It is anticipated that these changes will increase accessibility in the mandates process for parties, interested parties, and interested persons.

#### **IV. Clarify Offsetting Revenues to be Included in Parameters and Guidelines.**

##### Section 1183.7(g). Content of Parameters and Guidelines.

##### *Specific Purpose of the Regulation*

Section 1183.7 of the regulations governs the content of parameters and guidelines, which must describe the claimable reimbursable activities and costs and contain specified information, including offsetting revenues and reimbursements that are required to be deducted from the costs claimed. Section 1183.7(g) currently identifies offsetting revenues and reimbursements as follows:

- (1) Dedicated state and federal funds appropriated for this program.
- (2) Non-local agency funds dedicated for this program.
- (3) Local agency's general purpose funds for this program.
- (4) Fee authority to offset part of the costs of this program.

The proposed amendments are intended to clarify in section 1183.7(g)(4) that, in addition to fee authority, service charge and assessment authority to offset mandate costs are offsetting revenues that reduce the cost of reimbursable activities and which must be identified in the parameters and guidelines consistent with the purpose of article XIII B, section 6 of the California Constitution.

Article XIII B, section 6 was specifically designed to preclude “the state from shifting financial responsibility for carrying out governmental functions to local agencies, which are ‘ill equipped’

to assume increased financial responsibilities because of the taxing and spending limitations that articles XIII A and XIII B impose.”<sup>1</sup> Article XIII A imposes a limit on state and local power to adopt and levy taxes. Article XIII B “restricts the amounts state and local governments may appropriate and spend each year from the ‘proceeds of taxes.’”<sup>2</sup> Article XIII B defines “proceeds of taxes” that are subject to the appropriations limit to include all tax revenues, as well as those revenues from regulatory licenses, user charges, and user fees but only “to the extent such proceeds exceed the costs reasonably borne by such entity in providing the regulation, product, or service.”<sup>3</sup> Article XIII B does not place limits on revenues that do not constitute a local entity’s “proceeds of taxes.”<sup>4</sup> Revenues that do not constitute a local entity’s “proceeds of taxes” include federal funds; and service charges, fees, or assessments.<sup>5</sup>

Thus, when a local government funds the mandated activities with funds that are *not* its proceeds of taxes (e.g., service charges, fees, or assessments authorized to be used on the mandate), then those funds are not reimbursable, and must be identified as offsetting revenue. Because service charges, fees, and assessments authorized to be used on the mandate do not constitute “proceeds of taxes,” the language proposed to be added to subdivision (g)(4) clarifies that, in addition to fee authority, service charge and assessment authority to offset mandated program costs must also be identified and deducted from the reimbursement claim.

#### *Proposed Change*

The proposed amendments to section 1183.7(g)(4) are as follows:

(g) Any Offsetting Revenues and Reimbursements that reduce the cost of any reimbursable activity, including the identification of:

- (1) Dedicated state and federal funds appropriated for this program.
- (2) Non-local agency funds dedicated for this program.
- (3) Local agency's general purpose funds for this program.
- (4) Service charge, Fee, or assessment authority to offset part of the costs of this program.

#### *Necessity and Anticipated Benefit*

The proposed amendments are necessary to clarify that, consistent with the law, service charge and assessment authority to pay for the mandate program are offsetting revenues and reimbursements that reduce the cost of reimbursable activities and which must be included in the parameters and guidelines.

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<sup>1</sup> *Department of Finance v. Commission on State Mandates* (2016) 1 Cal.5th 749, 763; see also, *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487.

<sup>2</sup> *Department of Finance v. Commission on State Mandates* (2016) 1 Cal.5th 749, 762.

<sup>3</sup> Article XIII B, section 8 of the California Constitution; *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487.

<sup>4</sup> Article XIII B, section 8 of the California Constitution; *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, 447; *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487.

<sup>5</sup> Article XIII B, sections 8, 9; *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, 449, 455; *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487.

**V. Clarify the Evidentiary Standards Applicable to Requests for Extensions of Time and Postponement of Hearing in Section 1187.9.**

**Section 1187.9. Extensions of Time to File Comments or Rebuttals and Postponements of Hearings.**

*Specific Purpose of the Regulation*

Section 1187.9 of the regulations governs requests for extension of time and requests for postponement of hearing. The regulation, in subdivisions (a) and (b), requires an extension or postponement request to be certified and signed under penalty of perjury in accordance with section 1181.3 of the regulations. Under section 1181.3, written materials filed with the Commission must be certified with a signature under penalty of perjury and a declaration that the contents therein are true and correct to the best of the declarant's personal knowledge, information, or belief.

Section 1187.9(a) and (b) also require that a request for extension or postponement that contains representations of fact be supported by documentary or testimonial evidence in accordance with section 1187.5, which sets forth the Commission's evidentiary standards for quasi-judicial decisions. Section 1187.5, in relevant part, states that:

- (a) The hearings will not be conducted according to technical rules relating to evidence and witnesses. Any relevant non-repetitive evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs. Irrelevant and unduly repetitious evidence shall be excluded. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions.
- (b) Oral or written representations of fact offered by any person at an article 7 hearing shall be under oath or affirmation. All written representations of fact submitted to the Commission must be signed under penalty of perjury by persons who are authorized and competent to do so and must be based upon the declarant's personal knowledge, information, or belief.

Thus, as section 1187.9(a) and (b) currently exist, a request for extension or postponement must be certified under penalty of perjury in accordance with section 1181.3 declaring that the contents are true and correct to the best of the declarant's personal knowledge, information, or belief, *and* if the request is based on facts, must also include additional direct evidence supporting that fact (i.e., another declaration or admissible document supporting the fact that is not based solely on hearsay evidence).

The proposed changes to section 1187.9(a) and (b) remove the requirement that declarations or evidence under section 1187.5 accompany a request for extension or postponement that contains representations of fact because the existing requirement to certify the request under penalty of perjury pursuant to section 1181.3 satisfies the evidentiary standards for procedural requests and is consistent with the Administrative Procedures Act, and the Code of Civil Procedure and the Rules of Court for civil actions. The facts contained in a certified request for extension or postponement are submitted under penalty of perjury that the facts are true and correct to the best

of the declarant's personal knowledge, information, or belief, which assures that the facts stated are made in good faith.

#### *Proposed Change*

The proposed changes remove the following language from subdivisions (a) and (b) of section 1187.9, which pertain to requests for extension of time and postponement of hearing, respectively: "If representations of fact are made, they shall be supported by documentary or testimonial evidence in accordance with section 1187.5 of these regulations," as follows:

##### (a) Requests for Extensions of Time

Any party or interested party to a matter may request an extension of time by filing a request with the executive director before the date set for filing of comments or rebuttals with Commission staff on that matter. The request shall fully explain the reasons for the extension, propose a new date for filing, and be certified, filed, and served in accordance with section 1181.3 of these regulations. ~~If representations of fact are made, they shall be supported by documentary or testimonial evidence in accordance with section 1187.5 of these regulations.~~ So long as a postponement of a hearing would not be required, there is no prejudice to any party or interested party, and there is no other good reason for denial, the request shall be approved. A party to a matter may request an extension of time that would necessitate rescheduling a hearing, but shall also include a request for postponement of the hearing, pursuant to subdivision (b) of this section. Within two business days of receipt of the request, the executive director shall determine whether the extension will be granted and notify all persons on the mailing list prepared pursuant to section 1181.4 of these regulations.

##### (b) Requests for Postponement of Hearing

A party to an article 7 matter may request a postponement of a hearing on that matter, until the next regularly scheduled hearing. Although postponements of hearings are disfavored, each request for a postponement must be considered on its own merits. The request shall fully explain the reasons for the postponement, and be certified, filed, and served in accordance with section 1181.3 of these regulations. ~~If representations of fact are made, they shall be supported by documentary or testimonial evidence in accordance with section 1187.5 of these regulations.~~ Within two business days of receipt of the request, the executive director shall determine whether the postponement will be granted and notify all persons on the mailing list prepared pursuant to section 1181.4 of these regulations. The executive director may postpone the matter only on an affirmative showing of good cause.

The sentences proposed for deletion were added to subdivisions (a) and (b) effective April 1, 2018, as part of a larger regulatory cleanup intended to ensure uniformity in the evidentiary standards for all quasi-judicial decisions of the Commission.

The requirement to comply with section 1187.5, however, is not necessary for procedural requests for extensions of time and postponements of hearing, which are approved or denied by the Commission's executive director. Section 1187.9 already requires that requests for extensions of time and postponement of hearing be certified in accordance with section 1181.3, which similarly requires that the request be signed under penalty of perjury with a declaration that the filing is true and correct to the best of the declarant's personal knowledge, information,



or belief. Certification of a request pursuant to section 1181.3 complies with the Administrative Procedures Act and the Code of Civil Procedure, both of which contain exceptions to the hearsay rule that allow for the limited use of out-of-court affidavits and declarations as competent evidence, in lieu of oral testimony.<sup>6</sup>

In addition, the existing requirement that a request for extension or postponement contain a certification pursuant to section 1181.3 assures that the request is made in good faith. The language in section 1181.3 (that the request must be certified with a signature under penalty of perjury and a declaration that the contents therein are true and correct to the best of the declarant's personal knowledge, information, or belief) is consistent with pleadings in civil litigation that are required to be verified to assure good faith. For example, under Code of Civil Procedure section 446, which governs verification of pleadings, a verification generally consists of a signed affidavit stating that the contents of the pleading are true and are based on the affiant's personal knowledge, information, or belief, and may be signed under penalty of perjury. Because the primary purpose of a verification is "to assure good faith in the averments or statements of a party,"<sup>7</sup> certification under section 1181.3 likewise shows a good faith assertion of the facts contained in the request.

Finally, in the courts of appeal, when a party wants to request an extension of time, the party only needs to file an application and a declaration stating good cause.<sup>8</sup>

Because factual assertions contained in a certified request for extension or postponement are made under penalty of perjury and declared by the person signing the document to be true and correct, the proposed amendments no longer require that additional evidence (e.g., supporting documents or additional declarations) be provided for requests for extensions of time and postponement of hearing.

#### *Necessity and Anticipated Benefit*

The proposed amendments are necessary to clarify the evidentiary standards applicable to requests for extensions of time and postponement of hearings, are consistent with evidentiary and penalty of perjury standards for procedural requests under the Administrative Procedures Act, and the Code of Civil Procedure and the Rules of Court for civil actions, and increase the accessibility of the mandates process for the parties and interested parties.

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<sup>6</sup> See, for example, Code of Civil Procedure section 2009, which authorizes the use of affidavits in motion proceedings and "applies to matters of procedure—matters collateral, ancillary, or incidental to an action or proceeding—and has no relation to proof of facts the existence of which are made issues in the case, and which it is necessary to establish to sustain a cause of action" [*Elkins v. Superior Court* (2007) 41 Cal.4th 1337, 1335, quoting *Lacrabere v. Wise* (1904) 141 Cal. 554, 556-557]; Code of Civil Procedure section 2015.5, which provides that a declaration or certification under penalty of perjury may be used in lieu of a "sworn statement, declaration, verification, certificate, oath, or affidavit;" and Government Code section 11514 of the Administrative Procedures Act, which allows affidavits and declarations to be used in lieu of oral testimony in administrative proceedings.

<sup>7</sup> *Star Motor Imports, Inc. v. Superior Court* (1979) 88 Cal.App.3d 201, 204.

<sup>8</sup> California Rules of Court, Rules 8.60 and 8.63.

## **VI. Minor, Nonsubstantive Consistency Edits and Corrections**

The following proposed amendments make minor, nonsubstantive consistency edits or correct usage and errors in sections 1181.4, 1183.17, 1185.2 and 1187.9 of the regulations.

### *Proposed Change*

#### Update Usage and Increase Clarity

These amendments are proposed to update usage or improve style and readability, and for consistency with the existing regulations. The proposed amendments to section 1185.2(a), pertaining to completeness of incorrect reduction claims, change the words “any of the elements in section 1185.1(a) and (b) and (d) through (h)” to “any of the requirements of section 1185.1” to simplify the language and make it consistent with the proposed changes to section 1183.1(f). The amendments also delete unnecessary words in section 1181.4(c)(7) by removing the modifier “Joint Request for” from “Joint Request for Legislatively Determined Mandate.”

In section 1187.9(c)(2), the provision “Continuances will be granted only upon a clear showing of good cause” is moved from the last sentence to the first sentence for greater clarity. The phrase “within the meaning of subdivision (a)” is changed to “as described in subdivision (b)” (reference to subdivision (a) is also changed to subdivision (b), as discussed below) and is moved to the end of the new first sentence to clarify where the description of “good cause” for purposes of this subdivision is located.

#### Correct Minor Errors

These amendments are also proposed to correct errors in the current regulations, including changing the reference in section 1183.17(a)(5) from “section 1183.1(d)” to “section 1183.7(d)” to correct a typographical error and the reference in section 1187.9(c)(2) from “subdivision (a)” to “subdivision (b)” because that is where the description of good cause is located.

### *Necessity and Anticipated Benefit*

These changes are clerical or stylistic in nature and are necessary to correct minor errors, update usage, and improve the readability, clarity, and consistency with the Commission’s other regulations.

## **VII. Update to Reference Citations in Sections 1181.2 and 1181.3.**

### Section 1181.2. Definitions; Section 1181.3. Certification, Filing, and Service of Written Materials and New Filings.

#### *Specific Purpose of the Regulations*

Section 1181.2 of the regulations defines terms in the Government Code and the Commission’s regulations. Section 1181.3 provides the procedure for filing and serving new filings and written materials for all Commission matters. The proposed amendments add Government Code section 11020(a) to the reference sections of sections 1181.2 and 1181.3.

### *Proposed Change*

The proposed amendments to the reference statutes for sections 1181.2 and 1181.3 add Government Code section 11020(a), which provides that “[u]nless otherwise provided by law, all offices of every state agency shall be kept open for the transaction of business from 8 a.m. until 5 p.m. of each day from Monday to Friday, inclusive, other than legal holidays.”

### *Necessity and Anticipated Benefit*

The added citation is necessary to provide a more complete and accurate listing of the reference sections for these regulations.

### **TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS RELIED UPON TO DEVELOP REGULATIONS**

Commission staff did not rely on any technical, theoretical, or empirical studies or reports in proposing the adoption of these regulations. The Commission relied upon the statutes and cases cited in the authority and reference sections for the regulations.

### **ECONOMIC IMPACT ASSESSMENT/ANALYSIS**

#### Creation or Elimination of Jobs within the State of California

The regulations are designed to increase clarity for local governments, school districts, state agencies, and other interested parties and persons who participate in the Commission's processes, and to make minor technical corrections. No jobs in California will be created or eliminated as a result of these regulations.

#### Creation of New or Elimination of Existing Businesses within the State of California

The Commission has no jurisdiction over small or any other businesses and businesses are not parties before the Commission. Therefore, no new businesses in California will be created or existing businesses eliminated.

#### Expansion of Businesses or Elimination of Existing Businesses within the State of California

The Commission has no jurisdiction over small or any other businesses and businesses are not parties before the Commission. Additionally, the proposed regulations merely clarify Commission procedures and make technical corrections. Therefore, no existing businesses in California will be expanded or eliminated.

#### Benefits of the Regulations

The regulations are designed to increase clarity for local governments, school districts, state agencies, and other interested parties and persons who participate in the Commission's processes, and to make minor technical corrections. These regulations may indirectly benefit the health and welfare of California residents by clarifying participation in the Commission's processes, which increases openness and transparency in government.

### **REASONABLE ALTERNATIVES TO THE REGULATIONS AND THE AGENCY'S REASONS FOR REJECTING THOSE ALTERNATIVES**

No other alternatives have been presented to or considered by the Commission.

### **REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE ECONOMIC IMPACT ON SMALL OR OTHER BUSINESSES**

The Commission has no jurisdiction over small or any other businesses and businesses are not parties before the Commission. Therefore, there is no adverse impact on small or other businesses.

**EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT ADVERSE ECONOMIC  
IMPACT ON ANY BUSINESS**

There are no businesses that are parties or interested parties in matters before the Commission.