



# California Regulatory Notice Register

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The *California Regulatory Notice Register* is an official state publication of the Office of Administrative Law containing notices of proposed regulatory actions by state regulatory agencies to adopt, amend or repeal regulations contained in the California Code of Regulations. The effective period of a notice of proposed regulatory action by a state agency in the *California Regulatory Notice Register* shall not exceed one year [Government Code § 11346.4(b)]. It is suggested, therefore, that issues of the *California Regulatory Notice Register* be retained for a minimum of 18 months.

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**PROPOSED ACTION ON REGULATIONS**

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**TITLE 2. FAIR POLITICAL PRACTICES COMMISSION**

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission, pursuant to the authority vested in it by Sections 82011, 87303, and 87304 of the Government Code to review proposed conflict-of-interest codes, will review the proposed/amended conflict-of-interest codes of the following:

**CONFLICT-OF-INTEREST CODES**

**AMENDMENT**

MULTI-COUNTY: Redwood Empire  
Municipal Insurance Fund

**ADOPTION**

MULTI-COUNTY: Santa Clarita Valley  
Groundwater  
Sustainability Agency

A written comment period has been established commencing on April 26, 2019, and closing on June 10, 2019. Written comments should be directed to the Fair Political Practices Commission, Attention Amanda Apostol, 1102 Q Street, Suite 3000, Sacramento, California 95811.

At the end of the 45-day comment period, the proposed conflict-of-interest code(s) will be submitted to the Commission's Executive Director for her review, unless any interested person or his or her duly authorized representative requests, no later than 15 days prior to the close of the written comment period, a public hearing before the full Commission. If a public hearing is requested, the proposed code(s) will be submitted to the Commission for review.

The Executive Director of the Commission will review the above-referenced conflict-of-interest code(s), proposed pursuant to Government Code Section 87300, which designate, pursuant to Government

Code Section 87302, employees who must disclose certain investments, interests in real property and income.

The Executive Director of the Commission, upon her or its own motion or at the request of any interested person, will approve, or revise and approve, or return the proposed code(s) to the agency for revision and re-submission within 60 days without further notice.

Any interested person may present statements, arguments or comments, in writing to the Executive Director of the Commission, relative to review of the proposed conflict-of-interest code(s). Any written comments must be received no later than June 10, 2019. If a public hearing is to be held, oral comments may be presented to the Commission at the hearing.

**COST TO LOCAL AGENCIES**

There shall be no reimbursement for any new or increased costs to local government which may result from compliance with these codes because these are not new programs mandated on local agencies by the codes since the requirements described herein were mandated by the Political Reform Act of 1974. Therefore, they are not "costs mandated by the state" as defined in Government Code Section 17514.

**EFFECT ON HOUSING COSTS AND BUSINESSES**

Compliance with the codes has no potential effect on housing costs or on private persons, businesses or small businesses.

**AUTHORITY**

Government Code Sections 82011, 87303 and 87304 provide that the Fair Political Practices Commission as the code-reviewing body for the above conflict-of-interest codes shall approve codes as submitted, revise the proposed code and approve it as revised, or return the proposed code for revision and re-submission.

**REFERENCE**

Government Code Sections 87300 and 87306 provide that agencies shall adopt and promulgate conflict-of-interest codes pursuant to the Political Reform Act and amend their codes when change is necessitated by changed circumstances.

**CONTACT**

Any inquiries concerning the proposed conflict-of-interest code(s) should be made to Amanda Apostol,

Fair Political Practices Commission, 1102 Q Street, Suite 3000, Sacramento, California 95811, telephone (916) 322-5660.

AVAILABILITY OF PROPOSED  
CONFLICT-OF-INTEREST CODES

Copies of the proposed conflict-of-interest codes may be obtained from the Commission offices or the respective agency. Requests for copies from the Commission should be made to Amanda Apostol, Fair Political Practices Commission, 1102 Q Street, Suite 3000, Sacramento, California 95811, telephone (916) 322-5660.

**TITLE 2. STATE COMPENSATION  
INSURANCE FUND**

NOTICE OF INTENTION TO AMEND THE  
CONFLICT-OF-INTEREST CODE OF THE  
**State Compensation Insurance Fund**

NOTICE IS HEREBY GIVEN that the **State Compensation Insurance Fund**, pursuant to the authority vested in it by section 87306 of the Government Code, proposes amendment to its conflict-of-interest code. A comment period has been established commencing on April 26, 2019 and closing on June 10, 2019. All inquiries should be directed to the contact listed below.

The **State Compensation Insurance Fund** proposes to amend its conflict-of-interest code to include employee positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of section 87302 of the Government Code. The amendment carries out the purposes of the law and no other alternative would do so and be less burdensome to affected persons.

Changes to the conflict-of-interest code include: newly added and deleted positions, department restructures, Information Technology classification consolidation, removing positions that do not meet the filing requirements, and also makes other technical changes.

The proposed amendment and explanation of the reasons can be obtained from the agency's contact.

Any interested person may submit written comments relating to the proposed amendment by submitting them no later than June 10, 2019, or at the conclusion of the public hearing, if requested, whichever comes later. At this time, no public hearing is scheduled. A person may request a hearing no later than May 25, 2019.

The **State Compensation Insurance Fund** has determined that the proposed amendments:

1. Impose no mandate on local agencies or school districts.
2. Impose no costs or savings on any state agency.
3. Impose no costs on any local agency or school district that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.
4. Will not result in any nondiscretionary costs or savings to local agencies.
5. Will not result in any costs or savings in federal funding to the state.
6. Will not have any potential cost impact on private persons, businesses or small businesses.

All inquiries concerning this proposed amendment and any communication required by this notice should be directed to:

Susan Davey, Director of Employee Relations  
(916) 924-6342  
sdavey@scif.com

**TITLE 3. DEPARTMENT OF FOOD  
AND AGRICULTURE**

DIVISION 4. PLANT INDUSTRY  
CHAPTER 1. CHEMISTRY  
SUBCHAPTER 1. FERTILIZING MATERIALS  
ARTICLE 1. STANDARDS AND LABELING  
ARTICLE 2. SAMPLES  
ARTICLE 6. MILL ASSESSMENTS

NOTICE IS HEREBY GIVEN that the California Department of Food and Agriculture (Department) proposes to adopt or make changes to the California Code of Regulations (CCR), Title 3, Division 4, Chapter 1, Subchapter 1, Articles 1, 2, and 7, Sections 2303, 2317.5, and 2326.1.

PUBLIC HEARING

The Department has not scheduled a public hearing on this proposed action. However, the Department will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days before the close of the written comment period.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Department by mail, fax, or email. The written comment period closes at

noon, on June 11, 2019. The Department will only consider comments received by that time.

Submit comments to:

Brittnie Sabalbro, Associate Governmental  
Program Analyst (AGPA)  
California Department of Food and Agriculture  
Feed, Fertilizer, and Livestock Drugs  
Regulatory Services Branch  
1220 N Street  
Sacramento, CA 95814  
(916) 900-5022  
FAX: (916) 900-5349  
[brittnie.sabalbro@cdfa.ca.gov](mailto:brittnie.sabalbro@cdfa.ca.gov)

Following the written comment period or public hearing, if one is requested, the Department, at its own motion or at the request of any interested person, may adopt the proposal substantially as set forth without further notice.

#### AUTHORITY AND REFERENCE

Notice is hereby given that the California Department of Food and Agriculture, pursuant to the authority vested by sections 407, 14501, 14502, 14601, 14611, 14631, and 14645 of the Food and Agricultural Code (FAC), proposes to make changes to Title 3, Division 4, Chapter 1 of the CCR to implement, interpret, or make specific FAC Sections 14501, 14517, 14533, 14551, 14611, 14631, 14641, 14645, 14646, 14651.5, 14681, and 14682.

#### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Department's Fertilizing Materials Inspection Program (FMIP) is statutorily tasked with licensing, label registration, and field inspection of fertilizing materials in the State of California. FMIP is responsible for reviewing and registering product labels, and ensuring fertilizing materials are safe, effective, and meet the nutrients guaranteed by the manufacturer. Producers of agricultural minerals, auxiliary soil and plant substances, commercial fertilizers, soil amendments, specialty fertilizers, and organic input materials are statutorily mandated to register with the FMIP.

The proposed actions within CCR Section 2303, paragraphs (s), (t), and (w) ensure that claims on product labels are correctly and completely documented. This would allow the public and growers access to accurate and current knowledge of products that they purchase. The revised regulation provides clarity to industry about accurate disclosure to the public of potential heavy metal contamination in fertilizing material prod-

ucts and clarifies that firms produce only one label per product rather than a state specific label. Current and complete analyses are required to accurately reflect the label claims which promise the consumer that this information is available.

The adoption of Section 2317.5 ensures transparency to fertilizer manufacturers for their fertilizer guarantees of primary nutrients, secondary nutrients, micronutrients, or other guaranteed claims, when their products are analyzed by the Department.

The proposed action within CCR Section 2326.1 is intended to set the mill assessment rate for the Department's FMIP. FAC, Article 6. Inspection Fees, Section 14611(a) mandates that a licensee whose name appears on the label of packaged fertilizing materials, as defined in Sections 14533 and 14551, shall pay to the secretary an assessment not to exceed two mills (\$0.002) per dollar of sales.

#### *Anticipated Benefits of the Proposed Regulations:*

The Department anticipates the proposed heavy metals and investigational allowances regulations would provide greater transparency with fertilizer labeling and consistency with nutrient guarantees.

The Department anticipates the proposed regulations to reduce the mill assessment rate would lower assessments paid by firms, in turn lowering the FMIP's reserve and allowing the Department to continue its focus on consumers receiving safe, effective fertilizing materials, and meeting the quality and quantity guaranteed by the manufacturer; thus, ensuring the protection of public health and safety in the agricultural community.

#### *Determination of Inconsistency/Incompatibility with Existing Regulations:*

The Department evaluated the proposed regulations and made several determinations required by Government Code Section 11346.5(a)(3)(A) to 11346.5(a)(3)(D). The Department determined that there are no existing state laws or regulations related directly to the proposed action and the effect of the proposed action; the proposed regulations are not inconsistent or incompatible with existing state regulations.

#### DISCLOSURES REGARDING THE PROPOSED ACTION

The Department has made the following initial determinations:

Mandate of local agencies and school districts: None.  
Cost or savings to any state agency: None.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.



Significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states: None.

Cost impacts on a representative private person or business: The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant effect on housing costs: None.

#### RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS

The Department has initially determined that the proposed regulatory actions will not have an economic or fiscal impact to the fertilizer industry.

These proposed regulations will not:

- (1) Create or eliminate jobs within California
- (2) Create new businesses or eliminate existing businesses within the State of California
- (3) Affect the expansion of businesses currently doing business within the State of California

The proposed regulatory adoptions will benefit the regulated industry by providing greater transparency with fertilizer labeling and nutrient guarantees and by decreasing the mill assessment while still adequately funding the FMIP for enforcement of the state's fertilizing materials laws and regulations. For additional information on benefits, please see Anticipated Benefits under the Informative Digest/Policy Statement Overview.

#### SMALL BUSINESS DETERMINATION

The Department has initially determined that the proposed regulations will not have an effect on small businesses. These regulations do not require any additional costs or outputs for small businesses. These regulations do not establish any new limitations on small businesses.

#### CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), the Department must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affect-

ed private persons and equally effective in implementing the statutory policy or other provision of law.

The Department invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period.

#### CONTACT PERSONS

Written comments and inquiries concerning the substance of the proposed regulation should be directed to:

Dale Woods, Environmental Program Manager I  
California Department of Food and Agriculture  
Feed, Fertilizer, and Livestock Drugs Regulatory  
Services Branch  
1220 N Street  
Sacramento, CA 95814  
[Dale.Woods@cdfa.ca.gov](mailto:Dale.Woods@cdfa.ca.gov)

Written comments and inquiries about the initial statement of reasons, proposed actions, or location of the rulemaking files; or a request for a public hearing should be directed to:

Brittnie Sabalbro, AGPA  
California Department of Food and Agriculture  
Feed, Fertilizer, and Livestock Drugs Regulatory  
Services Branch  
1220 N Street  
Sacramento, CA 95814  
(916) 900-5022  
FAX: (916) 900-5349  
[brittnie.sabalbro@cdfa.ca.gov](mailto:brittnie.sabalbro@cdfa.ca.gov)

#### AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process. A copy of this Notice, the Proposed Regulation Text, and the Initial Statement of Reasons may be obtained by contacting Brittnie Sabalbro at the above address.

#### AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the proposed regulation text in underline and strikethrough can be accessed through the Department's website at <http://www.cdfa.ca.gov/is/regulations.html>.

AVAILABILITY OF CHANGED OR  
MODIFIED TEXT

After considering all timely and relevant comments received during the written comment period, the Department may adopt the proposed regulations substantially as described in this notice. If the Department makes modifications which differ, but are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days prior to amendment. Please send requests for copies of any modified regulations to the attention of Brittnie Sabalbro at the address, email, or phone number provided in the “Contact Persons” section. The Department will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF THE  
FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Brittnie Sabalbro at the information provided in the “Contact Persons” section.

**TITLE 4. CALIFORNIA GAMBLING  
CONTROL COMMISSION**

**120-DAY TIMELINE**

**CGCC-GCA-2019-01-R**

**NOTICE IS HEREBY GIVEN** that the California Gambling Control Commission (Commission) is proposing to take the action described in the Informative Digest after consideration of all relevant public comments, objections, and recommendations received concerning the proposed action. Comments, objections, and recommendations may be submitted as follows:

**WRITTEN COMMENT PERIOD**

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Commission at any time during the 45-day public comment period, which closes on **June 10, 2019**. Written comments relevant to the proposed regulatory action may be sent by mail, fac-

simile, or e-mail, directed to one of the individuals designated in this notice as a contact person. To be eligible for the Commission’s consideration, all written comments must be **received at its office no later than midnight on June 11, 2019**. **Comments sent to persons and/or addresses other than those specified under Contact Persons, or received after the date and time specified above, will be included in the record of this proposed regulatory action, but will not be summarized or responded to regardless of the manner of transmission.**

**PUBLIC HEARING**

The Commission has not scheduled a public hearing on this matter. Any interested person, or his or her authorized representative, may request a hearing pursuant to Government Code section 11346.8. A request for a hearing should be directed to the person(s) listed under Contact Persons no later than 15 days prior to the close of the written comment period.

**ADOPTION OF PROPOSED ACTION**

After the close of the public comment period, the Commission, upon its own motion or at the instance of any interested party, may thereafter formally adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit oral or written testimony related to this proposal or who have requested notification of any changes to the proposal.

**AUTHORITY AND REFERENCE**

Pursuant to the authority vested by sections 19811, 19823, 19824, 19840, 19841, 19853(a)(3), 19876(a), and 19984, of the Business and Professions Code; and to implement, interpret or make specific sections 19841, 19850, 19851, 19852, 19853(a)(3), 19854, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19868, 19876(a), 19880, 19881, 19883, 19890, 19893, 19951, 19982, and 19984 of the Business and Professions Code, the Commission is proposing to adopt the following changes to Chapters 2.1, 2.2, and 6 of Division 18 of Title 4 of the California Code of Regulations:

INFORMATIVE DIGEST AND POLICY  
STATEMENT OVERVIEW

**INTRODUCTION:**

The California Gambling Control Commission (Commission) is the state agency charged with the administration and implementation of the California Gambling Control Act (Act or GCA).<sup>1</sup> Under the Act, the Commission is required to approve, condition, or deny an application for license or other approval at a meeting [evidentiary hearing] where certain provisions must be provided. The Commission previously adopted regulations under California Code of Regulations, Title 4, Division 18, Sections 12006 to 12068 concerning the procedures for evidentiary hearings in 2014. As part of this new process, applications are no longer denied at non-evidentiary hearing meetings but instead are assigned to an evidentiary hearing if they are not approved or have some other action other than a denial applied at the non-evidentiary hearing. While the Commission still acts on an application within the 120-day timeline, it no longer denies within the 120-day timeline. Modifications are proposed to maintain the 120-day timeline, but alter the requirements to reflect and align with the new process.

**EXISTING LAW:**

Section 19825 of the Business and Professions Code<sup>2</sup> provides authority for the Commission to elect to utilize the administrative procedures act in place of a hearing or meeting of an adjudicative nature under the GCA.

Section 19870, subdivision (a) provides authority for holding evidentiary hearings, and states that “the Commission, after considering the recommendation of the chief and any other testimony and written comments as may be presented at the meeting, or as may have been submitted in writing to the commission prior to the meeting, may either deny the application or grant a license to an applicant who it determines to be qualified to hold the license.”

Section 19871, subdivision (a) provides authority for promulgating regulations pertaining to the evidentiary hearing process, and provides a list of items that must be part of the process by stating that “[t]he Commission meeting described in section 19870 shall be conducted in accordance with regulations of the Commission. . .”

**EFFECT OF REGULATORY ACTION:**

Currently, the Commission’s regulations require that four licensing types be approved or denied within 120 days. This timeline is inconsistent with changes made to

the regulations in 2014. These modifications maintain the 120-day timeline, but alter the requirements to reflect the new process.

**ANTICIPATED BENEFITS OF PROPOSED REGULATION:**

This proposed action will have the benefit of providing clarity and consistency in the hearing process by more fully identifying the steps and requirements, correcting ambiguities, and providing clear guidance to the Commission, the Bureau, and the applicant, while protecting the applicant’s due process and statutory rights.

**SPECIFIC PROPOSAL:**

This proposed action will make changes within Division 18 of Title 4 of the California Code of Regulations, as follows:

A general change has been made in the proposal to replace the word “shall” with other words less subject to interpretation.

CHAPTER 2.1. THIRD-PARTY PROVIDERS OF PROPOSITION  
PLAYER SERVICES: REGISTRATION; LICENSING.  
ARTICLE 3. LICENSING.

**Amend 12218.7. Processing Times — Request to  
Convert Registration to License.**

Subsection (d) is amended to remove the requirement that an application be approved or denied within 120 days after the receipt of the final written recommendation of the Bureau. This requirement is replaced with a requirement that the Commission will act on the application, pursuant to Section 12054, within 120 days after receipt of the Bureau report. This amendment provides for two changes: (1) corrects the 120-day timeline to reflect the change in the Commission’s approval and denial process that was implemented in a previous regulatory change (OAL File No. 2014-1013-02 S); and, (2) revises the language to use the defined term “Bureau report.”

CHAPTER 2.2. GAMBLING BUSINESSES: REGISTRATION;  
LICENSING.  
ARTICLE 3. LICENSING.

**Amend 12235. Processing Times — Request to  
Convert Registration to License.**

Subsection (d) is amended to remove the requirement that an application be approved or denied within 120 days after the receipt of the final written recommendation of the Bureau. This requirement is replaced with a requirement that the Commission will act on the application, pursuant to Section 12054, within 120 days after receipt of the Bureau report. This amendment provides for two changes: (1) corrects the 120-day timeline to reflect the change in the Commission’s approval and denial process that was implemented in a previous regulatory change (OAL File No. 2014-1013-02 S); and, (2)

<sup>1</sup> Business and Professions Code, Division 8, Chapter 4, section 19800 et seq.

<sup>2</sup> All statutory references hereinafter are to the Business and Professions Code, unless otherwise specified.



revises the language to use the defined term “Bureau report.”

CHAPTER 6. GAMBLING LICENSES AND APPROVALS FOR GAMBLING ESTABLISHMENTS AND OWNERS; PORTABLE PERSONAL KEY EMPLOYEE LICENSES.

ARTICLE 2. GAMBLING LICENSES.

**Amend 12342. Initial Gambling License Applications; Required Forms; Processing Times.**

Subsection (d) is amended to remove the requirement that an application be approved or denied within 120 days after the receipt of the final written recommendation of the Bureau. This requirement is replaced with a requirement that the Commission will act on the application, pursuant to Section 12054, within 120 days after receipt of the Bureau report. This amendment provides for two changes: (1) corrects the 120-day timeline to reflect the change in the Commission’s approval and denial process that was implemented in a previous regulatory change (OAL File No. 2014-1013-02 S); and, (2) revises the language to use the defined term “Bureau report.”

ARTICLE 3. PORTABLE PERSONAL KEY EMPLOYEE LICENSE.

**Amend 12350. Initial Licenses; Required Forms; Processing Times.**

Subsection (d) is amended to remove the requirement that an application be approved or denied within 120 days after the receipt of the final written recommendation of the Bureau. This requirement is replaced with a requirement that the Commission will act on the application, pursuant to Section 12054, within 120 days after receipt of the Bureau report. This amendment provides for two changes: (1) corrects the 120-day timeline to reflect the change in the Commission’s approval and denial process that was implemented in a previous regulatory change (OAL File No. 2014-1013-02 S); and, (2) revises the language to use the defined term “Bureau report.”

**CONSISTENCY OR COMPATIBILITY WITH EXISTING STATE REGULATIONS**

The Commission has evaluated this regulatory action and determined that the proposed regulations are neither inconsistent nor incompatible with any other existing state regulations.

The Commission is vested with jurisdiction and supervision over gambling establishments and over all persons or things having to do with the operations of gambling establishments in California. The scope and content of the Commission’s regulations is generally set forth in section 19841. As provided in subdivision (a) of section 19870, the Commission may approve or deny a

license “. . . after considering the recommendation of the chief and any other testimony and written comments as may be presented at the meeting. . .” As provided in subdivision (a) of section 19871, “the Commission meeting described in Section 19870 shall be conducted in accordance with regulations of the commission. . .” Those regulations that currently implement the Commission’s authority to establish hearing procedures are being amended in this proposal. The only equivalent process available to the Commission outside of its regulatory authority is provided in section 19825 which provides that “[t]he Commission may require that any matter that the Commission is authorized or required to consider in a hearing or meeting of an adjudicative nature regarding the denial. . . of a license. . . be heard and determined in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.”

While the Bureau [Department of Justice] has also been granted some authority to adopt regulations (section 19826), that authority is limited to the adoption of regulations reasonably related to its specified duties and responsibilities. These proposed regulations are not inconsistent or incompatible with any Bureau regulation (Title 11, CCR, Division 3), nor do they fall within the Bureau’s authority to adopt regulations.

**COMPARABLE FEDERAL LAW**

There are no existing federal regulations or statutes comparable to the proposed regulations.

**FISCAL IMPACT ESTIMATES**

**FISCAL IMPACT ON PUBLIC AGENCIES INCLUDING COSTS OR SAVINGS TO STATE AGENCIES OR COSTS/SAVINGS IN FEDERAL FUNDING TO THE STATE:**

There would be no fiscal impact on the Commission or to any state agencies, including costs or savings or costs/savings in Federal funding.

**NON-DISCRETIONARY COST OR SAVINGS IMPOSED UPON LOCAL AGENCIES:** None.

**MANDATE IMPOSED ON ANY LOCAL AGENCY OR SCHOOL DISTRICT FOR WHICH PART 7 (COMMENCING WITH SECTION 17500) OF DIVISION 4 OF THE GOVERNMENT CODE REQUIRES REIMBURSEMENT:** None.

**COST TO ANY LOCAL AGENCY OR SCHOOL DISTRICT FOR WHICH PART 7 (COMMENCING WITH SECTION 17500) OF DIVISION 4 OF THE GOVERNMENT CODE REQUIRES REIMBURSEMENT:** None.

**EFFECT ON HOUSING COSTS:** None.

**IMPACT ON BUSINESS:**

The Commission has made a determination that the proposed regulatory action would have no significant

statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. This determination is based on the following facts or evidence/documents/testimony:

The basis for this determination is that this proposed action imposes no mandatory requirement on businesses or individuals and does not significantly change the Commission's current practices and procedures. The proposed action provides a clear and consistent process to follow once a party has decided to submit an application for Commission consideration.

**COST IMPACT ON REPRESENTATIVE PRIVATE PERSON OR BUSINESS:**

The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

**EFFECT ON SMALL BUSINESS:**

The Commission has determined that the proposed regulatory action will not affect small businesses because gambling enterprises, TPPPS and Gambling Businesses are not small businesses as defined in Government Code section 11342.610.

**RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS**

**IMPACT ON JOBS/NEW BUSINESSES:**

The Commission has determined that this regulatory proposal will not have any impact on the creation of new jobs or businesses, the elimination of existing jobs or businesses, or the expansion of businesses in California.

The basis for this determination is that this proposed action imposes no mandatory requirement on businesses or individuals and does not significantly change the Commission's current practices and procedures. The proposed action simply makes consistent the timelines related to the issuance of the Commission's decision.

**BENEFITS OF PROPOSED REGULATION:**

This proposed action will have the benefit of providing clarity and consistency in the hearing process by more fully identifying the steps and requirements, correcting ambiguities, and providing clear guidance to the Commission, the Bureau, and the applicant, while protecting the applicant's due process and statutory rights.

**CONSIDERATION OF ALTERNATIVES**

The Commission must determine that no reasonable alternative considered by the Commission or that has otherwise been identified and brought to the attention of

the Commission would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

**INITIAL STATEMENT OF REASONS, INFORMATION AND TEXT OF PROPOSAL**

The Commission has prepared an Initial Statement of Reasons and the exact language for the proposed action and has available all the information upon which the proposal is based. Copies of the language and of the Initial Statement of Reasons, and all of the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing upon request from the Commission at 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231.

**AVAILABILITY AND LOCATION OF THE RULEMAKING FILE AND THE FINAL STATEMENT OF REASONS**

All the information upon which the proposed action is based is contained in the Rulemaking File that will be available for public inspection and copying at the Commission's office throughout the rulemaking process. Arrangements for inspection and/or copying may be made by contacting the primary contact person named below.

You may obtain a copy of the Final Statement of Reasons, once it has been prepared, by making a written request to one of the contact persons named below or by accessing the Commission's Web site listed below.

**CONTACT PERSONS**

All comments and inquiries concerning the substance of the proposed action should be directed to the following **primary** contact person:

Joshua Rosenstein, Legislative and Regulatory Specialist  
Legislation and Regulatory Affairs Division  
California Gambling Control Commission  
2399 Gateway Oaks Drive, Suite 220  
Sacramento, CA 95833-4231  
Telephone: (916) 274-5823  
Fax: (916) 263-0499  
E-mail: [jrosenstein@cgcc.ca.gov](mailto:jrosenstein@cgcc.ca.gov)

Requests for a copy of the Initial Statement of Reasons, proposed text of the regulation, modified text of the regulation, if any, or other technical information up-

on which the proposed action is based should be directed to the following **backup** contact person:

Alex Hunter, Legislative and Regulatory Specialist  
Legislation and Regulatory Affairs Division  
California Gambling Control Commission  
2399 Gateway Oaks Drive, Suite 220  
Sacramento, CA 95833-4231  
Telephone: (916) 263-1301  
Fax: (916) 263-0499  
E-mail: [ahunter@cgcc.ca.gov](mailto:ahunter@cgcc.ca.gov)

#### WEB SITE ACCESS

Materials regarding this proposed action are also available on the Commission's website at [www.cgcc.ca.gov](http://www.cgcc.ca.gov).

### TITLE 4. CALIFORNIA HORSE RACING BOARD

#### TITLE 4, DIVISION 4, CALIFORNIA CODE OF REGULATIONS

#### NOTICE OF PROPOSAL TO AMEND RULE 1588. HORSE INELIGIBLE TO START IN A RACE AND RULE 1866. VETERINARIAN'S LIST

The California Horse Racing Board (Board or CHRB) proposes to amend the regulations described below after considering all comments, objections or recommendations regarding the proposed action.

#### PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1588, Horse Ineligible to Start in a Race. The proposed amendment will add a new subsection 1588(a)(14) to provide that any horse that has not raced within 12 consecutive months since its previous start is ineligible to start in a race until such horse has performed satisfactorily in a workout or a standardbred qualifying race as provided in subsections (e) and (f) of Rule 1866, Veterinarian's List. In addition, the proposed amendment of Rule 1588 will add a new subsection 1588(a)(15) to provide that a horse that has never started in a race, and that is four years of age or older, is ineligible to start in a race until such horse has performed satisfactorily in a workout or a standardbred qualifying race as provided in Rule 1866(e) and (f). The proposed amendment to Rule 1866 will modify subsec-

tion 1866(e) to make it clear that qualifying races are standardbred events.

#### PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, June 20, 2019**, or as soon thereafter as business before the Board will permit, at the **Santa Anita Park Race Track, 285 Huntington Drive, Arcadia, California**. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

#### WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m. on June 11, 2019**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn  
California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
Telephone: (916) 263-6026  
Fax: (916) 263-6022  
E-mail: [haroldc@chr.ca.gov](mailto:haroldc@chr.ca.gov)

#### AUTHORITY AND REFERENCE

Authority: Sections 19440 and 19562, Business and Professions Code.

Reference: Sections 19440, 19562 Business and Professions Code.

#### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19440 provides the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 states the Board may prescribe rules, regulations and conditions under which all horse races with wagering on their results shall be conducted in Califor-



nia. Business and Professions Code section 19580 provides that the Board shall adopt regulations to establish policies, guidelines, and penalties relating to equine medication to preserve and enhance the integrity of horse racing in the state.

The CHRB tracks horse fatalities that occur at any facility under its jurisdiction. Horses may suffer fatalities while racing, training, or due to other non-exercise related causes, including stable area accidents or medical maladies such as gastro-intestinal, respiratory, or neurological diseases. One of the primary purposes of tracking such fatalities is to identify health and safety risks for horse and rider, and to implement preventive or corrective actions. At the February 2017 CHRB Medication, Safety and Welfare Committee meeting, staff reported that a survey of California racehorse fatalities occurring 2013 through 2016 revealed that twenty percent of the losses were horses that raced after an extended lay-off. At the recommendation of the Board's Equine Medical Director, the Committee endorsed a proposal to amend Rule 1588 to require that horses returning from an extended layoff demonstrate their physical fitness prior to being entered to race. The proposed amendment will aid in the reduction of race horse injuries and fatalities by providing that a horse will not be allowed to start in a race after a 12-month layoff, unless it is found to be raceably sound and in fit physical condition to exercise its best efforts in a race.

The proposed amendment to Rule 1588 would add a new subsection 1588(a)(14), which provides that a horse that has not raced at a recognized race meeting within 12 consecutive months is ineligible to start in any race until such horse has performed satisfactorily in a workout or standardbred qualifying race as provided in Rule 1866(e) and (f). A "recognized race meeting" is the entire period of a race meeting conducted by an association within the inclosure of the designated grounds, for which the Board has granted a license. The term may include a meeting conducted by an association in another horse racing jurisdiction. As provided under Rule 1866(e), the proposed amendment gives the official veterinarian the ability to have the horse perform satisfactorily in a workout or standardbred qualifying race to demonstrate its physical fitness. Post-work blood and urine test samples shall be taken from such horse and the provision of Article 6 shall apply to such official workouts in the same manner as a scheduled race. A demonstration of the horse's physical fitness is necessary because an extended layoff from racing removes the horse from racing-level training. Despite an owner's expectations, the horse may not be able keep up with the rigors of racing. In addition, the horse may have been laid off from racing because of injuries. The required workout will give the official veterinarian a chance to evaluate the horse to determine if it has fully

recovered. The post-work test samples are necessary to ensure the horse is not running on medications or drug substances designed to mask its true condition. The proposed addition of subsection 1588(a)(14) is in line with the Association of Racing Commissioners International (ARCI) Model Rules of Racing, Rule ARCI-010-030 Horses Ineligible, which provides that a horse is ineligible to start in a race when it has not raced in 12 months since its previous start, until the horse has been subjected to an assessment of its racing condition, including the taking of post-workout blood and urine test samples. The ARCI is the only umbrella organization of the official governing rule making bodies for professional horse racing in North America. It sets standards for racing regulation, medication policy, drug testing and all other aspects of the sport. California's adoption of ARCI Model Rule guidelines brings the Board's regulations in line with ARCI recommendations and promotes uniformity in the various states' horse racing regulations. Such uniformity benefits horsemen who may race in more than one jurisdiction, as a similar regulatory scheme will apply from state to state.

A new subsection 1588(a)(15) provides that a horse that has never started in a race, and that is four years of age or older, is ineligible to start in a race until such horse has performed satisfactorily in a workout or a standardbred qualifying race as provided in Rule 1866(e) and (f). All race horses turn one year old on January 1 of the year following their birth. A horse may start its racing career at two years of age; however, in California, a horse must actually have reached its second birth date before it can enter into a race (For example: a horse born on May 9, 2016 would not be eligible to enter into a race until May 9, 2018.). Nationally, older horses have made up a large part of the racing population with an estimated one-third of the horse racing population at least five years old. Some states enforce age restrictions for Thoroughbreds, and the United States Trotting Association (USTA) enforces a Standardbred retirement age of 14 years.<sup>1</sup> California does not have an age cut off for racing (although it honors the USTA rule). Horses as old, or nearly as old, as 13 years of age regularly compete in North American races. However, it has been demonstrated that un-started four-year-old horses (and older) are at a greater risk of injury than horses that started racing earlier in their career. Although the reason for this is not clear, some horses may start later because of ongoing health issues, or confirmation or soundness issues. A report from the Equine Injury Database (EID), which looked at all Cali-

<sup>1</sup> USTA Rule 19-Racing Under Saddle, section 19.04. Age and Gait of Horse. No horse under the age of three (3) and no older than fourteen (14) years of age shall be eligible to start. Racing Under Saddle races shall be restricted to the trotting gait.



California races during the study, states that first time starters four years old and older have an increased chance of injury. The EID found that four-year-old first-time starters were 33% more likely to have an injury than two-year olds. The proposed addition of subsection 1588(a)(15) is necessary to help ensure that horses four years old and older, that are first time starters, are raceably sound and in fit physical condition to exert their best effort in a race. The proposed amendment is in line with the ARCI Model Rules of Racing, Rule ARCI-010-030 Horses Ineligible, which provides that a horse is ineligible to start in a race when it is a first-time starter four years of age or older, until the horse has been subjected to an assessment of its racing condition, including the taking of post-workout blood and urine test samples.

The proposed amendment to Rule 1866 will modify subsection 1866(e) to provide clarity regarding the term “qualifying race.” As used in Rules 1588 and 1866, the term refers to standardbred qualifying races. Qualifying races are purse-less races that are required for horses that break stride too often, behave badly before or during races, that fail to produce speed up to the local standard or that have been sidelined by illness or injury. Essentially, qualifying races assure the public that a horse permitted to start in an event with pari-mutuel wagering is fit for competition.

#### POLICY STATEMENT OVERVIEW OF ANTICIPATED BENEFITS OF PROPOSAL

The proposed amendment to Rule 1588 would add a new subsection 1588(a)(14). The new subsection provides that a horse that has not raced at a recognized race meeting within 12 consecutive months is ineligible to start in any race until such horse has performed satisfactorily in a workout or standardbred qualifying race as provided in Rule 1866(e) and (f). Post-work blood and urine test samples shall be taken from such horse and the provisions of Article 6 shall apply to such official workouts in the same manner as a scheduled race.

The proposed addition of subsection 1588(a)(14) will promote the health and safety of racehorses and race-track safety in general. The amendment will aid in the reduction of injuries to horses, or worse, catastrophic loss of racehorses, by requiring horses that have not raced within 12 consecutive months to be examined by the official veterinarian or racing veterinarian and declared raceably sound and in fit physical condition to exert their best effort, before being allowed to enter to race. In turn, the health and safety of jockeys will be advanced, as a reduction in equine injuries and sudden deaths may also mean lower jockey injury rates. The required examination provides an opportunity for the ex-

amining veterinarian to evaluate the condition of the horse, which by virtue of being off 12 consecutive months or longer, may have had physical challenges that required time to heal or recuperate. Blood and urine test samples taken after a workout or qualifying race will provide additional information as to the fit physical condition of a horse that has not raced within 12 consecutive months. The addition of subsection 1588(a)(14) serves to ensure that a horse that has not raced within 12 consecutive months is raceably sound and in fit physical condition to exert its best efforts in a race. Ensuring the health of race horses protects the financial interests of racing associations, horse owners, trainers and jockeys. Racing associations depend on an inventory of sound horses to fill races and generate handle; owners and trainers suffer financial losses when horses are unable to compete for a purse; and injured jockeys lose income when they are unable to ride.

The proposed amendment to Rule 1588 adds a new subsection 1588(a)(15) to provide that a horse that has never started in a race, and that is four years of age or older, is ineligible to start in a race until such horse has performed satisfactorily in a workout or a standardbred qualifying race as provided in Rule 1866(e) and (f). The addition of subsection 1588(a)(15) will promote the health and safety of race horses. It has been demonstrated that un-started four-year-old horses (and older) are at a greater risk of injury than horses that started racing earlier in their career. A report from the Equine Injury Data Base, which looked at all California races during the study, states that first time starters four years old and older have an increased chance of injury. The health and safety of jockeys will also be advanced, as a reduction in equine injuries and sudden deaths may also mean lower jockey injury rates. Ensuring the health of race horses protects the financial interests of racing associations, horse owners, trainers and jockeys. Racing associations depend on an inventory of sound horses to fill races and generate handle; owners and trainers suffer financial losses when horses are unable to compete for a purse; and injured jockeys lose income when they are unable to ride.

The proposed amendment of Rule 1866 will change subsection 1866(e) to provide clarity regarding “qualifying races,” which are also referenced in Rule 1588. As used in the regulations, a qualifying race is a standardbred event. Qualifying races are purse-less races that are required for standardbred horses that break stride too often, behave badly before or during races, that fail to produce speed up to the local standard or that have been sidelined by illness or injury. Essentially, qualifying races assure the public that a standardbred horse permitted to start in an event with pari-mutuel wagering is fit for competition. The proposed amendment of Rule 1866 will work in conjunction with the amended

Rule 1588 to provide clarity regarding the racing terms used in the regulations. Standardbred qualifying races ensure the soundness of horses entered to race. Sound racehorses help protect the health and safety of drivers, as well as the financial interests of racing associations, owners and trainers.

#### CONSISTENCY EVALUATION

During the process of developing these regulations and amendments, the CHRB has conducted a search of any similar regulations on this topic and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

#### DISCLOSURE REGARDING THE PROPOSED ACTION/RESULTS OF THE ECONOMIC IMPACT ANALYSIS

Mandate on local agencies or school districts: none.

Cost or savings to any state agency: none.

Cost to any local agency or school district that must be reimbursed in accordance with Government Code Section 17500 through 17630: none.

Other non-discretionary cost or savings imposed upon local agencies: none.

Cost or savings in federal funding to the state: none.

The Board has made an initial determination that the proposed amendment to Rule 1588 and Rule 1866 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

The following studies/relevant data were relied upon in making the above determination:

Association of Racing Commissioners International Model Rules of Racing Version 8.4.1.

Parkin, Tim (2015) Equine Injury Database — models, risk factor and prediction (PowerPoint slides)

Georgopoulos, Stamatias P., Parking, Tim D.H., “Risk factors for equine fractures in Thoroughbred flat racing in North America.” Preventive Veterinary Medicine 139 (2017) 99–104.

Cost impact on representative private persons or businesses: The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant effect on housing costs: none.

#### RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The adoption of the proposed amendment to Rule 1588 and Rule 1866 will not (1) impact the creation of, or eliminate jobs within the State of California; (2) impact the creation of new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California.

The proposed amendment to amendment to Rule 1588 and Rule 1866 is a benefit to the health and welfare of California residents who hold occupational licenses as jockey, apprentice jockeys or other licensees that require proximity to race horses, because the proposed regulations safeguard the health and safety of the California’s racing equines. Sound racehorses help prevent accidents and injuries to horse and rider. The proposed amendment will not benefit the state’s environment.

Effect on small businesses: none. The proposal to amend amendment to Rule 1588 and Rule 1866 does not affect small businesses because horse racing is not a small business under Government Code Section 11342.610.

#### CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5, subdivision (a)(13), the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome on affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

The Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

#### CONTACT PERSON

Inquiries concerning the substance of the proposed action and requests for copies of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, and other information upon which the rulemaking is based should be directed to:

Harold Coburn  
 Regulation Analyst  
 California Horse Racing Board  
 1010 Hurley Way, Suite 300  
 Sacramento, CA 95825  
 Telephone: (916) 263-6026  
 Fax: (916) 263-6022  
 E-mail: [haroldc@chrb.ca.gov](mailto:haroldc@chrb.ca.gov)

If the person named above is not available, interested parties may contact:

Andrea Ogden, Manager  
 Policy, Regulations and Legislation  
 Telephone: (916) 263-6033

AVAILABILITY OF INITIAL  
 STATEMENT OF REASONS AND  
 TEXT OF PROPOSED REGULATION

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its offices at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed texts of the regulations, and the initial statement of reasons. Copies of these documents, or any of the information upon which the proposed rulemaking is based on, may be obtained by contacting Harold Coburn, or the alternative contact person at the address, phone number or e-mail address listed above.

AVAILABILITY OF MODIFIED TEXT

After holding a hearing and considering all timely and relevant comments received, the Board may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed texts, the modified texts, with changes clearly marked, shall be made available to the public for at least 15 days prior to the date on which the Board adopts the regulations. Requests for copies of any modified regulations should be sent to the attention of Harold Coburn at the address stated above. The Board will accept written comments on the modified regulation for 15 days after the date on which it is made available.

AVAILABILITY OF FINAL  
 STATEMENT OF REASONS

Requests for copies of the final statement of reasons, which will be available after the Board has adopted the proposed regulation in its current or modified form,

should be sent to the attention of Harold Coburn, at the address stated above.

BOARD WEB ACCESS

The Board will have the entire rulemaking file available for inspection throughout the rulemaking process at its web site. The rulemaking file consists of the notice, the proposed text of the regulations and the initial statement of reasons. The Board's website address is: [www.chrb.ca.gov](http://www.chrb.ca.gov).

**TITLE 4. CALIFORNIA HORSE  
 RACING BOARD**

TITLE 4, DIVISION 4, CALIFORNIA  
 CODE OF REGULATIONS

NOTICE OF PROPOSAL TO AMEND  
 RULE 1581.1. ENTRIES  
 AND

RULE 1597.5. MICROCHIPS REQUIRED FOR  
 ALL HORSES ON GROUNDS

The California Horse Racing Board (Board/CHRB) proposes to amend the regulations described below after considering all comments, objections or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1581.1, Entries, and Rule 1597.5, Microchips Required for all Horses on Grounds. The proposed amendment to Rule 1581.1 will delete subsection 1581.1(a)(4), which prohibits a horse that does not carry a microchip or has not received a microchip waiver from the stewards, from entering to race. The proposed amendment to Rule 1597.5 will change the title of the regulation to "Microchips Required for all Race Horses on Grounds." The change reflects the fact that the microchipping requirement applies only to race horses, and not to pony or companion horses. In addition, the proposed amendment will designate the horse identifier as the person who shall be informed of the horse's microchipping rather than the stewards and stable superintendent. The proposed amendment to Rule 1597.5 also removes the requirement for posting signage on stall of horses that do not carry a microchip; deletes the requirement that a horse must be implanted with a microchip within 72 hours of arriving on the grounds; removes the requirement that a horse that has not been microchipped within 72 hours of coming onto the grounds be removed from the premises; and extends the 72 hour deadline for microchipping a horse to within 7 days of arriving on the grounds of the racetrack. The proposed amendment to Rule 1597.5 al-

so expands the stewards' authority to grant a microchipping waiver. Waivers may be granted for any single race rather than only for stakes races. Further, waivers will remain in effect for 7 days rather than 72 hours. Finally, Rule 1597.5 will be amended to allow horses without a microchip to enter to race. Horses without a microchip may be entered to race, provided they are microchipped prior to the actual race. All other changes to the regulations are for the purposes of clarity and consistency.

### PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, June 20, 2019**, or as soon after that as business before the Board will permit, at the **Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

### WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m., on June 11, 2019**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst  
 California Horse Racing Board  
 1010 Hurley Way, Suite 300  
 Sacramento, CA 95825  
 Telephone (916) 263-6026  
 Fax: (916) 263-6042  
 E-Mail: [haroldc@chrh.ca.gov](mailto:haroldc@chrh.ca.gov)

### AUTHORITY AND REFERENCE

Authority cited: Sections 19420, 19440, 19562, and 19590, Business and Professions Code. Reference: Sections 19440, and 19562, Business and Professions Code.

Business and Professions Code sections 19420, 19440, 19562, and 19590 authorize the Board to adopt the proposed regulations, which would implement, interpret or make specific sections 19440, and 19562, Business and Professions Code.

### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19420 states that the Board has jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 states the Board may prescribe rules, regulations and conditions under which all horse races with wagering on their results shall be conducted in California. Business and Professions Code section 19590 provides that the Board shall adopt rules governing, permitting, and regulation pari-mutuel wagering on horse races under the system known as the pari-mutuel method of wagering.

In January 2018, the proposed addition of rules governing the microchipping of race horses in California were approved by the Office of Administrative Law. The effective date of the regulations was delayed until December 26, 2018 to provide time for the implementation of the Board's microchipping program. The delay was necessary because under the microchipping regulations, race horses that do not carry a microchip, or that have not been granted a microchip waiver by the stewards, could not be entered to race. By December 2018, however, there were still a significant number of horses without microchips, and it became evident that races might be cancelled if horses not carrying a microchip could not be entered. In January 2019, the Board extended the delayed implementation of its microchipping regulations and determined that it was necessary to revise Rules 1581.1 and 1597.5 to ensure that the microchipping of race horses would not interrupt the entry of horses to race.

The proposed amendment to Rule 1581.1 will delete subsection 1581.1(a)(4). Subsection (a)(4) of Rule 1581.1 currently provides that a race horse that does not carry a microchip, or that has not been granted a microchip waver by the stewards, cannot be entered to race. The Board has determined that this provision is impractical and may have a detrimental effect on racing associations' ability to fill races. Horses that are ready to race are routinely brought onto the racetrack inclosure prior to entry and well before race day. Entries are taken 3 to 6 days prior to the race. The fact that the horse will be at the track before entries are taken provides ample time for a horse that does not carry a microchip to



have the procedure completed. Under the proposed amendments to rules 1581.1 and 1597.5, a horse that does not carry a microchip will be allowed to enter to race, but it cannot start in a race if it has not had the procedure completed prior to such race. The amendments are consistent with the provisions of Rule 1588, Horse Ineligible to Start in a Race, which prohibits a horse that does not carry a microchip, or that has not received a waiver from the stewards, from starting in a race. The change to the regulations will ensure that racing associations can fill their race cards while also ensuring that no un-chipped horse starts in a race unless a waiver has been granted. The proposed amendments to the regulations necessitate the deletion of subsection 1581.1(a)(4).

Rule 1597.5 is currently entitled “Microchips Required for all Horses on Grounds.” The proposed amendment will change the title to: “Microchips Required for all Race Horses on Grounds.” The change is being made for purposes of clarity, as not all horses found at racing or training facilities are race horses. Pony horses are used in the post parade (the procession of race horses from the paddock to their placement at the start) and in workouts. The Pony Rider assists in controlling other, usually younger and more fractious horses. Pleasure horses may also be in use at the race-track; an example is a trainer observing the morning workout while mounted. The amended title will make it clear that only race horses must be microchipped.

Subsection 1597.5(a)(1) has been re-worded for purposes of clarity. The intended meaning of the sentence, however, will not change.

Rule 1597.5 currently assigns multiple racing officials with responsibility for different aspects of the microchipping program; the Board of Stewards, the stable superintendent and the horse identifier all have roles. The division of microchipping tasks among multiple parties could result in confusion for racing association staff or licensees and increase the time it takes to get a race horse microchipped. The Board has determined that designating one racing official as the point of contact for microchipping will help eliminate confusion that may result when multiple officials have responsibility for different parts of the program. The proposed change will also reduce the time and effort a licensee will have to expend to get his or her horse microchipped. Throughout Rule 1597.5, specifically subsections (a)(1)(A), (a)(1)(B), (a)(5)(A), (a)(5)(D), the horse identifier has been designated as the official who shall supervise and oversee the microchipping procedure. This will provide one point of contact for microchipping, eliminate possible confusion, and streamline the procedure for licensees.

Subsection 1597.5(a)(1)(C), which requires that signs be posted on the stalls of horses that do not carry a microchip, has been deleted. Stable populations are not static. Trainers ship horses to and from the race track. With the constant movement of horses, it is not unusual for trainers to move horses from stall to stall within their barns, which would require that any signage also be moved with the horses. This creates the possibility for mistakes and confusion resulting from signage not being moved or placed on the wrong stall. In addition, the proposed amendment to Rule 1597.5 designates the horse identifier as the official who shall be informed if a horse does not carry a microchip, which renders signs redundant and unnecessary.

Subsection 1597.5(a)(1)(D), which requires that a horse be implanted with a microchip within 72 hours of arriving on the grounds, has been deleted. The provision is no longer necessary, as the proposed amendment to Rule 1597.5 will change the timeframe for the microchipping of race horses. Under subsection 1597.5(a)(2), the proposed amendment extends the microchipping deadline to 7-days (168 hours), which will allow for microchipping even after entry to race.

Subsection 1597.5(a)(2) has been amended to change the requirement that horses be removed from the premises if not microchipped within 72 hours of coming onto the grounds. The 72-hour deadline has been extended to 7 days, which ensures adequate time for the microchipping procedure to be completed. The 72-hour deadline is not necessary as horses that are ready to race are routinely brought onto the racetrack inclosure prior to entry and well before race day. Entries are taken 3 to 6 days prior to the race. The fact that the horse will be at the track before entries are taken provides ample time for a horse that does not carry a microchip to have the procedure completed. The extended deadline will also provide adequate time for the trainer or owner to seek a waiver from the stewards, if necessary.

Subsection 1597.5(a)(3) currently provides that the stewards may grant a waiver from the microchip requirements for horses shipped in from another racing jurisdiction for the purposes of participating in a stakes race. The purpose of the waiver was to ensure that out-of-state owners and trainers would not be discouraged from participating in California stakes races. The proposed amendment to subsection 1597.5(a)(3) expands the stewards' authority to grant a waiver, by allowing waivers to be granted to horses from any racing jurisdiction and in any single race. The Board determined there may be circumstances wherein a California horse may need a waiver. A horse may have been trained on the farm or a private training center and shipped in late for a

race. Additionally, there have been instances where the horse has been microchipped, but the chip fails to read when the horse is “waned” prior to racing.<sup>1</sup> Limiting waivers to stakes races placed an unnecessary restriction on the stewards’ authority. Under Board Rule 1527, the stewards have general authority and supervision over all licensees, the inclosure of any recognized race meeting, and are responsible to the Board for the conduct of the race meeting. The stewards should be able to determine when and under what circumstances a waiver may be granted.

Subsection 1597.5(a)(3) currently provides that a trainer or owner must apply for a microchipping waiver at least 24 hours before the horse is to arrive on the grounds. The 24-hour lead time allowed for the granting of the waiver prior to entry, as without a waiver, an unchipped horse could not enter to race. The proposed amendment provides that requests for waivers shall be submitted at time of entry. The proposed amendment allows horses without microchips to enter to race. If a waiver is denied, there would still be time for the horse to receive a microchip prior to racing. Under the current regulation, a waiver expires 72 hours after the running of the race for which it is granted. The expiration date has been modified to 7 days. The extended time for waivers is consistent with the amendment of subsection (D)(2), which states that a horse that has not received a microchip after 7 days from the time it arrives at the inclosure shall be removed from the grounds. The 7-day expiration of a microchip waiver provides time for a horse to be microchipped, or shipped off the grounds of the racing association, racing fair, or authorized training facility.

If a microchipping waiver is granted, subsection 1597.5(a)(3) currently requires the trainer to post the CHRB Form 235, Horse Not Microchipped (New 04/16) (CHRB 235), on the individual stall in which the horse is stabled until the horse is removed from the grounds of the racing association, racing fair, or authorized training facility. (The CHRB 235 is incorporated by reference in Rule 1597.5.) The proposed amendment to Rule 1597.5 removes the requirement. It is not unusual for a horse to be moved from stall to stall within a barn, requiring that the signage be moved with the horse. This creates the possibility for mistakes and confusion resulting from signage not being moved. In addition, the proposed amendment to Rule 1597.5 designates the horse identifier as the official who shall be informed if a horse does not carry a microchip. The horse identifier will have possession of copies of the identifi-

cation papers of every race horse within the inclosure. The papers describe the horse and state if it is microchipped. Because the CHRB 235 is no longer required under Rule 1597.5, and its use is not required under any other CHRB regulation, the form has been repealed.

Under the proposed amendment of subsection 1597.5(a)(3), a horse may receive only one waiver per race meeting. The provision will ensure trainers and owners do not routinely request microchip waivers for the same horse.

Subsection 1597.5(a)(4) currently provides that a horse that has not been implanted with a microchip, or has not been granted a waiver, shall not be eligible to enter or participate in a race. The proposed amendment modifies subsection (a)(4) to provide that a horse that has not been implanted with a microchip, or granted a waiver, may not start in a race. The proposed change to the subsection is consistent with the proposed amendment of Rule 1581.1, which also eliminates the prohibition on unchipped horses entering to race. Additionally, the modification of subsection 1597.5(a)(4) is consistent with the provisions of Rule 1588, which prohibits a horse that does not carry a microchip, or that has not received a waiver from the stewards, from starting in a race.

The proposed amendment deletes subsection 1597.5(a)(5). The subsection currently states the racing secretary will not accept entries from horses whose microchipping cannot be verified, or that have not received a waiver. Under the proposed amendment, however, the subsection is not necessary, as Rule 1597.5 will allow horses without microchips to be entered, provided they are microchipped, or have received a microchipping waiver, prior to the actual race.

#### POLICY STATEMENT OVERVIEW OF ANTICIPATED BENEFITS OF PROPOSAL

The proposal to amend Rule 1581.1 will delete subsection 1581.1(a)(4), which prohibits a horse that does not carry a microchip or has not received a microchip waiver from the stewards, from entering to race. The proposed amendment to Rule 1597.5 will change the title of the regulation to “Microchips Required for all Race Horses on Grounds.” The change reflects the fact that the microchipping requirement applies only to race horses, and not to pony or companion horses. In addition, the proposed amendment will designate the horse identifier as the person who shall be informed of the horse’s microchipping rather than the stewards and stable superintendent. The proposed amendment to Rule 1597.5 also removes the requirement for posting signage on stall of horses that do not carry a microchip; deletes the requirement that a horse must be implanted

<sup>1</sup> Horses entered to race are taken to the receiving barn at least one hour prior to the race. At that time the horses are identified and examined by the racing veterinarian. The identification process will include reading/scanning the microchip.

with a microchip within 72 hours of arriving on the grounds; removes the requirement that a horse that has not been microchipped within 72 hours of coming onto the grounds be removed from the premises; and extends the 72 hour deadline for microchipping a horse to within 7 days of arriving on the grounds of the racetrack. The proposed amendment to Rule 1597.5 also expands the stewards' authority to grant a microchipping waiver. Waivers may be granted for any single race rather than only for stakes races. Further, waivers will remain in effect for 7 days rather than 72 hours. Finally, Rule 1597.5 will be amended to allow horses without a microchip to enter to race. Horses without a microchip may be entered to race, provided they are microchipped prior to the actual race. All other changes to the regulations are for the purposes of clarity and consistency. The proposed regulation will help to implement a horse identification system that utilizes state-of-the-art microchip technology to implement an accurate process of regular inventory reporting and horse movement tracking at all California racetrack and training facilities. The microchipping program will replace a cumbersome paper system that did not allow for timely reporting of race horse inventory throughout the state. The proposed amendment to Rule 1581.1 will allow horses that do not carry a microchip to enter to race which will encourage owners and trainers of such horses to race in California, as their un-chipped horses will have ample time to have the procedure completed prior to race day. The proposed amendment to Rule 1597.5 streamline the microchipping procedure and provide clarity for owners and trainers whose horses have not been microchipped.

By implanting uniquely assigned microchips into every race horse that comes onto the grounds of a licensed racing or training facility, the Board, as well as racing associations and fairs, will be able to significantly improve horse inventory reporting and horse identification. Such information will benefit the Board by enabling it to make more informed decisions about how many stalls an association or fair should be required to have for a race meet based on historic inventory. This will ensure that the associations are able to meet the stabling demands of a race meeting while not overspending to make unused stalls available. These proposed regulations will also benefit Board staff in determining whether a race horse is on the grounds of a licensed racing or training facility, which will aid investigations as well as the Board's out-of-competition testing program. Additionally, the proposed regulations will reduce the likelihood that a race horse will be misidentified and allowed to participate unlawfully in a horse race.

The proposed regulations will also benefit racing associations and fairs by enhancing their ability to meet their inventory reporting obligations under CHRB regulations. Also, the proposed regulations will give racing secretaries (who are employees of the associations and fairs) a tool to assist them in determining which races to hold on which days. By knowing exactly which horses are on the grounds, racing secretaries will be able to gauge which types of races will receive adequate entries based on the population of horses meeting the requisite criteria (i.e. race conditions).

Furthermore, the proposed regulations will increase public health and safety by helping prevent the spread of infectious equine diseases. Given the constant movement of race horses to different facilities throughout the state, country, and world, these animals can sometimes contribute to the spread of infectious diseases. For example, states like Louisiana and New Mexico have experienced several Equine Infectious Anemia (EIA) outbreaks in the past several years. When such an outbreak occurs, it becomes necessary to immediately quarantine those horses entering California that were exposed to the disease, which requires rapid identification of the animal.

Finally, the proposed regulations will also benefit the wagering public by ensuring no horses participating in a race are misidentified. When determining which horse to wager on, bettors often consider a horse's past performance in racing and training. If another horse participates in that horse's stead though—whether by accident or on purpose—and the public is not aware, there is a deception on those wagering that may negatively impact their chances of winning. Although Horse Identifiers are entrusted to perform this function using descriptive foal certificates and unique tattoo numbers, the proposed regulations will give these officials yet another tool to verify their identifications. This will therefore further reduce the already low rate of error in horse identification and instill greater public confidence that the horses participating in a race have all been properly identified.

Evaluation of Consistency and Compatibility with Existing State Regulations: During the process of developing the proposed amendments, the Board has conducted an evaluation for any related regulations and has determined that Rule 1581.1 is the only regulation dealing with the entry of horses to race and Rule 1597.5 is the only rule dealing with microchipping procedures of race horses on the grounds of a race track with regards to horse racing in California. Therefore, the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

DISCLOSURE REGARDING THE  
PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

Cost to any local agency or school district that must be reimbursed in accordance with Government Code sections 17500 through 17630: none.

Other non-discretionary costs or savings imposed upon local agencies: none.

Cost or savings in federal funding to the State: none.

The Board has made an initial determination that the proposed amendment to Rule 1581.1 and Rule 1597.5 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

The following studies/relevant data were relied upon in making the above determination: none.

Cost impact on representative private persons or businesses: The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant effect on housing costs: none.

RESULT OF ECONOMIC IMPACT ANALYSIS

The adoption of the proposed amendment to Rule 1581.1 and Rule 1597.5 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California. The proposed amendments promote the improvement of horse inventory reporting and horse identification. The proposed regulations will benefit racing associations and fairs by enhancing their ability to meet their inventory reporting obligations under CHRB regulations. The proposed regulations will also give racing secretaries a tool to assist them in determining which races to hold on which days. By knowing exactly which horses are on the grounds, racing secretaries will be able to gauge which types of races will receive adequate entries based on the population of horses meeting the requisite criteria (i.e. race conditions). Greater inventory control will benefit the public, as racing secretaries will be able to provide quality race programs, which could result in an increase in wagering and a positive economic impact on the industry. The regulations will not affect worker safety or the state's environment.

Effect on small businesses: none. The proposed amendment to Rule 1581.1 and Rule 1597.5 will not af-

fect small businesses because horse racing is not a small business under Government Code section 11342.610.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5, subdivision (a)(13), the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome on affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

CONTACT PERSON

Inquiries concerning the substance of the proposed action and requests for copies of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, and other information upon which the rulemaking is based should be directed to:

Harold Coburn, Regulation Analyst  
California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
Telephone: (916) 263-6026  
E-mail: [haroldc@chrb.ca.gov](mailto:haroldc@chrb.ca.gov)

If the person named above is not available, interested parties may contact:

Andrea Ogden, Policy, Regulations Manager  
Telephone: (916) 263-6033

AVAILABILITY OF INITIAL  
STATEMENT OF REASONS AND  
TEXT OF PROPOSED REGULATION

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its offices at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the initial statement of reasons. Copies may be obtained by contacting Harold Coburn, or the alternative contact person at the address, phone number or e-mail address listed above.



AVAILABILITY OF MODIFIED TEXT

After holding a hearing and considering all timely and relevant comments received, the Board may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly marked, shall be made available to the public for at least 15 days prior to the date on which the Board adopts the regulations. Requests for copies of any modified regulation should be sent to the attention of Harold Coburn at the address stated above. The Board will accept written comments on the modified regulation for 15 days after the date on which it is made available.

AVAILABILITY OF STATEMENT OF REASONS

Requests for copies of the final statement of reasons, which will be made available after the Board has adopted the proposed regulation in its current or modified form, should be sent to the attention of Harold Coburn at the address stated above.

BOARD WEB ACCESS

The Board will have the entire rulemaking file available for inspection throughout the rulemaking process at its website. The rulemaking file consists of the notice, the proposed text of the regulation and the initial statement of reasons. The Board’s website address is: [www.chrb.ca.gov](http://www.chrb.ca.gov).

**TITLE 4. CALIFORNIA SCHOOL FINANCE AUTHORITY**

**Article 1.5, Sections 10170.2 through 10170.10  
Title 4, Division 15  
California Code of Regulations**

NOTICE IS HEREBY GIVEN that the California School Finance Authority (Authority), to organize and operate pursuant to Sections 17170 through 17199.6 of the Education Code, proposes to amend the regulations described below after considering all comments, objections, and recommendations regarding the proposed action. Any person interested may present written statements or arguments relevant to the proposed action to the attention of the Contact Person as listed in this Notice no later than Monday, June 10, 2019. The Authority Board, upon its own motion or at the instance of any interested party, may thereafter adopt the proposal substantially as described below or may modify such pro-

posals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person(s) designated in this notice as contact person and will be mailed to those persons who submit statements related to this proposal or who have requested notification of any changes to the proposal.

PROPOSED REGULATORY ACTION

The Authority proposes to adopt Sections 10170.2 through 10170.10 of Title 4 of the California Code of Regulations (Regulations) as permanent regulations. The Regulations implement Authority’s responsibilities related to the Charter School Facility Grant Program (Program).

AUTHORITY AND REFERENCE

Authority: Section 47614.5 of the Education Code. Section 47614.5(m) allows the Authority to adopt regulations in order to administer the Program.

Reference: Section 47614.5 of the Education Code, Section 47600, et seq., of the Education Code, Section 47605 of the Education Code, and Section 47612.5 of the Education Code. The Regulations include a number of the requirements of the Program contained in Section 47614.5. They also rely on specific provisions within the Charter Schools Act of 1992, commencing with Section 47600 of the Education Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Authority was created in 1985 to assist school districts and community college districts in financing school construction projects (Education Code Section 17170, et seq.). The Authority is authorized to adopt by-laws for the regulation and conduct of its business, and is vested with all powers reasonably necessary to carry out its powers and responsibilities (Education Code Sections 17179 and 17180).

Pursuant to Education Code, Section 47614.5, the State Legislature directed the Authority to commence administration of the Program) with the 2013–14 fiscal year and to adopt regulations to implement the statute. Effective July 1, 2013, the Authority initiated its administration of the Program, and pursuant to Section 47614.5(m), a Certificate of Compliance was approved on August 6, 2014 by the Office of Administrative Law (OAL) (OAL Regulatory Action #2014–0625–01C).

OAL approved a second permanent rulemaking action pursuant to Government Code, Section 11346.1(h) on May 3, 2016 (OAL Regulatory Action

#2016-0401-02SR). A Certificate of Compliance was approved on May 6, 2016 (OAL Regulatory Action #2016-0401-02SR).

OAL approved a third permanent rulemaking action pursuant to Government Code, Section 11346.1(h) on August 24, 2017 (OAL Regulatory Action #2017-0719-02S). A Certificate of Compliance was approved on August 24, 2017 (OAL Regulatory Action #2017-0719-02S).

OAL approved a fourth permanent rulemaking action pursuant to Government Code, Section 11346.1(h) on October 18, 2018 (OAL Regulatory Action #2018-0906-03C). A Certificate of Compliance was approved on October 18, 2018 (OAL Regulatory Action #2018-0906-03C).

In order to establish permanent regulations for purposes of administration of the Program, the Authority is proposing permanent regulations through OAL's permanent rulemaking process and through submission of a Certificate of Compliance.

The proposed regulations set forth Authority's policies and procedures for administering the Program, including: definitions; minimum eligibility requirements; eligible costs; application submission and content requirements; basis for determining estimated annual entitlement calculation; basis for final fiscal-year entitlement calculation; procedures for apportionment of grant funds and appeals; and policies governing Grantee obligations, responsibilities and approval of grant use change.

In order to be eligible for Program grant funds, Applicants are required to meet minimum eligibility requirements, which include, but are not limited to, the following: (1) applications are submitted by or on behalf of a Charter School; (2) a current charter has been awarded and is in place at the time of the application submission, or in the case of a first year charter, there is evidence that a charter petition has been submitted for approval to the Chartering Authority; and (3) either fifty-five percent (55%) or more of the student enrollment at the Charter School site must be eligible for free or reduced-price meals (FRPM) or the Charter School site for which grant funds are requested must be physically located in the local attendance area of a public elementary school that has fifty-five percent (55%) or more of its students eligible for FRPM.

Pursuant to Education Code, Section 47614.5(f), the Program provides assistance to Charter Schools with the following types of costs: costs associated with facilities consistent with the definitions used in the California School Accounting Manual or regulations adopted by Authority and costs associated with common area maintenance. For a description of further benefits, please see part "d" under the "Results of Economic Impact Assessment."

After conducting an evaluation of any related regulations on this matter, the Authority has concluded that these are the only regulations dealing with the Program, and therefore, these proposed regulations do not present any inconsistencies or incompatibilities with existing state regulations.

The Regulations are briefly summarized below.

**Section 10170.2 — "Definitions":**

- Addition of the words "in the Fiscal Year", "The Appraiser must be", "and shall" and removed the words "who" and "that".

**Section 10170.3 — "Eligible Applicant":**

- Addition of language prohibiting Charter Schools, Charter Management Organizations, Education Management Organizations, or any operator of a Charter School from being a for-profit organization.

**Section 10170.4 — "Eligible Costs":**

- Removal of the language "The Authority shall base the annual COLA Index adjustment on the end of the prior year's monthly rent"
- Addition of the language "The Authority will use the Independent Appraisal on file if the following conditions are met"
- Addition of the language "An Independent Appraisal completed within the last three fiscal years is on file with the Authority; and"
- Addition of the language "Rent or lease costs do not exceed prior year's reimbursable costs, subject to an adjustment of the annual COLA Index (COLA Cap)"
- Reposition of existing paragraph (i) into the (ii) position.
- Addition of the language "Options to renew contained in existing rent or lease agreements on file with the Authority executed by the Charter School and the lessor will not be considered New Facility Agreements"
- Addition of the language "Rent or lease costs are reimbursable from time of occupancy. The Authority reserves the right to request a Certificate of Occupancy or other such evidence needed to establish the date the applicant began to occupy the site."

**Section 10170.5 — "Application Submission":**

- Removal of the language "Applications received after the final filing date will not be accepted for review."
- Added the language "Initial" and "period"
- Added the language "The Second Application period for each grant year shall be made available by the Authority on September 10 of the Fiscal

Year. The Application deadline shall be 5:00 p.m. on October 15 of the Fiscal year. The Authority shall make application materials available on the Authority’s website and notify the public of the application release date. Under the following circumstances, an Application may be submitted during the second Application period:

- (A) A Charter School relocates from a facility that was ineligible for a grant award to a facility that is eligible and the Application includes a description of the change in facility circumstances; or
- (B) A First Year Charter School.”
- Added the language “Late Applications and late Facility Invoice Expenditure Report are ineligible for Program funds and are not eligible for the appeal process described in section 10170.10.”
- Replace section (c) with subsection (2)
- Reposition of existing sections (d) and (e) into the (b) and (c) position.
- Removal of the words “The Authority may waive procedural defects in the submission of an Application, such as an Application filed past the deadline”

**Section 10170.6 — “Content of the Application”:**

- Addition of the language “Requested documentation needed to complete the applicant’s eligibility review or award calculation shall be due to the Authority within 60 days of notice. Failure to submit this documentation by the stated deadline will result in ineligibility of the Program or applicable facility costs described in section 10170.4 (a)(1) and (a)(2)”

**Section 10170.7 — “Estimated Annual Entitlement Calculation”:**

- Replaces existing text (c) with (a)(2) reference

**Section 10170.9 — “Apportionment of Grant Funds”:**

- Replaces existing text (c) with (a)(2) reference

OTHER MATTERS PRESCRIBED BY  
STATUTES APPLICABLE TO THE  
SPECIFIC STATE AGENCY OR TO  
ANY SPECIFIC REGULATION OR  
CLASS OF REGULATIONS

No other matters prescribed by statute are applicable to the Authority or to any specific Regulation or class of Regulations pursuant to Section 11346.5(a) (4) of the California Government Code pertaining to the proposed Regulations or the Authority.

MANDATE ON LOCAL  
AGENCIES OR SCHOOL DISTRICTS

The Authority has determined that the Regulations do not impose a mandate on local agencies or school districts.

FISCAL IMPACT

The Authority has determined that the Regulations do not impose any additional cost or savings to any state agency, any costs to any local agency or school district requiring reimbursement under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, any other non-discretionary cost or savings to any local agency, or any cost or savings in federal funding to the State.

On an annual basis, the State Legislature will issue appropriations for purposes of the Program grant funds based on availability of funding and demand for the Program. For the current 2017–18 fiscal year, the State Legislature appropriated approximately \$112 million towards Program grant funds. The appropriation caused the Authority to apply the pro-rata share methodology since the ADA cost increased to \$1,117 for all eligible schools. There will be no cost or savings to any State Agency pursuant to Government Code Sections 11346.1(b) or 11346.5(a)(6).

INITIAL DETERMINATION REGARDING  
ANY SIGNIFICANT, STATEWIDE  
ADVERSE ECONOMIC IMPACT  
DIRECTLY AFFECTING BUSINESS

The Authority has made an initial determination that the Regulations will not have any significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

EFFECT ON SMALL BUSINESSES

The Authority has determined that the adoption of the Regulations will not affect small business. The Program is a voluntary grant program available to Charter Schools to assist in the costs of Charter School facilities.

COST IMPACTS

The Authority is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

ASSESSMENT OF EFFECT ON  
JOBS AND BUSINESS EXPANSION,  
ELIMINATION OR CREATION

Adoption of these regulations will not: (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California.

COST IMPACT ON HOUSING

The Regulations will not have any effect on housing costs.

RESULTS OF ECONOMIC  
IMPACT ASSESSMENT

The proposed regulations will unlikely have an impact on the creation or elimination of jobs within the State of California. In addition, the Authority is unaware of any reason providing Grant funds to awardees would result in the elimination of jobs. The purpose of the proposed regulations is to set forth administrative criteria and requirements for administering a Grant program that will disburse funds to existing Charter Schools in need across the State of California for per pupil facilities funding. There are no provisions within the proposed regulations which place additional burdens, obligations, or expenses on existing businesses such that jobs would be created or eliminated as a result.

The proposed regulations will unlikely have an impact on the creation or elimination of new businesses within the State of California. As noted above, the purpose of the proposed regulations is to set forth administrative criteria and requirements for administering a Grant program that provides per pupil facilities funding to existing Charter Schools in need. There are no provisions within the proposed regulations, which place additional burdens, obligations, or expenses on existing businesses such that businesses would be created or eliminated as a result of the proposed regulations.

The proposed regulations will unlikely have an impact on the expansion of businesses currently doing business within the State of California. The purpose of the proposed regulations is to set forth uniform and consistent criteria to administer a Grant program that will provide per pupil facilities funding to existing Charter Schools.

The proposed regulations are intended to provide per pupil facilities funding to existing Charter Schools in need, especially serving communities with low-income households. As such, to the extent that the

awards benefit the long-term viability of Charter Schools, the Program and its proposed regulations have the potential to directly benefit economically vulnerable populations and communities throughout the State.

REASONABLE ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), the Authority must determine that no reasonable alternative to the Regulations considered by the Authority or that has otherwise been identified and brought to the attention of the Authority, would be more effective in carrying out the purpose for which the Regulations are proposed or would be as effective and less burdensome to affected private persons than the Regulations, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. The Authority invites interested persons to present statements with respect to alternatives to the Regulations during the written comment period.

AGENCY CONTACT PERSON(S)

Written comments, inquiries, and any questions regarding the substance of the Regulations shall be submitted or directed to:

Katrina Johantgen, Executive Director  
California School Finance Authority

at:

300 S. Spring Street, Suite 8500  
Los Angeles, CA 90013  
(213) 620-4608

or

915 Capitol Mall, Room 101  
Sacramento, CA 95814  
(916) 651-7710

or

[kjohantgen@treasurer.ca.gov](mailto:kjohantgen@treasurer.ca.gov)

or

[csfa@treasurer.ca.gov](mailto:csfa@treasurer.ca.gov)

The following person is designated as a backup Contact Person for inquiries only regarding the Regulations:

Ravinder Kapoor, Senior Attorney  
915 Capitol Mall, Room 110  
Sacramento, CA 95814  
(916) 653-2995



WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the Regulations to the Authority. The written comment period on the Regulations will end on Monday, June 10, 2019. All comments to be considered by the Authority must be submitted in writing to the Agency Contact Person identified in this Notice by that time. In the event that changes are made to the Regulations during the written comment period, the Authority will also accept additional written comments limited to any changed or modified Regulations for 15 calendar days after the date on which such Regulations, as changed or modified are made available to the public pursuant to Title 1, Chapter 1, Section 44 of the California Code of Regulations. Such additional written comments should be addressed to the Agency Contact Person identified in this Notice.

AVAILABILITY OF INITIAL STATEMENT OF REASONS, RULEMAKING FILE AND EXPRESS TERMS OF PROPOSED REGULATIONS

The Authority has established a rulemaking file for this regulatory action, which contains those items required by law. The file is available for inspection at the Authority's office at 915 Capitol Mall, Suite 101, Sacramento, California, during normal business hours. As of the date this Notice is published in the Notice Register, the rulemaking file consists of this Notice, the Initial Statement of Reasons, and the proposed text of the Regulations. Copies of these items are available upon request, from the Agency Contact Person designated in this Notice. The Sacramento address will also be the location for inspection of the rulemaking file and any other public records, including reports, documentation and other materials related to this proposed regulatory action. In addition, the rulemaking file, including the Initial Statement of Reasons and the proposed text, may be viewed on the Authority's Web site at [www.treasurer.ca.gov/csfa](http://www.treasurer.ca.gov/csfa).

PUBLIC HEARING

No public hearing regarding the Regulations has been scheduled. Anyone wishing a public hearing must submit a request in writing, pursuant to Section 11346.8 of the Government Code, to the Authority at least 15 days before the end of the written comment period. Such request should be addressed to the Agency Contact Person identified in this Notice and should specify the Regulations for which the hearing is being requested.

15-DAY AVAILABILITY OF CHANGED OR MODIFIED TEXT

After the written comment period ends and following a public hearing, if any is requested, the Authority may adopt the Regulations substantially as described in this Notice, without further notice. If the Authority makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public (including through the Authority's Web site described above) for at least fifteen (15) calendar days before the Authority adopts the proposed Regulations, as modified. Inquiries about and requests for written copies of any changed or modified regulations should be addressed to the Agency Contact Person identified in this Notice.

AVAILABILITY OF FINAL STATEMENT OF REASONS

The Authority is required to prepare a Final Statement of Reasons pursuant to Government Code Section 11346.9. Once the Authority has prepared a Final Statement of Reasons, a copy will be made available to anyone who requests a copy and will be available on the Authority's Web site described above. Written requests for copies should be addressed to the Agency Contact Person identified in this Notice.

TITLE 10. BUREAU OF REAL ESTATE APPRAISERS

NOTICE IS HEREBY GIVEN that the Bureau of Real Estate Appraisers ("Bureau") is proposing to take the action described in the informative digest below. Any interested person may present statements or arguments relevant to the action proposed, orally or in writing, at a hearing to be held at:

Department of Consumer Affairs  
1747 North Market Blvd.  
1<sup>st</sup> Floor Hearing Room 186  
Sacramento, CA 95834

Date: June 14, 2019

Time: 1:00 p.m.

Written comments including those sent by mail, facsimile, or email to the address listed under "Contact Person" in this Notice, must be received by the Bureau at its office not later than 5:00 p.m. on June 13, 2019 or must be received by the Bureau at the hearing.

The Bureau, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such

proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Pursuant to the authority vested by Sections 11313, 11343, 11350, 11352, 11400, 11401, 11404, 11405, 11406, 11406.5, 11408, and 11422, Business and Professions Code, and Section 17520 of the Family Code, and to implement, interpret and make specific Sections 11350, 11401, 11404, 11406, and 11406.5 of the Business and Professions Code, the Bureau is considering revising Section 3582 of Title 10 of the California Code of Regulations as described in this Notice.

**INFORMATIVE DIGEST/POLICY  
STATEMENT OVERVIEW**

In 1996, California Code of Regulations section (CCR) 3582 became effective and established most of the Bureau’s fees.<sup>1</sup> In 2000, the Bureau amended CCR 3582 to update the application and issuance fees. In Fiscal Year 2006–07, the licensed appraiser population

Year <sup>2</sup>	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
<b>Salaries</b>	<b>\$1,771</b>	<b>\$1,331</b>	<b>\$1,164</b>	<b>\$1,229</b>	<b>\$1,268</b>	<b>\$1,317</b>	<b>\$1,447</b>	<b>\$1,631</b>
<b>Benefits</b>	<b>\$323</b>	<b>\$291</b>	<b>\$315</b>	<b>\$387</b>	<b>\$425</b>	<b>\$429</b>	<b>\$470</b>	<b>\$466</b>

Year	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
<b>Salaries</b>	<b>\$1,581</b>	<b>\$1,634</b>	<b>\$1,705</b>	<b>\$1,969</b>	<b>\$1,933</b>	<b>\$2,101</b>	<b>\$2,304</b>	<b>\$2,361</b>	<b>\$2,319</b>
<b>Benefits</b>	<b>\$495</b>	<b>\$552</b>	<b>\$608</b>	<b>\$719</b>	<b>\$719</b>	<b>\$908</b>	<b>\$1,057</b>	<b>\$1,132</b>	<b>\$1,114</b>

During the above timeframe, there were minor fluctuations to the number of the Bureau’s budgeted positions, but individual personnel costs have increased considerably. Personnel costs are approximately 60 percent of the Bureau’s budget, so as the Bureau downsizes staff, it will be helpful in reducing costs.<sup>3</sup> Nonetheless, the fees need to be raised to ensure the Bureau is

peaked at 20,080 licensed appraisers. Due to the number of appraisers licensed, the Bureau’s beginning fund balance peaked in 2008–09 to approximately \$18.7 million. Over a span of several years, surplus funds were borrowed by the general fund beginning in 2003 and returned to the Bureau through payments plus interest.

In 2006, the Bureau temporarily reduced issuance fees with CCR 3583. Surplus funds were not sufficiently reduced when CCR 3583 expired in 2014, so the Bureau continued with the reduction until July 1, 2018, to effectively eliminate the surplus. Now, the number of licensed appraisers is about half of what it was at the peak. As a result, revenue from license fees has decreased by about half. Repayments from the general fund will also cease after this fiscal year. The Bureau implemented cost–saving measures, but will need to increase fees to ensure the Bureau can continue to meet its statutory obligation of public protection. The Bureau is a self–funded program seeking to maintain a reserve of six months to manage through the fluctuations of the licensee and registrant population.

The following describes the increases in costs and other events that have led to the Bureau’s need to increase fees.

- **Personnel Costs**

Personnel Costs (salary and benefits) have increased by approximately 64 percent since 2000–01 as depicted in the table below. This increase is not unique to the Bureau as personnel costs are rising for all state agencies.

sufficiently funded to conduct its core licensing and enforcement functions.

- **Departmental Services Cost**

In 2011–2012, the Bureau (then the office of Real Estate Appraisers<sup>4</sup>) was paying the Department of Real Estate (DRE) \$120,000 for administrative services provided by the DRE. The next year the Bureau was reorganized under the Department of Consumer Affairs (DCA), and the costs for administrative services have increased. In budget year 2017–18, the Bureau paid \$584,000 to DCA for administrative services.

- **Bureau Surplus and Loan Repayment with Interest**

<sup>4</sup> The Bureau of Real Estate Appraisers was the Office of Real Estate Appraisers until the Governor’s reorganization plan two became effective in 2012.

<sup>1</sup> Business and Professions Code section 11313 allows the Bureau to adopt regulations as determined reasonably necessary to carry out the purpose of the Real Estate Appraisers’ Licensing and Certification Law.

<sup>2</sup> Number in thousands

<sup>3</sup> See page 645 for more information on the Bureau downsizing staff

The State of California (State) general fund borrowed \$1 million in 2003–04, \$2 million in 2004–5, and \$16.6 million in 2008–09 of Bureau surplus funds. In fiscal year 2009–10, the State began repaying the Bureau. This allowed the Bureau to receive loan proceeds with interest at the pooled money investment rate to offset the revenue decline caused by the appraiser population decrease. The Bureau would have increased fees years ago if it did not have the surplus fund to cover the operational costs.

- **License Population Decline**

In 2006–07 the license population peaked at 20,080.<sup>5</sup> After the housing crash in 2009, many appraisers did not renew their licenses as the demand for appraisals dropped. This resulted in the Bureau losing about half of its licensee population from its peak. This caused the Bureau’s revenue to drop and would have resulted in immediate fee increases if the Bureau was not receiving loan repayment plus interest (the Bureau’s surplus funds) from the State.

- **Temporary Reduction Extension**

In 2006, amidst a booming licensee population and thus booming budget, the Bureau temporarily reduced its issuance fee for trainees and residential appraisers to \$150 (from \$300) and certified appraisers to \$200 (from \$375) until 2014. In 2014, the Bureau was still receiving loan repayments from the state and extended the temporary reduction until 2018–19 when the Bureau would need additional revenue. This resulted in four more years of subsidized lowered fees.

- **Informal Technology (IT) Upgrades**

Beginning in 2008, the Bureau (then Office) embarked on an IT system modernization effort to replace aging technology. The Bureau hired a contractor to build the infrastructure to conduct online functions at a cost of approximately \$2.47 million. After the system was constructed, the Bureau hired IT personnel to run the system. This resulted in increased security and improved user services such as online license renewal. Having to hire two IT programming staff increased the Bureau’s operating costs by approximately \$300,000 annually.

- **Cost Saving Plan**

To delay a fee increase as long as possible and mitigate how much of an increase is required, the Bureau has engaged in a cost saving plan. In 2017–18, the Bureau did not fill 2.0 high salaried vacant positions and instead reclassified the positions for a savings of approximately \$316,000 annually. In 2019/20, the Bureau plans to not fill 4.0 positions, resulting in approximately \$527,000 of projected future savings annually. The Bureau has determined it can adequately perform all functions without these positions.

In November 2018 the Bureau is moving to a new office space to save \$41,000 on rent per year. The Bureau also froze non–mission critical employee travel.

The Bureau has maintained operating expenses (supplies, etc.) at or below inflation levels for years. As the table below reflects, the consistent level in the Bureau’s Operating Expenses & Equipment (OE&E) costs are due to the Bureau proactively searching for less expensive services and negotiating good rates.

<b>Year</b>	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>	<b>04/05</b>	<b>05/06</b>	<b>06/07</b>	<b>07/08</b>
<b>OE&amp;E</b>	<b>\$1,655</b>	<b>\$1,075</b>	<b>\$1,125</b>	<b>\$1,609</b>	<b>\$1,464</b>	<b>\$929</b>	<b>\$1,026</b>	<b>\$1,220</b>	<b>\$1,443</b>
<b>Year</b>	<b>08/09</b>	<b>09/10</b>	<b>10/11</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>
<b>OE&amp;E</b>	<b>\$1,590</b>	<b>\$1,276</b>	<b>\$1,452</b>	<b>\$1,845</b>	<b>\$1,979</b>	<b>\$2,010</b>	<b>\$2,105</b>	<b>\$1,808</b>	<b>\$1,715</b>

The Bureau is executing a cost saving plan and must now look to fee increases to balance the Bureau’s budget.

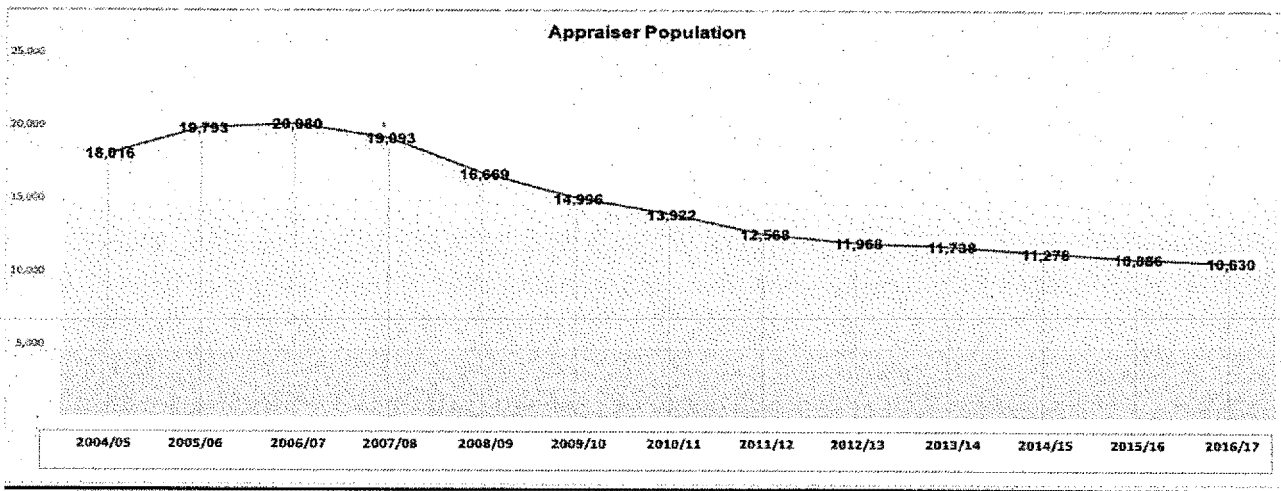
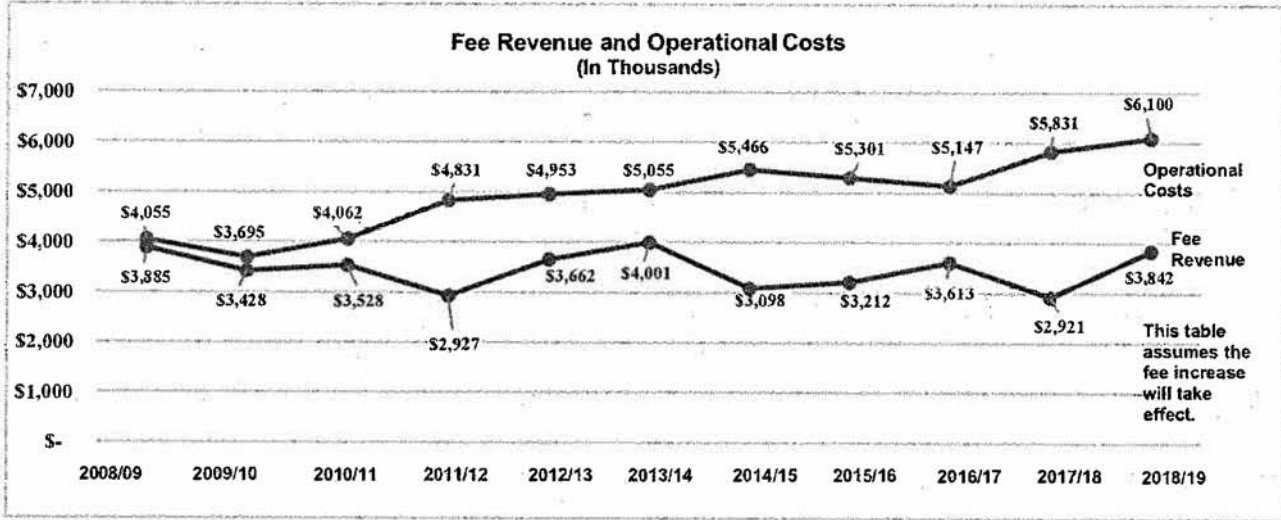
- **Fee Increase is Needed**

The Bureau will no longer receive state loan repayments and thus must balance its budget without the loan proceeds. The Bureau is projected to have a 8.8 month

reserve at the end of 2018–19, but the Bureau is projected to have 3.6 months in reserve 2019–20 without a fee increase. This means the Bureau will have to increase fees in order to stay solvent beyond 2019–20. The Bureau’s anticipated expenses in 2019–20 are \$5.7 million and the anticipated revenue in 2019–20 are \$3.5 million. To achieve a structurally balanced fund, fees will be increased. See page 647 or the proposed regulation for the amount of fee increase.

<sup>5</sup> Current population level is 10,562 as of July 10, 2018.

Illustrative Charts





<b>Loans to General Fund (GF) and Repayment Schedule with Interest</b>			
<b>Fiscal Year</b>	<b>Loan/Transfer</b>	<b>Amount</b>	<b>Interest</b>
2002/03	To GF	\$1,000,000	
2003/04	To GF	\$2,000,000	
2008/09	To GF	\$16,600,000	
<b>Total Loaned</b>	<b>To General Fund</b>	<b>\$19,600,000</b>	
2009/10	Payment from GF	\$(5,000,000)	\$217,000
2013/14	Payment from GF	\$(8,100,000)	\$1,151,000
2015/16	Payment from GF	\$(3,000,000)	\$615,000
2016/17	Payment from GF	\$(3,000,000)	\$598,000
2018/19 Projected	Payment from GF	\$(500,000)	
<b>Total Payment of Loaned Surplus</b>		<b>\$(19,600,000)</b>	
<b>Interest Earned on Loaned Surplus</b>			<b>\$2,581,000</b>

Existing California Code of Regulations section 3582 sets the fees applicants, licensees, registrants (as Appraisal Management Companies, or AMCs), and course providers pay the Bureau to process applications or provide services. This proposal would increase the fees applicants, licensees, registrants, and course providers pay the Bureau to process applications or provide services. Specifically, the fees would be modified as follows:

1. Application review fee would increase from \$150 to \$400. This fee previously just stated “all classification new, renewal, upgrades, and Certificate of Registration.” This includes reciprocals and reinstatements as the Bureau currently charges the fee as those applications must be reviewed. However, the regulation does not specifically list them. The Bureau is proposing to be more specific in this rulemaking by listing them. The fee is necessary to cover Bureau staff time reviewing the application.
2. Issuance of original or renewal fee would increase as follows:
  - a. Trainee \$300 to \$450;
  - b. Residential \$300 to \$450;
  - c. Certified \$375 to \$525; and

- d. AMCs \$1,600 to \$4,600.<sup>6</sup>
3. The upgrade fee would be eliminated. Instead the applicant would be charged the issuance of original or renewal fee as they would be receiving an original license for the upgrade for a two year period. Therefore, the increased fee depends on whether the applicant is upgrading to a residential or certified level. Below is a breakdown of each possible upgrade and the increased cost:
  - a. Trainee to residential from \$75 to \$450
  - b. Trainee to certified from \$75 to \$525
  - c. Residential to certified from \$75 to \$525<sup>7</sup>
4. Temporary practice permit fee is increasing from \$80 to \$250. The fee is necessary to cover Bureau staff time reviewing the application.
5. Petition for equivalency is increasing from \$45 to \$55. The fee is necessary to cover Bureau staff time reviewing the application.

<sup>6</sup> These fees are charged after the application has been reviewed and the license or registration is ready to be issued. The fee covers the Bureau’s costs to regulate the licensee or registrant including enforcement costs for the two year license or registration period.

<sup>7</sup> These fees are charged after the application has been reviewed and the license is ready to be issued. The fee covers the Bureau’s costs to regulate the licensee including enforcement costs for the two year license period.

6. The Bureau is changing the fee structure for basic and continuing course providers. Currently, basic and continuing education is separated. Basic education is broken down into an application review fee and a course review fee. The course review fee is further broken down into different fees depending on how many courses are submitted for approval. The Bureau proposes to keep an application review fee and increase it from \$150 to \$300 to cover Bureau staff time reviewing the application. The Bureau proposes to eliminate the differential fees depending on how many courses are submitted and instead charge a flat fee per course of \$200. This will cause 1–5 course fee to decrease from \$350 to \$200, the 6 or more course fee to decrease from \$250 to \$200. The continuing education courses are broken into an application review fee and a course review fee. The course review fee is further broken down into different fees depending on the course hours. The Bureau proposes to keep an application review fee and increase it from \$150 to \$300 to cover Bureau staff time reviewing the application. The Bureau also proposes to change the per hour fee to a flat fee. It will result in an increase the course review fee on courses up to 14 hours from \$50 to \$200, courses 15–29 hours from \$100 to \$200, and each additional 14 hour segment or portion thereof with an additional \$50 to \$200 regardless of the hours.
7. Several other fees are being reorganized without an increase or decrease to the fees.

Business and Professions Code section 11400 authorizes initial application fees. The initial application fees include the application review (\$400), background (\$70), child support review (\$10), and federal registry fee (as prescribed by the ASC). Business and Professions Code section 11408 requires applicants and licensees to pay federal registry fees (as prescribed by the ASC) and state registry processing fees (\$25) as part of licensing fees. Business and Professions Code section 11343 allows the DOJ to charge a fee sufficient to cover the cost of processing the fingerprint request (\$70). Family Code section 17520 allows the Bureau to be reimbursed for the costs incurred in administering the child support enforcement program (\$70). These Business and Professions Code sections provide the authority to modify California Code of Regulations section 3582(b)(1).

Business and Professions Code sections 11404 and 11405 limit the issuance of original or renewal fees to a maximum of \$450 for residential and trainee licenses and \$525 for certified licenses. Business and Professions Code section 11406.5 allows the Bureau to establish fees to be imposed on AMCs sufficient to cover

costs in to license and regulate AMCs. This includes the issuance of original or renewal fee for new, renewal, upgrade, reciprocal, reinstatement, Certificate of Registration and Certificate of Registration renewal. These Business and Professions Code sections provide the authority to modify California Code of Regulations section 3582(b)(2).

Business and Professions Code section 11352 allows the Bureau to adopt regulations governing the process and procedure of applying for a temporary practice permit. This Business and Professions Code section provides the authority to modify California Code of Regulations section 3582(b)(5).

Business and Professions Code section 11406 allows the Bureau to establish fees on course providers for approval of basic and continuing education courses or their equivalent sufficient to cover costs incurred in processing the applications. This Business and Professions Code section provides the authority to modify California Code of Regulations section 3582(b)(6) and (7).

#### ANTICIPATED BENEFITS

The Bureau will be assessing fees sufficient to cover operational costs incurred by administering the program to ensure continued protection of the public. The benefits of the increase in fees ensures the Bureau has sufficient funds to continue issuing licenses and registrations to qualified applicants, denying unqualified applicants, and seeking discipline to those licensees and registrants who violate Bureau laws and regulations.

#### CONSISTENCY OR COMPATIBILITY WITH EXISTING STATE REGULATIONS

During the process of developing these regulations, the Bureau has conducted a search of any similar regulations on this topic and has determined that there is no reasonable interpretation of any state regulation that is inconsistent or incompatible with the proposed action.

#### FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: It is estimated the proposed fee increase will result in an increase in Bureau revenues by approximately \$2.62 million beginning in 2019–20 and thereafter.

Nondiscretionary Costs/Savings to Local Agencies: None.

Cost to, or mandate imposed on, any Local Agency or School District for Which Government Code Section 17500–17630 Require Reimbursement: None.

Business Impact: The impact to AMCs and course providers will be minimal as the increase is absorbable. The impact on licensees is more significant, but likely absorbable to all who engage in real estate appraisals. The Bureau estimates one and a half percent of licensees do not actively engage in the appraisal business. Those licensees may not renew their license due to the license fee increase. The Bureau initially determines there will not be a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Cost Impact on Representative Private Person or Business: Licensees and Registrants will be subject to an increase of \$250 for the Application fee starting in fiscal year 2019–20. Licensees and Registrants will be subject to an increase of \$150–\$3,000 for the issuance fee starting in 2019–20. Over a 10–year period, renewal licensees will be subject to an increase of \$1,250 for the Application fee and an increase of \$750–\$15,000 for the issuance fee. Temporary Practice Permit applicants will be subject to an increase of \$155 per year starting fiscal year 2019–20. Over a 10–Year period, Temporary Practice Permit applicants will be subject to an increase of \$1550.

Licensees who Petition for Equivalency will be subjected to an increase of \$10 per course starting fiscal year 2019–20. Course Provider Application Review applicants will be subject to an increase of \$150 per a four–year cycle starting in 2019–20. Course Review applicants will be subject to \$50 increase per a four–year cycle starting in 2019–20. Over a 10–year period, education applications will be subject to an increase of \$100 for Petition for Equivalency, \$300 for the Course Provider application fee and \$100 for the Course Review fee. However, the impact will likely be absorbable to all except licensees who do not actively participate in the appraisal business.

Effect on Housing Costs: None.

Effect on Small Businesses: The effect on small businesses will be minimal as the increase is absorbable.

## RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

Impact on Jobs/New Businesses: It will likely not create jobs or business or eliminate jobs or businesses within the State of California because the fee increase is not significant enough to impact jobs and businesses. Working appraisers will still renew their licenses, those interested in becoming an appraiser will still enter the

profession, AMCs will still renew their registrations, and course providers will still offer courses. The Bureau does not anticipate any significant reduction or expansion of new businesses.

Benefits: The Bureau will be assessing fees sufficient to cover operational costs incurred by administering the program to ensure continued protection of the public.

Occupations/Businesses Impacted: Real Estate Appraisers, Appraisal Management Companies, and Educational Institutions.

Reporting Requirements: None.

Comparable Federal Regulations: None.

Benefits of the Regulation to the Health and Welfare of California Residents, Worker Safety, and the State’s Environment: The benefit to the Health and Welfare of California Residents, Worker Safety, or the State’s Environment is an adequately funded Bureau to ensure the public is protected. The Bureau will be able to continue issuing licenses and registrations to qualified applicants, denying unqualified applicants, and seeking discipline to those licensees and registrants who violate Bureau laws and regulations.

## CONSIDERATION OF ALTERNATIVES

The Bureau must determine that no reasonable alternative considered by the Bureau or that has otherwise been identified and brought to the attention of the Bureau would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may present statements or arguments orally or in writing relevant to the above determinations at the above–mentioned hearing.

## INITIAL STATEMENT OF REASONS AND INFORMATION

The Bureau has prepared an initial statement of reasons which contains the purpose, rationale, and necessity for the proposed action.

The proposed text, this notice, the statement of reasons, and any other relevant documents are on the Bureau’s website at [www.brea.ca.gov](http://www.brea.ca.gov). Click the “Laws & Enforcement” tab at the top of the page. Under the heading “Rulemaking Notifications” find the documents associated with this rulemaking subject: “Fees.”

AVAILABILITY AND LOCATON  
OF THE STATEMENT OF REASONS,  
TEXT OF PROPOSED REGULATION AND  
RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below. As of the date this notice is published in the Notice of Register, the rulemaking file consists of this notice, the proposed text of the regulation and the initial statement of reasons. Copies may be obtained by contacting the person named below or by accessing the website as provided above.

AVAILABILITY OF CHANGED OR  
MODIFIED TEXT

After holding the hearing and considering all timely and relevant comments received, the Bureau may adopt the proposed regulation substantially, as described in this notice. If the Bureau makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Bureau adopts the regulations as revised. Please send requests for copies of any modified regulation to the attention of the contact person named below. The Bureau will accept written comments on the modified regulation for 15 days after the date on which they are made available.

AVAILABILITY OF THE FINAL  
STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting the person named below.

CONTACT PERSON

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Kyle Muteff, Legal Counsel  
3075 Prospect Park Drive, Ste. 190,  
Rancho Cordova, CA 95670  
Phone: 916-341-6126  
FAX: 916-464-0131  
[kyle.muteff@brea.ca.gov](mailto:kyle.muteff@brea.ca.gov)

The backup person is:

Mary Ann Lopez  
3075 Prospect Park Drive, Ste. 190,  
Rancho Cordova, CA 95670  
Phone: 916-440-7876  
FAX: 916-464-0131  
[maryann.lopez@brea.ca.gov](mailto:maryann.lopez@brea.ca.gov)

**TITLE 12. DEPARTMENT OF  
VETERANS AFFAIRS**

NOTICE IS HEREBY GIVEN that the California Department of Veterans Affairs (“CalVet”) is proposing to take the action described in the Informative Digest after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

CalVet will hold a public hearing starting at 10:00 a.m. on June 18, 2019, at the Medal of Honor Hall (“MOH”), on the first floor of CalVet’s Headquarters Building located at 1227 O Street, Sacramento, California 95814. The MOH is wheelchair accessible. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest. CalVet requests, but does not require, that persons who make oral comments at the hearing also submit a written copy of their testimony at the hearing.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to CalVet. Comments may also be submitted by facsimile (FAX) at (916) 653-2456 or by e-mail to [phil.mcallister@calvet.ca.gov](mailto:phil.mcallister@calvet.ca.gov). The written comment period closes **on June 10, 2019**. CalVet will consider only comments received at CalVet offices by that day, as well as comments received at the public hearing. Submit comments to:

Phil McAllister, Regulatory Actions Coordinator  
California Department of Veterans Affairs  
1227 O Street, Suite 300  
Sacramento, California 95814

AUTHORITY AND REFERENCE

Authority: Education Code Sections 67100, 67101, and 67102. Reference: 38 C.F.R. 21.4253 and 3671.



INFORMATIVE DIGEST/POLICY STATEMENT  
OVERVIEW

A. Policy Statement Overview

The California Department of Veterans Affairs (Cal-Vet), California State Approving Agency for Veterans Education (CSAAVE), operates under contract with the U.S. Department of Veterans Affairs (USDVA). Under the authority of federal law, Title 38 United States Code, the CSAAVE approves or disapproves veterans' education and training programs, prevents abuses, and promotes quality in veterans' education by evaluating and monitoring education and training programs.

CalVet proposes to adopt California Code of Regulations, title 12, sections 443, 444, 445, 446, and 447 concerning additional requirements on postsecondary educational institutions seeking to enroll veterans or persons eligible for Title 38 funds.

Education Code Sections 67100, 67101, and 67102 grants CSAAVE administrative control over the Title 38 Funding Program. Postsecondary educational institutions and programs seeking to enroll veterans or persons eligible for Title 38 awards must receive CSAAVE approval for these courses. To that end, CSAAVE may require the postsecondary institution or program to comply with all federal and state laws and regulations as well as additional reasonable criteria established by CSAAVE. Beginning in the 2016–2017 award year, the postsecondary institution or program must also have its approval to operate from the Bureau for Private Postsecondary Education (BPPE) certified by CSAAVE or be a California public college or university.

Currently, CSAAVE has not adopted comprehensive criteria for Title 38 funding. Without regulations, postsecondary educational institutions and programs will continue to spend public funds to target Title 38 beneficiaries without improving either the quality of education or graduation outcomes for those recipients.

Regrettably, there is a history of abuse by some Title 38 school and program recipients, including the documented waste of large amounts of public monies, and more importantly, the taking of monies and years from the intended beneficiaries — without adequate benefit. These disappointing outcomes have been documented in audits, Congressional reports and numerous other sources. More specifically, the rationale for rules to prevent historical and predicted abuse is driven by numerous factors, including the following:

1. The higher maximums for tuition assistance and for living expenses for veterans under Title 38 *vis-à-vis* public assistance to other populations; a justifiable disparity, but one that creates an incentive for marketing abuse;

2. The irreparable harm that can flow from years of education without beneficial outcome, including the common private borrowing by students, which can create hardship where expected employment does not occur, including credit ruination and other consequences;
3. Limitations on effective court redress or other state protections to address abuses of veterans in their use of Title 38 benefits.
4. Congressional intent that veterans receive reliable assistance to achieve self-sufficiency and success.

These and other factors commend a preventive strategy that is based on bright-line criteria that closely correlate with abuse prevention or education success — including the empirical record of graduation, job qualification, subsequent employment, debt management, and other measurable performance factors. The rules also ensure that student veterans have an effective legal remedy against a postsecondary institution or program's fraudulent or predatory practices to provide redress where prevention fails. A set of these rules apply only to institutions with a predominant share of revenue from Title 38 public sources — with the concomitant expectation of statutory and rule compliance. As a part of the privileged receipt of those funds and that trust, the institutions may not categorically forbid effective judicial redress by the student veterans involved.

**The specific problem being addressed in this regulatory action is to, without being unduly burdensome, build upon the recent performance standards for the broader state higher education Cal Grant subsidy, and establish baseline accreditation, graduation, and academic spending requirements appropriate for this distinct population.**

B. Informative Digest

The specific purpose for each proposed amendment or adoption of 12 CCR 443–447 would provide as follows:

**Section 443** defines terms used in the regulations. This is necessary for the reader to be able to easily understand the meaning of the defined term or phrase as used in the regulations.

**Section 444** requires institutions be accredited in accordance with California Education Code (Ed. Code) 67102 or be issued a waiver by the USDVA under Title 38 U.S.C. 3676 section (f)(1). This is necessary to ensure the California institutions comply with all federal and state laws and regulations regarding accreditation and the authority to operate as a California Private Postsecondary Institution.

**Section 445(a)(1)** requires institutions be approved by CSAAVE. This is necessary to ensure that institutions comply with state and federal requirements and standards applying to Title 38 eligibility.

**Section 445(a)(2)** requires institutions to comply with Title 38 CFR parts 21.4253 and 21.4254 and Ed. Code 67100 and comply with any standard, policy, rule, law, or requirement used in consideration for a grant of program approval by CSAAVE. This is necessary to ensure that institutions and programs comply with state and federal requirements and standards applying to Title 38 eligibility.

**Section 445(a)(3)** requires qualifying institutions and programs provide information on their graduates' license examination passage rates, placement rates for each program, graduation completion rates, and the cohort default rate current or most recent year preceding the application submitted to CSAAVE for approval consideration and certify this requirement to CSAAVE. This is necessary to ensure that institutions and programs comply with state and federal requirements and standards applying to Title 38 eligibility.

**Section 445(a)(4)** requires qualifying institutions and programs to demonstrate financial stability. This is necessary to ensure that the qualifying institutions and programs can assure their students they can complete their education. This is a requirement of Title 38 CFR 21.4254(c)(9), which requires schools to demonstrate their financial ability to fulfill their commitment to training veterans.

**Section 445(a)(5)** requires institutions and programs to comply with state and federal disclosure standards and requirements. All advertising showed to veterans must be truthful and comply with the Unfair Competition Law and the Consumer Legal Remedies Act. This is necessary to ensure the institutions and programs comply with state federal requirements and standards applying to Title 38 eligibility, and to prevent an institution from misrepresenting that it has such approval from the Department of Education or CSAAVE.

**Section 445(a)(6)** requires all qualifying postsecondary institutions and programs to comply with state and federal provisions on advertising, representations, claims, and marketing. All advertising showed to veterans must be truthful and comply with the Unfair Competition Law and the Consumer Legal Remedies Act. This section is necessary to ensure these institutions' advertising and representations made to veterans and other individuals eligible for Title 38 are neither fraudulent nor deceitful. 38 CFR 21.4254(c)(10) prohibits misleading advertising.

**Section 445(a)(7)** requires the institution or program to remain in compliance with Business and Professions Code section 17200 et seq. and 17500 et seq. which reads “. . .include any unlawful, unfair or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising and any act prohibited by Chapter 1 (commencing with [Section 17500](#)) of Part 3 of Division 7 of the Business and Professions Code. . .”,

and Civil Code section 1750 et. seq., which reads “. . .Any waiver by a consumer of the provisions of this title is contrary to public policy and shall be unenforceable and void. 1752. The provisions of this title are not exclusive. . .”.

**Section 445(a)(8)** requires the institution or program to provide URL links to the CSAAVE websites. This is necessary to help prospective students make informed decisions about their academic future and to inform students of the approval status of the institution and its program(s).

**Section 445(b)(1)** requires institutions to comply with Ed. Code 67100. This is necessary to ensure that institutions and programs comply with state and federal requirements and standards applying to Title 38 eligibility.

**Section 445(b)(2)** requires institutions to satisfy requirements necessary to allow a student who completes the educational program to qualify to take any required licensing or certification exam. This is necessary to ensure that institutions and programs comply with state and federal requirements and standards applying to Title 38 eligibility, and to assure student success. This is a requirement of Title 38 U. S. C. sections 3675(b)(3) and 3676(c)(14)–(15).

**Section 445(c)** requires qualifying institutions and programs to conduct an “employment market assessment” at program creation and submit the assessment to CSAAVE. This is necessary to substantiate student outcomes following graduation and demonstrate that the institution or program is responding to job market conditions and substantiate advertising claims.

**Section 445(d)** authorizes CSAAVE to utilize the institution's or program's compliance with any standards, rules, and/or requirements prescribed by any state or federal licensing or approving agency or entity, and any accrediting body, agency, or association, as a basis for a grant of CSAAVE approval. This is necessary to ensure that CSAAVE does not grant approval for non-compliant institutions and programs and prevent veterans and other eligible persons from enrolling and losing Title 38 education benefits.

**Section 446** requires institutions to provide CSAAVE copies of all documents and other materials concerning the institution and its programs for which approval is sought, including all documents maintained by the governmental, accrediting, or licensing agency or entity. This is to ensure CSAAVE has knowledge of the licensing and/or approval status of an institution or its approved programs offered in California.

**Section 447(a)** identifies guidelines for a notification to CSAAVE within 30 days of an institutional or programmatic accreditation, licensing, or approval status change.

**Section 447(b)** authorizes CSAAVE to suspend the approval of a course for new enrollment, or suspend approval of a licensing or certification test, pursuant to Title 38 CFR section 21.4259(a)(1). It also provides the authority to immediately disapprove a course, licensing or certification test, pursuant to Title 38 CFR section 21.4259(a)(2) and Title 38 U.S.C. section 3679.

**Section 447(c)** authorizes CSAAVE to disapprove a course or licensing or certification test, if any of the requirements for approval are not being met.

**Section 447(d)** requires CSAAVE to notify an institution by certified or registered letter of a suspension or disapproval.

#### EVALUATION OF INCONSISTENCY/INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

After conducting an evaluation for any regulations related to this area, CalVet has found that there are no inconsistent or incompatible existing state regulations. CalVet (through the CSAAVE administrator) is the only state agency that regulates the awarding of Title 38 funds to postsecondary educational institutions and programs seeking to enroll veterans or eligible persons for such awards.

#### BENEFITS OF THE PROPOSED ACTION

The proposed regulations will add protections for California veterans not currently in place. Aligning the CSAAVE program with the Cal Grant standards, as closely as possible using the federal requirements, will ensure a consistent application of state requirements for higher education institutions, while protecting veterans and ensuring they will receive the educational benefits they expect and should acquire when enrolled in a state-approved Title 38 program.

#### DISCLOSURES REGARDING THE PROPOSED ACTION

*CalVet has made the following initial determinations:*

Mandate on local agencies and school districts: None.  
Cost or savings to any state agency: Minimal.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impacts on a representative private person or businesses: CalVet is not aware of any cost impacts that

a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant, Statewide Adverse Economic Impact on Business: The proposed regulations will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Significant effect on housing costs: None.

#### RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS

In accordance with Government Code section 11346.5(a)(10), the results of the EIA (full EIA found in the Initial Statement of Reasons) are as follows:

- The proposed regulations will not create or eliminate jobs in California.
- The proposed regulations will not create or eliminate businesses in California.
- The proposed regulations will not affect the expansion of existing businesses in California.

#### BENEFITS OF THE PROPOSED ACTION

The proposed regulations will add protections for California veterans not currently in place. Aligning the CSAAVE program with the Cal Grant standards, as closely as possible using the federal requirements, will ensure a consistent application of state requirements for higher education institutions, while protecting veterans and ensuring they will receive the educational benefits they expect and should acquire when enrolled in a state-approved Title 38 program.

#### SMALL BUSINESS DETERMINATION

The proposed regulations will not affect small business because this proposed regulation only impacts educational institutions who seek Title 38 funding.

#### BUSINESS REPORT

The proposed regulation does not require a business report.

#### CONSIDERATION OF ALTERNATIVES

CalVet must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be



more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

#### CONTACT PERSONS

Inquiries concerning the proposed administrative action may be directed to:

Phil McAllister, Regulatory Actions Coordinator  
California Department of Veterans Affairs  
1227 O Street, Suite 300  
Sacramento, California 95814  
Telephone: (916) 653-1961  
Fax: (916) 653-2456  
Email: phil.mcallister@calvet.ca.gov

The backup contact person for these inquiries is:

Latanaya Johnson  
Education Administrator  
California State Approving Agency for  
Veterans Education  
1227 O Street  
Sacramento, CA 95814  
Telephone: (916) 503-8319  
Fax: (916) 653-1035  
Email: [latanaya.johnson@calvet.ca.gov](mailto:latanaya.johnson@calvet.ca.gov)

Please direct requests for copies of the proposed text (the "express terms") of the regulations, the initial statement of reasons, the modified text of the regulations, if any, or other information upon which the rulemaking is based to Phil McAllister at the above address.

#### AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

CalVet will make the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations and the initial statement of reasons. Copies may be obtained by contacting Phil McAllister at the address or phone number listed above.

#### AVAILABILITY OF CHANGED OR MODIFIED TEXT

After holding the hearing and considering all timely and relevant comments received, CalVet may adopt the proposed regulations substantially as described in this notice. If CalVet makes modifications which are sufficiently related to the originally proposed text, it will

make the modified text (with the changes clearly indicated) available to the public for at least 15 days before CalVet adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Phil McAllister at the address indicated above. CalVet will accept written comments on the modified regulations for 15 days after the date on which they are made available.

#### AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Phil McAllister at the above address.

#### AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations in underline and strikeout can be accessed through our website at <https://www.calvet.ca.gov/about-us/laws-regulations>.

### TITLE 14. CALIFORNIA COSTAL COMMISSION

#### Title 14, Division 5.5, California Code of Regulations

**NOTICE IS HEREBY GIVEN that the California Coastal Commission (Commission),** as authorized by Section 30333 of the Public Resources Code, proposes to make changes to its regulations as described below after considering all comments, objections, and recommendations regarding the proposed action (Proposal).

**A PUBLIC HEARING IS SCHEDULED FOR JUNE 12, 2019.** The hearing will be part of the Commission's regularly scheduled meeting at the Best Western Plus Island Palms Hotel, 2051 Shelter Island Dr., San Diego, California 92106. Any interested person may present comments regarding the Proposal at this hearing. Any interested person may also present written comments regarding the Proposal to the attention of the agency contact as listed in this Notice no later than Monday, June 10, 2019. More information is available at the end of this Notice.

#### INTRODUCTION

The Proposal would implement minor changes to the Commission's regulations in order to streamline proce-



dures, conform to changes in the law, and generally update the provisions. The Proposal will help further the Commission’s mission to protect coastal resources and public access in the coastal zone.

AUTHORITY AND REFERENCE

Authority: Section 30333 of the Public Resources Code generally provides that the Commission may adopt or amend rules and regulations to carry out the purposes and provisions of the Coastal Act (Div. 20, Section 30000 et seq.), as well as to govern procedures of the Commission. Rules and regulations shall be consistent with the Coastal Act and other applicable law.

Reference: The proposed changes are procedural in nature and seek to update and correct for current practices and existing law. As such the proposed changes implement, interpret, and make specific numerous statutes, including those in the Coastal Act, the Bagley–Keene Open Meeting Act (Gov. Code, § 11120 et seq.), the Permit Streamlining Act (Gov. Code, § 65920 et seq.), the Public Records Act (Gov. Code, § 6250 et seq.), and the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.), among others, as well as expressing law promulgated in two published appellate court opinions.

For specific Authority and Reference Notes (and proposed changes to Notes) for each section of the regulations, see the Express Terms (proposed amendments in ~~strikeout~~underline), available on the Commission’s rulemaking page, <https://coastal.ca.gov/rulemaking/>, or request a copy of the Express Terms from the agency contact listed in this Notice.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing law: The Legislature enacted the California Coastal Act in 1976, following the passage of Proposition 20, a referendum expressing the desire of the people of California to protect its most valuable resource: 1100 miles of coastline. Division 20 of the Public Resources Code, Section 30000 et seq. (the Coastal Act) established a comprehensive coastal protection program and made permanent the California Coastal Commission as a state agency. The first goal of the Coastal Act is to “[p]rotect, maintain, and, where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and artificial resources.” (§ 30001.5, subd. (a).)

Responsibilities: Because the Proposal would implement largely procedural changes, it is important to understand the main responsibilities of the Commission. The Commission considers applications for coastal de-

velopment permits in its jurisdiction; certifies long term plans, including local coastal programs that allow local governments to issue coastal development permits; considers appeals of certain local approvals; sets policy in coastal matters; conducts enforcement, from negotiations for the settlement of violations to the imposition of fines and litigation; and ensures the consistency of federally–approved development in the Coastal Zone. The Proposal does not affect federal consistency regulations.

Existing Regulations: Existing regulations are located in Title 14, Division 5.5, Section 13001 et seq. Shortly after passage of the Coastal Act, the Commission adopted a full set of procedural regulations. Several rulemakings thereafter improved and expanded the original set, but the Commission has not conducted a regular rulemaking for decades. The Commission now has more than forty years’ experience to draw on and has a better understanding of what should (and should not) be regulated.

The Proposal: The Proposal seeks to update, correct, and modernize the Commission’s regulations. The amendments would 1) generalize options for notices and other communication, chiefly to allow for electronic mail; 2) require posting of key documents to the Commission website; 3) make regulatory provisions consistent with a changed California statute; 4) streamline procedures, including hearing procedures; 5) clarify to remove or prevent ambiguities; 6) specify vague provisions; 7) correct, such as updating cross–references or aligning regulatory language to the applicable statute; 8) revise structure, syntax, grammar, spelling, or punctuation; 9) repeal provisions that have lost statutory authority; and 10) revise or add authority and reference citations.

For the specific changes proposed to all sections of the regulations, see the Express Terms (proposed amendments in ~~strikeout~~underline), available on the Commission’s rulemaking page, <https://coastal.ca.gov/rulemaking/>, or request a copy of the Express Terms from the agency contact listed in this Notice.

ANTICIPATED BENEFITS

The Proposal is anticipated to create several benefits, primarily efficiency, consistency, accuracy, and transparency. First and foremost is the benefit of efficiency. Communication methods are proposed generically (“transmit,” “reasonable means”), to allow for e–mail communication for almost every form of contact between applicants, local government, organizations, interested persons, Commission staff, the Executive Director, and Commissioners. Second, although the Executive Director already posts most items of interest to the Commission’s website, including staff reports for agen-

da items, the Proposal would make those postings a requirement. Accessing posted material is a considerably more convenient and precise way for the public to find particular information, at any time, and from any place. Thus, the ability to send and receive information is far easier, and the ability to retrieve documents is greatly enhanced. The Proposal enables the Commission to catch up to the 21st century.

The Proposal also promotes consistency and accuracy. Many governing statutes have been passed, many repealed, and many more amended. Published appellate case law has resolved some important conflicts in interpretation and supported the use of Commission-developed guidance in certain decisions. The Proposal seeks to update regulation text that is obsolete due to statutory changes or interpretations by the courts; for other regulations, the Proposal implements the statutory language more precisely than the existing text; and for a few provisions, the Proposal corrects clear errors.

Finally, the Proposal makes Commission and staff practices more transparent to the public, by clarifying confusing language, especially the role of the chair during meetings; acknowledging the use of digital communication and documents; and removing redundant and obsolete provisions.

#### EXISTING STATE REGULATIONS

Within the Commission's own regulations at Division 5.5, Title 14, language and cross-references have been checked and proposed to be changed, where necessary, in alignment with the Proposal. The Proposal affects only Commission procedures, and therefore does not affect regulations under the authority of other agencies. Therefore, the Proposal is neither inconsistent nor incompatible with existing state regulations.

#### FORMS INCORPORATED BY REFERENCE

The Proposal does not incorporate any forms by reference.

#### MANDATED BY FEDERAL LAW OR REGULATIONS

The Proposal is not mandated by federal law or regulations.

#### OTHER STATUTORY REQUIREMENTS

No other requirements are specific to the Commission, to any specific regulation, or class of regulations.

#### LOCAL MANDATE

The Commission has determined that the proposed changes do not impose a mandate on local agencies or school districts.

#### FISCAL IMPACT

There is no cost to any local agency or school district requiring reimbursement pursuant to Government Code, Section 17500 et seq.

The Proposal is projected to cost the Commission approximately \$380 a year and save approximately \$5,380 a year in postage costs, for a net savings of \$5,000 a year. The Proposal does not affect costs or savings to any other state agency.

The Proposal will not impose any other non-discretionary costs or savings to local agencies.

The Proposal will not affect any cost or savings in federal funding to the State.

#### HOUSING COSTS

The Proposal will not affect housing costs.

#### SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY TO COMPETE

The Commission has made an initial determination that the Proposal will not have any significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

#### STATEMENT OF THE RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The Commission has determined, pursuant to Government Code Section 11346.3(b)(1)(A)-(D), that the proposed changes will not have an effect on: the creation or elimination of jobs within the state; the creation or elimination of businesses within the state; or the expansion of business currently doing business within the state.

The anticipated benefits, as described above, include greater efficiency, consistency, accuracy, and transparency. In turn, the Proposal may also indirectly increase protection of the environment, via a greater ability to focus on important matters affecting the state's coastal resources, as well as the promotion of fairness and social equity as required by the Commission's Environmental Justice policy.

COST IMPACTS ON REPRESENTATIVE  
PERSON OR BUSINESS

The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Ms. Robin M. Mayer  
Staff Attorney  
California Coastal Commission  
45 Fremont St., Suite 2000  
San Francisco, CA 94105  
(415) 904-5220  
[robin.mayer@coastal.ca.gov](mailto:robin.mayer@coastal.ca.gov)

BUSINESS REPORT

No business reports are required.

BACKUP ONLY, contact:  
Ms. Louise Warren  
Acting Chief Counsel  
California Coastal Commission  
45 Fremont St., Suite 2000  
San Francisco, CA 94105  
(415) 904-5220  
[louise.warren@coastal.ca.gov](mailto:louise.warren@coastal.ca.gov)

SMALL BUSINESS

The Commission has determined the Proposal does not affect small business. Small businesses chiefly interact with the Commission as applicants for coastal development permits. The Proposal would implement largely procedural changes that streamline application requirements and hearings considering those applications. If there is any effect on small business, it would be more efficient communication and consideration of applications.

AVAILABILITY STATEMENTS

The Commission has established a rulemaking file for this regulatory action, which contains those items required by law. The file is available for inspection at the Commission's office at 45 Fremont St., Suite 2000, San Francisco, California, during normal business hours.

As of the date this Notice is published, the rulemaking file consists of the Notice, the Express Terms (proposed amendments in ~~strikeout~~underline), the Initial Statement of Reasons, and all information upon which the proposed rulemaking is based. The Express Terms, Initial Statement of Reasons, and supporting materials may be downloaded from the Commission's rulemaking page at <https://coastal.ca.gov/rulemaking/>, and are available on request from the agency contact listed in this Notice.

ALTERNATIVES STATEMENT

In accordance with Government Code Section 11346.5(a)(13), the Commission must determine: that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be:

- more effective in carrying out the purpose for which the action is proposed;
- as effective and less burdensome to affected private persons than the proposed action; or
- more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Commission invites interested persons to present statements with respect to alternatives to the Proposal during the written comment period.

AVAILABILITY OF SUBSTANTIAL  
(15-DAY) CHANGES

After the written comment period ends and following the close of the June 12, 2019 hearing, the Commission may adopt the Proposal as described in this Notice, without further notice of nonsubstantive changes. However, the Commission may modify the Proposal prior to the vote, if substantial changes are sufficiently related to the original Express Terms (the text of the proposed changes to the regulations). While not anticipated at this time, if sufficiently-related changes to are proposed for Commission consideration, the Express Terms with the additional changes in double-underline and double-strikeout will be posted to the commission's rulemaking page, transmitted to interested persons, and made avail-

CONTACT PERSON

Written comments and any inquiries regarding the Proposal may be submitted to [rulemaking@coastal.ca.gov](mailto:rulemaking@coastal.ca.gov), or directed to:

able from the agency contact listed in this Notice. The changes will be made available at least 15 days in advance of the hearing. (See Cal. Code of Regs., tit. 1, § 44.)

#### MORE INFORMATION ON THE PUBLIC HEARING

A public hearing regarding the Proposal is scheduled for 9 a.m., Wednesday, June 12, 2019 as part of the Executive Director's Report at the Commission's regular meeting at the Best Western Plus Island Palms Hotel, 2051 Shelter Island Dr., San Diego, CA 92106.

NOTE: Only in-person testimony (either oral or written) will be accepted at the hearing. The Commission does not accept live comments by telephone or electronic media.

#### MORE INFORMATION ON WRITTEN COMMENTS

Any interested person may submit written comments relevant to the Proposal to the Commission. Send written comments to [rulemaking@coastal.ca.gov](mailto:rulemaking@coastal.ca.gov), preferably as a .pdf attachment; however, no particular format is necessary for e-mailed comments. Alternatively, mail comments to: Rulemaking, Legal Division, 45 Fremont St., #2000, San Francisco, CA 94105.

To be considered by the Commission during the public hearing on June 12, 2019, written comments should be received by Monday, June 10, 2019. Late comments will not be posted to the Commission website in time for Commission consideration. However, comments (written or oral) will still be accepted at the hearing. It is requested that commenters who submit comments at the hearing bring 20 paper copies of the comment to be distributed at the hearing, or request that copies be distributed and if feasible, staff will do so. Additionally, staff will summarize any late comments during its oral presentation.

#### FINAL STATEMENT OF REASONS

The Commission is required to prepare a Final Statement of Reasons before submitting the Proposal to the Office of Administrative Law. Once prepared, the Final Statement of Reasons will be made available to anyone who requests a copy and will be available on the Commission's rulemaking page, at <https://coastal.ca.gov/rulemaking/>. Written requests for copies should be addressed to the agency contact identified in this Notice.

#### INTERNET ACCESS

All rulemaking documents and materials may be viewed and downloaded from the Commission's rulemaking page at <https://coastal.ca.gov/rulemaking/>.

#### TITLE 14. FISH AND GAME COMMISSION

**NOTICE IS HEREBY GIVEN** that the Fish and Game Commission (Commission), pursuant to the authority vested by Sections 8403 and 9022 of the Fish and Game Code and to implement, interpret or make specific Sections 8403, 9001.6, 9001.7, 9006, and 9022 of said Code, proposes to amend Section 180.6, Title 14, California Code of Regulations, relating to the use of traps to take hagfish.

#### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

In California, Pacific Hagfish (*Eptatretus stoutii*) (hagfish) is an open access commercial fishery administered by the Department of Fish and Wildlife (Department). Fishing is allowed year-round in all depths of State and federal waters, except in Marine Protected Areas. The hagfish fishery is primarily managed via restrictions on the amount and type of gear allowed. The method for take is by one of three baited trap types: bucket trap, Korean trap, and more recently, barrel traps. Section 9000.5 and subdivision 9001.6(b) of Fish and Game Code (FGC) define and authorize no more than a total of 500 Korean-style traps, or a total of 200, five-gallon bucket traps aboard a vessel, or in the water or combination thereof. The Commission approved the use of 25 barrel traps (40-gallon capacity) as an alternative trap type under subsection (b) of Section 180.6, Title 14, California Code of Regulations (CCR) effective January 1, 2016. The 25-barrel trap limit was intended to be per vessel, and serve as a volumetric equivalent to the 200 five-gallon bucket trap limit prescribed by subdivision (b) of FGC Section 9001.6.

There are no daily, seasonal, or annual catch limits for the hagfish fishery. Further, the fishery has no reporting requirement, other than a landing receipt, and there is no minimum size limit, landing quota, or seasonal closure. There is no recreational fishery for hagfish. Pursuant to FGC sections 9000.5 and 9001, all participants on a fishing vessel (i.e., vessel crewmembers) are required to have a current general trap permit, and thus serve as "permittees." FGC Section 9005 requires every trap or string of traps to be marked with a buoy, and FGC subdivision 9006(b) requires the buoy identifying traps used to take hagfish to be marked with the operator's (i.e., responsible fisherman's) commercial fishing li-



cense identification number only (“L number”) with no prescribed lettering.

When Section 180.6, Title 14, CCR was last amended (effective January 1, 2017) to shift from a 40 gallon volume to a dimension-based measurement of barrel trap size, subsection 180.6(b) was amended in an attempt to simplify language regarding trap use by a vessel by stating that “. . .no permittee may possess more than 25 barrel traps aboard a vessel or in the water or combination thereof.” Due to the fact that a permittee can be the vessel operator, and/or any crewmember, the current language allows the use of 25 barrel traps per permittee, which goes against the original intent of the regulation effective January 1, 2016 to allow a maximum of 25 barrel traps per vessel (the volumetric equivalent to the 200 five-gallon bucket trap limit prescribed by subdivision (b) of FGC Section 9001.6).

### PROPOSED REGULATION

The proposed amendment to subsection (b) of Section 180.6, Title 14, CCR re-establishes the number of allowed barrel traps (25) per vessel, regardless of the number of permittees aboard the vessel. In addition to the commercial fishing license identification number, hagfish fishermen will also be required to mark buoys used to mark any hagfish traps with the vessel’s California commercial boat registration number.

The following is a summary of the changes proposed for Section 180.6, Title 14, CCR:

- Remove the words “permittee may possess” from subsection (b), thus linking the 25 barrel trap limit to the vessel.
- Add subsection (c) requiring the use of the vessel’s California commercial boat registration number to mark the buoy used to mark any hagfish trap (fishermen will continue to mark buoys with all fishermen L numbers operating the vessel, as required by FGC subdivision 9006(b)).

### BENEFITS OF THE PROPOSED REGULATION

Linking the maximum number of barrel traps utilized and possessed to the vessel instead of the permittee will limit the fishing capacity of vessels that utilize this gear. Since there are no other management measures that limit hagfish fishing capacity, limiting the number of barrel traps by vessel will help ensure sustainability of the hagfish resource, reduce potential conflicts between fishermen using similar fishing grounds, and limit the number of vertical buoy lines to reduce potential impact to other marine life.

By requiring the use of the vessel’s California commercial boat registration number to mark the buoy used

to mark any hagfish trap, Law Enforcement Division staff will be able to determine, at sea, how many traps a vessel is utilizing and/or possessing. This requirement would apply to all trap types authorized for the take of hagfish.

### CONSISTENCY AND COMPATIBILITY WITH EXISTING REGULATIONS

Section 20, Article IV, of the State Constitution specifies that the Legislature may delegate to the Fish and Game Commission such powers relating to the protection and propagation of fish and game as the Legislature sees fit. The Legislature has delegated to the Commission the power to regulate the commercial take of finfish using traps (FGC sections 8403 and 9022). No other State agency has the authority to promulgate commercial fishing regulations. The Commission has reviewed its own regulations and finds that the proposed regulations are neither inconsistent nor incompatible with existing State regulations. The Commission has searched the CCR for any regulations regarding the use of traps for the commercial take of hagfish and has found no such regulation; therefore the Commission has concluded that the proposed regulations are neither inconsistent nor incompatible with existing State regulations.

**NOTICE IS GIVEN** that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be held in the Red Lion Hotel Redding, 1830 Hilltop Drive, Redding, California 96002, on June 13, 2019, at 8:30 a.m., or as soon thereafter as the matter may be heard. It is requested, but not required, that written comments be submitted on or before May 30, 2019 at the address given below, or by email to [FGC@fgc.ca.gov](mailto:FGC@fgc.ca.gov). All comments (both oral and written) must be received no later than June 13, 2019, either at the Commission office or at the address given below, by email to [FGC@fgc.ca.gov](mailto:FGC@fgc.ca.gov), or at the June 13, 2019 hearing in Redding, California. If you would like copies of any modifications to this proposal, please include your name and mailing address.

**Mailed comments should be addressed to Fish and Game Commission, P.O. Box 944209, Sacramento, CA 94244-2090.**

### AVAILABILITY OF DOCUMENTS

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulation in underline and strikeout format can be accessed through the Commission website at [www.fgc.ca.gov](http://www.fgc.ca.gov). The regulations as well as all related documents upon which the proposal is based (rulemaking file), are on file and available for public review from the agency representa-

tive, Melissa Miller–Henson, Acting Executive Director, Fish and Game Commission, 1416 Ninth Street, Suite 1320, Sacramento, California 95814, phone (916) 653–4899. Please direct requests for the above mentioned documents and inquiries concerning the regulatory process to Melissa Miller–Henson or Craig Castleton at the preceding address or phone number. **Travis Tanaka, Environmental Scientist, Department of Fish and Wildlife, (831) 649–2881 or [Travis.Tanaka@wildlife.ca.gov](mailto:Travis.Tanaka@wildlife.ca.gov), has been designated to respond to questions on the substance of the proposed regulations.**

AVAILABILITY OF MODIFIED TEXT

If the regulations adopted by the Commission differ from but are sufficiently related to the action proposed, they will be available to the public for at least 15 days prior to the date of adoption. Any person interested may obtain a copy of said regulations prior to the date of adoption by contacting the agency representative named herein.

If the regulatory proposal is adopted, the final statement of reasons may be obtained from the address above when it has been received from the agency program staff.

IMPACT OF REGULATORY ACTION/RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The potential for significant statewide adverse economic impacts that might result from the proposed regulatory action has been assessed, and the following initial determinations relative to the required statutory categories have been made:

- (a) Significant Statewide Adverse Economic Impact Directly Affecting Business, Including the Ability of California Businesses to Compete with Businesses in Other States:

The proposed action will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The California hagfish fishery is primarily a live export fishery. Currently, there is increased demand for California–caught hagfish due to the consistency of catch and lower dock price compared to hagfish fisheries in other states.

- (b) Impact on the Creation or Elimination of Jobs Within the State, the Creation of New Businesses or the Elimination of Existing Businesses, or the Expansion of Businesses in California; Benefits of the Regulation to the Health and Welfare of

California Residents, Worker Safety, and the State’s Environment:

The Commission does not anticipate any impacts on the creation or elimination of jobs, the creation of new business, the elimination of existing businesses or the expansion of businesses in California. There are no anticipated benefits to the health and welfare of California residents and worker safety. However, clarifying the original intent of the regulation effective January 1, 2016 by limiting the number of barrel traps to 25 per vessel would benefit the environment by promoting sustainability of the hagfish resource, limit the amount of barrel gear on the seafloor, and limit the number of vertical buoy lines in the fishery that could potentially impact other marine life.

- (c) Cost Impacts on a Representative Private Person or Business:

A vessel that may have deployed more than 25 barrel traps in the past could face a reduction in fishing income due to a reduction in the number of traps deployed per vessel. However, the regulation effective January 1, 2016 intended that only 25 barrels be used per vessel, and the majority of fishermen conform to this practice.

- (d) Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: None.

- (e) Nondiscretionary Costs/Savings to Local Agencies: None.

- (f) Programs Mandated on Local Agencies or School Districts: None.

- (g) Costs Imposed on any Local Agency or School District that is Required to be Reimbursed Under Part 7 (commencing with Section 17500) of Division 4, Government Code: None.

- (h) Effect on Housing Costs: None.

EFFECT ON SMALL BUSINESS

It has been determined that the adoption of these regulations may affect small business. The Commission has drafted the regulations in Plain English pursuant to Government Code Sections 11342.580 and 11346.2(a)(1).

CONSIDERATION OF ALTERNATIVES

The Commission must determine that no reasonable alternative considered by the Commission, or that has otherwise been identified and brought to the attention of the Commission, would be more effective in carrying out the purpose for which the action is proposed, would

be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

**TITLE 16. BOARD OF PHARMACY**

NOTICE IS HEREBY GIVEN that the California State Board of Pharmacy (board) is proposing to take the rulemaking action described below under the heading Informative Digest/Policy Statement Overview. Any person interested may present statements or arguments relevant to the action proposed in writing. Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by the board at its office on June 10, 2019.

The board has not scheduled a public hearing on this proposed action. The board will, however, hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days prior to the close of the written comment period.

The board may, after considering all timely and relevant comments, adopt the proposed regulations substantially as described in this notice, or may modify the proposed regulations if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as the contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Sections 4005 and 4400 of the Business and Professions Code (B&P) authorize the board to adopt these regulations. The proposed regulations implement, interpret, and make specific sections 163.5, 4005, 4044.3, 4053, 4053.1, 4110, 4112, 4119.01, 4120, 4127.1, 4127.15, 4127.2, 4128.2, 4129.1, 4129.2, 4129.8, 4130, 4160, 4161, 4180, 4180.5, 4187, 4190, 4196, 4200, 4202, 4202.5, 4203, 4208, 4210, 4304, 4400, 4401, and 4403 of the Business and Professions Code.

**INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

The California State Board of Pharmacy (board) proposes to amend Section 1749 of Article 6 of Division 17

of Title 16 of the California Code of Regulations (CCR) to increase application, renewal, and other fees to the statutory maximum to address a structural imbalance within the board’s budget and to pursue a reserve in the board’s fund equal to approximately one year’s expenditure, consistent with the Legislature’s intent.

Business and Professions Code (B&P) section 4400 establishes the statutory minimum and maximum application, renewal and other fees for board applicants and licensees.

Existing law at 16 CCR section 1749 establishes the current fee for various applications for initial license and renewal, and other fees for board licensees and applicants, based upon the statutory minimum and maximum established by B&P section 4400, and other sections of the B&P code.

Additionally, existing law at B&P section 4400(p) requires that the board seek to maintain a reserve in its fund equal to approximately one year’s expenditures. This action provides specific information on the board’s current fund condition as well as projections for future years.

The Department of Consumer Affairs (DCA) provides budgetary and fiscal administrative support to the board. According to the DCA, the board’s expenditures have increased, on average, 11% each year. While revenue has increased significantly since FY 2016–17, it is not increasing at the same rate as board’s expenditures. As a result, the board’s reserve fund is quickly depleting and the board is unable to maintain a reserve fund equal to one year. It is estimated that by the end of FY 2019–20, the board’s reserve fund will be negative. This structural imbalance is unsustainable without a fee increase. This proposal will increase the board’s application, renewal, and other fees to address this issue and ensure that the board will be able to continue to meet its consumer protection mandate by allowing the board to continue its licensing and enforcement responsibilities.

**ANTICIPATED BENEFITS OF THE PROPOSED REGULATIONS**

Protection of the public is the board’s highest priority in exercising its licensing, regulatory and disciplinary functions. This proposal will ensure that the board has sufficient resources to maintain current operations to meet its consumer protection mandate and to slowly restore the Pharmacy Board Contingent Fund to meet the statutory mandate of seeking a reserve of one year’s operating expenses. This allows the board to continue licensing, regulations and enforcement activities, which will ensure the health, safety, and welfare of California residents.



**CONSISTENCY AND COMPATIBILITY  
WITH EXISTING STATE REGULATIONS**

During the process of developing these regulations and amendments, the Board conducted a search of similar regulations on this topic and concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

**FISCAL IMPACT AND RELATED ESTIMATES**

Fiscal Impact on Public Agencies Including Costs/Savings to State Agencies or Costs/Savings in Federal Funding to the State:

It is estimated that the proposed fee increase will result in an increase in ongoing annual revenue by approximately \$8.1 million beginning in FY 2020/21.

The board does not anticipate any impact on federal funding.

This proposal does not impact any government owned business as by current law, government owned pharmacies, hospitals and clinics are exempt from paying licensure and renewal fees to the board.

Nondiscretionary Costs/Savings to Local Agencies: None.

Local Mandate: None.

Cost to Any Local Agency or School District for Which Government Code Sections 17500–17630 Require Reimbursement: None.

Business Impact:

Although the proposed action will directly affect businesses statewide, including small businesses, the board has made an initial determination that the adverse economic impact, including the ability of California businesses to compete with businesses in other states, will not be significant. This determination is based on the fact that the pharmaceutical industry is a multi-billion-dollar industry with annual revenue for the impacted licensing categories ranging from 3.6 million to 88 billion dollars.

Cost Impact on Representative Private Person or Business:

The Board of Pharmacy has made an initial determination that proposed regulatory action would change fees for individuals and businesses as detailed below:

**Resident Pharmacy/Hospital or Remote Site Dispensing Pharmacy**

Application: \$520 (current) to \$570  
Renewal: \$665 (current)/annually to \$930 annually

**Nonresident Pharmacy**

Application: \$520 (current) to \$570  
Renewal: \$665 (current)/annually to \$930 annually

**Pharmacy Technician**

Application: \$140 (current) to \$195  
Renewal: \$140 (current)/biennial to \$195 biennial  
Delinquent Fee: \$70 (current) to \$97.50

**Pharmacist**

Exam Application: \$260 (current) to \$285  
Initial License Fee: \$195 (current) to \$215  
Renewal: \$360 (current)/biennial to \$505 biennial

**Resident Wholesaler or Resident Third-Party Logistics Provider**

Application: \$780 (current) to \$820  
Renewal: \$780 (current)/annually to \$820 annually  
Temporary: \$715 (No Change)

**Hypodermic Needle and Syringe**

Application: \$170 (current) to \$240  
Renewal: \$200 (current)/annually to \$280 annually  
Delinquent Fee: \$100 (current) to \$140

**Designated Representative/Designated Representative–3PL/Designated Representative–Reverse Distributor/Designated Representative–VET**

Application: \$150 (current) to \$210  
Renewal: \$215 (current)/annually to \$300 annually  
Delinquent Fee: \$107.50 (current) to \$150

**Nonresident Wholesaler or Nonresident Third-Party Logistics Provider**

Application: \$780 (current) to \$820  
Renewal: \$780 (current)/annually to \$820 annually

**Pharmacy Intern**

Application: \$165 (current) to \$230

**Reissuance of a License** due to a change in information (other than name change)

\$100 (current) to \$130

**Clinic**

Application: \$520 (current) to \$570  
Renewal: \$325 (current)/annually to \$360 annually

**Resident Compound Sterile Injectable Drug Products or Hospital Satellite Compounding Pharmacy**

Application: \$1,645 (current) to \$2,305  
Renewal: \$1,325 (current)/annually to \$1,855 annually  
Temporary License: \$550 (current) to \$715

**Nonresident Sterile Compounding Pharmacy**

Application: \$2,380 (current) to \$3,335  
Renewal: \$2,270 (current)/annually to \$3,180 annually  
Temporary License: \$550 (current) to \$715

**Veterinary Food–Animal Drug Retailer**

Application: \$435 (current) to \$610  
Renewal: \$330 (current)/annually to \$460 annually



**Centralized Hospital Packaging Pharmacy**

Application: \$820 (current) to \$1,150  
 Renewal: \$805 (current)/annually to \$1,125

**Resident Outsourcing Facility**

Application: \$2,270 (current) to \$3,180  
 Renewal: \$1,325 (current)/annually to \$1,855

**Nonresident Outsourcing Facility**

Application: \$2,380 (current) to \$3,335  
 Renewal: \$2,270 (current)/annually to \$3,180 annually  
 Temporary: \$715 (No Change)

**Correctional Clinic**

Application: \$520 (current) to \$570  
 Renewal: \$325 (current)/annually to \$360 annually  
 Delinquent Fee: \$150 (No Change)

**EMSADDS**

Application: \$100 (No Change)  
 Renewal: \$100 annually (No Change)  
 Delinquent Fee: \$35 (No Change)

**Co-location Clinic**

Application: \$750 (No Change)

**Designated Paramedic**

Application: \$140 (No Change)  
 Renewal: \$140 biennial (No Change)  
 Delinquent Fee: \$65 (No Change)  
Effect on Housing Costs: None.

**EFFECT ON SMALL BUSINESS**

While the board does not have nor does it maintain data to define if any of its licensees are a “small business” as defined in Government Code section 11342.610, the board has made an initial determination that any adverse economic impact will not be significant. This determination is based on the annual revenue for the impacted licensing categories ranging from 3.6 million to 88 billion dollars, depending on the license type.

**RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS**

Impact on Jobs/New Businesses:

The board concludes that it is:

- (1) Unlikely that this proposal will create or eliminate any jobs within California;
- (2) Unlikely that this proposal will create new, or eliminate existing, businesses in California; and,
- (3) Unlikely that this proposal will expand businesses currently doing businesses within the state.

Benefits of Regulation:

The board has determined that this regulatory proposal benefits the health and welfare of California residents, worker safety, and the state’s environment. Protection of the public is the board’s highest priority in exercising its licensing, regulatory and disciplinary functions. This proposal will ensure that the board has sufficient resources to maintain current board operations to meet its consumer protection mandate and to slowly restore the Pharmacy Board Contingent Fund to meet the statutory mandate of a reserve of one year’s operating expenses.

**CONSIDERATION OF ALTERNATIVES**

The board must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would either be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposal described in this Notice, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may present statements or arguments in writing relevant to the above determinations at the address listed for the Contact Person during the written comment period.

**INITIAL STATEMENT OF REASONS AND INFORMATION**

The Board of Pharmacy has prepared an initial statement of the reasons for the proposed action and has available all the information upon which the proposal is based.

**TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations, and any document incorporated by reference, and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained upon request from the Board of Pharmacy at 1625 N. Market Blvd., N219, Sacramento, California 95834, or from the Board of Pharmacy’s website at <http://www.pharmacy.ca.gov>.

**AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE**

All the information upon which the proposed regulations are based is contained in the rulemaking file which

is available for public inspection by contacting the person named below.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named below or by accessing the website listed below.

**CONTACT PERSON**

Inquiries or comments concerning the proposed rule-making action may be addressed to:

Name: Lori Martinez  
Address: 1625 N. Market Blvd., N219  
Sacramento, CA 95834  
Phone No.: (916) 574-7935  
Fax No.: (916) 574-8617  
E-Mail Address: Lori.Martinez@dca.ca.gov

The backup contact person is:

Name: Debbie Damoth  
Address: 1625 N. Market Blvd., N219  
Sacramento, CA 95834  
Phone No.: (916) 574-7917  
Fax No.: (916) 574-8618  
E-Mail Address: Debbie.Damoth@dca.ca.gov

**WEBSITE ACCESS**

Materials regarding this proposal can be found at the Board of Pharmacy's website: [www.pharmacy.ca.gov](http://www.pharmacy.ca.gov).

**TITLE 16. BOARD OF PHARMACY**

NOTICE IS HEREBY GIVEN that the California State Board of Pharmacy (Board) is proposing to take the rulemaking action described below under the heading Informative Digest/Policy Statement Overview. Any person interested may present statements or arguments relevant to the action proposed in writing. Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by the Board at its office not later than 5:00 p.m. on June 17, 2019.

The Board has not scheduled a public hearing on this proposed action. The Board will, however, hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days prior to the close of the written comment period.

The Board may, after considering all timely and relevant comments, adopt the proposed regulations substantially as described in this notice, or may modify the proposed regulations if such modifications are suffi-

ciently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as the contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Pursuant to the authority vested by section 4052.01 of the Business and Professions Code to implement, interpret, and make specific section 4052.01 of the Business and Professions Code, the Board is proposing to amend Section 1746.3 of Article 5 of Division 17 of Title 16 of the California Code of Regulations as follows:

**INFORMATIVE DIGEST/POLICY STATEMENT  
OVERVIEW**

The Board of Pharmacy (Board) proposes to amend Section 1746.3 of Article 5 of Division 17 of Title 16 of the California Code of Regulations (CCR) for the purpose of providing the Board's executive officer the authority to approve alternative fact sheets for distribution to patients after being furnished naloxone hydrochloride by a pharmacist, as long as those fact sheets contain the same elements of the current Board-approved fact sheet. Additionally, the Board proposes to amend 16 CCR 1746.3 to require naloxone hydrochloride fact sheets provided to patients in alternate languages must be the current naloxone fact sheet approved and translated by the Board of Pharmacy.

Business and Professions Code (BPC) section 4001.1 provides that the Board's highest priority shall be the protection of the public while exercising its licensing, regulatory, and disciplinary functions, and further states, that whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

Section 4052.01 authorizes a pharmacist to furnish naloxone hydrochloride in accordance with standardized procedures or protocols developed and approved by both the Board and the Medical Board of California, in consultation with the California Society of Addiction Medicine, the California Pharmacists Association, and other appropriate entities. One requirement of this protocol is the furnishing of a Board-approved fact sheet. Existing regulations require pharmacists to provide the Board-approved fact sheet. (See Cal. Code Regs, tit. 16, § 16 CCR 1746.3.)

Currently, some pharmacists are furnishing the Board-approved fact sheet as well as their own fact sheet. This proposal will allow a pharmacy to furnish their own fact sheet as long as it contains the Board-approved elements and has been approved by the

Board's executive officer, thereby eliminating the duplicative work by the pharmacist, and also ensuring that the fact sheet contains the necessary information.

The proposed regulation would further amend 16 CCR Section 1746.3 by requiring that naloxone hydrochloride fact sheets provided to patients in alternate languages be the current naloxone fact sheet approved by the Board of Pharmacy, and specify that only the Board-approved fact sheet will be posted in alternative languages on the Board's website.

This regulatory proposal benefits the health and welfare of California residents because it would allow pharmacies licensed by the Board to format the naloxone hydrochloride fact sheet in a manner that assists their patient population which may increase the patient's review and familiarity of the information regarding naloxone hydrochloride while maintaining the required elements of the fact sheet specified in 16 CCR 1746.3.

#### ANTICIPATED BENEFITS OF PROPOSAL

This proposal will authorize the Board's executive officer to approve alternative naloxone hydrochloride fact sheets as long as they contain the same elements and information required in the Board-approved fact sheet. These fact sheets may be developed and submitted by individual pharmacies for approval and therefore they can be formatted in a different manner or contain additional information than the Board-approved fact sheet. Allowing the Board's executive officer the authority to approve such fact sheets, will allow pharmacies to streamline their work processes by eliminating the need to furnish more than one fact sheet at the time naloxone hydrochloride is furnished. Additionally, this will allow pharmacies to format and present the same subject matter for their specific patient populations. The proposal will also ensure that patients receive fact sheets that contain the information required by the Board.

#### CONSISTENCY AND COMPATIBILITY WITH EXISTING STATE REGULATIONS

During the process of developing these regulations and amendments, the Board has conducted a search of any similar regulations on this topic and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

#### FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs/Savings to State Agencies or Costs/Savings in Federal

Funding to the State: The Board estimates that the cost to it to implement this proposal will be less than \$36 per request, which the Board can absorb within its existing resources.

Nondiscretionary Costs/Savings to Local Agencies: None.

Local Mandate: None.

Cost to Any Local Agency or School District for Which Government Code Sections 17500–17630 Require Reimbursement: None.

Business Impact:

The Board has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

This initial determination is based on the fact that the proposed regulation does not impose additional requirements on businesses; rather, the proposed regulation allows for businesses to streamline processes and reduce the need for furnishing duplicate fact sheets at the time naloxone hydrochloride is furnished by a pharmacist under required protocol. Businesses were already required to produce a fact sheet, even prior to this proposal.

Cost Impact on Representative Private Person or Business:

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. Licensees are already required to produce a fact sheet. Further, the Board has been advised by licensees that this proposal will allow the licensees to streamline their business processes and reduce costs. As one licensee testified at the May 3–4, 2017, Board meeting, the pharmacies within one large retail chain currently print their own personalized fact sheets with other medication-related information in addition to the Board-approved fact sheet to ensure compliance with 16 CCR 1746.3 (c)(6). The addition of the approval process by the Board's executive officer will allow pharmacies to utilize their own forms and eliminate the need for furnishing duplicative forms.

Effect on Housing Costs: None.

Report Requirements: None.

#### EFFECT ON SMALL BUSINESS

While the Board does not have nor does it maintain data to define if any of its licensees (pharmacies) are a "small business" as defined in Government Code section 11342.610, the Board has made an initial determination that the proposed regulatory action would not have a significant adverse economic impact directly affecting small businesses. As previously mentioned, the

proposed regulation will assist all businesses including small businesses in streamlining processes and reducing duplication of work when naloxone hydrochloride is furnished by a pharmacist.

### RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS

#### Impact on Jobs/New Businesses:

The Board has determined that this regulatory proposal will not have a significant impact on the creation or elimination of jobs or new businesses or the expansion of businesses in the State of California. This initial determination is based on the fact that pursuant to 16 CCR 1746.3, a pharmacist is currently required to provide a Board-approved naloxone hydrochloride fact sheet upon furnishing of naloxone hydrochloride. This proposal does not add a requirement for a pharmacist furnishing naloxone hydrochloride, rather, the proposed regulation will allow for the licensees to streamline business processes and reduce duplicative work when naloxone hydrochloride is furnished by a pharmacist.

#### Benefits of Regulation:

The Board has determined that this regulatory proposal will benefit the health and welfare of California residents as the proposed regulation will allow for Board licensees to format the required naloxone hydrochloride fact sheet for their specific patient population which may provide for increased patient education as intended by the fact sheet. This regulatory proposal may benefit the state's environment because there may be less paper products used and related waste as pharmacies will be able to provide only one fact sheet rather than the two facts sheets currently being provided by some pharmacies, the Board-approved and pharmacy specific fact sheets. The proposed regulation will not benefit worker safety.

### CONSIDERATION OF ALTERNATIVES

The Board must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would either be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposal described in this Notice, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may present statements or arguments in writing relevant to the above determinations

at the address listed for the Contact Person during the written comment period.

### INITIAL STATEMENT OF REASONS AND INFORMATION

The Board of Pharmacy has prepared an initial statement of the reasons for the proposed action and has available all the information upon which the proposal is based.

### TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations, any document incorporated by reference, of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained upon request from the Board of Pharmacy at 1625 N. Market Blvd., N219, Sacramento, California 95834, or from the Board of Pharmacy's website at <http://www.pharmacy.ca.gov>.

### AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named below or by accessing the website listed below.

### CONTACT PERSON

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Name: Debbie Damoth  
Address: 1625 N. Market Blvd., N219  
Sacramento, CA 95834  
Phone No.: (916) 574-7935  
Fax No.: (916) 574-8618  
E-Mail Address: [Debbie.Damoth@dca.ca.gov](mailto:Debbie.Damoth@dca.ca.gov)

The backup contact person is:

Name: Lori Martinez  
Address: 1625 N. Market Blvd., N219  
Sacramento, CA 95834  
Phone No.: (916) 574-7917  
Fax No.: (916) 574-8618  
E-Mail Address: [Lori.Martinez@dca.ca.gov](mailto:Lori.Martinez@dca.ca.gov)



WEBSITE ACCESS

Materials regarding this proposal can be found at the Board of Pharmacy's website: [www.pharmacy.ca.gov](http://www.pharmacy.ca.gov).

[Yolanda.Rushin@energy.ca.gov](mailto:Yolanda.Rushin@energy.ca.gov), or (916) 654-4310, at least five days in advance.

**TITLE 20. CALIFORNIA ENERGY COMMISSION**

Title 20. Public Utilities and Energy  
Division 2. State Energy Resources Conservation and Development Commission  
Chapter 4. Energy Conservation  
Article 4. Appliance Efficiency Regulations

California Energy Commission  
Spray Sprinkler Bodies  
Docket No. 19-AAER-01

INTRODUCTION

The California Energy Commission proposes to adopt regulations for spray sprinkler bodies after considering all comments, objections, and recommendations, regarding the proposed action.

PUBLIC HEARING

Energy Commission staff will hold a public hearing for the proposed regulations on the following date and time. Interested persons, or his or her authorized representative, may present oral and written statements, arguments, or contentions relevant to the proposed regulations at the hearing. The record for this hearing will be kept open until 12:00 p.m. (Pacific Time) or until every person present who indicates a desire to speak has had an opportunity to do so.

**Tuesday, June 18, 2019**

10:00 a.m.–12:00 p.m. (Pacific Time)

California Energy Commission

1516 9th Street

Sacramento, CA 95814

First Floor, Imbrecht Hearing Room

(Wheelchair accessible)

Audio for the hearing will be broadcast over the internet. Details regarding the Energy Commission's webcast can be found at [www.energy.ca.gov/webcast](http://www.energy.ca.gov/webcast).

If you have a disability and require assistance to participate in the hearing, please contact Yolanda Rushin at

WRITTEN COMMENT PERIOD

You may submit written comments to the Commission for consideration on or prior to June 10, 2019. The Energy Commission appreciates receiving written comments at the earliest possible date.

Please submit comments using the Energy Commission's e-commenting feature by going to the Energy Commission's spray sprinkler bodies webpage at <https://www.energy.ca.gov/appliances/2019-AAER-01/>, Docket Number 19-AAER-01 then select the "Submit e-comment" link. A full name, e-mail address, comment title, and either a comment or an attached document (.doc, .docx, or .pdf format) is mandatory. After a challenge-response test used by the system to ensure that responses are generated by a human user and not a computer, click on the "Agree & Submit Your Comment" button to submit the comment to the California Energy Commission's Docket Unit.

Please note that written comments, attachments, and associated contact information included within the written comments and attachments (e.g., your address, phone, email, etc.) become part of the viewable public record.

You are encouraged to use the electronic filing system, described above, to submit comments. All written comments submitted prior to the hearing must be submitted to the docket. If you are unable to submit electronically, a paper copy of your comments may be sent to:

Docket Unit  
California Energy Commission  
Docket No. 19-AAER-01  
1516 9th Street, MS-4  
Sacramento, CA 95814  
Telephone: (916) 654-5076

Or by email to [DOCKET@energy.ca.gov](mailto:DOCKET@energy.ca.gov).

Or fax them to Dockets at (916) 654-4354.

PUBLIC ADVISER

The Energy Commission's Public Adviser, Alana Mathews, is available to assist any person who wishes to participate in this proceeding. For assistance from the Public Adviser's Office, please call (916) 654-4489 or toll-free in California at (800) 822-6228 or contact [publicadviser@energy.ca.gov](mailto:publicadviser@energy.ca.gov).

## NEWS MEDIA INQUIRIES

News media inquiries should be directed to the Media and Public Communications Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.ca.gov](mailto:mediaoffice@energy.ca.gov).

## STATUTORY AUTHORITY AND REFERENCE

Public Resources Code Sections 25213, 25218(e), 25401.9(b) and 25402(c) authorize the Energy Commission to adopt rules or regulations, as necessary, to implement, interpret, and make specific Public Resources Code Sections 25401.9(b), 25402(c) and 25216.5(d).

## INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Warren-Alquist Act establishes the Energy Commission as California's primary energy policy and planning agency. Sections 25213, 25218(e), 25401.9(b) and 25402(c) of the Public Resources Code mandate and/or authorize that the Energy Commission adopt rules and regulations, as necessary, to reduce the inefficient consumption of energy and water by prescribing efficiency standards and other cost-effective measures for appliances whose use requires a significant amount of energy or water statewide.

One of the ways the Energy Commission satisfies this requirement is through the Appliance Efficiency Regulations (California Code of Regulations, Title 20, Sections 1601-1609), which contain definitions, test procedures, efficiency standards, and marking and certification requirements for state and federally regulated appliances. Further, the regulations require that appliance manufacturers certify to the Energy Commission that their products meet all applicable state and federal appliance efficiency regulations before their products can be included in the Energy Commission's database of appliances approved to be sold or offered for sale within California.

Specifically, Public Resources Code Section 25401.9(b) requires the Energy Commission to adopt performance standards and labeling requirements for landscape irrigation equipment. Landscape irrigation is the single largest use of potable water in the urban sector and accounts for approximately half of total urban water usage in California. The water is lost as it runs off the landscape, evaporates into the air, or drains beneath the reach of the plant roots. It is therefore necessary to regulate the water efficiency of spray sprinkler bodies to reduce water waste in California.

Therefore, in compliance with statute, the Energy Commission has prepared the proposed regulations to

provide definitions, test procedures, reporting requirements, and efficiency standards for spray sprinkler bodies manufactured on after October 1, 2020, and sold or offered for sale in California.

### **Difference from existing comparable federal regulation or statute**

The Energy Commission has reviewed the applicable federal statutes and regulations and confirmed that no federal regulations or statutes currently exist for spray sprinkler bodies.

### **Broad objectives of the regulations and the specific benefits anticipated by the proposed amendments**

The broad objective of the regulations is to carry out the Energy Commission's statutory mandate to save water by providing statewide performance standards for spray sprinkler bodies in the appliance efficiency regulations. Improving the efficiency of landscape irrigation represents an opportunity to save water in California. Landscape irrigation in urban areas in California consumes more than 1.1 trillion gallons of water per year. The Energy Commission identified over irrigation, excessive water pressure, and leakage during non-operation as contributing to the inefficient irrigation of landscapes. The water is lost as it runs off the landscape, evaporates into the air, or drains beneath the reach of the plant roots. The proposed regulations establish definitions, test procedures, labeling and reporting requirements, and efficiency performance standards.

The Energy Commission is proposing to adopt the test method for spray sprinkler bodies provided in Appendix B of the U.S. Environmental Protection Agency (EPA) WaterSense(r) Specification for Spray Sprinkler Bodies, version 1.0, dated September 21, 2017. WaterSense is a voluntary partnership program that promotes water-efficient products and services and efficient water use throughout the United States. The WaterSense test method tests the spray sprinkler body's ability to provide pressure regulation and maintain consistent flow over a range of inlet water pressures. This pressure regulation controls the output pressure to the spray nozzle to maintain the manufacturer-recommended operating pressure as the input pressure varies. Pressure-regulated spray sprinkler bodies prevent excessive water flow rates, misting, wind drift, evaporation, and poor uniformity. Therefore, the Energy Commission is also proposing efficiency standards for spray sprinkler bodies that requires pressure regulation to achieve these benefits.

The specific benefits of the proposed regulations would be utility bill cost savings to the consumer, and lower statewide water and energy use. The proposed regulations will save approximately 15 billion gallons of water the first year the standard is in effect and more than 152 billion gallons per year at full stock turnover in

10 years. In addition, electricity is conserved indirectly as less water is pumped to provide landscape irrigation. The proposed efficiency standards yield total annual electricity savings estimated at 54 gigawatt-hours (GWh) in 2020 and 543 GWh electricity savings by 2029. The proposed standards will protect public health and the environment by avoiding greenhouse gas emissions and criteria air pollutants associated with electricity generation.

**Determination of inconsistency or incompatibility with existing state regulations**

The Energy Commission has conducted an evaluation for any other regulations in this topic area and found that the Department of Water Resources (DWR) and the California State Water Resources Control Board (SWRCB) have regulations related to landscape irrigation and water conservation.

Title 24, part 11 requires compliance with the DWR State Model Water Efficient Landscape Ordinance (MWELo) or local landscape ordinance and applies to certain new construction projects, rehabilitated landscape projects, cemeteries and certain existing landscapes. In Title 23, Section 492.7(a)(1)(C), MWELo requires the use of pressure regulating devices to be a part of the design plan if the water pressure exceeds the recommended pressure of the specified irrigation devices. The MWELo requirements are consistent with the proposed regulations.

The California SWRCB issued regulations to permanently prohibit certain wasteful water uses including prohibiting runoff from landscaped areas. The prohibitions apply to a variety of water users including homeowners, homeowners' associations, cities, and counties. The California SWRCB requirements are consistent with the proposed regulations.

The proposed regulations would not prevent compliance with existing state regulations. Therefore, the Energy Commission has determined that the proposed regulations are neither inconsistent nor incompatible with either of these regulations.

**DOCUMENTS INCORPORATED BY REFERENCE**

The Energy Commission proposes to incorporate by reference the following document:

Appendix B of the EPA WaterSense(r) Specification for Spray Sprinkler Bodies, Version 1.0, dated September 21, 2017.

This document is available for review on our website at <http://www.energy.ca.gov/appliances/2019->

AAER-01/ and at the Energy Commission located at 1516 Ninth Street, Sacramento, California 95814.

**MANDATED BY FEDERAL LAW OR REGULATIONS**

None.

**OTHER STATUTORY REQUIREMENTS**

None.

**FISCAL IMPACTS**

The Energy Commission has made the following initial determinations:

- The mandate on local agencies and school districts: None.
- The cost to any local agency or school district requiring reimbursement pursuant to 17500 et seq. None.
- Cost or savings to any state agency: State governments are projected to purchase 190,000 spray sprinkler bodies each fiscal year. The estimated increased cost to state agencies in fiscal year (FY) 2020–21 is \$889,000. State agencies will begin saving money on these sprinklers when they are installed. The estimated savings in FY 2020–21 is \$606,000. While the costs are limited to FY 2020–21, the savings will accrue over the lifetime of the sprinkler, exceeding the initial cost of the sprinkler in the second year after installation.
- Non-discretionary cost or savings imposed upon local agencies: Local governments are projected to purchase 665,000 spray sprinkler bodies each fiscal year. The estimated increased cost to local governments in FY 2020–21 is \$3.1 million. Local governments will begin saving money on these sprinklers when they are installed. The estimated savings in FY 2020–21 is \$2.1 million. While the costs are limited to FY 2020–21, the savings will accrue over the lifetime of the sprinkler, exceeding the initial cost of the sprinkler in the second year after installation.
- Cost or savings in federal funding to the state: None.

**SIGNIFICANT EFFECT ON HOUSING COSTS**

None.

SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY OF CALIFORNIA BUSINESSES TO COMPETE WITH BUSINESSES IN OTHER STATES

The Energy Commission estimates that approximately 1000 businesses may be impacted by the regulations. However, these regulations are not likely to result in a significant adverse economic impact on any business.

The Energy Commission is proposing to adopt the test method for spray sprinkler bodies provided in Appendix B of the EPA WaterSense(r) Specification for Spray Sprinkler Bodies, Version 1.0, dated September 21, 2017. WaterSense is a voluntary partnership program that promotes water-efficient products and services and efficient water use throughout the United States. The WaterSense test method tests the spray sprinkler body’s ability to provide pressure regulation and maintain consistent flow over a range of inlet water pressures. This pressure regulation controls the output pressure to the spray nozzle to maintain the manufacturer–recommended operating pressure as the input pressure varies. Pressure–regulated spray sprinkler bodies prevent excessive water flow rates, misting, wind drift, evaporation, and poor uniformity.

The proposed regulations do not create the need for a new, non–existent good or service. Instead, it requires the improvement of existing goods in the market. The economic impact on any retailers, distributors, or utilities is expected to be small compared to the total sales of these entities, and insufficient to have an adverse economic impact affecting business. Sales of spray sprinkler bodies are not expected to change significantly as a result of the proposed regulations.

While the efficiency standards for spray sprinkler bodies have an initial increased incremental cost for the improved efficiency the Energy Commission assumes that spray sprinkler body manufacturers will pass the incremental cost to improve the efficiency of the spray sprinkler body onto the distributors and retailers, which will then pass on the cost to consumers. However, the increased efficiency will result in lower water bills through reduced water consumption. The savings from the lower water bills over the lifetime of the more efficient spray sprinkler body will exceed the incremental costs of improvement, resulting in overall economic savings

Under the appliance efficiency regulations, retailers are responsible for ensuring that the regulated products they sell are certified to the Energy Commission and appear in the Commission’s Modernized Appliance Efficiency Database System (MAEDbS) before they are sold or offered for sale in California. Because spray sprinkler bodies are newly covered products, the Ener-

gy Commission assumes that retailers will experience some additional costs associated with checking MAEDbS to ensure that the spray sprinkler bodies they sell appear in the MAEDbS and are therefore compliant and lawful to sell in the state.

Some retailers may choose to incur additional costs if they rebrand an appliance that is not certified to MAEDbS and wish to sell it in California. These retailers are required to certify the appliances to California, and therefore will incur costs associated with reporting to the MAEDbS.

By the end of the analysis period in 2029, the Energy Commission estimates the creation of 5,041 jobs and the elimination of no jobs. This is based on the Standardized Regulatory Impact Assessment (SRIA) completed by the Energy Commission with analysis performed by Evergreen Economics. The economic analysis assumes one–third of the spray sprinkler bodies will be manufactured by California manufacturers and the increased incremental cost of spray sprinkler bodies will lead to additional revenue for these companies. An increased investment in labor by manufacturers and suppliers is expected in order to meet the demand for compliant products. Additional jobs may be created as monetary savings due to lower water utility bills accrue, increasing the discretionary income of California consumers. This discretionary income is used in ways that increase the gross state product or economic activity in the state.

RESULTS OF THE STANDARDIZED REGULATORY IMPACT ASSESSMENT

Based on the nature of the proposed regulatory changes and a review of the criteria set forth by the California Department of Finance (DOF), the Energy Commission has determined that the proposed rulemaking is a major regulation requiring a SRIA. The Energy Commission collaborated with Evergreen Economics to conduct an analysis of the proposed new performance standards for spray sprinkler bodies to evaluate the economic impact. Evergreen Economics used the Impact Analysis for Planning (IMPLAN) modeling software to estimate how the proposed standards will affect California’s single–family residences, businesses, multi–family residences, and government facilities. Evergreen Economics also estimated the effects on spray sprinkler manufacturers based in California.

The SRIA concluded that: (1) the proposal is estimated to create jobs within California, (2) the proposal is not expected to eliminate jobs within California, (3) the proposal will not create new businesses in California, (4) the proposal will not eliminate existing businesses within California, (5) the proposal will not result in a competitive advantage for businesses currently doing



business within the state, (6) the proposal will not result in a competitive disadvantage for businesses currently doing business within the state, (7) it is likely the proposal will increase investment in the state, (8) it is unlikely the proposal will decrease investment in the state and, (9) it is likely the regulations may provide incentive for innovation in products, materials, or processes.

**Benefit of the Proposed Action:** The proposed regulations would provide cost savings to the consumer, and lower statewide water and energy use. The proposed regulations will save approximately 15 billion gallons of water the first year the standard is in effect and more than 152 billion gallons per year at full stock turnover in 10 years. In addition, the proposed regulations will save approximately 54 GWh of electricity in the first year and 543 GWh of electricity at full stock turnover in 10 years.

The proposed regulations will have a significant positive impact on the environment through water and energy efficiency gains and avoiding GHG emissions and criteria pollutant emissions associated with the generation of electricity.

**Summary of comments submitted by the (DOF) and the Energy Commission's responses to those comments.**

**DOF Comment #1:**

*The SRIA must include the impact of sprinklers used in multi-family residential properties, as sprinklers in those structures would also be required. Sources cited in the SRIA note that the stock of sprinklers on multi-family properties is roughly comparable to the stock used on commercial properties, or 20 percent of the total. Including these sprinklers would raise the costs to around \$140 million a year, and increase savings on water and energy to around 16 billion gallons and 60 GWh, respectively.*

**Energy Commission's Response:**

Commission staff has added an estimate of the impact from sprinklers in multi-family properties. The number of sprinklers is based on estimates of the number of single-family attached and multi-family units in California. Staff assumed 429 square feet of irrigated ground per housing unit and that each sprinkler irrigates 100 square feet. With these assumptions staff determined there are approximately 23 million spray sprinkler bodies installed in California.

Staff calculated the water, energy, and utility bill savings due to the proposed regulation for sprinklers installed around multi-family residences and updated the analysis to reflect these additional savings. The additional savings totaled approximately 11 billion gallons of water and \$72 million per year after all non-compliant stock is replaced. Staff also evaluated the

savings due to these sprinklers for the other alternatives considered in this analysis.

**DOF Comment #2:**

*The analysis should account for an increasing baseline of sprinkler usage over time, given that the state is expected to add around 2 million more housing units from 2020 to 2029. While water consumption has been relatively flat since the drought restrictions in 2016, and anecdotally more landscaping is switching to drought-tolerant designs, the sheer scale of additions is likely to overwhelm these factors. Against an increasing baseline, the proposed regulations would be even more important to increasing California water and energy efficiency. Given lower water and energy demands, utilities face less need for additional investments in costly infrastructure.*

**Energy Commission's Response:**

Commission staff agrees that the analysis does not provide an estimate of savings for sprinklers that will be placed around newly constructed housing units.

Population growth and the housing shortage in California will require approximately two million additional housing units to be built during the period of analysis, years 2020 through 2029. The new housing units will have irrigated landscapes that contain sprinklers within the scope of the regulations. The sprinklers would also be within the scope of the MWELo. The ordinance contains similar requirements for pressure regulation as the Commission's proposed regulation. Commission staff chose not to estimate savings from sprinklers around new construction to avoid double counting of water and utility bill savings occurring due to MWELo.

**COST IMPACTS ON REPRESENTATIVE PERSON OR BUSINESS**

The Energy Commission is not aware of any significant cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

The water efficiency standard for spray sprinkler bodies have an initial increased incremental cost to individuals and businesses for the improved water efficiency, but the increased water efficiency will result in lower utility bills to those individuals and businesses through reduced water consumption. The savings from the lower utility bills over the lifetime of the more efficient spray sprinkler bodies exceed the incremental costs of improvement, resulting in overall economic savings.

The businesses involved in the distribution and sales of spray sprinkler bodies may experience increased wholesale purchase prices of spray sprinkler bodies due to the proposed standard; however, the Energy Com-

mission assumes these costs are entirely passed along to the end consumer, so that there are no direct economic impacts of the proposed standards to these businesses. Spray sprinkler body shipments and sales are not expected to change significantly as a result of the proposed regulations. Some retailers may choose to incur additional costs if they rebrand a spray sprinkler body that is not certified to MAEDbS and wish to sell it in California. These retailers are required to certify the appliances to California, and therefore will incur costs associated with reporting to the MAEDbS.

Sellers of water, both retail and wholesale, may experience slightly reduced sales of water due to the proposed standard. However, any reduction in sales is small compared to the total water sales of these entities and therefore negligible.

### BUSINESS REPORT

The regulations impose a new reporting requirement for manufacturers of spray sprinkler bodies.

State law (Public Resources Code Section 25402(c)(1)) requires manufacturers to certify to the Energy Commission that their appliances comply with the applicable energy efficiency standards before they are sold or offered for sale in the state. The Appliance Efficiency Regulations require manufacturers to provide specified information for this purpose to the MAEDbS. MAEDbS is used by manufacturers and maintained by the Energy Commission to list the appliances authorized to be sold or offered for sale in California. This is necessary to help the Energy Commission and consumers verify compliance with applicable federal and state efficiency standards. Some retailers may choose to act as a manufacturer when they rebrand a product and assume the certification burden for that spray sprinkler or spray sprinkler body model.

It is necessary for the health, safety, or welfare of the people of the state, that these regulations, which require a report, apply to businesses.

### SMALL BUSINESS

The Energy Commission is not aware of any significant cost impacts that a small business, as defined in Government Code Section 11346.3(b)(4)(B), would incur in reasonable compliance with the proposed action. There are small business manufacturers that manufacture spray sprinkler bodies outside of California. However, there are no small businesses engaged in the manufacturing of spray sprinkler bodies within the state.

The small businesses involved in the distribution and sales of spray sprinkler bodies may experience increased wholesale purchase prices due to the proposed

standard. However, the Energy Commission assumes these costs are entirely passed along to the end consumer so that there are no direct economic impacts of the proposed standard to these businesses.

### CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5, subdivision (a)(13), the Commission must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the attention of the agency, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Energy Commission invites interested persons to present statements or arguments concerning alternatives to the proposed regulations at the scheduled hearing or during the written comment period.

### CONTACT PERSON

Please direct inquiries concerning all aspects of the rulemaking process including requests for copies of the proposed text (the “express terms”), the initial statement of reasons (ISOR), any modified version of the regulations, the substance of the proposed regulations, or any other information upon which the rulemaking is based to:

Corrine Fishman  
Regulations Manager, Efficiency Division  
1516 Ninth Street  
Sacramento, CA 95814-5512  
(916) 654-4976  
[Corrine.Fishman@energy.ca.gov](mailto:Corrine.Fishman@energy.ca.gov)

If Corrine Fishman is unavailable, you may contact Sean Steffensen at [Sean.Steffensen@energy.ca.gov](mailto:Sean.Steffensen@energy.ca.gov) or (916) 651-2908.

### COPIES OF THE INITIAL STATEMENT OF REASONS, THE EXPRESS TERMS, AND RULEMAKING FILE

The Energy Commission will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the express terms, the Initial Statement of Reasons (ISOR), documents incorporated by reference, and

documents relied upon. Copies may be obtained by contacting Corrine Fishman at the address or phone number listed above or accessed through the Energy Commission's website at <https://www.energy.ca.gov/appliances/2019-AAER-01/>.

**AVAILABILITY OF SUBSTANTIAL  
CHANGES TO ORIGINAL  
PROPOSAL FOR AT LEAST 15  
DAYS PRIOR TO AGENCY  
ADOPTION/REPEAL/AMENDMENT  
OF RESULTING REGULATIONS**

Participants should be aware that any of the proposed regulations could be substantively changed as a result of public comment, staff recommendation, or recommendations from Commissioners. Moreover, changes to the proposed regulations not indicated in the express terms could be considered if they improve the clarity or effectiveness of the regulations. If the Energy Commission considers changes to the proposed regulations pursuant to Government Code Section 11346.8, a full copy of the text will be available for review at least 15 days prior to the date on which the Energy Commission adopts or amends the resulting regulations.

**COPY OF THE FINAL  
STATEMENT OF REASONS**

At the conclusion of the rulemaking, persons may obtain a copy of the Final Statement of Reasons (FSOR), once it has been prepared, by visiting the Commission's website at <https://www.energy.ca.gov/appliances/2019-AAER-01/> or contacting the contact person listed above.

**AVAILABILITY OF  
DOCUMENTS ON THE INTERNET**

The Energy Commission maintains a website in order to facilitate public access to documents prepared and considered as part of this rulemaking proceeding. Documents prepared by the Energy Commission for this rulemaking, including this Notice of Proposed Action, the express terms, and the Initial Statement of Reasons have been posted on our website at <https://www.energy.ca.gov/appliances/2019-AAER-01/>.

**SUMMARY OF REGULATORY  
ACTIONS**

**REGULATIONS FILED WITH  
SECRETARY OF STATE**

This Summary of Regulatory Actions lists regulations filed with the Secretary of State on the dates indicated. Copies of the regulations may be obtained by contacting the agency or from the Secretary of State, Archives, 1020 O Street, Sacramento, CA 95814, (916) 653-7715. Please have the agency name and the date filed (see below) when making a request.

File# 2019-0313-01  
CALIFORNIA ALTERNATIVE ENERGY AND  
ADVANCED TRANSPORTATION FINANCING AU  
Sales and Use Tax Exclusion Program

This action relating to the existing sales and use tax exclusion program for Alternative Source, Advanced Transportation, and Advanced Manufacturing projects incorporates measures to assist companies relocating or rebuilding after critical damage caused by natural disasters to promote the goals of retaining manufacturing facilities and jobs in California.

Title 4  
AMEND: 10032, 10036  
Filed 04/11/2019  
Effective 07/01/2019  
Agency Contact: Jennifer Gill (916) 653-3033

File# 2019-0402-01  
CALIFORNIA HEALTH FACILITIES FINANCING  
AUTHORITY  
Children's Hospital Program of 2018

On November 6, 2018, California voters passed Proposition 4, which enabled the State of California to issue \$1.5 billion in general obligation bonds to fund the Children's Hospital Program of 2018 (the "Program"). Pursuant to Health and Safety Code section 1179.84, "The purpose of the . . . Program is to improve the health and welfare of California's critically ill children by providing a stable and ready source of funds for capital improvement projects for children's hospitals." In this emergency rulemaking, the California Health Facilities Financing Authority is creating the mechanism whereby these funds may be disbursed to eligible entities.

**Title 4**

ADOPT: 7000, 7001, 7002, 7003, 7003.1, 7004, 7004.1, 7005, 7006, 7006.1, 7007, 7007.1, 7008, 7008.1, 7009, 7010, 7011, 7012, 7013, 7013.1, 7013.2, 7014, 7015, 7016, 7017

Filed 04/12/2019

Effective 04/12/2019

Agency Contact:

Carolyn Aboubechara (916) 653-3213

File# 2019-0327-01

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY**

**Conflict-of-Interest Code**

This is an amendment to a Conflict-of-Interest Code that has been approved by the Fair Political Practices Commission, and submitted for filing with the Secretary of State and printing in the California Code of Regulation only.

**Title 2**

AMEND: 57200

Filed 04/11/2019

Effective 04/10/2019

Agency Contact: Tevea Him (415) 403-1416

File# 2019-0228-01

**CANNABIS CONTROL APPEALS PANELS**

**Appeals Procedures**

This action establishes procedures to be followed by all parties when filing, responding to, or otherwise participating in an appeal concerning adverse administrative actions taken against cannabis license applicants and licensees by cannabis licensing authorities.

**Title 16**

ADOPT: 6000, 6001, 6002, 6003, 6004, 6005, 6006, 6007, 6008, 6009, 6010, 6011, 6012, 6013, 6014, 6015, 6016, 6017, 6018

AMEND: 6020

Filed 04/12/2019

Effective 07/01/2019

Agency Contact:

Christopher Phillips (916) 653-4090

File# 2019-0308-01

**DEPARTMENT OF CORRECTIONS AND REHABILITATION**

**Dental and Mental Health**

These changes without regulatory effect relocate certain medical, mental health, and dental care regulations from Division 3, Chapter 1 and consolidate all such regulations in Division 3, Chapter 2. The action also relocates regulations into applicable Articles within Chapter 2. The purpose of this action is to enable affected

persons to be informed of their rights and responsibilities in a straightforward and easy to follow manner.

**Title 15**

AMEND: 3352.2(a)(1)(4) and (5) amended and renumbered as 3999.364; 3352.2(a)(2) and (3) deleted as duplicative of section 3999.98; 3352.2(b)(c)(d) amended and renumbered as 3999.365(a)(b)(c); 3352.3 amended and renumbered as 3999.366; 3354(a) amended and renumbered as 3999.132(a); 3354(b) amended and renumbered as 3999.426(a); 3354(c) amended and renumbered as 3999.207(a); 3354(d) amended and renumbered as 3999.402(a); 3354(e) amended and renumbered as 3999.429(a); 3360 amended and renumbered as 3999.330(a)(b)(c); 3361(a) amended and renumbered as 3999.330(d); 3361(b) amended and renumbered as 3999.207(b); 3361(c) amended and renumbered as 3999.330(e); 3362 amended and renumbered as 3999.330(f); 3364 amended and renumbered as 3999.344; 3364.1(a)(1)-(5) and (8)-(11) amended and renumbered as 3999.345(a)(1)-(9); 3364.1(a)(6)-(7) amended and renumbered as 3999.98; 3364.2 amended and renumbered as 3999.346; 3367 amended and renumbered as 3999.349; 3368 amended and renumbered as 3999.350; 3369 amended and renumbered as 3999.348; 3369.1 amended and is renumbered as 3999.342; 3999.98 is amended; 3999.99 is amended and relocated; 3999.202 is amended; 3999.225 is amended; 3999.226 is amended; 3999.227 is amended; 3999.228 is amended; 3999.229 is amended; 3999.230 is amended; 3999.231 is amended; 3999.232 is amended; 3999.233 is amended; 3999.235 is amended; 3999.236 is amended; 3999.237 is amended; 3999.320 is amended; 3999.410 amended and renumbered as 3999.432; 3999.411 amended and renumbered as 3999.425; 3999.440 amended and renumbered as 3999.417

Filed 04/15/2019

Agency Contact:

Rhiannon Mehlhaff (916) 691-6948

File# 2019-0307-01

**DEPARTMENT OF FOOD AND AGRICULTURE**

**Peach Fruit Fly Eradication Area**

This certificate of compliance by the Department of Food and Agriculture makes permanent the emergency action (OAL File No.: 2018-0911-01E) that proclaimed Ventura County as an eradication area with respect to the peach fruit fly, *Bactrocera zonata*. The effect of this action provides authority for the state to perform eradication activities against the peach fruit fly within this county.



Title 3  
 AMEND: 3591.12  
 Filed 04/15/2019  
 Effective 04/15/2019  
 Agency Contact: Rachel Avila (916) 403-6813

File# 2019-0311-02  
 DEPARTMENT OF HUMAN RESOURCES  
 Annual Paid Leave Board and Commission Members

The Department of Human Resources submitted this file and print action to add “panels” and the Cannabis Control Appeals Panel to a regulation that provides for annual paid leave for nonelected members of state boards and commissions whose annual salaries are fixed by law.

Title 2  
 AMEND: 599.752.1  
 Filed 04/10/2019  
 Effective 04/10/2019  
 Agency Contact: Jodi LeFebre (916) 323-8490

File# 2019-0329-01  
 DIVISION OF WORKERS’ COMPENSATION  
 Medical Treatment Utilization Schedule (MTUS)

This file-and-print action makes evidence-based updates to the medical treatment utilization schedule (MTUS). This action is exempt from the rulemaking provisions of the Administrative Procedure Act and OAL review pursuant to Labor Code section 5307.27(a).

Title 8  
 AMEND: 9792.23.1, 9792.23.3, 9792.23.4, 9792.23.7, 9792.23.8  
 Filed 04/11/2019  
 Effective 04/18/2019  
 Agency Contact: John Cortes (510) 286-0519

File# 2019-0307-03  
 EMERGENCY MEDICAL SERVICES  
 AUTHORITY  
 Stroke Critical Care System

The Emergency Medical Services Authority (EMSA) is adopting regulations to develop and implement a stroke critical care system. These regulations standardize the requirements for the development and implementation of a stroke critical care system. The regulations specify what is required of a local EMS agency to develop and implement a stroke critical care system including the requirement that a Stroke Critical Care System Plan and Plan updates be submitted to EMSA.

Title 22  
 ADOPT: 100270.200, 100270.201, 100270.202, 100270.203, 100270.204, 100270.205, 100270.206, 100270.207, 100270.208, 100270.209, 100270.210, 100270.211, 100270.212, 100270.213, 100270.214, 100270.215, 100270.216, 100270.217, 100270.218, 100270.219, 100270.220, 100270.221, 100270.222, 100270.223, 100270.224, 100270.225, 100270.226, 100270.227, 100270.228, 100270.229  
 Filed 04/17/2019  
 Effective 07/01/2019  
 Agency Contact:  
 Esam El-Morshedy (916) 431-3656

File# 2019-0322-03  
 FAIR POLITICAL PRACTICES COMMISSION  
 Audits and Investigations

This action by the Fair Political Practices Commission adopts auditing and investigation requirements and amends a provision regarding Franchise Tax Board audits and investigations conducted pursuant to Government Code sections 90000, et seq.

Title 2  
 ADOPT: 18998  
 AMEND: 18994  
 Filed 04/15/2019  
 Effective 05/15/2019  
 Agency Contact: Amanda Apostol (916) 324-3854

File# 2019-0304-01  
 STATE WATER RESOURCES CONTROL BOARD  
 Cannabis Cultivation Policy — Principles and Guidelines for Cannabis

On February 5, 2019, the State Water Resources Control Board adopted Resolution No. 2019-0007 amending the Cannabis Cultivation Policy — Principles and Guidelines for Cannabis Cultivation in accordance with California Water Code section 13149.

Title 23  
 AMEND: 2925  
 Filed 04/16/2019  
 Effective 04/16/2019  
 Agency Contact: Daniel Schultz (916) 323-9392

File# 2019-0305-01  
 VETERINARY MEDICAL BOARD  
 Fee Schedule

This certificate of compliance by the Veterinary Medical Board makes permanent emergency regulations that increased various fees for veterinarians, registered veterinary technicians, and veterinary premises. (See OAL file nos. 2018-0221-03E, 2018-0726-03EE, and 2018-1010-04EE.)

Title 16  
 AMEND: 2070, 2071  
 Filed 04/17/2019  
 Effective 04/17/2019  
 Agency Contact:  
 Amanda Drummond (916) 515-5238

12/05/18 REPEAL: 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445  
 12/04/18 AMEND: 1897  
 11/29/18 ADOPT: 1896.83, 1896.85 AMEND: 1896.60, 1896.61, 1896.62, 1896.70, 1896.71, 1896.72, 1896.73, 1896.74, 1896.75, 1896.76, 1896.77, 1896.78, 1896.81, 1896.82, 1896.84, 1896.88, 1896.90, 1896.91, 1896.92, 1896.95, 1896.96, 1896.97  
 11/27/18 AMEND: 1897

**CCR CHANGES FILED  
 WITH THE SECRETARY OF STATE  
 WITHIN November 14, 2018 TO  
 April 17, 2019**

All regulatory actions filed by OAL during this period are listed below by California Code of Regulations titles, then by date filed with the Secretary of State, with the Manual of Policies and Procedures changes adopted by the Department of Social Services listed last. For further information on a particular file, contact the person listed in the Summary of Regulatory Actions section of the Notice Register published on the first Friday more than nine days after the date filed.

**Title 2**

04/15/19 ADOPT: 18998 AMEND: 18994  
 04/11/19 AMEND: 57200  
 04/10/19 AMEND: 599.752.1  
 03/21/19 ADOPT: 579.9  
 03/07/19 AMEND: 35101  
 02/27/19 AMEND: 80225  
 02/27/19 AMEND: 11087, 11095, 11097  
 02/25/19 ADOPT: 18360.1, 18360.2  
 02/21/19 ADOPT: 574  
 02/20/19 AMEND: 18702.2  
 02/13/19 AMEND: 54700  
 01/31/19 ADOPT: 59840  
 01/24/19 AMEND: 1859.194, 1859.196  
 01/22/19 AMEND: 1859.51(e)  
 01/14/19 AMEND: 18756  
 01/07/19 AMEND: 60802, 60803, 60807, 60808, 60824, 60825, 60827, 60831, 60832, 60833, 60835, 60840, 60842, 60843, 60844, 60845, 60846, 60847, 60848, 60849, 60850, 60851, 60852, 60853, 60854, 60855, 60856, 60858, 60860, 60861, 60863, 61120  
 12/18/18 AMEND: 1859.76  
 12/14/18 ADOPT: 1860, 1860.1, 1860.2, 1860.3, 1860.4, 1860.5, 1860.6, 1860.7, 1860.8, 1860.9, 1860.10, 1860.10.1, 1860.10.2, 1860.10.3, 1860.11, 1860.12, 1860.13, 1860.14, 1860.15, 1860.16, 1860.17, 1860.18, 1860.19, 1860.20, 1860.21  
 12/12/18 AMEND: 2970  
 12/12/18 AMEND: 18545, 18700, 18730, 18940.2

**Title 3**

04/15/19 AMEND: 3591.12  
 03/21/19 AMEND: 3591.13  
 03/13/19 AMEND: 3591.2  
 03/06/19 AMEND: 3601  
 02/28/19 ADOPT: 4920  
 02/21/19 AMEND: 3591.2  
 02/20/19 AMEND: 3591.2  
 02/04/19 AMEND: 1180.3.1  
 01/30/19 AMEND: 6860  
 01/17/19 REPEAL: 1305.00, 1305.01, 1305.02, 1305.03, 1305.04, 1305.06, 1305.07, 1305.08, 1305.09, 1305.10, 1305.11, 1305.12  
 01/16/19 ADOPT: 8000, 8100, 8101, 8102, 8103, 8104, 8105, 8106, 8107, 8108, 8109, 8110, 8111, 8112, 8113, 8114, 8115, 8200, 8201, 8202, 8203, 8204, 8205, 8206, 8207, 8208, 8209, 8210, 8211, 8212, 8213, 8214, 8215, 8216, 8300, 8301, 8302, 8303, 8304, 8305, 8306, 8307, 8308, 8400, 8401, 8402, 8403, 8404, 8405, 8406, 8407, 8408, 8409, 8500, 8501, 8600, 8601, 8602, 8603, 8604, 8605, 8606, 8607, 8608, 8609  
 01/07/19 AMEND: 3439  
 12/18/18 ADOPT: 4921  
 11/29/18 AMEND: 3899

**Title 4**

04/12/19 ADOPT: 7000, 7001, 7002, 7003, 7003.1, 7004, 7004.1, 7005, 7006, 7006.1, 7007, 7007.1, 7008, 7008.1, 7009, 7010, 7011, 7012, 7013, 7013.1, 7013.2, 7014, 7015, 7016, 7017  
 04/11/19 AMEND: 10032, 10036  
 04/04/19 AMEND: 10092.1, 10092.2, 10092.3, 10092.4, 10092.5, 10092.6, 10092.7, 10092.8, 10092.9, 10092.10, 10092.11, 10092.12  
 03/14/19 AMEND: 10325  
 03/12/19 ADOPT: 1842.1 AMEND: 1588  
 02/20/19 AMEND: 1843.2

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- 02/07/19 AMEND: 10315, 10317, 10322, 10325, 10326, 10327, 10328, 10335, 10337
- 01/22/19 AMEND: 1374, 1374.3
- 01/16/19 ADOPT: 7213, 7214, 7215, 7216, 7218, 7219, 7220, 7221, 7222, 7223, 7224, 7225, 7227, 7228, 7229
- 01/16/19 AMEND: 5000, 5033, 5060, 5100, 5170, 5260, 5350, 5450, 5500, 5540, 5600  
REPEAL: 5361, 5362, 5363, 5380, 5560, 5570, 5571, 5572, 5573, 5580, 5590
- 01/02/19 AMEND: 12200, 12201, 12220, 12221
- 12/17/18 ADOPT: 10092.1, 10092.2, 10092.3, 10092.4, 10092.5, 10092.6, 10092.7, 10092.8, 10092.9, 10092.10, 10092.11, 10092.12, 10092.13, 10092.14
- 12/12/18 ADOPT: 10200, 10200.1, 10200.2, 10200.3, 10200.4, 10200.5, 10200.6, 10200.7
- 11/26/18 ADOPT: 7313, 7314, 7315, 7316, 7317, 7318, 7319, 7319.1, 7320, 7321, 7322, 7323, 7324, 7325, 7325.1, 7326, 7327, 7328, 7329
- 11/26/18 ADOPT: 7413, 7414, 7415, 7416, 7417, 7418, 7419, 7420, 7421, 7422, 7423, 7424, 7425, 7426, 7427, 7428, 7429
- 11/20/18 AMEND: 1632
- 11/20/18 AMEND: 1843.3
- 11/20/18 AMEND: 8078.3, 8078.15
- 11/19/18 ADOPT: 7213, 7214, 7215, 7216, 7218, 7219, 7220, 7221, 7222, 7223, 7224, 7225, 7227, 7228, 7229
- Title 4, 16**
- 03/19/19 AMEND: title 4: 1101, 1126, 1373.2, 1374, 1374.3, 1379; title 16: 2721, 2723, 2775
- Title 5**
- 04/03/19 AMEND: 58310
- 04/03/19 REPEAL: 1030.5, 1030.6, 1030.7, 1030.8, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1039.1, 1039.2, 1039.3
- 03/19/19 AMEND: 71398
- 03/07/19 AMEND: 80048.8, 80048.8.1, 80413, 80523
- 02/21/19 AMEND: 19810
- 02/19/19 REPEAL: 1200, 1202, 1203, 1204, 1204.5, 1205, 1206, 1207, 1207.1, 1207.5, 1208, 1209, 1210, 1211, 1211.5, 1215, 1215.5, 1216, 1216.1, 1217, 1218, 1218.6, 1219, 1220, 1225
- 02/15/19 AMEND: 55200, 55202, 55204, 55206, 55208
- 02/15/19 AMEND: 55800
- 01/31/19 AMEND: 850, 854.1, 854.2, 854.3, 854.4, 859, 862, 863
- 12/31/18 AMEND: 11517.6, 11518, 11518.15, 11518.20, 11518.25, 11518.30, 11518.35, 11518.40, 11518.45, 11518.50, 11518.70, 11518.75, 11519.5
- 12/05/18 AMEND: 19810
- Title 8**
- 04/11/19 AMEND: 9792.23.1, 9792.23.3, 9792.23.4, 9792.23.7, 9792.23.8
- 03/05/19 AMEND: 3999(b)
- 02/28/19 AMEND: 3295
- 02/14/19 AMEND: 9789.39
- 02/06/19 AMEND: 3389
- 01/07/19 AMEND: 11140
- 01/03/19 AMEND: 336
- 12/26/18 AMEND: 9789.19
- 11/26/18 AMEND: 9789.25
- 11/15/18 AMEND: 344, 344.1, 344.2
- Title 9**
- 02/05/19 AMEND: 4350
- 01/15/19 ADOPT: 4011, 4012, 4013, 4014, 4014.1, 4015
- Title 10**
- 03/28/19 AMEND: 2773
- 03/28/19 ADOPT: 2032, 2032.5, 2033, 2033.5, 2034, 2034.5, 2035, 2035.5, 2036, 2036.5, 2037, 2037.5, 2038, 2038.5, 2039, 2039.5, 2040, 2040.5, 2041, 2041.5, 2042, 2042.5, 2043, 2043.5, 2044, 2044.5
- 03/27/19 AMEND: 2498.5
- 03/26/19 AMEND: 2498.4.9
- 03/25/19 AMEND: 2498.6
- 03/07/19 ADOPT: 2915
- 02/20/19 AMEND: 3500, 3576, 3577, 3721
- 01/14/19 AMEND: 2318.6, 2353.1, 2354
- 01/14/19 AMEND: 2318.6
- 12/31/18 AMEND: 2632.5, 2632.11
- 12/26/18 ADOPT: 2238.10, 2238.11, 2238.12
- 11/29/18 ADOPT: 2509.80, 2509.81, 2509.82
- 11/27/18 AMEND: 3704
- 11/20/18 AMEND: 8000, 8030
- 11/19/18 ADOPT: 10000, 10001, 10002, 10003, 10004, 10005, 10006, 10007
- Title 11**
- 03/25/19 AMEND: 1005
- 02/06/19 AMEND: 1008
- 02/04/19 AMEND: 1009
- 01/25/19 AMEND: 999.12 REPEAL: 999.13
- 01/08/19 ADOPT: 5460
- 12/31/18 AMEND: 2084, 2086, 2088, 2089, 2090, 2092, 2095, 2107

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12/28/18	AMEND: 5505, 5507, 5509, 5510, 5511, 5513, 5514, 5516, 5517	1772.3, 1772.4, 1772.5, 1772.6, 1772.7 AMEND: 1723.9, 1760
<b>Title 12</b>		03/18/19 AMEND: 670.5
03/19/19	ADOPT: 515, 515.1, 515.2, 515.3, 515.4, 515.5	03/07/19 ADOPT: 29.06
01/08/19	ADOPT: 182.02, 182.03 AMEND: 182.01, 182.02 (renumbered to 182.04)	03/05/19 ADOPT: 18660.47, 18660.48, 18660.49, 18660.50, 18660.51 AMEND: 18660.5, 18660.20
01/03/19	AMEND: 553.70	02/28/19 AMEND: 7.50
<b>Title 13</b>		02/26/19 AMEND: 670.2
03/25/19	ADOPT: 1070, 1071, 1072, 1073, 1074 AMEND: Article 13 (in Division 2, Chapter 4)	02/26/19 AMEND: 107, 174, 176, Appendix A (Div. 1, Subd. 1, Ch. 9)
03/06/19	AMEND: 1152.3	02/26/19 AMEND: 29.15
02/21/19	AMEND: 17.02	02/25/19 AMEND: 1.53, 1.74, 5.00
01/28/19	AMEND: 20.05	02/19/19 ADOPT: 1038.6
01/16/19	AMEND: 550, 551.8, 551.12, 590	02/19/19 ADOPT: 1038.1, 1038.2, 1038.3, 1038.4, 1038.5 AMEND: 1038, 1038.3 [renumbered to 1038.9] REPEAL: 1038.1, 1038.2
01/08/19	ADOPT: 182.02, 182.03 AMEND: 182.01, 182.02 (renumbered to 182.04)	02/15/19 AMEND: 1094, 1094.2, 1094.6, 1094.8, 1094.17, 1094.23
01/03/19	AMEND: 553.70	02/07/19 ADOPT: 13008 AMEND: 13012, 13015, 13018, 13019, 13040, 13050, 13071, 13104, 13105, 13113, 13116, 13136, 13137, 13138, 13144, 13158, 13173, 13204, 13205, 13214.7, 13216, 13217, 13218, 13219, 13221, 13222, 13223, 13224, 13231, 13234, 13238.1, 13241, 13242, 13243, 13244, 13245, 13247, 13300, 13302, 13315, 13328.1, 13328.8, 13328.9, 13331, 13336, 13342, 13343, 13356, 13358, 13371, 13500, 13518, 13530, 13536, 13545, 13546, 13548, 13554, 13576, 13577, 13600, 13610, 13625, 13626, 13635, 13645, 13647, 13648, REPEAL: 13214, 13214.1, 13214.2, 13214.3, 13214.4, 13214.5, 13214.8.
12/26/18	AMEND: 2025	02/06/19 ADOPT: 1720.1, 1724.5, 1724.7.1, 1724.7.2, 1724.8, 1724.10.1, 1724.10.2, 1724.10.3, 1724.10.4, 1724.11, 1724.12, 1724.13 AMEND: 1724.6, 1724.7, 1724.10, 1748, REPEAL: 1724.8, 1748.2, 1748.3
12/26/18	AMEND: 1152.7, 1152.7.1	01/02/19 AMEND: 27.30, 27.35, 27.40, 27.45, 27.50, 28.27, 28.55, 52.10, 150.16
12/20/18	ADOPT: 1217.2, 1263.2	12/28/18 ADOPT: 15064.3, 15234 AMEND: 15004, 15051, 15061, 15062, 15063, 15064, 15064.4, 15064.7, 15072, 15075, 15082, 15086, 15087, 15088, 15094, 15107, 15124, 15125, 15126.2, 15126.4, 15152, 15155, 15168, 15182, 15222, 15269, 15301, 15357, 15370, Appendix G, Appendix M, Appendix N
12/12/18	AMEND: 1961.2, 1961.3	
12/04/18	ADOPT: 425.01	
11/29/18	AMEND: 17.00	
11/27/18	AMEND: 1157.21	
<b>Title 13, 17</b>		
02/25/19	AMEND: title 13: 2452, 2461.1; title 17: 93116.3	
02/07/19	AMEND: Title 13: 1956.8, 1961.2, 1965, 2036, 2037, 2065, 2112, 2141, Title 17: 95300, 95301, 95302, 95303, 95304, 95305, 95306, 95307, 95311, 95662, 95663	
01/04/19	ADOPT: title 17: 95483.2, 95483.3, 95486.1, 95486.2, 95488, 95488.1, 95488.2, 95488.3, 95488.4, 95488.5, 95488.6, 95488.7, 95488.8, 95488.9, 95488.10, 95490, 95491.1, 95500, 95501, 95502, 95503 AMEND: title 13: 2293.6; title 17: 95481, 95482, 95483, 95483.1, 95484, 95485, 95486, 95487, 95489, 95491, 95492, 95493, 95494, 95495 REPEAL: title 17: 95483.2, 95488, 95496	
<b>Title 14</b>		
04/02/19	ADOPT: 2750, 2752, 2754, 2756, 2758, 2760, 2762, 2764, 2766, 2768, 2770, 2772, 2774, 2776, 2778	
03/29/19	AMEND: 1038.5	
03/28/19	AMEND: 27.65	
03/20/19	ADOPT: 1752, 1772, 1772.1, 1772.1.1, 1772.1.2, 1772.1.3, 1772.1.4, 1772.2,	



12/17/18	ADOPT: 798 AMEND: 791, 791.6, 791.7, 792, 793, 794, 795, 796, 797		
12/17/18	AMEND: 819, 819.01, 819.02, 819.03, 819.04, 819.05, 819.06, 819.07		
12/17/18	ADOPT: 820.02		
12/17/18	ADOPT: 817.04 AMEND: 790		
12/14/18	ADOPT: 4970.17.1 AMEND: 4970.00, 4970.01, 4970.04, 4970.05, 4970.06.1, 4970.06.2, 4970.06.3, 4970.07.2, 4970.08, 4970.09, 4970.10.1, 4970.10.2, 4970.10.3, 4970.10.4, 4970.11, 4970.13, 4970.19.2, 4970.20, 4970.21, 4970.22, 4970.23, 4970.23.1, 4970.23.2, 4970.24.1, 4970.24.2, 4970.25.1, 4970.25.2		
12/13/18	AMEND: 2975		
12/10/18	ADOPT: 126.1 AMEND: 125.1, 126 [renumbered to 126.1]		
11/28/18	ADOPT: 716 AMEND: 300		
11/28/18	ADOPT: 42 AMEND: 43, 651, 703		
11/20/18	AMEND: 699.5		
11/15/18	AMEND: 632		
11/15/18	AMEND: Subsection 120.7(m) REPEAL: Appendix A Form DFG-120.7 (10/87)		
<b>Title 14, 27</b>			
03/05/19	ADOPT: title 14: 18815.1, 18815.2, 18815.3, 18815.4, 18815.5, 18815.6, 18815.7, 18815.8, 18815.9, 18815.10, 18815.11, 18815.12, 18815.13 AMEND: title 14: 17365, 17370.2, 17379.0, 17383.3, 17383.4, 17383.5, 17383.6, 17383.7, 17383.8, 17388.4, 17388.5, 17389, 17414, 17869, 17896.45, 18794.0, 18794.1, 18794.2, 18800; title 27: 20510, 20686, 20690		
<b>Title 15</b>			
04/15/19	AMEND: 3352.2(a)(1)(4) and (5) amended and renumbered as 3999.364; 3352.2(a)(2) and (3) deleted as duplicative of section 3999.98; 3352.2(b)(c)(d) amended and renumbered as 3999.365(a)(b)(c); 3352.3 amended and renumbered as 3999.366; 3354(a) amended and renumbered as 3999.132(a); 3354(b) amended and renumbered as 3999.426(a); 3354(c) amended and renumbered as 3999.207(a); 3354(d) amended and renumbered as 3999.402(a); 3354(e) amended and renumbered as 3999.429(a); 3360 amended and renumbered as 3999.330(a)(b)(c); 3361(a) amended and		
			renumbered as 3999.330(d); 3361(b) amended and renumbered as 3999.207(b); 3361(c) amended and renumbered as 3999.330(e); 3362 amended and renumbered as 3999.330(f); 3364 amended and renumbered as 3999.344; 3364.1(a)(1)-(5) and (8)-(11) amended and renumbered as 3999.345(a)(1)-(9); 3364.1(a)(6)-(7) amended and renumbered as 3999.98; 3364.2 amended and renumbered as 3999.346; 3367 amended and renumbered as 3999.349; 3368 amended and renumbered as 3999.350; 3369 amended and renumbered as 3999.348; 3369.1 amended and is renumbered as 3999.342; 3999.98 is amended; 3999.99 is amended and relocated; 3999.202 is amended; 3999.225 is amended; 3999.226 is amended; 3999.227 is amended; 3999.228 is amended; 3999.229 is amended; 3999.230 is amended; 3999.231 is amended; 3999.232 is amended; 3999.233 is amended; 3999.235 is amended; 3999.236 is amended; 3999.237 is amended; 3999.320 is amended; 3999.410 amended and renumbered as 3999.432; 3999.411 amended and renumbered as 3999.425; 3999.440 amended and renumbered as 3999.417
		04/09/19	ADOPT: 3767 AMEND: 3075.2, 3620, 3761.1, 3763, 3764, 3768.3
		04/09/19	ADOPT: 3999.26
		04/03/19	ADOPT: 3329.5
		03/22/19	ADOPT: 4199
		03/21/19	AMEND: 4900, 4927, 4935, 4936, 4937, 4938, 4939 REPEAL: 4939.5, 4961.1, 4972, 4975, 4977, 4977.5, 4977.6, 4977.7, 4978, 4979, 4980, 4981, 4982, 4983, 4983.5
		03/18/19	ADOPT: 3741, 3742, 3743, 3744, 3745, 3746, 3747, 3748
		03/18/19	REPEAL: 3349, 3349.1, 3349.2, 3349.3, 3349.4, 3349.5, 3349.6, 3349.7, 3349.8, 3349.9
		03/12/19	AMEND: 3355.1 (renumbered to 3999.367), 3999.99, 3999.206, 3999.234, 3999.237, 3999.375 (renumbered to 3999.395)
		03/05/19	AMEND: 3269.1, 3315
		02/26/19	AMEND: 3294.5

02/25/19 AMEND: 3075.2  
 01/28/19 AMEND: 8004.1  
 01/23/19 AMEND: 3043.3  
 01/15/19 AMEND: 3177, 3315  
 01/09/19 AMEND: 3043, 3043.3, 3043.4, 3043.5  
 01/07/19 AMEND: 3999.98, 3999.200  
 01/07/19 AMEND: 8000  
 12/26/18 ADOPT: 2249.30, 2449.31, 2449.32, 2449.33, 2449.34, 3495, 3496, 3497  
 AMEND: 2449.1, 3490, 3491  
 11/14/18 ADOPT: 1350.5, 1352.5, 1354.5, 1358.5, 1408.5, 1418, 1437.5 AMEND: 1302, 1303, 1304, 1321, 1322, 1324, 1325, 1327, 1328, 1329, 1341, 1343, 1350, 1351, 1352, 1353, 1354, 1355, 1356, 1357, 1358, 1359, 1360, 1361, 1362, 1370, 1371, 1372, 1373, 1374, 1376, 1377, 1390, 1391, 1400, 1401, 1402, 1403, 1404, 1406, 1407, 1408, 1412, 1413, 1415, 1416, 1417, 1430, 1431, 1432, 1433, 1434, 1436, 1437, 1438, 1439, 1452, 1453, 1454, 1460, 1461, 1462, 1464, 1465, 1467, 1480, 1482, 1483, 1484, 1485, 1487, 1500, 1510, 1511 REPEAL 1378

**Title 16**

04/17/19 AMEND: 2070, 2071  
 04/12/19 ADOPT: 6000, 6001, 6002, 6003, 6004, 6005, 6006, 6007, 6008, 6009, 6010, 6011, 6012, 6013, 6014, 6015, 6016, 6017, 6018 AMEND: 6020  
 03/26/19 AMEND: 1887.4.1  
 03/06/19 AMEND: 20  
 02/25/19 AMEND: 1399.515  
 02/05/19 REPEAL: 1023.15, 1023.16, 1023.17, 1023.18, 1023.19  
 01/31/19 REPEAL: 2624, 2624.1  
 01/30/19 AMEND: 1735.1, 1735.2, 1735.6, 1751.1, 1751.4  
 01/29/19 ADOPT: 6020  
 01/16/19 ADOPT: 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5007.1, 5007.2, 5008, 5009, 5010, 5010.1, 5010.2, 5010.3, 5011, 5012, 5013, 5014, 5015 5016, 5017, 5018, 5019, 5020, 5021, 5022, 5023, 5024, 5024.1, 5025, 5026, 5027, 5028, 5030, 5031, 5032, 5033, 5034, 5035, 5036, 5037, 5038, 5039, 5040, 5040.1, 5041, 5041.1, 5042, 5043, 5044, 5045, 5046, 5047, 5048, 5049, 5050, 5051, 5052, 5052.1, 5053, 5054, 5300, 5301, 5302, 5303, 5303.1, 5304, 5305, 5305.1, 5306, 5307, 5307.1, 5307.2, 5308, 5309, 5310, 5311, 5312, 5313, 5314, 5315, 5400, 5402, 5403, 5403.1, 5404, 5405, 5406, 5407, 5408, 5409, 5410, 5411, 5412, 5413, 5414, 5415, 5415.1, 5416, 5417, 5418, 5419, 5420, 5421, 5422, 5423, 5424, 5426, 5427, 5500, 5501, 5502, 5503, 5504, 5505, 5506, 5506.1, 5507, 5600, 5601, 5602, 5603, 5604, 5700, 5701, 5702, 5703, 5704, 5705, 5706, 5707, 5708, 5709, 5710, 5711, 5712, 5713, 5714, 5715, 5717, 5718, 5719, 5720, 5721, 5722, 5723, 5724, 5725, 5726, 5727, 5728, 5729, 5730, 5731, 5732, 5733, 5734, 5735, 5736, 5737, 5738, 5739, 5800, 5801, 5802, 5803, 5804, 5805, 5806, 5807, 5808, 5809, 5810, 5811, 5812, 5813, 5814, 5815, 5900, 5901, 5902, 5903, 5904, 5905  
 01/15/19 ADOPT: 1483.1, 1483.2, 1486 AMEND: 1480, 1481, 1482, 1483, 1484  
 12/21/18 ADOPT: 1399.515  
 12/05/18 AMEND: 1380.3, 1380.6, 1381, 1381.1, 1381.4, 1381.5, 1381.7, 1382, 1382.3, 1382.4, 1382.5, 1382.6, 1386, 1387.3, 1387.4, 1387.5, 1387.7, 1388, 1389.1, 1390.1, 1390.3, 1391.3, 1391.4, 1391.5, 1391.6, 1391.7, 1391.11, 1393, 1394, 1395, 1395.1, 1396.5, 1397, 1397.35, 1397.50, 1397.51, 1397.53, 1397.54, 1397.55, 1397.60, 1397.61, 1397.62, 1397.67, 1397.69, 1397.70 REPEAL: 1381.6, 1397.63, 1397.64, 1397.65, 1397.66, 1397.68, 1397.71  
 12/03/18 AMEND: 18  
 11/28/18 AMEND: 1399.514  
 11/20/18 AMEND: 2450

**Title 17**

03/29/19 AMEND: 95101, 95102, 95103, 95111, 95115, 95118, 95152, 95153  
 03/29/19 ADOPT: 95915, 95989 AMEND: 95802, 95812, 95813, 95820, 95830, 95831, 95833, 95834, 95841, 95841.1, 95851, 95852, 95854, 95856, 95870, 95871, 95890, 95891, 95892, 95893, 95894, 95911, 95912, 95913, 95914, 95920, 95921, 95942, 95943, 95973, 95974, 95976, 95977.1, 95979, 95981, 95981.1, 95982, 95983, 95984, 95985, 95987, 95990, 96011, 96014, 96021, 96022, Appendix B and Appendix E  
 03/25/19 ADOPT: 59000, 59001, 59002, 59003, 59004, 59005, 59006, 59007, 59008, 59009, 59010, 59011, 59012, 59013,

	59014, 59015, 59016, 59017, 59018, 59019, 59020, 59021, 59022		5220.6, 5221, 5222, 5222.4, 5222.6, 5223, 5224, 5225, 5226, 5227, 5228, 5229, 5230, 5231, 5231.5, 5232, 5233, 5234, 5234.5, 5235, 5236, 5237, 5238, 5240, 5241, 5242, 5244, 5245, 5246, 5247, 5248, 5249, 5249.4, 5249.6, 5260, 5261, 5262, 5263, 5264, 5265, 5266, 5267, 5268, 5700 REPEAL: 1807, 1828, 4508, 4609, 4700, 4701, 4702, 5201, 5210.5, 5215, 5215.4, 5215.6, 5232.4, 5232.8, 5239, 5243, 5250, 5255, 5256
03/18/19	ADOPT: 30220 AMEND: 30108.1, 30192.6, 30194, 30210, 30257, 30293, 30295, 30373 REPEAL: 30210.1,		
03/07/19	AMEND: 30335.5, 30440, 30444, 30451, 30455.1, 30456.2, 30466		
02/28/19	AMEND: 6508		
02/26/19	ADOPT: 30197, 30197.1, 30197.2, 30197.3, 30197.4, 30197.5, 30197.6, 30197.7 AMEND: 30195.1		
01/16/19	ADOPT: 40100, 40101, 40102, 40105, 40115, 40116, 40118, 40120, 40126, 40128, 40129, 40130, 40131, 40132, 40133, 40135, 40137, 40150, 40152, 40155, 40156, 40159, 40162, 40165, 40167, 40175, 40177, 40178, 40179, 40180, 40182, 40184, 40190, 40191, 40192, 40194, 40196, 40200, 40205, 40207, 40220, 40222, 40223, 40225, 40230, 40235, 40240, 40243, 40246, 40248, 40250, 40253, 40255, 40258, 40270, 40272, 40275, 40277, 40280, 40282, 40290, 40292, 40295, 40297, 40300, 40305, 40306, 40308, 40315, 40330, 40400, 40401, 40403, 40404, 40405, 40406, 40408, 40409, 40410, 40411, 40412, 40415, 40417, 40500, 40505, 40510, 40512, 40513, 40515, 40517, 40525, 40550, 40551, and 40570	01/03/19	AMEND: 1533.2, 1598
		01/02/19	ADOPT: 30000, 30101, 30102, 30103, 30104, 30105, 30106, 30201, 30202, 30203, 30204, 30205, 30206, 30207, 30208, 30209, 30210, 30211, 30200.5, 30212, 30213, 30213.5, 30214, 30214.5, 30215, 30216, 30217, 30218, 30219, 30220, 30221, 30222, 30223, 30224, 30301, 30302, 30303, 30304, 30310, 30311, 30312, 30313, 30314, 30315, 30316, 30401, 30402, 30403, 30404, 30405, 30410, 30411, 30412, 30420, 30421, 30430, 30431, 30432, 30433, 30501, 30502, 30503, 30504, 30505, 30601, 30602, 30603, 30604, 30605, 30606, 30607, 30701, 30702, 30703, 30704, 30705, 30706, 30707
		12/27/18	ADOPT: 3702
		12/17/18	ADOPT: 35001, 35002, 35003, 35004, 35005, 35006, 35007, 35008, 35009, 35010, 35011, 35012, 35013, 35014, 35015, 35016, 35017, 35018, 35019, 35020, 35021, 35022, 35023, 35024, 35025, 35026, 35027, 35028, 35029, 35030, 35031, 35032, 35033, 35034, 35035, 35036, 35037, 35038, 35039, 35040, 35041, 35042, 35043, 35044, 35045, 35046, 35047, 35048, 35049, 35050, 35051, 35052, 35053, 35054, 35055, 35056, 35057, 35058, 35060, 35061, 35062, 35063, 35064, 35065, 35066, 35067, 35101 AMEND: 1032, 1124.1, 1249, 1336, 1422.1, 1705.1, 2251, 2303.1, 2433, 3022, 3302.1, 3502.1, 4106, 4703, 4903, 5200, 5202, 5210, 5211, 5212, 5212.5, 5213, 5214, 5216, 5217, 5218, 5219, 5220, 5220.4, 5220.6, 5221, 5222, 5222.4, 5222.6, 5223, 5224, 5225, 5226, 5227, 5228, 5229, 5230, 5231, 5231.5, 5232, 5233, 5234, 5234.5, 5235, 5236, 5237, 5238, 5240, 5241, 5242, 5244, 5245, 5246, 5247, 5248, 5249, 5249.4, 5249.6, 5260,
01/10/19	AMEND: 3030		
12/31/18	AMEND: 94506, 94509, 94513, 94515		
12/27/18	ADOPT: 95371, 95372, 95373, 95374, 95375, 95376, 95377		
<b>Title 18</b>			
03/19/19	ADOPT: 35001, 35002, 35003, 35004, 35005, 35006, 35007, 35008, 35009, 35010, 35011, 35012, 35013, 35014, 35015, 35016, 35017, 35018, 35019, 35020, 35021, 35022, 35023, 35024, 35025, 35026, 35027, 35028, 35029, 35030, 35031, 35032, 35033, 35034, 35035, 35036, 35037, 35038, 35039, 35040, 35041, 35042, 35043, 35044, 35045, 35046, 35047, 35048, 35049, 35050, 35051, 35052, 35053, 35054, 35055, 35056, 35057, 35058, 35060, 35061, 35062, 35063, 35064, 35065, 35066, 35067, 35101 AMEND: 1032, 1124.1, 1249, 1336, 1422.1, 1705.1, 2251, 2303.1, 2433, 3022, 3302.1, 3502.1, 4106, 4703, 4903, 5200, 5202, 5210, 5211, 5212, 5212.5, 5213, 5214, 5216, 5217, 5218, 5219, 5220, 5220.4,		

- 5261, 5262, 5263, 5264, 5265, 5266, 5267, 5268, 5700 REPEAL: 1807, 1828, 4508, 4609, 4700, 4701, 4702, 5201, 5210.5, 5215, 5215.4, 5215.6, 5232.4, 5232.8, 5239, 5243, 5250, 5255, 5256
- 11/20/18 AMEND: 25137-1, 17951-4
- Title 19**
- 11/30/18 ADOPT: 4010
- Title 20**
- 03/18/19 AMEND: 1602, 1604, 1605, 1605.1, 1605.2, 1605.3, 1606, 1607, 1608
- 03/18/19 AMEND: 1602, 1605, 1605.1, 1605.2, 1605.3, 1606, 1608
- 12/05/18 ADOPT: 1751, 1769.1, 1937, 1941, 1942, 2300 AMEND: 1201, 1209, 1211.5, 1211.7, 1212, 1231, 1232, 1232.5, 1233.1, 1233.2, 1233.3, 1233.4, 1234, 1240, 1704, 1706, 1708, 1709, 1710, 1714, 1714.3, 1714.5, 1720.2, 1745.5, 1748, 1768 (renumbered to 1749), 1769, 1936, 1940, 1943, 1944, 1945, 1946, 2308 (renumbered to 2300.1) REPEAL: 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2309
- Title 22**
- 04/17/19 ADOPT: 100270.200, 100270.201, 100270.202, 100270.203, 100270.204, 100270.205, 100270.206, 100270.207, 100270.208, 100270.209, 100270.210, 100270.211, 100270.212, 100270.213, 100270.214, 100270.215, 100270.216, 100270.217, 100270.218, 100270.219, 100270.220, 100270.221, 100270.222, 100270.223, 100270.224, 100270.225, 100270.226, 100270.227, 100270.228, 100270.229
- 04/03/19 AMEND: 66272.62
- 03/27/19 ADOPT: 71900, 719001
- 03/22/19 ADOPT: 64417, 64418, 64418.1, 64418.2, 64418.3, 64418.4, 64418.5, 64418.6, 64418.7, 64418.8, 64419, 64420, 64420.1, 64420.2, 64420.3, 64420.4, 64420.5, 64420.6, 64420.7, 64420.8
- 03/21/19 AMEND: 75021
- 03/20/19 AMEND: 7127
- 03/05/19 AMEND: 66250, 66250.1, 66250.2
- 02/27/19 AMEND: 72329.2
- 02/14/19 ADOPT: 130000, 130001, 130003, 130004, 130006, 130007, 130008, 130009, 130020, 130021, 130022, 130023, 130024, 130025, 130026, 130027, 130028, 130030, 130040, 130041, 130042, 130043, 130044, 130045, 130048, 130050, 130051, 130052, 130053, 130054, 130055, 130056, 130057, 130058, 130062, 130063, 130064, 130065, 130066, 130067, 130068, 130070, 130071, 130080, 130081, 130082, 130083, 130084, 130090, 130091, 130092, 130093, 130094, 130095, 130100, 130110, 130200, 130201, 130202, 130203, 130210, 130211
- 12/31/18 AMEND: 66272.62
- 12/19/18 AMEND: 66262.41
- 12/19/18 AMEND: 72329.2
- 12/13/18 ADOPT: 51002.5 AMEND: 51003.1
- 12/04/18 ADOPT: 69511.3 AMEND: 69511
- 12/04/18 AMEND: 20100.5
- 11/29/18 ADOPT: 96060, 96061, 96062, 96065, 96070, 96071, 96075, 96076, 96077, 96078, 96080, 96081, 96082, 96083, 96084, 96085, 96086, 96087
- Title 22, MPP**
- 04/03/19 ADOPT: 89600, 89601, 89602, 89632, 89633, 89637, 89662, 89667
- 01/15/19 ADOPT: 35064 AMEND: 31-002, 35000, 35001, 35129, 35129.1, 35152.1, 35152.2, 35177, 35179, 35181, 35183, 35211, 35215, 35315
- 01/08/19 AMEND: 87224, 87412
- 01/02/19 ADOPT: 85175, 85318, 85320, 85340, 85342, 85364, 85368.1, 85368.4, 85370, 85387, 85390, 85102, 85161, 85168, 85168.3, 85169 AMEND: 85000, 85068.2, 85375, 85100, 85101, 85118, 85120, 85122, 85140, 85142, 85164, 85165, 85168.1, 85168.2, 85168.4, 85170, 85187, 85190, 85300, 85301, 85302, 85322, 85361, 85365, 85368, 85368.2, 85368.3, 85369
- 11/15/18 AMEND: 35000, 35011, 31-005, 31-405, 31-420, 31-425
- Title 23**
- 04/16/19 AMEND: 2925
- 04/08/19 AMEND: 2920
- 03/04/19 ADOPT: 3929.17
- 02/25/19 ADOPT: 3002.1 AMEND: 3002
- 02/19/19 ADOPT: 3949.15
- 01/15/19 AMEND: 597
- 12/19/18 AMEND: 315, 316
- 12/13/18 ADOPT: 3939.56
- 12/13/18 ADOPT: 3939.55
- 11/29/18 ADOPT: 335, 335.2, 335.4, 335.6 [renumbered to 335.16], 335.8 [renumbered from 335.12(a)], 335.10 [renumbered to 335.12], 335.12



	[335.12(a) renumbered to 335.8;		AMEND: 8, 421, 430, 439, 440
	335.12(b)–(c) renumbered to 335.6],	02/05/19	AMEND: 25705
	335.14 [renumbered to 335.10], 335.16	12/27/18	AMEND: 27001
	[renumbered to 335.14], 335.18, 335.20	11/27/18	AMEND: 25603
	AMEND: 310		
11/29/18	ADOPT: 3919.18	<b>Title 28</b>	
11/14/18	AMEND: 3006	03/05/19	ADOPT: 1300.49
<b>Title 25</b>		<b>Title MPP</b>	
02/28/19	REPEAL: 6200, 6201, 6202, 6203	02/06/19	AMEND: 41–440, 42–711, 42–716, 42–717, 44–207
<b>Title 27</b>		01/09/19	AMEND: 42–207, 42–213, 42–215, 42–221, 80–310
03/12/19	ADOPT: 25607.34, 25607.35	12/20/18	AMEND: 40–105, 40–171, 80–301
03/11/19	AMEND: 25805		REPEAL: 40–026
02/21/19	ADOPT: 432a, 800, 801, 802, 803		

