



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 (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

MULTICOUNTY	San Joaquin Delta Community College
STATE AGENCY	California State Fair and Exposition

A written comment period has been established commencing on **May 30, 2014** and closing on **July 14, 2014**. Written comments should be directed to the Fair Political Practices Commission, Attention Ivy Branaman, 428 J Street, Suite 620, Sacramento, California 95814.

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/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 **July 14, 2014**. 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 Ivy Branaman, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, 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 Ivy Branaman, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322-5660.

**TITLE 2. PUBLIC EMPLOYEES'
RETIREMENT SYSTEM**

NOTICE IS HEREBY GIVEN that the Board of Administration (Board) of the California Public Employees' Retirement System (CalPERS) proposes to take the regulatory action described below in the Informative Digest after considering public comments, objections, or recommendations regarding the proposed regulatory action.

I. PROPOSED REGULATORY ACTION

In this filing, the Board proposes Section 571.1 defining Pensionable Compensation under Article 6, "2013 Public Employees' Pension Reform Implementation," Chapter 2 of Division 1 of Title 2 of the California Code of Regulations (CCR), Section 571.1. By proposing this regulation in this Article, CalPERS seeks to implement, administer, interpret, and make certain the provisions contained within Assembly Bill (AB) 340 (Stats. 2012, Ch. 296) known as the California Public Employees' Pension Reform Act (PEPRA) of 2013, Senate Bill (SB) 13 (Stats. 2013, Ch. 528) and the related pension reform changes to the Public Employees' Retirement Law (PERL).

II. WRITTEN COMMENT PERIOD

Any interested person may submit written comments relevant to the proposed regulatory action. The written comment period has been established commencing on May 30, 2014 and closing on July 14, 2014 at 5:00 p.m. The Regulation Coordinator must receive all written comments by the close of the comment period. Comments may be submitted via fax at (916) 795-4607; E-mail at PEPRA_Regulations@CalPERS.CA.GOV or mailed to the following address:

Anthony Martin, Regulation Coordinator
California Public Employees' Retirement System
P.O. Box 942702
Sacramento, CA 94229-2702
Phone: (916) 795-3038

III. PUBLIC HEARING

A public hearing will not be scheduled unless an interested person, or his or her duly authorized representative, submits a written request for a public hearing to CalPERS no later than 15 days prior to the close of the written comment period.

IV. ACCESS TO HEARING ROOM

The hearing room will be accessible to persons with mobility impairments, and it can be made accessible to persons with hearing or visual impairments upon advance request to the CalPERS Regulation Coordinator.

V. AUTHORITY AND REFERENCE

California Government Code section 7522.02 provides that the PEPRA provisions (Government Code sections 7522 through 7522.74) shall apply to all specified public retirement systems, including CalPERS. Specifically, Government Code section 7522.02(a)(1) provides in part that, "Notwithstanding any other law, except as provided in this article, on and after January 1, 2013, this article shall apply to all state and local public retirement systems and to their participating employers, including the Public Employees' Retirement System" Section 7522.02(h) authorizes the Board to adopt regulations to comply with the requirements of PEPRA.

Additional pension reform changes undertaken by AB 340 to the PERL (Government Code sections 20281.5, 20516, 20516.5, 20677.96, 20683.2, 20791, 21076, 21076.5, and 21400) must be administered by the Board pursuant to existing provisions in the PERL (Government Code sections 20000 et seq.). The Board's authority to add the proposed regulation Section 571.1 to the CCR derives from the Board's plenary authority and fiduciary responsibility over the assets of the public retirement system and exclusive responsibility to administer the System in a manner that will assure prompt delivery of benefits and related services to the members and their beneficiaries, pursuant to the California Constitution (Section 17 of Article XVI) and in accordance with the PERL (California Government Code Title 2, Division 5, Part 3, sections 20120-20124). The proposed regulation implements, interprets, and makes specific several provisions of the PEPRA.

**VI. INFORMATIVE DIGES /POLICY
STATEMENT OVERVIEW**

As a result of the pension reform legislation that became effective January 1, 2013, CalPERS proposes the

addition of this regulation to aid in the interpretation and administration of the Public Employees' Pension Reform Act (PEPRA) of 2013.

This regulation, when finalized, is intended to clarify CalPERS' interpretation of what is considered Pensionable Compensation and what should be reported to CalPERS for a "new member," gaining common understanding amongst all participating employers. CalPERS has received many questions related to the pension reform legislation which highlighted the need to pursue regulations for certain terms and phrases and to establish formal procedures for certain processes related to pension reform. CalPERS has demonstrated a long-term commitment to provide protection against the unsound treatment of compensation for the purpose of enhancing retirement allowances. CalPERS sponsored legislation, (SB 53, Russell) in 1993, which enacted many of the same principles found in AB 340 & SB 13. Among other things, SB 53:

- Provided a definition of compensation
- Provided for full funding of member benefits
- Reduced the ability to manipulate reportable compensation
- Prohibited the use of cash conversions, final settlement pay and termination pay for purposes of calculating members' retirement benefits
- Provided the CalPERS Board of Administration (Board) with clear oversight of benefits

SB 53 also provided the Board with the ability to promulgate regulations to delineate more specifically exclusively what constitutes special compensation. As a result, CCR 571 was developed to clearly and succinctly define reportable compensation for public agencies and schools. Special compensation for state members was governed by section 20636.

Until January 1, 2013, employers continued to submit reportable compensation on behalf of all their "classic" employees that are CalPERS members. Classic members remain unchanged under the original statutes and regulations. On September 12, 2012, when Governor Brown signed into law AB 340, reporting to CalPERS for "new members" changed. PEPRA now defines "Pensionable Compensation" for new members (generally those brought into membership after January 1, 2013) and limits payments and compensation that may be used to calculate a defined benefit for "new members." PEPRA also excludes specified payments from being Pensionable Compensation.

In addition, on October 4, 2013, Governor Brown signed into law Senate Bill 13, PEPRA clean-up legislation. While it included several items of technical corrections, it did not make specific changes to the definition of Pensionable Compensation. However, it did include a provision that would allow a pay item to be ex-

cluded from Pensionable Compensation if agreed upon through collective bargaining with represented state employees or imposed on non-represented state employees.

Consistency Evaluation

CalPERS conducted a review for any related state regulation and we find that there are no related regulations dealing with "Pensionable Compensation." Therefore, this proposed regulation is not inconsistent or incompatible with existing law or existing state regulations. This proposed regulation would align with the current regulation that lists allowable compensation items for classic members of Public Agencies and Schools.

Anticipated Benefits

CalPERS believes that the adoption of this regulation will provide clarity and uniformity for CalPERS, its members, covered employers, and other stakeholders to ensure consistent application of the pension reform provisions. This regulation will ensure that members have the proper amount of compensation reported on their behalf for use in their retirement calculation. Additionally, this regulation clarifies certain processes that CalPERS will follow to implement the pension reform laws, which should make administration of these new statutes more efficient and consistent with existing laws.

CalPERS may achieve cost savings as a result of decreased litigation and administrative appeals related to the definition of Pensionable Compensation as employers and members become more aware of what compensation is or isn't reportable to CalPERS. Any savings will vary by employer and depend on how many pay items are eventually excluded in the final regulation package and whether the excluded pay items are items the employer currently pays.

Finally, the regulatory proposal furthers the goal of CalPERS by ensuring that members achieve financial security upon retirement by excluding unlawful compensation.

VII. EFFECT ON SMALL BUSINESS

The proposed regulatory action does not affect small business because it applies only to CalPERS-covered employers and CalPERS members.

VIII. DISCLOSURES REGARDING THE PROPOSED REGULATORY ACTION

- A. MANDATE ON LOCAL AGENCIES AND SCHOOL DISTRICTS: The proposed regulatory action does not impose mandates on local agencies and school districts.

- B. **COSTS OR SAVINGS TO ANY STATE AGENCY:** State agencies may incur minimal costs to implement internal processes in support of this proposed regulation. However, at this point, CalPERS is unable to determine 1) the extent of the impacts, if any, that may specifically arise as a result of the proposed regulatory action; 2) whether the workload impacts might result in costs or savings to any State agency; or 3) whether the State agencies may be able to absorb these impacts, if any, with existing resources.
- C. **COSTS TO ANY LOCAL AGENCY OR SCHOOL DISTRICT:** Though the proposed regulatory action may result in minimal costs associated with complying with the proposed regulation to local agencies or school districts that participate in CalPERS, the proposed regulatory action does not result in costs or savings for any local agency program or school district that would qualify for reimbursement under Government Code section 17500, et seq.
- D. **NONDISCRETIONARY COSTS OR SAVINGS IMPOSED ON LOCAL AGENCIES:** The proposed regulatory action does not impose nondiscretionary costs or savings on local agencies.
- E. **COSTS OR SAVINGS IN FEDERAL FUNDING TO THE STATE:** The proposed regulatory action will not result in costs or savings in federal funding to the State of California.
- F. **ADVERSE ECONOMIC IMPACT:** The proposed regulatory action will not have a significant statewide adverse economic impact directly affecting businesses including the ability of businesses in California to compete with businesses in other states. CalPERS relied upon the plain text of the statutes and the proposed regulation to make this determination.
- G. **COST IMPACT ON REPRESENTATIVE PRIVATE PERSONS OR BUSINESSES:** CalPERS is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed regulatory action because the pension reform laws and the proposed regulatory action only apply to CalPERS, CalPERS-covered employers and CalPERS members.
- H. **RESULTS OF THE ECONOMIC IMPACT ANALYSIS:** The primary benefits of the proposed regulatory action are to: (1) provide clarity and uniformity of certain terms and processes for CalPERS, its members, covered employers, and other stakeholders to ensure consistent application of the pension reform provisions; (2) ensure that

members have the proper amount of compensation reported on their behalf for use in their retirement calculation. The proposed regulatory action will not: (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; (3) affect the expansion of businesses currently doing business within California; or (4) affect worker safety or the state's environment.

- I. **EFFECT ON HOUSING COST:** The proposed regulatory action has no effect on housing costs.

IX. CONSIDERATION OF ALTERNATIVES

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 regulatory action is proposed, or would be as effective as, 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 provisions of law. The Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations at the above-mentioned public hearing or during the written comment period.

X. CONTACT PERSON

Please direct inquiries concerning the substance of the proposed regulatory action to:

Renee Ostrander, Customer Account Services
Division
California Public Employees' Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715
Telephone: (916) 795-7373
Fax: (916) 795-2330
E-Mail: renee_ostrander@calpers.ca.gov

The backup contact person for these inquiries is:

Tomi Jimenez, Customer Account Services Division
California Public Employees' Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715
Telephone: (916) 795-0340
Fax: (916) 795-2330
E-Mail: tomi_jimenez@calpers.ca.gov

Please direct requests for copies of the proposed text 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

Christina Nutley, Regulation Coordinator, at the address shown above in Section II.

PUBLIC HEARING

A public hearing is not scheduled. A public hearing will be held if any interested person, or his or her duly authorized representative, submits a written request for a public hearing to the Department no later than 15 days prior to the close of the written comment period.

XI. AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The entire rulemaking file is available for public inspection through the Regulation Coordinator at the address shown in Section II. To date, the file consists of this Notice, the proposed text of the regulation, the Initial Statement of Reasons (ISOR), and the Economic Impact Assessment. A copy of the proposed text, the ISOR, and the Economic Impact Assessment is available at no charge upon telephone or written request to the Regulation Coordinator. The Final Statement of Reasons can be obtained, once it has been prepared, by written request to Christina Nutley, Regulation Coordinator, at the address shown above in Section II.

For immediate access, the regulatory material regarding this action can be accessed at CalPERS website at www.calpers.ca.gov.

The Board may, on its own motion or at the recommendation of any interested person, modify the proposed text of the regulations after the public comment period closes.

If the Board modifies its regulatory action, it will prepare a comparison of the original proposed text and the modifications for an additional public comment period of not less than 15 days prior to the date on which the Board adopts, amends, or repeals the resulting regulation. A copy of the comparison text will be mailed to all persons who submitted written comments or asked to be kept informed as to the outcome of this regulatory action.

TITLE 3. DEPARTMENT OF FOOD AND AGRICULTURE

The Department of Food and Agriculture amended subsection 3700(b) of the regulations in Title 3 of the California Code of Regulations pertaining to Oak Mortality Disease Control (Sudden Oak Death (SOD)) as an emergency action which was effective on February 23, 2014. The Department proposes to continue the regulation as amended and to complete the amendment process by submission of a Certificate of Compliance no later than August 25, 2014.

This notice is being provided to be in compliance with Government Code Section 11346.4.

WRITTEN COMMENT PERIOD

Any interested person or his or her authorized representative may submit written comments relevant to the proposed amendment to the Department. Comments may be submitted by mail, facsimile (FAX) at 916.654.1018 or by email to sbrown@cdfa.ca.gov. The written comment period closes at 5:00 p.m. on July 14, 2014. The Department will consider only comments received at the Department offices by that time. Submit comments to:

Stephen Brown
 Department of Food and Agriculture
 Plant Health and Pest Prevention Services
 1220 N Street Sacramento, CA 95814
sbrown@cdfa.ca.gov
 916.654.1017
 916.654.1018 (FAX)

Following the public hearing if one is requested, or following the written comment period if no public hearing is requested, the Department of Food and Agriculture, at its own motion, or at the instance of any interested person, may adopt the proposal substantially as set forth without further notice.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing law provides that the Secretary is obligated to investigate the existence of any pest that is not generally distributed within this state and determine the probability of its spread and the feasibility of its control or eradication (Food and Agricultural Code (FAC) section 5321).

Existing law also provides that the Secretary may establish, maintain and enforce quarantine, eradication and other such regulations as he deems necessary to protect the agricultural industry from the introduction and spread of pests (FAC sections 401, 403, 407 and 5322).

Anticipated Benefits from This Regulatory Action

Existing law finds that the planned production of trees (FAC section 22), bushes, ornamental plants, floricultural crops, and other horticultural crops (FAC subsection 23(a)) and plants growing in native stands or

planted for ornamental purposes that contribute to the environmental and public health and welfare needs of the people of the state (FAC section 24.5) shall be considered a branch of the agricultural industry of the state for the purposes of any law which provides for the benefit or protection of the agricultural industry of the state.

Existing law, FAC section 24, states that, as a matter of legislative determination, “the provisions of this section are enacted in the exercise of the power of this state for the purpose of protecting and furthering the public health and welfare. It is further declared that the floriculture and nursery industry of this state is affected with a public interest, in that, among other things:

(a) The production, processing, manufacture, and distribution of floriculture and nursery products constitute a paramount industry of this state which not only provides substantial and required revenues for the state and its political subdivisions by tax revenues and other means, and employment and a means of livelihood for many thousands of its population, but also furnishes substantial employment to related industries that are vital to the public health and welfare.”

Existing law provides that the Department shall prevent the introduction and spread of injurious insect or animal pests, plant diseases, and noxious weeds (FAC section 403) and provides that the Secretary may adopt such regulations as are reasonably necessary to carry out the provisions of the FAC (FAC section 407).

Existing law, FAC section 5321, provides that the Secretary is obligated to investigate the existence of any pest that is not generally distributed within this State and determine the probability of its spread, and the feasibility of its control or eradication.

Existing law, FAC section 5322, provides that the Secretary may establish, maintain, and enforce quarantine, eradication, and such other regulations as are in her opinion necessary to circumscribe and exterminate or prevent the spread of any pest which is described in FAC section 5321.

The amendment of this regulation benefits the nursery industry (growers, wholesalers, retailers, exporters) and its consumers, Christmas tree growers and their consumers, firefighters (local, State and federal), local governments, home owners, indigenous people, the State’s forests, the general population of this State and the environment by having a control program to prevent the artificial spread of SOD over long distances.

There are only three nurseries located inside the regulated area which require inspections if they want to ship interstate. It should be noted that most of the larger nursery stock producers are located outside the existing regulated area.

Consumers benefit by having higher quality host material free from the symptoms of SOD available at an overall lower cost. It is assumed that any increases in

statewide production costs would ultimately be passed on to the consumer.

The amendment of this regulation benefits homeowners who already have host material which is planted as ornamentals in various rural and urban landscapes.

Indigenous tribes use oaks, tanoaks and understory plants from oak woodlands and the forests. The mortality caused by the SOD pathogen is a significant concern as it negatively impacts the cultural uses of this host material. Preventing the artificial spread of this pathogen to uninfested oak woodlands and forests helps preserve the cultural uses of this host material outside the regulated area.

FAC Section 401.5 states, “the department shall seek to protect the general welfare and economy of the state and seek to maintain the economic well-being of agriculturally dependent rural communities in this state.” There are still numerous counties with agriculturally dependent rural communities which are not regulated for SOD. The SOD pathogen negatively impacts any county which has ornamental or native host material. The intent of the amendment of this regulation is to protect these counties by preventing the artificial spread of SOD from Trinity County.

Existing federal law, the 2005 Public Land Corps Healthy Forests Restoration Act, has as its primary focus reducing the damages from forest invasive species. The SOD pathogen has been found by the Secretary to be an invasive species of California’s forests and one of the goals of this regulation is to prevent the artificial movement of the pathogen to California forests located outside the regulated area and this is consistent with this federal statutory goal.

The United States Department of Agriculture (USDA) has imposed federal domestic and international quarantine requirements due to the SOD pathogen. If the State does not have an intrastate quarantine regulation that is substantially the same as the USDA’s federal domestic quarantine the USDA cannot regulate less than the entire State. The amendment of this regulation is consistent with the USDA’s federal domestic quarantine requirements.

The artificial spread of the SOD pathogen leads to increased hazards from falling trees and branches, increase in severity of fire danger, loss of heritage and shade trees, loss of soil stability in the environment, loss of habitat and food for wildlife, aesthetic losses and economic losses if it is allowed to spread to new uninfested areas. Preventing the artificial spread of this pathogen benefits public safety and worker safety by preventing additional hazardous trees in uninfested areas, increased fire severity for firefighters (local, State and federal) and arborists from being exposed to hazardous trees which are more prone to unpredictable branch and trunk failures due to the SOD pathogen.

This amendment provides the necessary regulatory authority to prevent the artificial spread of a serious insect pest which is a mandated statutory goal.

There is no existing, comparable federal regulation or statute regulating the intrastate movement of SOD host material.

The Department is the only agency which can implement plant quarantines. As required by Government Code section 11346.5(a)(3)(D), the Department has conducted an evaluation of this regulation and has determined that it is not inconsistent or incompatible with existing State regulations.

AMENDED TEXT

This emergency amendment of subsection 3700(b) established Trinity County as a regulated area. The effect of the change to the regulation is to provide authority for the Department to regulate the movement of hosts from Trinity County to prevent artificial spread of the pest to non-infested areas to protect California's agricultural industry and the environment.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Department has made the following initial determinations:

Mandate on 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 and no nondiscretionary costs or savings to local agencies or school districts.

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

Small Business Determination: The Department has determined that the proposed regulations may affect small business.

Significant effect on housing costs: None.

Results of the Economic Analysis

Amendment 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

This amendment is for an existing on going program. The Department believes this amendment of the regulation benefits public safety by preventing additional hazardous trees in uninfested areas, worker safety by preventing firefighters (local, State and federal) and arborists from being exposed to hazardous trees which are more prone to unpredictable branch and trunk failures due to the SOD pathogen. The Department is not aware of any specific benefits to the health of California residents. The Department believes the amendment of this regulation benefits the welfare and economic well-being of California residents by reducing fire hazards and hazardous breaking trees; and, protecting property values, heritage trees, cultural traditions, forests, and local, State and national parks, wildlife and the environment from the artificial spread of the SOD pathogen from Trinity County.

ALTERNATIVES CONSIDERED

The Department 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 or would be as effective and less burdensome to affected private persons or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposal described in this Notice.

AUTHORITY

The Department proposes to amend subsection 3700(b) pursuant to the authority vested by sections 407, 5301, 5302 and 5322 of the Food and Agricultural Code.

REFERENCE

The Department proposes this action to implement, interpret and make specific Sections 5301, 5302 and 5322 of the Food and Agricultural Code.

CONTACT

The agency officer to whom written comments and inquiries about the initial statement of reasons, proposed actions, location of the rulemaking files, and request for a public hearing may be directed is: Stephen S. Brown, Department of Food and Agriculture, Plant Health and Pest Prevention Services, 1220 N Street,

Room 210, Sacramento, California 95814, (916) 654-1017, FAX (916) 654-1018, E-mail: sbrown@cdfa.ca.gov. In his absence, you may contact Lindsay Rains at (916) 654-1017. Questions regarding the substance of the proposed regulation should be directed to Stephen S. Brown.

INTERNET ACCESS

The Department has posted the information regarding this proposed regulatory action on its Internet Web site (www.cdfa.ca.gov/plant/Regulations.html).

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Department of Food and Agriculture has prepared an initial statement of reasons for the proposed actions, has available all the information upon which its proposal is based, and has available the express terms of the proposed action. A copy of the initial statement of reasons and the proposed regulations in underline and strikeout form may be obtained upon request. The location of the information on which the proposal is based may also be obtained upon request. In addition, when completed, the final statement of reasons will be available upon request. Requests should be directed to the contact named herein.

If the regulations adopted by the Department 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 officer (contact) named herein.

TITLE 8. DIVISION OF WORKERS' COMPENSATION

Workers' Compensation — Workers' Compensation Information System

NOTICE IS HEREBY GIVEN that the Acting Administrative Director of the Division of Workers' Compensation, pursuant to the authority vested in her by Labor Code sections 133, 138.6, and 138.7, proposes to modify existing regulations, by amending Article 1.1, Subchapter 1 to Chapter 4.5 of California Code of Regulations, title 8, sections 9701 and 9702, relating to the Workers' Compensation Information System.

PROPOSED REGULATORY ACTION

The Division of Workers' Compensation, proposes to modify existing regulations, by amending Article 1.1, Subchapter 1 to Chapter 4.5 of California Code of Regulations, title 8, sections 9701 and 9702, relating to the Workers' Compensation Information System:

Amended section 9701 Definitions

Amended section 9702 Electronic Data Reporting

TIME AND PLACE OF PUBLIC HEARING

A public hearing has been scheduled to permit all interested persons the opportunity to present statements or arguments, either orally or in writing, with respect to the subjects noted above. The hearing will be held at the following time and place:

Date: July 14, 2014
Time: 10:00 a.m. to 5:00 p.m., or until conclusion of business
Place: Elihu Harris State Office Building — Auditorium
1515 Clay Street
Oakland, California 94612

The State Office Building and its Auditorium are accessible to persons with mobility impairments. Alternate formats, assistive listening systems, sign language interpreters, or other type of reasonable accommodation to facilitate effective communication for persons with disabilities, are available upon request. Please contact the State Wide Disability Accommodation Coordinator, Kathleen Estrada, at 1-866-681-1459 (toll free), or through the California Relay Service by dialing 711 or 1-800-735-2929 (TTY/English) or 1-800-855-3000 (TTY/Spanish) as soon as possible to request assistance.

Please note that public comment will begin promptly at 10:00 a.m. and will conclude when the last speaker has finished his or her presentation or 5:00 p.m., whichever is earlier. If public comment concludes before the noon recess, no afternoon session will be held.

The Acting Administrative Director requests, but does not require, that any persons who make oral comments at the hearing also provide a written copy of their comments. Equal weight will be accorded to oral comments and written materials.

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 of Industrial Relations, Division of Workers' Compensation. The written comment period closes at **5:00 p.m., on July 14, 2014**. The Division of Workers' Compensation will consider only comments received at the Division by that time. Equal weight will be accorded to comments presented at the hearing and to other written comments received by 5 p.m. on that date by the Division.

Submit written comments concerning the proposed regulations prior to the close of the public comment period to:

Maureen Gray
 Regulations Coordinator
 Division of Workers' Compensation, Legal Unit
 P.O. Box 420603
 San Francisco, CA 94142

Written comments may be submitted by facsimile transmission (FAX), addressed to the above-named contact person at (510) 286-0687. Written comments may also be sent electronically (via e-mail) using the following e-mail address: dwcrules@dir.ca.gov.

Unless submitted prior to or at the public hearing, Ms. Gray must receive all written comments no later than **5:00 p.m., on July 14, 2014**.

AUTHORITY AND REFERENCE

The Acting Administrative Director is undertaking this regulatory action pursuant to the authority vested in her by Labor Code sections 133, 138.6, and 138.7.

Reference is to Labor Code sections 129, 138.4, and 138.6.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Labor Code section 138.6 requires the Acting Administrative Director of the Division of Workers' Compensation to develop a cost-efficient workers' compensation information system to accomplish the following purposes:

- Assist the Department of Industrial Relations to manage the workers' compensation system in an effective and efficient manner.
- Facilitate the evaluation of the effectiveness and efficiency of the benefit delivery system.
- Assist in measuring how adequately the system indemnifies injured workers and their dependents.

- Provide statistical data for research into specific aspects of the workers' compensation system.

The data collected electronically must be compatible with the International Association of Industrial Accident Boards and Commissions' Electronic Data Interchange (IAIABC EDI) system, and the data elements to be provided by claims administrators through the WCIS must be set forth in regulations.

The proposed regulations will update the California EDI Implementation Guide for Medical Bill Payment Records and refine the list of required data elements.

These proposed regulations implement, interpret, and make specific these two sections of the Labor Code as follows:

1. Section 9701

This section is amended to reflect updates to the California EDI Implementation Guide for Bill Payment Records and to the IAIABC Workers' Compensation Medical Bill Data Reporting Implementation Guide that have taken place since the last revision of this regulation in 2010. A new definition of the term "California Jurisdiction Code" is also added. Specific amendments to subdivisions (c), (d) and (n) are as follows:

§ 9701(c): The amendment of the definition of "California EDI Implementation Guide for Bill Payment Records." The introductory section remains unchanged. However, the current subdivision (c)(1) is being deleted and replaced by current subdivision (c)(2), which is amended to state that for WCIS reporting prior to the designated effective date (twelve months after the date of filing approved regulation with the Secretary of State), reporters should use the California EDI Implementation Guide for Medical Bill payment Records, Version 1.1, dated November 15, 2011, which is incorporated by reference. The current subdivision (c)(3) is renumbered as (c)(2) and is revised to state that for reporting on or after the designated effective date, reporters should use the California EDI Implementation Guide for Medical Bill Payment Records, Version 2.0. These revisions are necessary to reflect revisions to the current version, Version 1.1 (dated November 15, 2011). The new version of the implementation guide, Version 2.0, must be used for reporting twelve months following the effective date of the regulation. Both versions of the implementation guide for medical bill payment records, which are incorporated by reference into the regulation, can be found at the Division's web site at <http://www.dir.ca.gov/dwc/WCIS.htm>.

§ 9701(d): A new definition for the term "California Jurisdiction Code" has been added. The proposed definition describes a group of medical billing codes (for a procedure, service, or product) that are specific to California and not identified by the current national Healthcare Common Procedure Coding System

(HCPCS). California jurisdiction codes are set forth in and/or incorporated by reference in California Code of Regulations, title 8, section 9795, regarding reasonable fees for medical–legal expenses, section 9789.12.1–9789.19, regarding fees for physician services rendered on or after January 1, 2014, or in California EDI Implementation Guide for Medical Bill Payment, Release 2.0., Section IX, subsections entitled “Lump sum bundled lien bill payment” and “Lump sum lien bills data elements.”

§ 9701(n): The definition of “IAIABC Workers’ Compensation Medical Bill Data Reporting Implementation Guide” is amended to reflect a new release of the guide. The new release, Release 2.0 (dated February 1, 2014), must be used for reporting twelve months following the effective date of the proposed regulations.

2. Section 9702

Section 9702 sets forth the list of data elements required to be electronically transmitted to the WCIS, the timing of the submission of these data elements, and the claims on which these data elements are to be submitted. The required data elements, compatible with the EDI standards of the IAIABC, are essentially divided into three categories: the first report of injury (subdivision (b)), subsequent reports of benefit payments (subdivision (d)), and medical bill payment data (subdivision (e)). Specific proposed amendments to subdivisions (a)(1)–(3), (e) and (i) are as follows:

§ 9702(a): Reference to the variance procedure is eliminated from this subdivision of the regulation.

§ 9702(e): The subdivision is first amended to omit reference to reporting requirements on or after September 22, 2006. Further, the last two sentences of the introductory paragraph regarding requirements for data submission are deleted, as these matters are now addressed in subdivisions (e)(1)–(3) below.

Currently, California WCIS utilizes IAIABC EDI Implementation Guide for Medical Bill Payment Records Version 1.1 (July 1, 2009) Edition for collecting medical bill payment data. That Edition is based on the ASC X12 4010 standard. IAIABC has since updated its medical bill payment implementation guide to Release 2.0 which is based on the ASC X12 5010 standard. Release 2.0 also now supports ICD–10 procedure and diagnosis codes, in addition to ICD–9 codes.

The data elements in Table 1 are removed from the proposed regulation.

Table 1

Data Number	Data Element Name
0518	DRG CODE
0152	EMPLOYEE EMPLOYMENT VISA
0013	EMPLOYEE GREEN CARD
0156	EMPLOYEE PASSPORT NUMBER
0679	FACILITY FEIN
0681	FACILITY MEDICARE NUMBER
0737	HCPCS BILL PROCEDURE CODE
0626	HCPCS PRINCIPLE PROCEDURE BILLED CODE
0105	INTERCHANGE VERSION ID
0712	MANAGED CARE ORGANIZATION POSTAL CODE
0526	RELEASE OF INFORMATION CODE
0657	RENDERING BILL PROVIDER COUNTRY CODE
0656	RENDERING BILL PROVIDER POSTAL CODE
0649	RENDERING BILL PROVIDER SPECIALTY LICENSE NUMBER
0593	RENDERING LINE PROVIDER POSTAL CODE
0566	TOTAL CHARGE PER LINE — PURCHASE
0565	TOTAL CHARGE PER LINE — RENTAL

The data elements in Table 2 are added to the regulation.

Table 2

Data Number	Data Element Name
0719	ADA PROCEDURE BILLED CODE
0622	ADMISSION HOUR
0577	ADMISSION TYPE CODE
0548	BILLED DRG CODE
0505	BILL FREQUENCY TYPE CODE
0540	BILLING PROVIDER CITY
0569	BILLING PROVIDER COUNTRY CODE
0529	BILLING PROVIDER FIRST NAME
0538	BILLING PROVIDER PRIMARY ADDRESS
0539	BILLING PROVIDER SECONDARY ADDRESS
0014	CLAIM ADMINISTRATOR MAILING POSTAL CODE
0762	COMPOUND DRUG INDICATOR
0556	CONDITION CODE
0741	CONTRACT LINE TYPE CODE
0580	DAY(S)/UNIT(S) PAID
0623	DISCHARGE HOUR
0563	DRUG NAME
0016	EMPLOYER FEIN
0018	EMPLOYER NAME
0686	FACILITY CITY
0684	FACILITY PRIMARY ADDRESS
0685	FACILITY SECONDARY ADDRESS

Data Number	Data Element Name
0687	FACILITY STATE CODE
0616	INSURER POSTAL CODE
0549	PAID DRG CODE
0533	PRESENT ON ADMISSION INDICATOR
0760	PRIOR ACTUAL AMOUNT PAID
0551	PROCEDURE DESCRIPTION
0742	PROVIDER AGREEMENT LINE CODE
0691	REFERRING PROVIDER FIRST NAME
0690	REFERRING PROVIDER LAST/GROUP NAME
0639	RENDERING BILL PROVIDER FIRST NAME
0587	RENDERING LINE PROVIDER FIRST NAME
0659	SUPERVISING PROVIDER FIRST NAME
0658	SUPERVISING PROVIDER LAST/GROUP NAME
0671	SUPERVISING PROVIDER PRIMARY SPECIALTY CODE

The California EDI Implementation Guide for Medical Bill payment, which is incorporated into the proposed regulation by reference, has a section setting forth the requirements for each data element and for reporting lien medical bills. The information contained in the footnotes to the table contained in section 9702(e) has been moved to the California EDI Implementation Guide for Medical Bill Payment, Version 2.0. Information contained in footnotes 1–10 has been placed in Section VII where applicable to the newly adopted Version 2.0. Information contained in footnotes 11–18 have been placed in Section IX, in the “Lump sum bundled

lien bill payment” and “Lump sum lien bills data elements” subsections.

§ 9702(e)(1): A new subdivision (e)(1) is inserted to state that each claims administrator shall submit all medical bills data including interpreter bills within (90) calendar days of the medical bill payment or the date of the final determination that payment for billed medical services will be denied.

§ 9702(e)(2): A new subdivision (e)(2) is inserted to state that each claims administrator shall submit all medical lien lump sum payments or settlements following the filing of a lien claim for the payment of such medical services pursuant to Labor Code section 4903 and 4903.1 within ninety (90) calendar days of the medical lien lump sum payment or settlement.

§ 9702(e)(3): A new subdivision (e)(3) is inserted to reference the data submission requirements of the IAIABC Workers’ Compensation Medical Bill Data Reporting Implementation Guide, Release 2.0, dated February 1, 2014 and the California EDI Implementation Guide for Medical Bill Payment Records Version 2.0.

§ 9702(l): A new subdivision (l) is added to provide a variance procedure for any reporter who can demonstrate undue hardship to the Administrative Director.

3. California EDI Implementation Guide for Medical Bill Payment Records

The California EDI Implementation Guide for Medical Bill Payment Records, Version 1.1 (dated November 15, 2011) will now be replaced by Version 2.0. Use of Version 2.0 by claims administrators will be required twelve months after the effective date of the regulations. The significant changes between Version 1.1 and Version 2.0, by section, are as follows:

Section I

- Adopts IAIABC Workers’ Compensation Medical Bill Data Reporting Implementation Guide, Release 2.0 Dated February 1, 2013.
- Adopts the ASC (Accredited Standards Committee) X12 Implementation Acknowledgement for Health Care Insurance (999) dated February 2011.

Section II

- Updated the Trading Partner Profile Form.
- Removed obsolete information from Part C1 and C2.

Section III

- Updated the process for establishing SFTP connectivity and getting access to the WCIS server.

Section IV

- Updated the testing requirement. Added a new testing requirement for the newly proposed adoption of ANS X12 999 Implementation acknowledgement.

Section V

- Updated the list of reportable data elements list and the 837 loops and segments it should be reported under.
- Updated the loops and segments for 824 acknowledgements to Version 2.0 standards.
- Added the loops and segments for 999 acknowledgments.

Section VI

- Updated the data element by source table according to the proposed data element list.

Section VII

- Updated the data element requirement table to Version 2.0 standards and the proposed data elements.
- Added one new BSRC code (02–Correction) to be used on bills that have been submitted and accepted by WCIS but the Claims Administrator needs to correct information on the accepted bill.

Section VIII

- Updated the edits matrix according to Version 2.0 standards and the proposed data elements.

Section IX

- Updated the system specifications according to Version 2.0.
- Describes the proposed 999 implementation acknowledgements that replaced the 997 functional acknowledgements used in Release 1.1.
- Updated the matching rules for
 - Matching 837 files to 824 application advice
 - Matching transaction sets
 - Matching injured worker claims between the FROI and Medical Bill databases of WCIS.
- Updated the rule for identifying duplicate transaction sets and medical bills.
- Introduced the new balancing process according to Version 2.0 standards
 - Balancing at the bill level
 - Balancing at the line level
- Provides description of how to report compound drugs.
- Updated the section on how to report bundled lien bill payments.

Section X

- Updated the source of code lists used in WCIS.

OBJECTIVE AND ANTICIPATED BENEFITS OF THE PROPOSED REGULATIONS

The objective of these amendments to the regulations is to ensure consistency with national standards for Workers' Compensation EDI reporting set forth by the IAIABC in its Workers' Compensation Medical Bill Data Reporting Implementation Guide, Release 2.0, dated February 1, 2014, which necessitates corresponding updates to the California EDI Implementation Guide for Medical Bill Payment Records Version 2.0, and the proposed changes to 8 C.C.R. sections 9701 and 9702. Making these updates will make the data received more useful to WCIS for research and analysis purposes and will make more consistent EDI reporting requirements for reporting entities performing WCIS reporting, e-billing and other related functions to both DWC and other entities that require the submission of EDI, and will streamline and make more efficient reporting requirements for reporting entities.

DETERMINATION OF INCONSISTENCY AND/OR INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

The Acting Administrative Director has determined that the proposed regulatory amendments are not inconsistent or incompatible with existing regulations. After conducting a review for any regulations that would relate to or affect this area, the Acting Administrative Director has concluded that these are the only operative regulations concerning reporting of EDI to WCIS.

DUPLICATION OF LABOR CODE PROVISIONS

The Acting Administrative Director has determined that the proposed regulatory amendments are not duplicative of any Labor Code provision.

DISCLOSURES REGARDING THE PROPOSED REGULATORY ACTION

The Acting Administrative Director has made the following initial determinations:

- Mandate on 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.
- Cost impacts on a representative private person or business: The DWC is not aware of any significant adverse cost impacts that a representative private person or business would need to incur to come into compliance with the new requirements imposed by the proposed amendments to the regulations.
- Statewide adverse economic impact directly affecting business and individuals: None. Costs will be incurred by workers' compensation insurers, self-insured self-administered employers and third party claims administrators to expand the Electronic Data Interchange structure of the Workers' Compensation Information System (WCIS) to conform to changes in the California EDI Medical Bill Payment guidelines. Insurance companies who report directly to WCIS and use their own systems will need to upgrade their programming for the reporting of lien data may incur an initial cost of approximately \$20,000-\$25,000. These costs, which may include payments for programming and reporting additional medical transactions data to the WCIS, are not anticipated to 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 the Economic Impact Analysis/Assessment

The Acting Administrative Director concludes that it is (1) unlikely that the proposal will create any jobs within the State of California, (2) unlikely that the proposal will eliminate any jobs within the State of California, (3) unlikely that the proposal will create any new businesses within the State of California, (4) unlikely that the proposal will eliminate any existing businesses within the State of California, and (5) unlikely that the proposal would cause the expansion of the businesses currently doing business within the State of California.

The proposed regulations will not have a significant adverse economic impact on representative private persons or directly affected businesses. The entities directly affected by the regulations are three types of private businesses: (1) employers who are large and financially secure enough to be permitted to self-insure their workers' compensation liability and who administer their own workers' compensation claims; (2) private insurance companies which are authorized to transact workers' compensation insurance in California; and (3) third party administrators which are retained to administer claims on behalf of self-insured employers or insurers.

Benefits of the Proposed Action: The objective of these amendments to the regulations is to ensure consistency with national standards for Workers' Compensation EDI reporting set forth by the IAIABC in its Workers' Compensation Medical Bill Data Reporting Implementation Guide, Release 2.0, dated February 1, 2014, which necessitate corresponding updates to the California EDI Implementation Guide for Medical Bill Payment Records Version 2.0, and the proposed changes to 8 C.C.R. sections 9701 and 9702. Making these updates will make the data received more useful to WCIS for research and analysis purposes and will make more consistent EDI reporting requirements for reporting entities performing WCIS reporting, e-billing and other related functions to both DWC and other entities that require the submission of EDI, and will streamline and make more efficient reporting requirements for reporting entities.

Small Business Determination: The Acting Administrative Director has determined that the proposed regulations may affect small businesses. However, claims administrators have been required to report to WCIS since November 1, 1999. Therefore, reporting to WCIS is not a new requirement. Additionally, small businesses are generally not self-insured, insurers, or third party administrators. Finally, subdivision (e), which requires medical data reporting, will not affect small business, as only claims administrators handling one hundred and fifty or more total claims per year are required to report.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(a)(13), the Acting Administrative Director must determine that no reasonable alternative considered or that has otherwise been identified and brought to the Acting Administrative Director's attention would be more effective in carrying out the purpose for which the actions are proposed, or would be as effective and less burdensome to affected private persons than the proposed actions, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Acting Administrative Director invites interested persons to present reasonable alternatives to the proposed regulations at the scheduled hearing or during the written comment period.

PUBLIC DISCUSSIONS OF PROPOSED REGULATIONS

The text of the draft proposed regulations and amendments to the California EDI Implementation Guide for Medical Bill Payment Records, Version 2.0, was made available for pre-regulatory public comment from July 24, 2013 through August 5, 2013 through the Division's Internet message board (the "DWC Forum"). The proposed revisions were also discussed at the October 21, 2013 meeting of the WCIS Advisory Board.

AVAILABILITY OF INITIAL STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, RULEMAKING FILE AND DOCUMENTS SUPPORTING THE RULEMAKING FILE/INTERNET ACCESS

An Initial Statement of Reasons and the text of the proposed regulations in plain English have been prepared and are available from the contact person named in this notice. The entire rulemaking file will be made available for inspection and copying at the address indicated below.

As of the date of this Notice, the rulemaking file consists of the Notice, the Initial Statement of Reasons, proposed text of the regulations, pre-rulemaking comments and the Economic Impact Statement (Form STD 399). Also included are studies and documents relied upon in drafting the proposed regulations.

In addition, the Notice, Initial Statement of Reasons, and proposed text of the regulations being proposed may be accessed and downloaded from the Division's website at www.dir.ca.gov. To access them, click on the "Proposed Regulations — Rulemaking" link and scroll down the list of rulemaking proceedings to find the WCIS link.

Any interested person may inspect a copy or direct questions about the proposed regulations and any supplemental information contained in the rulemaking file. The rulemaking file will be available for inspection at the Department of Industrial Relations, Division of Workers' Compensation, 1515 Clay Street, 17th Floor, Oakland, California 94612, between 9:00 a.m. and 4:30 p.m., Monday through Friday. Copies of the proposed regulations, Initial Statement of Reasons and any information contained in the rulemaking file may be requested in writing to the contact person.

At the Business Meeting, the Board will conduct its monthly business.

DISABILITY ACCOMMODATION NOTICE: Disability accommodation is available upon request. Any person with a disability requiring an accommodation, auxiliary aid or service, or a modification of policies or procedures to ensure effective communication and access to the public hearings/meetings of the Occupational Safety and Health Standards Board should contact the Disability Accommodation Coordinator at (916) 274-5721 or the statewide Disability Accommodation Coordinator at 1-866-326-1616 (toll free). The statewide Coordinator can also be reached through the California Relay Service, by dialing 711 or 1-800-735-2929 (TTY) or 1-800-855-3000 (TTY-Spanish).

Accommodations can include modifications of policies or procedures or provision of auxiliary aids or services. Accommodations include, but are not limited to, an Assistive Listening System (ALS), a Computer-Aided Transcription System or Communication Access Realtime Translation (CART), a sign-language interpreter, documents in Braille, large print or on computer disk, and audio cassette recording. Accommodation requests should be made as soon as possible. Requests for an ALS or CART should be made no later than five (5) days before the hearing.

NOTICE OF PROPOSED CHANGES TO TITLE 8 OF THE CALIFORNIA CODE OF REGULATIONS BY THE OCCUPATIONAL SAFETY AND HEALTH STANDARDS BOARD

Notice is hereby given pursuant to Government Code Section 11346.4 and Labor Code Sections 142.1, 142.4 and 144.5, that the Occupational Safety and Health Standards Board pursuant to the authority granted by Labor Code Section 142.3, and to implement Labor Code Section 142.3, will consider the following proposed revisions to Title 8, General Industry Safety Orders of the California Code of Regulations, as indicated below, at its Public Hearing on **July 17, 2014**.

1. **TITLE 8: GENERAL INDUSTRY SAFETY ORDERS**
Sections 4345, 4351, 4352, and 4354
Stationary and Mobile Compaction Equipment and Balers

Descriptions of the proposed changes are as follows:

1. **TITLE 8: GENERAL INDUSTRY SAFETY ORDERS**
Sections 4345, 4351, 4352, and 4354
Stationary and Mobile Compaction Equipment and Balers

INFORMATIVE DIGEST OF PROPOSED ACTION/POLICY STATEMENT OVERVIEW

To ensure that the latest consensus safety standards regarding the operation of mobile trash compaction equipment, including dual-control mobile compaction equipment and balers which are covered by the American National Standards Institute (ANSI) Z245 standards, are addressed in Title 8, Board staff has initiated this rulemaking in response to changes in technology and industry practice. At present, the ANSI Z245.1-1992 standard entitled "American National Standard for Refuse Collection, Processing and Disposal Equipment — Mobile Refuse Collection Compaction Equipment — Safety Requirements, the ANSI Z245.2-1992 standard entitled "American National Standard for Refuse Collection, Processing, and Disposal Equipment — Stationary Compactors — Safety Requirements," and the ANSI Z245.5-1990 standard entitled "American National Standard for Refuse Collection, Processing, and Disposal — Baling Equipment — Safety Requirements" are referenced by Articles 60 and 61. The listed standards have been superseded, respectively, by ANSI Z245.1-2012, ANSI Z245.21-2013, and ANSI Z245.51-2013.

Because refuse collection and compaction equipment manufacturers build to the latest consensus standards available, the references in Title 8 will be updated to reflect current practice. This proposal will amend Title 8, Sections 4345, 4351, 4352 and 4354 to reference the most current ANSI Z245 editions and establish operating procedures for dual-control mobile compaction equipment, currently unaddressed in Title 8.

The proposal also contains three new definitions related to the operation of dual control mobile compaction equipment based on the aforementioned consensus standards and discussion by a representative advisory committee convened by staff on December 6, 2013 and who provided assistance in the development of the proposal. This regulatory proposal is intended to provide worker safety at places of employment in California.

This proposed rulemaking action:

- Is based on the following authority and reference: Labor Code Section 142.3, which states, at subsection (a)(1) that the Board is "the only agency in the state authorized to adopt occupational safety and health standards." When read in its entirety, Section 142.3 requires that California have a system of occupational safety and health regulations that at least mirror the equivalent federal regulations and that may be more protective of worker health and safety than are the federal occupational safety and health regulations.

- Differs from existing federal standards in that it regulates specialized waste and recycling equipment and balers for which federal standards do not exist.
- Is not inconsistent or incompatible with existing state regulations. This proposal is part of a system of occupational safety and health regulations. The consistency and compatibility of that system's component regulations are provided by such things as: (1) the requirement of the federal government and the Labor Code to the effect that the state regulations be at least as effective as their federal counterparts, and (2) the requirement that all state occupational safety and health rulemaking be channeled through a single entity (the Standards Board).
- Was determined to be the least burdensome effective alternative by consensus of an advisory committee.

Section 4345. Hoist and Tilt-Frame Refuse and Trash Collection Equipment.

This section contains standards requiring hoist and tilt-frame refuse and trash collection equipment placed in service after December 2, 1998 to bear a plate or marking indicating it was designed and constructed in accordance with ANSI Z245.1-1992. It also contains provisions for the use of back-up warning devices, safe riding positions on the vehicle, and operation of hoist tilt-frame equipment controls.

A new subsection (a) is proposed to require a manufacturer-installed plate or marking which states that the equipment is designed and constructed in accordance with the 2012 version of ANSI Z245.1 for equipment placed in service on or after April 1, 2015. Subsection (b) would be amended to address such equipment placed in service before April 1, 2015 to be labeled as meeting the ANSI Z245.1 standard in effect at the time the equipment was manufactured.

The proposed amendments will ensure that the employer understands which edition of the ANSI 2245.1 safety standard applies to his/her vehicles. The April 1, 2015 date is used to allow sufficient time for manufacturers to comply with the updated ANSI standard after its effective date.

Section 4351. Definitions.

This section contains various definitions relating to all types of compaction equipment that are regulated by the provisions of Article 61.

Amendments are proposed to add definitions for the terms collection mode, secondary position and work brake, which relate directly to the safety standards for dual-control mobile compaction equipment addressed by ANSI Z245.1-2012.

The proposed definitions will clarify to the employer the meaning of the standards in which they are used and help to ensure compliance with those standards. The necessary safeguarding of employees is accomplished.

Section 4352. Construction, Reconstruction and Modification.

Subsection (a) contains standards that address the design and construction of stationary and mobile refuse compaction equipment placed in service after January 3, 1996 and requires that such equipment be provided with a permanent plate or marking indicating the equipment was designed and constructed in accordance with the applicable provisions of the ANSI Z245.2-1992 for stationary compactors and the ANSI 245.1-1992 for mobile refuse and compaction equipment. For equipment placed in service before January 3, 1996, the standard states that such equipment shall be equipped with a permanent plate or marking stating that it was designed and constructed in accordance with the applicable ANSI Z245 safety standard in effect at the time the compaction equipment was manufactured.

Amendments are proposed to reorganize subsection (a) by adding a new paragraph (1) which would require stationary and mobile compaction equipment placed in service on or after April 1, 2015 to be equipped with a manufacturer-installed plate or marking that states that the compactor is designed and built in accordance with the applicable provisions of the ANSI Z245.21-2013 for stationary compactors and the ANSI Z245.1-2012 for mobile wastes and recyclable materials collection in addition to the other requirements of the Orders.

Further amendments are proposed to require stationary and mobile refuse compaction equipment placed in service before April 1, 2015 to be identified as being designed and constructed in accordance with the ANSI Z245.1 and ANSI Z245.2 standards in effect at the time the compaction equipment was manufactured.

Finally, subsection (b) addresses other compaction equipment such as balers placed in service on or after January 3, 1996, requiring that such equipment be provided with a permanent plate or marking stating the baler meets the requirements of ANSI Z245.5-1990.

Amendments are proposed to delete the existing regulatory text of subsection (b) for replacement by a new paragraph (1) which would require balers placed in service on or after April 1, 2015 to be provided with a manufacturer-installed plate or marking stating the baler meets the minimum safety requirements of ANSI Z245.51-2013. A new paragraph numbered as (2) is proposed consisting of the existing language of subsection (b) addressing balers placed in service before April 1, 2015 to indicate that they meet the requirements of the ANSI Z245.5 standard in effect at the time baling equipment was manufactured. A requirement that com-

action equipment not specifically addressed in this standard be designed and constructed in an approved manner is also added.

The proposed amendments will ensure that the employer understands which edition of the ANSI Z245 safety standard applies to his/her vehicles. They will also ensure that compaction equipment not specifically addressed in this standard be designed and constructed in an approved manner. The April 1, 2015 date is used to allow sufficient time for manufacturers to comply with the updated ANSI standards after their effective dates.

Section 4354. Mobile Compaction Equipment.

Two new subsections (i) and (j) will be added to address the operation of dual-control mobile compaction equipment when driven from the stand-up position. Based upon consensus from the December 6, 2013 advisory committee meeting between stakeholders and the Division subsection (i) will require that vehicles be driven 10 miles per hour (mph) or less when operated from the secondary position during collection mode. Seatbelts, locking or latching bars, safety chains, or straps must also be utilized during operation, except when the vehicle is travelling less than 10 mph. Only qualified operators will be permitted to drive in the secondary position. The reason for the 10-mph limit and exceptions to seatbelts, locking or latching bars, safety chains, or straps is to allow the operator to enter and exit the vehicle quickly and efficiently during collection mode where refuse or recycling collection stops are close to one another.

Subsection (j) applies to those vehicles equipped with a work brake and prohibits an operator from using the work brake as the primary means for stopping the vehicle. The work brake will instantly stop the wheels on the equipment, which can not only damage the equipment, but can also cause the operator to be jolted forward, possibly losing balance and falling.

The proposed amendments will ensure that employers establish operating procedures for dual-control mobile compaction equipment in order to prevent misuse of equipment that could lead to employee injury.

COST ESTIMATES OF PROPOSED ACTION

Costs or Savings to State Agencies

No costs or savings to state agencies will result as a consequence of the proposed action.

Impact on Housing Costs

The Board has made an initial determination that this proposal will not significantly affect housing costs.

Impact on Businesses/Significant Statewide Adverse Economic Impact Directly Affecting Businesses Including the Ability of California Businesses to Compete

The Board has made a determination that this proposal will not result in a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. The proposal adopts best practices obtained from consensus standards and input from stakeholders in an advisory committee meeting. Employers currently train employees on the use of collection, compaction, and baling equipment and may or may not need to update their procedures as a result of these regulations, but there is no additional regulatory impact. Furthermore, labeling requirements are already performed by equipment manufacturers; the current proposal merely updates Title 8 regulations to reflect current practice.

Cost Impact on 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.

Costs or Savings in Federal Funding to the State

The proposal will not result in costs or savings in federal funding to the state.

Costs or Savings to Local Agencies or School Districts Required to be Reimbursed

No costs to local agencies or school districts are required to be reimbursed. See explanation under "Determination of Mandate."

Other Nondiscretionary Costs or Savings Imposed on Local Agencies

This proposal does not impose nondiscretionary costs or savings on local agencies.

DETERMINATION OF MANDATE

The Occupational Safety and Health Standards Board has determined that the proposed standard does not impose a local mandate. There are no costs to any local government or school district which must be reimbursed in accordance with Government Code Sections 17500 through 17630.

EFFECT ON SMALL BUSINESSES

The Board has determined that the proposed amendment may affect small businesses. However, no economic impact is anticipated. The equipment is supplied from the manufacturer with the appropriate labeling required by the standard. The employer only needs to ensure that the appropriate labels or marking remain pres-

ent and legible. Additionally, many aspects of the proposed operating rules are already in practice; the amendment serves only to codify and standardize them.

RESULTS OF THE ECONOMIC IMPACT ANALYSIS/ASSESSMENT

The proposed regulation will not have any effect on the creation or elimination of California jobs or the creation or elimination of California businesses or affect the expansion of existing California businesses because it merely updates already-required labeling requirements to reflect the current versions of standards to which the equipment is already built. Additionally, the remainder of the proposed changes may require an employer to update its operating procedures, but were determined by the advisory committee to pose no economic impact.

BENEFITS OF THE REGULATION

The proposal will protect employees by requiring that new waste and recycling equipment and balers are labeled as being manufactured according to the latest consensus standards. Additionally, the proposal protects employees by codifying safe operating rules for said equipment not currently addressed by Title 8 regulations.

ALTERNATIVES STATEMENT

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 or would be as effective and less burdensome to affected private persons or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposal described in this Notice.

A copy of the proposed changes in STRIKEOUT/ UNDERLINE format is available upon request made to the Occupational Safety and Health Standard Board's Office, 2520 Venture Oaks Way, Suite 350, Sacramento, CA 95833, (916) 274-5721. Copies will also be available at the Public Hearing.

An INITIAL STATEMENT OF REASONS containing a statement of the purpose and factual basis for the proposed actions, identification of the technical documents relied upon, and a description of any identified alternatives has been prepared and is available upon request from the Standards Board's Office.

Notice is also given that any interested person may present statements or arguments orally or in writing at the hearing on the proposed changes under consideration. It is requested, but not required, that written comments be submitted so that they are received no later than **July 11, 2014**. The official record of the rulemaking proceedings will be closed at the conclusion of the public hearing and written comments received after 5:00 p.m. on **July 17, 2014**, will not be considered by the Board unless the Board announces an extension of time in which to submit written comments. Written comments should be mailed to the address provided below or submitted by fax at (916) 274-5743 or e-mailed at oshsb@dir.ca.gov. The Occupational Safety and Health Standards Board may thereafter adopt the above proposals substantially as set forth without further notice.

The Occupational Safety and Health Standards Board's rulemaking file on the proposed actions including all the information upon which the proposals are based are open to public inspection Monday through Friday, from 8:30 a.m. to 4:30 p.m. at the Standards Board's Office, 2520 Venture Oaks Way, Suite 350, Sacramento, CA 95833.

The full text of proposed changes, including any changes or modifications that may be made as a result of the public hearing, shall be available from the Executive Officer 15 days prior to the date on which the Standards Board adopts the proposed changes.

Inquiries concerning either the proposed administrative action or the substance of the proposed changes may be directed to Marley Hart, Executive Officer, or Mike Manieri, Principal Safety Engineer, at (916) 274-5721.

You can access the Board's notice and other materials associated with this proposal on the Standards Board's homepage/website address which is <http://www.dir.ca.gov/oshsb>. Once the Final Statement of Reasons is prepared, it may be obtained by accessing the Board's website or by calling the telephone number listed above.

TITLE 14. STATE MINING AND GEOLOGY BOARD

PROPOSED AMENDED REGULATIONS FOR DESIGNATION OF MINERAL LANDS IN THE STOCKTON-LODI PRODUCTION-CONSUMPTION REGION, SAN JOAQUIN AND STANISLAUS COUNTIES

NOTICE IS HEREBY GIVEN that the State Mining and Geology Board (SMGB) proposes to amend regula-

tions described below after considering all comments and recommendations regarding the proposed action.

REGULATORY ACTION

The SMGB has adopted, by regulation set forth in CCR Section 3550, the designation of certain mineral resource sectors within geographical areas to be of regional significance. Designation is the formal recognition by the SMGB of lands containing mineral resources of regional or statewide economic significance that are needed to meet the demands of the future. The State Mining and Geology Board (SMGB) proposes to present proposed regulations which would amend Section 3550.14 to Title 14, Article 2, of the California Code of Regulations (CCR), and provide a description of the locations of mineral resources areas designated to be of statewide significance, and areas where designation will be terminated, within the Stockton–Lodi Production–Consumption (P–C) Region, San Joaquin and Stanislaus Counties.

PREVIOUS PUBLIC HEARINGS

At its May 10, 2012 regular business meeting, the SMGB accepted California Department of Conservation (DOC) Geological Survey (CGS) Special Report 199, a classification report on the occurrence of Portland cement concrete–grade (PCC) aggregate in the Stockton–Lodi Production–Consumption (P–C) Region. CGS Special Report 199 presented updated information previously provided in a classification report on PCC aggregate in the Stockton–Lodi P–C Region first published in 1988. The previous report was published by the California Division of Mines and Geology (CDMG; now CGS) as Special Report 160 — *Mineral Land Classification: Portland Cement Aggregate in the Stockton–Lodi Production–Consumption Region*. The State Geologist has recommended designation of select mineral resource lands in the Stockton–Lodi P–C Region. At its September 13, 2012, regular business meeting, the SMGB accepted the State Geologist’s recommendations. A public comment period was subsequently provided and commenced on August 5, 2013, and ended on October 5, 2013. Pursuant to Public Resources Code (PRC) Section 2793, to offer opportunity to receive comments on the proposed action a public hearing was held in the City of Lodi on August 19, 2013. No oral or written comments were received. At its November 14, 2013, regular business meeting, the SMGB accepted the proposed new designations, and areas identified for termination of designation, for the Stockton–Lodi P–C Region pursuant to PRC Section 2761.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the SMGB. Comments may also be submitted by facsimile (FAX) at (916) 445–0738 or by e–mail to stephen.testa@conservation.ca.gov. The 45–day comment period will commence on May 30, 2014, and closes at 5:00 p.m. on July 14, 2014. The SMGB will consider only comments received at the SMGB office by that time. No public hearing is scheduled, but any person can request a public hearing no later than 15 days before the close of the written comment period.

AUTHORITY AND REFERENCE

The SMGB proposes to adopt a regulation that amends Section 3350.14 to Article 2 of the California Code of Regulations, Title 14, Division 2, Chapter 8, Subchapter 1, pursuant to its authority granted in PRC Sections 2790 and 2207 (Reference PRC Section 2726, 2761–2763, 2790–2791, and 2793).

INFORMATIVE DIGEST

The SMGB has adopted, by regulation set forth in CCR Section 3550, the designation of certain mineral resource sectors within geographical areas to be of regional significance. Designation is the formal recognition by the SMGB of lands containing mineral resources of regional or statewide economic significance that are needed to meet the demands of the future.

In 1988, the California Division of Mines and Geology (CDMG; now CGS) published in 1988 as Special Report 160 — *Mineral Land Classification of Portland Cement Concrete Aggregate in the Stockton–Lodi Production–Consumption Region*. In response to this classification report, the SMGB, in 1999, designated construction aggregate resource areas of regional significance in the Stockton–Lodi P–C Region as presented in the report titled “*SMARA Designation Report No. 9R — Designation of Regionally Significant Construction Aggregate Resources in the Stockton–Lodi Production–Consumption Region*”.

At its May 10, 2013, regular business meeting, the SMGB accepted CGS Special Report 199 titled “*Update of Mineral Land Classification for Portland Cement Concrete–Grade Aggregate in the Stockton–Lodi Production–Consumption Region, San Joaquin and Stanislaus Counties, California*” which updated information on PCC aggregate in the Stockton–Lodi P–C Region previously presented in SR 160. This report updated information on Portland cement concrete (PCC) grade aggregate in the original classification study of

the Stockton–Lodi Production–Consumption (P–C) Region published in 1988 as Special Report 160 — *Mineral Land Classification of Portland Cement Concrete Aggregate in the Stockton–Lodi Production–Consumption Region*.

The updated report presented the following conclusions:

- Currently, 232 million tons of currently permitted construction aggregate reserves are projected to last through the year 2033, 19 years from the present.
- An estimated 969 million tons of concrete aggregate resources are identified in the Stockton–Lodi P–C Region. This represents an increase in PCC–grade aggregate resources of about 403 million tons from the 566 million tons of PCC–grade aggregate resources designated in 1989.
- Anticipated consumption of construction aggregate in the Stockton–Lodi P–C Region for the next 50 years (through the year 2064) is estimated to be 687 million tons, of which 275 million tons must be concrete–grade.
- If a large–scale construction project or catastrophic event (i.e., earthquake) requiring rebuilding were to happen in the P–C Region, existing reserves may be depleted sooner than projected.

The publication of Special Report 160, and its update, Special Report 199, accomplished part one of the two–part *Classification–Designation* process. Part two of the two–step process, designation, is the formal recognition by the SMGB of lands containing mineral resources of regional or statewide economic significance needed to meet the demands of the future. In the years since the original publication of Special Report 159, termination of designation for certain areas where the direct involvement of the SMGB is no longer required have also been identified.

The State Geologist has recommended, and the SMGB subsequently accepted, several candidates, or areas, for designation as an area of regional or statewide significance by the SMGB. Each Sector, or group of Sectors, described below, meets or exceeds the Board’s threshold economic value for the type of mineral resource described, and each Sector may be considered for designation as an area of regional or statewide significance by the SMGB pursuant to Article 6, Section 2790 *et seq.* (SMARA).

The State Geologist also recommended several candidates for termination of designation. Six areas (in five Sectors) are identified as potential candidates for termination of designation status due to high–value incompatible land use developments. All or parts of eight

Sectors are identified as potential candidates for termination of designation status because of depletion due to mining or development of incompatible land uses.

POLICY STATEMENT OVERVIEW: The proposed regulations would allow consideration of new information obtained since the publication of the 1988 Mineral Land Classification study. The proposed amended regulations reflect information provided in CGS Special Report 199 which noted in the years since the designation of the Stockton–Lodi P–C Region, about 41 percent, or 2,348 acres of the 5,709 acres of lands originally designated by the SMGB have been depleted by mining or lost to land uses incompatible with mining. Lands depleted by mining include 1,404 acres containing approximately 208 million tons of PCC–grade aggregate resources and 267 acres containing a proprietary amount of PCC–grade sand resources. About 677 acres containing approximately 132 million tons of FCC–grade aggregate resources have been lost to incompatible land uses.

Each Sector that may be considered for designation as an area of regional or statewide significance by the SMGB pursuant to Article 6, Section 2790 *et seq.* (SMARA), meets or exceeds the threshold value as established by the SMGB. This proposed regulation is necessary in order for the State to meet its aggregate availability and sustainability needs.

The proposed regulatory language is consistent and compatible with existing state regulations. The SMGB considered any other possible related regulations, and concluded that these are the only regulations dealing in this subject area (State Mining and Geology Board — Areas Designated to be of Regional Significance), and therefore, the SMGB finds that these proposed regulations are compatible and consistent with the intent of the Legislature, as well as with existing state regulations.

The specific benefits anticipated by the proposed amendment provides non–monetary benefits to the environment by avoiding species conservation areas and habitat–sensitive areas, while contributing to efforts to reduce greenhouse gas emissions, and does not conflict with the protection of public health and safety, worker safety, the prevention of discrimination, the promotion of fairness or social equity, and the increase in openness and transparency in business and government, among other things.

CEQA COMPLIANCE: The SMGB has determined that this rule making action is not a project as defined in the California Environmental Quality Act (CEQA) and is exempt from the requirements of CEQA, Title 14, CCR, Section 15061(b)(3).

DISCLOSURES REGARDING THE PROPOSED ACTION: The SMGB’s Executive Officer has made the following preliminary determinations:

Mandate on local agencies and school districts:

The adoption of this amended regulation does not impose any new mandates on local agencies or on local school districts.

Costs or savings to any State agency: The proposed amended regulation imposes no savings or additional expenses to state agencies.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code Sections 17500 through 17630: The proposed amended regulation does not impose any additional cost obligations on local agencies or on local school districts.

Other non-discretionary costs or savings imposed upon local agencies: No other non-discretionary costs or savings to local agencies are imposed by the proposed amended regulation.

Cost or savings in Federal funding to the State: There are no costs or savings in Federal funding to the State.

Significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states: No statewide adverse impacts to California businesses result from the adoption of this proposed amended regulatory language.

Potential cost impact on private persons or directly affected businesses: The imposition of the proposed amended language on a directly affected local mining operation will have a positive cost impact to that operation by the recognition of designated mineral land of regional significance which in some circumstances may reduce the amount of time, thus cost, in acquiring a permit to mine from its lead agency. Also, termination of formally designated areas would not have any cost impact. Therefore, the agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Results of Economic Impact Analysis: The adoption of this regulation will not:

- Create nor eliminate jobs within California;
- Create new nor eliminate existing businesses within California;
- Expand businesses currently doing business in California.

The adoption of this regulation will, however, benefit the health and welfare of California residents and the state's environment by avoiding species conservation and habitat-sensitive areas, as well as reducing greenhouse gas emissions related to transportation.

Article 6 of SMARA, commencing with PRC Section 2790, provides for the SMGB, based upon mineral information from the State Geologist pursuant to subdivi-

sion (c) of PRC Section 2761, to adopt in regulation specific geographic areas of the state as areas of statewide or regional mineral resource significance and specify the boundaries of those areas. PRC Section 2793 also provides a mechanism for the SMGB after a public hearing to terminate, partially or wholly, the designation of any area of statewide or regional significance on a finding that the direct involvement of the SMGB is no longer required.

Designation is the formal recognition by the SMGB of lands containing mineral resources of regional or statewide economic significance that are needed to meet the demands of the future. The purpose of the amended regulations to Article 2 CCR Section 3550.14 is to clarify and make specific those mineral lands that are to be designated by the SMGB as having regional significance within the Stockton-Lodi P-C Region, and areas where designation is to be terminated due to local land-use decisions that have been made that are deemed incompatible with mining.

Creation or Elimination of Jobs Within the State of California: The purpose of the proposed amendments to Article 2 CCR Section 3550.14 is to designate mineral lands of regional significance, and terminate designation of mineral lands previously designated as a result of the existing incompatible land use within the Stockton-Lodi Region with regards to the proposed regulation, but rather serves as a planning tool for local government (counties and cities) and considering future land use as it relates to surface mining.

Creation of New or Elimination of Existing Businesses Within the State of California: The purpose of the proposed amendments to Article 2 CCR Section 3550.14 is to designate mineral lands of regional significance, and terminate designation of mineral lands previously designated as a result of the existing incompatible land use within the Stockton-Lodi P-C Region. The imposition of the proposed regulation will have no cost impact on small businesses. There will be no new businesses created or existing businesses eliminated. This regulation allows lead agencies to consider the regional significance of mineral lands designated by the SMGB when making land-use decisions, but does not impose any fees or costs to businesses as part of that consideration.

Expansion of Businesses or Elimination of Existing Businesses Within the State of California: The purpose of the proposed amendments to Article 2 CCR Section 3550.14 is to designate mineral lands of regional

significance, and terminate designation of mineral lands previously designated as a result of the existing incompatible land use within the Stockton–Lodi P–C Region. The imposition of the proposed regulation will have no cost impact on businesses, and no existing businesses in California will be expanded or eliminated. The proposed regulation serves as a planning tool for local government (counties and cities) and considering future land use as it relates to surface mining.

Benefits of the Regulation: The purpose of the proposed amendment to Article 2 CCR Section 3550.14 is to clarify and make specific those mineral lands that are to be designated by the SMGB as having regional significance within the Stockton–Lodi P–C Region, or areas where designation is to be terminated. The proposed regulation will not adversely affect the health and welfare of California residents, worker safety, or the State’s environment. The adoption of this proposed amended regulation will benefit the health and welfare of California residents and the state’s environment by assuring that all ordinances are in accordance with state policy. This regulation serves as a planning tool for local government (counties and cities) in considering future land use as it relates to surface mining.

Significant effect on housing costs: The adoption of this amended regulation will have no significant effect on housing costs, but may reduce such costs by providing a source of PCC–grade aggregate closer to users and market areas.

Effects on small businesses: The imposition of the proposed amendment will have no cost impact on small businesses. The SMGB is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. There are no costs related or associated with the proposed designation of mineral lands. Such considerations require a lead agency to consider the regional significance of mineral lands designated by the SMGB when making land–use decisions, but does not impose any fees or costs to small businesses as part of that consideration.

CONSIDERATION OF ALTERNATIVES: The SMGB must determine that no reasonable alternative that it considers or that has otherwise been identified and brought to the attention of the SMGB would be more effective in carrying out the purpose for which the action is proposed, or 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 the statu-

tory policy or other provision of law. The SMGB’s Executive Officer has not identified any adverse impacts resulting from the proposed regulation.

No alternatives have been considered by the SMGB at this time that would be more effective in carrying out the purpose for which the regulatory action is proposed, nor have any other alternatives been proposed that would be as effective and less burdensome to affected private persons, lead agencies, or small businesses.

CONFLICT WITH FEDERAL REGULATIONS: This regulation change does not duplicate or conflict with existing Federal statutes or regulations. Also, by Memorandum of Understanding with the Federal Bureau of Land Management, the U. S. Forest Service, the Department of Conservation, and the SMGB, SMARA and federal law are coordinated to eliminate duplication.

GENERAL PURPOSE AND CONDITION ADDRESSED

Article 6 of the Surface Mining and Reclamation Act of 1975 (SMARA), commencing with PRC Section 2790, provides for the SMGB, based upon mineral information from the State Geologist pursuant to subdivision (c) of PRC Section 2761, to adopt in regulation specific geographic areas of the state as areas of statewide or regional mineral resource significance and specify the boundaries of those areas.

At its May 10, 2013, regular business meeting, the SMGB accepted California CGS Special Report 199 which updated information previously presented in a classification report on PCC aggregate in the Stockton–Lodi P–C Region completed in 1988. The previous report was published by the California Division of Mines and Geology (CDMG, now CGS) as Special Report 160 (SR 160) — *Mineral Land Classification of Portland Cement Concrete Aggregate in the Stockton–Lodi Production–Consumption Region*. The State Geologist’s recommendations for designation, and termination of designation, of select mineral resource lands in the Stockton–Lodi P–C Region, San Joaquin and Stanislaus Counties, were accepted by the SMGB at its regular business meeting held on November 14, 2013. The 60–day public comment period commenced on August 5, 2013, and ended on October 5, 2013. In addition, pursuant to PRC Section 2793, a public hearing was held on August 19, 2013, in the City of Lodi. During such public comment period and hearing, no comments were received.

SPECIFIC PURPOSE

The proposed amendments to Section 3550.14, Article 2 CCR, are intended to clarify and make specific

those mineral lands that are to be designated by the SMGB as having regional significance within the Stockton–Lodi P–C Region. These regulations are contained under Article 2, titled Areas Designated to be of Regional Significance.

The proposed amended regulations reflect information provided in CGS Special Report 199 which noted in the years since the designation of the Stockton–Lodi P–C Region, about 41 percent, or 2,348 acres of the 5,709 acres of lands originally designated by the SMGB have been depleted by mining or lost to land uses incompatible with mining. Lands depleted by mining include 1,404 acres containing approximately 208 million tons of PCC–grade aggregate resources and 267 acres containing a proprietary amount of PCC–grade sand resources. About 677 acres containing approximately 132 million tons of PCC–grade aggregate resources have been lost to incompatible land uses.

The State Geologist has recommended, and the SMGB subsequently accepted, several candidates, or areas, for designation as an area of regional or statewide significance by the SMGB. Each Sector, or group of Sectors, described below, meets or exceeds the Board’s threshold economic value for the type of mineral resource described, and each Sector may be considered for designation as an area of regional or statewide significance by the SMGB pursuant to Article 6, Section 2790 *et seq.* (SMARA).

The State Geologist also recommended several candidates for termination of designation. Six areas (in five Sectors) are identified as potential candidates for termination of designation status due to high–value incompatible land use developments. All or parts of eight Sectors are identified as potential candidates for termination of designation status because of depletion due to mining or development of incompatible land uses.

Proposed amended regulations, CCR Section 3550.14, indicate reference to two plates (maps). These two plates form an integral part of the regulation.

STATEMENT OF NECESSITY

PRC Section 2790 provides the SMGB the authority to adopt regulations that establish state policy for the designation of mineral lands of statewide or regional significance, in accordance with Article 6 (commencing with Section 2790) of this chapter, and pursuant to PRC Section 2761. PRC Section 2790 states that after receipt of mineral information from the State Geologist, the SMGB may by regulation adopted after a public hearing designate specific geographic areas of the state as areas of statewide, or regional significance and specify the boundaries thereof. Such designation shall be included as a part of the state policy and shall indicate the

reason for which the particular area designated is of significance to the state or region, the adverse effects that might result from premature development of incompatible land uses, the advantages that might be achieved from extraction of the minerals of the area, and the specific goals and policies to protect against the premature incompatible development of the area. PRC Section 2791 also requires the SMGB to seek the recommendations of concerned federal, state, and local agencies, educational institutions, civic and public interest organizations, and private organizations and individuals in the identification of areas of statewide and regional significance. PRC Section 2793 allows the SMGB, by regulation adopted after a public hearing, to terminate, partially or wholly, the designation of any area of statewide or regional significance on a finding that the direct involvement of the board is no longer required.

In 2012, the California CGS in its statewide report titled “*Map Sheet 52 (Updated 2012), Aggregate Sustainability in California*” noted that the Stockton–Lodi P–C Region 50–year demand for aggregate was on the order of 436 million tons. Permitted aggregate resources were on the order of 232 million tons. The percentage of permitted aggregate resources, as compared to the 50–year demand, was 40 percent, significantly lower than the projected demand.

In the years since the designation of the Stockton–Lodi P–C Region in 1988, about 41 percent, or 2,348 acres of the 5,709 acres of lands originally designated by the SMGB have been depleted by mining or lost to land uses incompatible with mining. Lands depleted by mining include 1,404 acres containing approximately 208 million tons of PCC–grade aggregate resources and 267 acres containing a proprietary amount of PCC–grade sand resources. About 677 acres containing approximately 132 million tons of PCC–grade aggregate resources have been lost to incompatible land uses. The proposed amended regulations reflect information provided in CGS Special Report 199.

In review of the reevaluation and update in Special Report 199 updated information on PCC aggregate in the Stockton–Lodi P–C Region previously presented in SR 160, the State Geologist has recommended, and the SMGB subsequently accepted, several candidates, or areas, for designation as an area of regional or statewide significance by the SMGB. Each Sector, or group of Sectors, meets or exceeds the Board’s threshold economic value for the type of mineral resource described, and each Sector may be considered for designation as an area of regional or statewide significance by the SMGB pursuant to Article 6, Section 2790 *et seq.* (SMARA). New information obtained since the publication of the 1988 Mineral Land Classification study has resulted in the reclassification of some areas originally classified MRZ–3 or MRZ–1 in this study. Sectors E, F, and G are

newly identified aggregate resource sectors that were not originally designated.

Each of the Sectors below meets or exceeds the mineral resource threshold value as established by the Board. At the time of the updated classification study, that threshold value amounted to approximately 1.3 million tons of PCC-grade aggregate. The permitted aggregate resources amounts contained in individual Sectors are considered proprietary.

The State Geologist also recommended several candidates for termination of designation. Six areas (in five Sectors) are identified as potential candidates for termination of designation status due to high-value incompatible land-use developments. All or parts of eight Sectors are identified as potential candidates for termination of designation status because of depletion due to mining or development of incompatible land uses.

IDENTIFICATION OF TECHNICAL/THEORETICAL/EMPIRICAL STUDIES, REPORTS, OR DOCUMENTS UPON WHICH THE SMGB HAS RELIED: Designation is the formal recognition by the SMGB of lands containing mineral resources of regional or statewide economic significance that are needed to meet the demands of the future. In 1988, the California Division of Mines and Geology (CDMG; now CGS) published Special Report 160 (SR 160) — *Mineral Land Classification: Portland Cement Aggregate in the Stockton–Lodi Production–Consumption Region*. In response to this classification report, the SMGB, in 1999, designated construction aggregate resource areas of regional significance in the Stockton–Lodi P–C Region as presented in the report titled “*SMARA Designation Report No. 9R — Designation of Regionally Significant Construction Aggregate Resources in the Stockton–Lodi Production–Consumption Region*”. At its November 14, 2014, regular business meeting, the SMGB accepted California CGS Special Report 199 which updated information previously presented in a classification report on PCC aggregate in the Stockton–Lodi P–C Region completed in 1988.

The updated report presented the following conclusions:

- Currently, 232 million tons of currently permitted construction aggregate reserves are projected to last through the year 2033, 19 years from the present.
- An estimated 969 million tons of concrete aggregate resources are identified in the Stockton–Lodi P–C Region. This represents an increase in PCC-grade aggregate resources of about 403 million tons from the 566 million tons of

PCC-grade aggregate resources designated in 1989.

- Anticipated consumption of construction aggregate in the Stockton–Lodi P–C Region for the next 50 years (through the year 2064) is estimated to be 687 million tons, of which 275 million tons must be concrete-grade.
- If a large-scale construction project or catastrophic event (i.e., earthquake) requiring rebuilding were to happen in the P–C Region, existing reserves may be depleted sooner than projected.

The State Geologist has recommended, and the SMGB subsequently accepted, several candidates, or areas, for designation as an area of regional or statewide significance by the SMGB. Each Sector, or group of Sectors, described below, meets or exceeds the Board’s threshold economic value for the type of mineral resource described, and each Sector may be considered for designation as an area of regional or statewide significance by the SMGB pursuant to Article 6, Section 2790 *et seq.* (SMARA). The State Geologist also recommended several candidates for termination of designation. Six areas (in five Sectors) are identified as potential candidates for termination of designation status due to high-value incompatible land-use developments. All or parts of eight Sectors are identified as potential candidates for termination of designation status because of depletion due to mining or development of incompatible land uses.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After holding the hearing and considering all timely and relevant comments received, the SMGB may adopt the proposed regulations substantially as described in this notice. If the SMGB makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with changes clearly indicated) available to the public for at least 15 days before the SMGB adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Mr. Stephen Testa at the address provided below. The SMGB 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 Mr. Stephen Testa at the address provided below.

CONTACT PERSON

An interested person may request a copy of the proposed amended regulation and the Initial Statement of Reasons. Questions about the proposed regulation and Initial Statement of Reasons can be directed to the SMGB's office. All supplemental information, upon which the regulation is based, is contained in the rulemaking file.

The rulemaking file is available for inspection at the SMGB Office at 801 K Street, Suite 2015, Sacramento, California, between 9:00 a.m. and 4:00 p.m., Monday through Friday except during state holidays. Copies of the proposed regulation and the Initial Statement of Reasons may be requested by writing to the above address, or viewed on the SMGB's Internet Web Site at: <http://www.conservation.ca.gov/smgb>.

Inquiries concerning the substance of the proposed amended regulation should be directed to:

Mr. Stephen M. Testa, Executive Officer
State Mining and Geology Board
801 K Street, Suite 2015
Sacramento, California 95814
Phone: (916) 322-1082
Fax: (916) 445-0738
Stephen.Testa@conservation.ca.gov

OR

Amy Scott, Executive Assistant
State Mining and Geology Board
801 K Street, Suite 2015
Sacramento, CA 95814
Phone: (916) 322-1082
Fax: (916) 445-0738
Amy.Scott@conservation.ca.gov

TITLE 18. BOARD OF EQUALIZATION

The State Board of Equalization Proposes to Adopt California Code of Regulations, Title 18, Section 1525.4, *Manufacturing and Research & Development Equipment*

NOTICE IS HEREBY GIVEN that the State Board of Equalization (Board), pursuant to the authority vested in it by Revenue and Taxation Code (RTC) section 7051, proposes to adopt California Code of Regulations, title 18, section (Regulation) 1525.4, *Manufacturing and Research & Development Equipment*. Proposed Regulation 1525.4 implements, interprets, and makes specific the partial sales and use tax exemption for the sale and storage, use, or other consumption of

equipment used primarily in manufacturing, and research and development, established by RTC section 6377.1, and prescribes the form of the partial exemption certificate that must be furnished to the retailer under the statute.

PUBLIC HEARING

The Board will conduct a meeting in Room 121, at 450 N Street, Sacramento, California, on July 17-18, 2014. The Board will provide notice of the meeting to any person who requests that notice in writing and make the notice, including the specific agenda for the meeting, available on the Board's Website at www.boe.ca.gov at least 10 days in advance of the meeting.

A public hearing regarding the proposed regulatory action will be held at 10:00 a.m. or as soon thereafter as the matter may be heard on July 17 or 18, 2014. At the hearing, any interested person may present or submit oral or written statements, arguments, or contentions regarding the adoption of proposed Regulation 1525.4.

AUTHORITY

RTC section 7051

REFERENCE

RTC section 6377.1

INFORMATIVE DIGEST/POLICY STATEMENT
OVERVIEW PURSUANT TO GOVERNMENT
CODE SECTION 11346.5, SUBDIVISION (a)(3)

Summary of Existing Laws and Regulations

As a general matter, California's Sales and Use Tax Law (RTC, div. 2, pt. 1, chs. 1-11 (§ 6001 et seq.)) imposes sales tax on retailers, and the tax is measured by a retailer's gross receipts from the retail sale of tangible personal property in California, unless an exemption or exclusion applies. (RTC, §§ 6012, 6051.) Although sales tax is imposed on retailers, retailers may collect sales tax reimbursement from their customers if their contracts of sale so provide. (Civ. Code, § 1656.1; Cal. Code Regs., tit. 18, § 1700.)

When sales tax does not apply, California use tax generally applies to the use of tangible personal property purchased from a retailer for storage, use or other consumption in California. (RTC, §§ 6011, 6201.) Unless an exemption or exclusion applies, the use tax is measured by the sales price of tangible personal property and the person actually storing, using, or otherwise consuming the tangible personal property is liable for the

tax. (RTC, §§ 6011, 6201, 6202, 6401; Cal. Code Regs., tit. 18, § 1685.) However, every retailer “engaged in business” in California that makes sales subject to California use tax is required to collect the use tax from its customers and remit it to the Board, and such retailers are liable for California use tax that they fail to collect from their customers and remit to the Board. (RTC, §§ 6202, 6203; Cal. Code Regs., tit. 18, §§ 1684, 1686.)

The measure of tax is generally the same regardless of whether the applicable tax is a sales tax imposed on the retailer, or a use tax imposed on the purchaser. (See RTC, §§ 6011, 6012.) The current statewide sales and use tax rate is 7.50 percent, although the combined tax rate is higher in cities and counties that impose additional district transactions (sales) and use taxes in conformity with the Transactions and Use Tax Law (RTC, § 7251 et seq.). The 7.50 percent rate is comprised of:

- The .50 percent rate of the sales and use taxes imposed and required to be deposited in the state’s Local Public Safety Fund by section 35 of article XIII of the California Constitution;
- The .25 percent rate of the sales and use taxes imposed and required to be deposited in the state’s Education Protection Account by section 36 of article XIII of the California Constitution;
- The 3.6875 percent rate of the sales and use taxes imposed by RTC sections 6051 and 6201 that are deposited in the state’s general fund;
- The 0.50 percent rate of the sales and use taxes imposed and required to be deposited in the state’s Local Revenue Fund by RTC sections 6051.2 and 6201.2;
- The 0.25 percent rate of the sales and use taxes imposed by RTC sections 6051.3 and 6201.3 that are deposited in the state’s general fund;
- The 0.25 percent rate of the sales and use taxes imposed and required to be deposited in the state’s Fiscal Recovery Fund by RTC sections 6051.5 and 6201.5;
- The 1.0625 percent rate of the sales and use taxes imposed by RTC sections 6051 and 6201 that are required to be deposited in the state’s Local Revenue Fund 2011 by RTC sections 6051.15 and 6201.15; and
- The 1.00 percent rate specified by RTC section 7203.1 for local sales and use taxes imposed under the Bradley–Burns Uniform Local Sales and Use Tax Law (RTC, § 7200 et seq.).

RTC section 6377.1 was enacted by Assembly Bill No. (AB) 93 (Stats. 2013, ch. 69, effective July 11, 2013), and amended by Senate Bill No. (SB) 90 (Stats. 2013, ch. 70, effective July 11, 2013). RTC section 6377.1, subdivision (a), provides a partial exemption

from sales and use tax on certain sales and purchases made on and after July 1, 2014, and before July 1, 2022. The partial exemption applies to: (1) qualified tangible personal property purchased by a qualified person to be used primarily in any stage of the manufacturing, processing, refining, fabricating, or recycling of tangible personal property, including packaging if required; (2) qualified tangible personal property purchased for use by a qualified person to be used primarily in research and development; (3) qualified tangible personal property purchased for use by a qualified person to be used primarily to maintain, repair, measure, or test any qualified tangible personal property described under (1) or (2) above; and (4) qualified tangible personal property purchased for use by a contractor purchasing that property for use in the performance of a construction contract for a qualified person that will use that property for statutorily specified purposes.

RTC section 6377.1, subdivision (b), defines relevant terms used in subdivision (a), including “fabricating,” “manufacturing,” “primarily,” “process,” “processing,” “qualified person,” “qualified tangible personal property,” “refining,” “research and development,” and “useful life.” As relevant here, RTC section 6377.1, subdivision (b)(3), provides that “‘Primarily’ means 50 percent or more of the time.” RTC section 6377.1, subdivision (b)(6) provides that:

- (A) “Qualified person” means a person that is primarily engaged in those lines of business described in Codes 3111 to 3399, inclusive, 541711, or 541712 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget (OMB), 2012 edition.
- (B) Notwithstanding subparagraph (A), “qualified person” shall not include either of the following:
 - (i) An apportioning trade or business that is required to apportion its business income pursuant to subdivision (b) of Section 25128.
 - (ii) A trade or business conducted wholly within this state that would be required to apportion its business income pursuant to subdivision (b) of Section 25128 if it were subject to apportionment pursuant to Section 25101.

And, RTC section 6377.1, subdivision (b)(7)(A)(iv) provides that qualified tangible personal property includes “Special purpose buildings and foundations used as an integral part of the manufacturing, processing, refining, fabricating, or recycling process, or that constitute a research or storage facility used during those processes. Buildings used solely for warehousing purposes after completion of those processes are not included.”

RTC section 6377.1, subdivision (c), provides that the partial exemption shall not be allowed, unless the purchaser furnishes the retailer with an exemption certificate, completed in accordance with any instructions or regulations as the Board may prescribe, and the retailer retains the exemption certificate in its records and furnishes it to the Board upon request.

RTC section 6377.1, subdivision (d), specifies that the partial exemption does not apply to any local sales and use taxes levied pursuant to the Bradley–Burns Uniform Local Sales and Use Tax Law or district transactions and use taxes levied pursuant to the Transactions and Use Tax Law. Subdivision (d) also specifies that the partial exemption does not apply to any sales and use taxes levied pursuant to RTC sections 6051.2, 6051.5, 6201.2, and 6201.5, any sales and use taxes levied pursuant to section 35 of article XIII of the California Constitution, and any sales and use taxes levied pursuant to RTC sections 6051 and 6201 that are required to be deposited in the Local Revenue Fund 2011 by RTC sections 6051.15 and 6201.15. Therefore, the partial exemption applies to the state general fund taxes imposed by RTC sections 6051, 6051.3, 6201, and 6201.3, and the state’s Education Protection Account tax imposed by section 36 of article XIII of the California Constitution. Accordingly, from July 1, 2014, to December 31, 2016, the partial exemption rate is 4.1875 percent. After the state’s Education Protection Account tax expires on December 31, 2016, the partial exemption rate will be 3.9375 percent.

RTC section 6377.1, subdivision (e)(1)(A), provides that the partial exemption shall not apply to “[a]ny tangible personal property purchased during any calendar year that exceeds two hundred million dollars (\$200,000,000) of purchases of qualified tangible personal property for which an exemption is claimed by a qualified person under this section.” It also provides that “in the case of a qualified person that is required to be included in a combined report under Section 25101 or authorized to be included in a combined report under Section 25101.15, the aggregate of all purchases of qualified personal property for which an exemption is claimed pursuant to this section by all persons that are required or authorized to be included in a combined report shall not exceed two hundred million dollars (\$200,000,000) in any calendar year.”

RTC section 6377.1, subdivision (f), provides that the partial exemption applies to leases which are classified as continuing sales and continuing purchases for purposes of the sales and use tax law. Regulation 1660, *Leases of Tangible Personal Property — In General*, prescribes the general application of sales and use tax to leases.

The partial exemption expires on July 1, 2022, in accordance with RTC section 6377.1, subdivision (a).

And, RTC section 6377.1 is repealed by its own terms effective January 1, 2023, per RTC section 6377.1, subdivision (h).

RTC section 6377.1 is substantially, but not entirely, modeled after the partial sales and use tax exemption provided by RTC section 6377 (repealed by its own terms January 1, 2004) and interpreted in Regulation 1525.2, *Manufacturing Equipment*. For purchases made from January 1, 1994, through December 31, 2003, RTC section 6377 generally provided a partial exemption from sales and use tax for tangible personal property purchased for use by a qualified person to be used primarily in the manufacturing, processing, refining, fabricating, or recycling of property, or research and development. In addition, RTC section 6377, subdivision (b)(3), provided that “‘Primarily’ means tangible personal property used 50 percent or more of the time in an activity described in subdivision (a).” RTC section 6377, subdivision (b)(6)(B), required a “qualified person” to be “engaged in those lines of business described in Codes 2011 to 3999, inclusive, of the Standard Industrial Classification Manual” 1987 edition, published by the OMB. And, RTC section 6377, subdivision (c), provided that “No exemption shall be allowed under this section unless the purchaser furnishes the retailer with an exemption certificate, completed in accordance with any instructions or regulations as the board may prescribe, and the retailer subsequently furnishes the board with a copy of the exemption certificate.”

Furthermore, as relevant here, Regulation 1525.2, subdivision (c)(6)(B), explained that:

- “For purposes of classifying a line or lines of business [under RTC section 6377, subdivision (b)(6)(B)], the economic unit shall be the ‘establishment’ and the classification of the line or lines of business will be based on the establishment’s single most predominant activity based upon value of production”; and
- “Where distinct and separate economic activities are performed at a single physical location, such as construction activities operated out of the same physical location as a lumber yard, each activity should be treated as a separate establishment where: (i) no one industry description in the classification includes such combined activities; (ii) the employment in each such economic activity is significant; and (iii) separate reports are prepared on the number of employees, their wages and salaries, sales or receipts, property and equipment, and other types of financial data, such as financial statements, job costing, and profit center accounting.”

Regulation 1525.2 also prescribed the form of the exemption certificate required by RTC section 6377, provided a sample “section 6377” exemption certificate, and prescribed the circumstances under which a seller may accept a “section 6377” exemption certificate in good faith for purposes of being relieved of the obligation to pay or collect tax.

To a lesser extent, RTC section 6377.1 was also modeled after provisions in RTC section 6378 and interpreted in Regulation 1532, *Teleproduction or Other Postproduction Service Equipment*. As relevant here, RTC section 6378 currently provides a partial exemption from sales and use tax for tangible personal property purchased for use by a qualified person to be used primarily in teleproduction and other postproduction services. In addition, RTC section 6378, subdivision (c)(1) provides that “primarily” means “tangible personal property used 50 percent or more of the time in” a qualified activity. RTC section 6378, subdivision (c)(2) provides that “qualified person” means “any person that is primarily engaged in teleproduction or other postproduction activities that are described in Code 512191 of the” NAICS, 1997 edition. And, RTC section 6378, subdivision (d), provides that “No exemption shall be allowed under this section unless the purchaser furnishes the retailer with an exemption certificate, completed in accordance with any instructions or regulations as the board may prescribe, and the retailer subsequently furnishes the board with a copy of the exemption certificate.”

Furthermore, as relevant here, Regulation 1532, subdivision (c)(2), explains that:

- “For purposes of classifying a line of business [under RTC section 6378, subdivision (c)(2)], the economic unit shall be the ‘establishment’ and the classification of the line or lines of business will be based on the establishment’s primary activity based upon gross revenues”;
- “‘Primarily engaged’ means 50 percent or more of gross revenues, including intra-company charges, are derived from teleproduction or other postproduction activities for the financial year of the purchaser preceding the purchase of the property. In cases where the purchaser was not primarily engaged in ‘teleproduction or other postproduction services’ for the financial year preceding the purchase of the property, the one year period following the date of purchase of the property will be used”;
- “In the case of a nonprofit teleproduction or other postproduction establishment, ‘primarily engaged’ means 50 percent or more of the funds allocated to the establishment are attributable to teleproduction or other postproduction services.

Regulation 1532 also prescribed the form of the exemption certificate required by RTC section 6378, provided two sample “section 6378” exemption certificates, including a blanket exemption certificate, and prescribed the circumstances under which a seller may accept a “section 6378” exemption certificate in good faith for purposes of being relieved of the obligation to pay or collect tax.

Effect, Objectives, and Benefits of the Proposed Adoption of Regulation 1525.4

There is currently no regulation that specifically implements, interprets, or makes specific the partial exemption from sales and use tax established by RTC section 6377.1. There is currently no regulation that prescribes the form of the partial exemption certificate that the purchaser is statutorily required to furnish to the retailer under RTC section 6377.1, or provides a sample partial exemption certificate. Also, there is no regulation that specifically prescribes the circumstances under which a retailer may accept such a partial exemption certificate in good faith for purposes of relieving the retailer of liability for the sales tax or the duty of collecting the use tax from the purchaser.

In addition, there is currently no regulation that defines what is meant by the phrase “primarily engaged” in a qualifying line of business for purposes of RTC section 6377.1, subdivision (b)(6). There is currently no regulation that clarifies and explains the meaning of the phrase “special purpose buildings and foundations” as used in RTC section 6377.1, subdivision (b)(7)(A)(iv). There is currently no regulation that clarifies and explains how the partial exemption applies in the context of lease transactions. And, there is currently no regulation that clarifies how the partial exemption applies in the context of construction contracts.

Business Taxes Committee Process

Board staff determined that it was necessary to draft proposed Regulation 1525.4 to have the effect and accomplish the objectives of fully implementing, interpreting, and making specific the provisions of RTC section 6377.1 and specifically addressing the issues (or “problems” within the meaning of Gov. Code, § 11346.2, subdivision (b)(1)) identified above. Therefore, Board staff prepared a draft of the regulation and held its first meeting to discuss the draft with interested parties on October 9, 2013.

At the October 9, 2013, meeting, staff responded to written comments received prior to the meeting, as well as other suggestions to clarify the draft regulation, including expanding upon the definitions provided in RTC section 6377.1, clarifying the phrase “primarily engaged,” clarifying how tax applies to testing equipment and manufacturing aids, allowing for the issuance of a blanket partial exemption certificate to cover multi-

ple purchases from the same vendor, providing a separate partial exemption certificate for construction contractors to use, and clarifying the application of the \$200 million annual cap. Then, staff incorporated the suggestions discussed at the meeting into a revised draft of proposed Regulation 1525.4 and, on November 14, 2013, staff posted the revised draft of the proposed regulation on the Board's website, and distributed the revised draft of the proposed regulation to the interested parties that attended the October 9, 2013, meeting and to the interested parties that submitted written comments regarding the initial draft of the proposed regulation.

Board staff held a second meeting with interested parties on December 5, 2013, to discuss the revised draft of proposed Regulation 1525.4. At the meeting, staff responded to written comments received prior to the December 5, 2013, meeting, as well as other suggestions to clarify the definition of "qualified person," clarify when a purchaser is "primarily engaged" in a qualifying line of business, clarify how the partial exemption applies in the context of construction contracts, including contracts for special-purpose buildings and foundations, and make various other minor revisions or edits. Then, staff incorporated the suggestions discussed at the meeting into a revised draft of the proposed regulation and, on January 31, 2014, staff posted the revised draft of the proposed regulation on the Board's website, and distributed the revised draft of the proposed regulation to the interested parties that attended the December 5, 2013, meeting.

Board staff held a third meeting with interested parties on February 18, 2014, to discuss the revised draft of proposed Regulation 1525.4. At the meeting, staff responded to written comments received prior to the December 5, 2013, meeting, and agreed to address other suggestions to clarify how tax applies when a purchaser has a qualifying four-digit NAICS industry group code (but not a six-digit code); further clarify the phrase "primarily engaged"; and add additional tests to ascertain if a purchaser is primarily engaged in a qualifying activity. At the meeting, staff also received suggestions to provide that a qualified person may include an otherwise qualified "establishment" in an apportioning trade or business, subject to RTC section 6377.1, subdivision (b)(6)(B), and businesses that do not have a qualifying six- or four-digit NAICS code described in RTC section 6377.1, subdivision (b)(6)(A). However, staff did not agree to incorporate these suggestions into the proposed regulation because they are precluded by the express language of RTC section 6377.1.

Therefore, Board staff subsequently prepared Formal Issue Paper 14-001, which recommended that the Board adopt staff's revised draft of proposed Regula-

tion 1525.4 to implement, interpret, and make specific the provisions of RTC section 6377.1.

Specifically, subdivision (a) of the revised draft of proposed Regulation 1525.4 incorporated the provisions of RTC section 6377.1, subdivision (a)(1) through (4), prescribing the types of transactions that qualify for the new partial exemption, identified the specific sales and use taxes the partial exemption provided by RTC section 6377.1 does and does not apply to, and provided notice of the partial exemption rates from July 1, 2014, to December 31, 2016, and January 1, 2017, to June 30, 2022.

Subdivision (b) of the revised draft of proposed Regulation 1525.4 incorporated the statutory definitions of "fabricating," "primarily," and "processing" verbatim from RTC section 6377.1, subdivision (b)(1), (3), and (5). Subdivision (b) incorporated the statutory definition of "manufacturing" from RTC section 6377.1, subdivision (b)(2), and clarified when tangible personal property will be treated as having a greater service life or greater functionality for purposes of that definition, using language borrowed from Regulation 1525.2, subdivision (c)(10)(B), and Regulation 1525.2, subdivision (c)(2), respectively. Subdivision (b) defined "packaging" as used in RTC section 6377.1, subdivision (a)(1) and (b)(4) based, in part, on the definition of "packaging" in Regulation 1525.2, subdivision (a)(1)(B). Subdivision (b) defined "pollution control" as used in RTC section 6377.1, subdivision (b)(7)(A)(iii), and clarified that an activity is a pollution control activity to the extent it meets or *exceeds* pollution control standards established by the state or any local or regional governmental agency within the state consistent with RTC section 6377, subdivision (b)(11)(C) and Regulation 1525.2, subdivision (c)(10)(C). Subdivision (b) incorporated the statutory definition of "process" from RTC section 6377.1, subdivision (b)(6), and clarified that the term "process" includes the activity of testing products for quality assurance before they are altered to their completed form, as referred to in RTC section 6377.1, subdivision (a)(3). Subdivision (b) defined "recycling" and "refining" as used in RTC section 6377.1, subdivisions (a)(1) and (4), and (b)(4). Subdivision (b) incorporated the definition of "research and development" from RTC section 6377.1, subdivision (b)(9), and clarified the definition by incorporating provisions from 26 Code of Federal Regulation part 1.174-2, subdivision (a), which defines the term "research and development" for purposes of Internal Revenue Code section 174. And, subdivision (b) implemented the definition of "useful life" provided by RTC section 6377.1, subdivision (b)(10), by explaining when property is and is not treated as having a useful life of one or more years for state income or fran-

chise tax purposes using language borrowed from Regulation 1525.2, subdivision (c)(9)(B) and (10)(B).

Subdivision (b)(8) of the revised draft of proposed Regulation 1525.4 incorporated the definition of “qualified person” from RTC section 6377.1, subdivision (b)(6). Subdivision (b)(8) also:

- Provided a definition for the term “primarily engaged,” as used in RTC section 6377.1, subdivision (b)(6);
- Clarified that “primarily engaged” is intended to have a similar meaning to “primarily engaged” as used in RTC section 6378, as interpreted by Regulation 1532, subdivision (c)(2) (the definition of “primarily” in RTC section 6377.1, subdivision (b)(3), is intended to have the same meaning as the definition of “primarily” in RTC section 6378, subdivision (c)(1) and therefore does not apply to “primarily engaged”);
- Clarified that a qualified person may be primarily engaged in a qualifying activity or activities described in RTC section 6377.1, subdivision (a), either as a “legal entity” (meaning a “person” as defined in RTC, § 6005) or as an “establishment,” similar to Regulation 1525.2, subdivision (c)(6)(B), and Regulation 1532, subdivision (c)(2);
- Defined the term “establishment” in a manner that is similar to Regulation 1525.2, subdivision (c)(6)(B);
- Generally incorporated the “gross revenue” test for determining when a qualified person is “primarily engaged” and the “funds allocated” test for determining when a nonprofit is “primarily engaged” from Regulation 1532, subdivision (c)(2), and, based upon input from interested parties, added “operating expense” tests for legal entities and establishments;
- Provided an alternative “value of production” test for determining when an establishment is “primarily engaged” that is similar to the “value of production” test in Regulation 1525.2, subdivision (c)(6)(B), and, based upon input from interested parties, also provided an alternative “employee salaries and wages” test for establishments;
- Clarified the reference to RTC section 25128 in RTC section 6377.1, subdivision (b)(6)(B), by generally describing the trades or businesses that are subject to the provisions of section 25128.

Subdivision (b)(9) of the revised draft of proposed Regulation 1525.4 incorporated the statutory definition of “qualified tangible personal property” from RTC section 6377.1, subdivision (a)(7). Subdivision (b) clarified when manufacturing aids are considered “quali-

fied tangible personal property,” and clarified that qualified tangible personal property includes tangible personal property used in pollution control that *exceeds* pollution control standards established by this state or any local or regional governmental agency within this state consistent with Regulation 1525.2, subdivision (c)(10)(C). Subdivision (b) further defined and clarified the meaning of “special purpose buildings and foundations” as used in the definition of qualified property in RTC section 6377.1, subdivision (a)(7)(A)(iv), using language borrowed from RTC section 6377, subdivision (b)(11)(D), and Regulation 1525.2, subdivision (c)(10)(D)1–6, and clarified when the partial exemption does and does not apply to transactions involving special purpose buildings and foundations. And, subdivision (b) provided that the “extraction processes” as used in the definition of qualified property in RTC section 6377.1, subdivision (a)(7)(B)(ii), includes such severance activities as mining, oil and gas extraction, as was also provided in Regulation 1525.2, subdivision (c)(9)(C).

Subdivision (c) of the revised draft of proposed Regulation 1525.4 prescribed the form of the partial exemption certificate that the purchaser is statutorily required to furnish to the retailer under RTC section 6377.1, allowed for the issuance of a blanket partial exemption certificate to cover multiple purchases from the same vendor, and prescribed the circumstances under which a retailer may accept such a partial exemption certificate in good faith for purposes of relieving the retailer of liability for the sales tax or the duty of collecting the use tax from the purchaser, similar to Regulation 1532, subdivision (e). Subdivision (c) also provides that qualified purchasers may use the sample partial exemption certificate set forth in appendix A, and construction contractors may use the sample partial exemption certificate in appendix B.

Subdivision (d) of the revised draft of proposed Regulation 1525.4 generally incorporated the provisions of RTC section 6377.1, subdivision (e)(1), establishing the \$200 million cap and providing that the exemption does not apply to property under specified circumstances, and clarified how the “calendar year” test in subdivision (e)(1)(A) applies when the partial exemption is only effective for part of a calendar year. Subdivision (e) of the revised draft of proposed Regulation 1525.4 incorporated the provisions of RTC section 6377.1, subdivision (e)(2), prescribing the circumstances under which a purchaser is liable for sales tax.

Subdivision (f) of the revised draft of proposed Regulation 1525.4 clarified the application of the partial exemption provided by RTC section 6377.1 to lease transactions. Subdivision (f) specifically explained when rentals payable will be subject to the partial exemption in circumstances where a lease was entered into prior to

the operative date of RTC section 6377.1, for a lease term expiring after the operative date, in a similar manner as Regulation 1532, subdivision (i)(1), clarified the application of the partial exemption provided by RTC section 6378 to the same circumstances. Subdivision (f) also specified how the one-year test period (for purposes of ascertaining the primary use of property) applies in the context of lease transactions.

Subdivision (g) of the revised draft of proposed Regulation 1525.4 clarified that Regulation 1521, *Construction Contractors*, still provides for the basic application of tax to construction contractors. Subdivision (g)(1) explained that a construction contractor performing a construction contract described in RTC section 6377.1, subdivision (a)(4), should obtain a partial exemption certificate (in the form shown in appendix A) from the qualified person, and a construction contractor, purchasing property from a retailer in this state or engaged in business in this state, for use in a qualified construction contract, must timely furnish its own partial exemption certificate to the retailer (in the form shown in appendix B). Subdivision (g)(2) clarified that a construction contractor may independently qualify as a “qualified person” for purposes of the partial exemption. And, subdivision (g)(3) clarified how the \$200 million cap applies to fixtures and materials sold or used in the construction of special purposes buildings and foundations.

Finally, subdivision (h) of the revised draft of proposed Regulation 1525.4 clarified that purchasers of qualified tangible personal property may file claims for refund with the Board regarding use tax transactions because consumers are directly liable for use tax. However, only retailers may file claims for refund with the Board regarding sales tax transactions because sales tax is directly imposed on and paid by retailers. Subdivision (h) also provides additional notice that claims for refund of sales and use tax must be timely filed in accordance with RTC section 6902.

Furthermore, Formal Issue Paper 14–001 informed the Board that Board staff and the interested parties had agreed to the provisions of the revised draft of Regulation 1525.4 attached to the issue, except for the following three items:

1. Waste Management’s recommendation to include a specific example in subdivision (b)(8)(A) of the regulation explaining when a business in the recycling industry is a “qualified person”;
2. The California Taxpayers Association’s (CalTax’s) recommendation to include alternative tests in subdivision (b)(8)(A)1 to provide that an establishment may be “primarily engaged” based on number of employees, employee hours,

number of units produced, or capital investment; and

3. The California Poultry Federation’s recommendation that the regulation clarify that the “establishment” concept can apply so that a person with a qualifying establishment can be a “qualified person” for purposes of that establishment, even if the person is otherwise an apportioning trade or business that would be precluded from the definition of qualified person by RTC section 6377.1, subdivision (b)(6)(B).

Business Taxes Committee Meeting

The Board considered Formal Issue Paper 14–001 during its Business Taxes Committee meeting on April 22, 2014. During the meeting, the Board heard public comments from Ms. Therese Twomey, CalTax’s Fiscal Policy Director, Mr. Joe Vinatieri from Bewley, Lassleben, & Miller LLP, Ms. Nicole Rice, the California Manufacturers & Technology Association’s Policy Director, Mr. Bill Mattos, President of the California Poultry Federation, Mr. Brian Grant, Foster Farms’ Tax Director, Mr. Chuck White, Director of Regulatory Affairs for the Department of Waste Management, Mr. Ralph Chandler, Regulatory Affairs Director for the California Refuse and Recycling Coalition, and Mr. Ken Dunham, Executive Director of the West Coast Lumber & Building Material Association. (See the transcript or video for more detail.) The Board also discussed the proposed regulation with Board staff.

During the Business Taxes Committee meeting, the Board also agreed with staff’s recommendation to propose to adopt staff’s revised draft of Regulation 1525.4, subject to two additional clarifications. First, the Board agreed with CalTax’s recommendation to include an alternative test in subdivision (b)(8)(A)1 of the regulation to provide that an establishment may be primarily engaged based on “number of employees” with the condition that the number of employees be “based upon a full-time equivalency.” Second, in response to Waste Management’s recommendation, the Board agreed to add an example to subdivision (b)(8)(A), to provide that a business in the recycling industry may be regarded as a qualified person when the activities of the establishment are “reasonably” described in a qualifying four-digit NAICS industry group. The Board Members unanimously voted to propose the adoption of the regulation, with the two clarifications noted above.

The Board determined that the adoption of the regulation is reasonably necessary for the specific purposes of implementing, interpreting, and making specific the provisions of RTC section 6377.1, prescribing the form of the partial exemption certificates that must be issued to retailers to claim the new partial exemption, and ad-

dressing all of the issues (or problems) identified above. The Board further determined that the regulation is reasonably necessary for the specific purposes of clarifying when a purchaser is primarily engaged in a qualifying line of business, and when a person is or is not a qualified person.

The Board anticipates that the adoption of proposed Regulation 1525.4 will benefit the Board, Board staff, and persons engaged in manufacturing, research and development, or both by:

- Providing guidance about and promoting awareness of the partial exemption for equipment used primarily in manufacturing and research and development provided by RTC 6377.1, and the requirements to qualify for the partial exemption;
- Implementing RTC section 6377.1, subdivision (c) by prescribing the form of the partial exemption certificate that qualified persons and construction contractors must issue to retailers, and providing sample partial exemption certificates that meet the required form for such persons to use;
- Interpreting and making specific RTC section 6377.1, subdivision (b)(6)(A) by defining what is meant by the requirement that a qualified purchaser be “primarily engaged” in a qualifying line of business;
- Interpreting and making specific RTC section 6377.1, subdivision (b)(7)(A)(iv) by further defining “special purpose buildings and foundations”;
- Interpreting and making specific RTC section 6377.1, subdivision (f) by clarifying the application of the partial exemption in the context of certain lease transactions; and
- Interpreting and making specific RTC section 6377.1, subdivision (a)(4) by clarifying the application of the partial exemption to transactions involving construction contracts.

The Board has performed an evaluation of whether proposed Regulation 1525.4 is inconsistent or incompatible with existing state regulations and determined that the proposed regulation is not inconsistent or incompatible with existing state regulations. This is because proposed Regulation 1525.4 is the only state regulation that specifically implements, interprets, and makes specific the provisions of RTC section 6377.1, prescribes the form of the partial exemption certificate that the purchaser must furnish to the retailer under the statute, and explains when such a certificate is taken timely and in good faith. Proposed Regulation 1525.4 is consistent with Regulation 1521, which contains the general provisions applicable to transactions involving construction contracts, and Regulation 1660, which

contains the general provisions applicable to lease transactions. And, the Board reviewed Regulations 1525.2 and 1532 in detail, and specifically made proposed Regulation 1525.4 consistent with Regulations 1525.2 and 1532 to the extent that those regulations contained provisions that were appropriate for implementing the new partial exemption and consistent with RTC section 6377.1. In addition, the Board has determined that there are no comparable federal regulations or statutes to proposed Regulation 1525.4.

NO MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

The Board has determined that the adoption of proposed Regulation 1525.4 will not impose a mandate on local agencies or school districts, including a mandate that requires state reimbursement pursuant to title 2, division 4, part 7 (commencing with section 17500) of the Government Code.

NO COST OR SAVINGS TO ANY STATE AGENCY, LOCAL AGENCY, OR SCHOOL DISTRICT

The Board has determined that the adoption of proposed Regulation 1525.4 will result in no direct or indirect cost or savings to any state agency and will result in no cost or savings in federal funding to the State of California. The Board has also determined that the adoption of proposed Regulation 1525.4 will result in no direct or indirect cost to any local agency or school district that is required to be reimbursed under title 2, division 4, part 7 (commencing with section 17500) of the Government Code, and will result in no other non-discretionary cost or savings imposed on local agencies.

NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The Board has made an initial determination that adoption of proposed Regulation 1525.4 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.

NO KNOWN COST IMPACTS TO 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.

**RESULTS OF THE ECONOMIC IMPACT
ASSESSMENT REQUIRED BY GOVERNMENT
CODE SECTION 11346.3, SUBDIVISION (b)**

The Board has determined that the proposed adoption of Regulation 1525.4 is not a major regulation, as defined in Government Code section 11342.548 and California Code of Regulations, title 1, section 2000. Therefore, the Board has prepared the economic impact assessment required by Government Code section 11346.3, subdivision (b)(1), and included it in the initial statement of reasons. The Board has determined that the adoption of proposed Regulation 1525.4 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California. Furthermore, the Board has determined that the adoption of proposed Regulation 1525.4 will not affect the benefits of Regulation 1525.4 to the health and welfare of California residents, worker safety, or the state's environment.

**NO SIGNIFICANT EFFECT ON
HOUSING COSTS**

The adoption of proposed Regulation 1525.4 will not have a significant effect on housing costs.

STATEMENT REGARDING ALTERNATIVES

The Board must determine that no reasonable alternative considered by it or that has been otherwise 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 than the proposed action.

CONTACT PERSONS

Questions regarding the substance of the proposed regulation should be directed to Andrew Kwee, by telephone at (916) 323-3096, by e-mail at Andrew.Kwee@boe.ca.gov, or by mail at State Board of Equalization, Attn: Andrew Kwee, MIC:82, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0082.

Written comments for the Board's consideration, notice of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed administrative action should be directed to Mr. Rick Bennion, Regulations Coordinator, by telephone at

(916) 445-2130, by fax at (916) 324-3984, by e-mail at Richard.Bennion@boe.ca.gov, or by mail at State Board of Equalization, Attn: Rick Bennion, MIC:80, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0080.

WRITTEN COMMENT PERIOD

The written comment period ends at 10:00 a.m. on July 17, 2014, or as soon thereafter as the Board begins the public hearing regarding proposed Regulation 1525.4 during the July 17-18, 2014, Board meeting. Written comments received by Mr. Rick Bennion at the postal address, email address, or fax number provided above, prior to the close of the written comment period, will be presented to the Board and the Board will consider the statements, arguments, or contentions contained in those written comments before the Board decides whether to adopt proposed Regulation 1525.4. The Board will only consider written comments received by that time.

**AVAILABILITY OF INITIAL STATEMENT OF
REASONS AND TEXT OF PROPOSED
REGULATION**

The Board has prepared a copy of the text of proposed Regulation 1525.4 illustrating its express terms; however, the proposed regulation is not illustrated in underline or italics format because California Code of Regulations, title 1, section 8, subdivision (b) provides that "[u]nderline or italic is not required for the adoption of a new regulation or set of regulations if the final text otherwise clearly indicates that all of the final text submitted to OAL for filing is added to the California Code of Regulations." The Board has also prepared an initial statement of reasons for the adoption of the proposed regulation, which includes the economic impact assessment required by Government Code section 11346.3, subdivision (b)(1). These documents and all the information on which the proposed regulation is based are available to the public upon request.

The rulemaking file is available for public inspection at 450 N Street, Sacramento, California. The express terms of the proposed regulation and the initial statement of reasons are also available on the Board's Website at www.boe.ca.gov.

**SUBSTANTIALLY RELATED CHANGES
PURSUANT TO GOVERNMENT CODE
SECTION 11346.8**

The Board may adopt proposed Regulation 1525.4 with changes that are nonsubstantial or solely grammatical in nature, or sufficiently related to the original pro-

posed text that the public was adequately placed on notice that the changes could result from the originally proposed regulatory action. If a sufficiently related change is made, the Board will make the full text of the proposed regulation, with the change clearly indicated, available to the public for at least 15 days before adoption. The text of the resulting regulation will be mailed to those interested parties who commented on the original proposed regulation orally or in writing or who asked to be informed of such changes. The text of the resulting regulation will also be available to the public from Mr. Bennion. The Board will consider written comments on the resulting regulation that are received prior to adoption.

EFFECTIVE DATE

The Board is proposing to adopt Regulation 1525.4 to implement, interpret, and make specific the partial exemption from sales and use tax provided by RTC section 6377.1, which is effective on and after July 1, 2014, and, once the regulation is effective, its provisions will have a retroactive effect pursuant to RTC section 7051. Therefore, the Board has determined that there is good cause to request an early effective date for Regulation 1525.4 in order to ensure that the regulation is effective as soon possible after the partial exemption is effective, and the Board intends to request an early effective date for Regulation 1525.4, pursuant to Government Code section 11343.4, subdivision (b)(3).

AVAILABILITY OF FINAL STATEMENT OF REASONS

If the Board adopts proposed Regulation 1525.4, the Board will prepare a final statement of reasons, which will be made available for inspection at 450 N Street, Sacramento, California, and available on the Board's Website at www.boe.ca.gov.

TITLE 21. DEPARTMENT OF TRANSPORTATION/DIVISION OF RIGHT OF WAY AND LAND SURVEYS

The Department of Transportation (Caltrans) proposes to adopt the proposed regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

Caltrans will hold public hearings at the time and place listed below. The meeting facilities are wheel-

chair accessible. At the hearings, any person may present statements orally, or in writing relevant to the proposed action described in the Informative Digest.

July 15, 2014 6:00 p.m.–8:00 p.m.
California State University, Los Angeles
Golden Eagle Building
Golden Eagle Ballroom
5151 State University Drive
Los Angeles, CA 90032

July 17, 2014 6:00 p.m.–8:00 p.m.
Pasadena Convention Center
Conference Center, Lower Level, Rm. 107
300 East Green Street
Pasadena, CA 91101

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to Caltrans. Comments may also be submitted by facsimile (fax) at (916) 654-6378, or by e-mail to Affordable_Sales_Program@dot.ca.gov. The written comment period closes at 5:00 p.m. on July 14, 2014. Caltrans will consider only comments received by that time.

Please submit comments to:

Brent L. Green
Chief, Division of Right of Way and Land Surveys
ATTN: Affordable Sales Program
California Department of Transportation
1120 N Street, MS 37
Sacramento, CA 95814

AUTHORITY AND REFERENCE

Sections 118 through 118.6 of the Streets and Highways Code authorizes Caltrans to dispose of real property no longer required for transportation uses. Caltrans is implementing, interpreting, and making specific Sections 54235 through 54238.7 of the Government Code which requires that certain properties owned by state agencies be disposed in a manner that will preserve, upgrade, and expand the supply of housing available to affected persons and families of low or moderate income.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Caltrans acquires real property necessary for state transportation purposes, and must, by law, attempt to dispose of properties no longer required for those pur-

poses (Streets and Highways Code section 118.6). Government Code sections 54235 through 54238.7 (the “Roberti Act”) set forth the priorities and procedures for disposing of surplus residential property for State Route 710 (SR 710) in Los Angeles County.

In 1979, the Legislature reaffirmed its findings that there exists within the urban and rural areas of the state a serious shortage of decent, safe, and sanitary housing which persons and families of low or moderate income can afford, and consequently a pressing and urgent need for the preservation and expansion of the low and moderate income housing supply. The Legislature further reaffirmed its findings that highway and other state activities have contributed to the severe shortage of such housing, and that provision of decent housing for all Californians is a state goal of the highest priority. The Legislature stated that actions of state agencies including the sales of surplus residential properties which result in the loss of decent and affordable housing for persons and families of low or moderate income is contrary to state housing, urban development, and environmental policies and is a significant environmental effect, within the meaning of Article XIX of the California Constitution, which will be mitigated by the sale of surplus residential property pursuant to the provisions of Government Code sections 54235 through 54238.7.

Additionally, the Legislature stated that the sale of surplus residential property pursuant to the provisions of the Roberti Act will directly serve an important public purpose. Accordingly, the Legislature intends by the Roberti Act to preserve, upgrade, and expand the supply of housing available to persons and families of low or moderate income. (Government Code section 54235.)

The Los Angeles Superior Court declared in *City of South Pasadena v. The California Department of Transportation* (Super. Ct. Los Angeles County, 2007, No. BC331628) that legal title to all State Route 710 (SR 710) parcels of real property shall remain vested in Caltrans until adoption of an appropriate regulation under the Administrative Procedure Act for their disposal pursuant to Government Code sections 54235 through 54238.7.

After conducting an evaluation for any related regulations, Caltrans has concluded that these are the only regulations concerning the use of surplus transportation property for affordable housing. Therefore, the proposed regulations are not inconsistent or incompatible with existing state regulations or statutes, and do not differ substantially from existing comparable federal regulations or statutes.

The proposed regulations set forth the procedures that will allow Caltrans to dispose of surplus residential properties originally acquired for the SR 710 extension in the cities of Los Angeles, South Pasadena, and Pasa-

dena in accordance with the Roberti Act. The proposed regulations will increase the number of low and moderate income homeowners by allowing qualified tenants and occupants to purchase homes on the basis of affordability under the program, and will provide a benefit to purchasers by setting forth the standards used to calculate the appropriate purchase prices to fulfill the state’s mission of providing affordable home ownership to Californians. The proposed regulations will provide the public with guidelines to determine the income levels used to qualify for the program, which in turn promotes fairness and social equity to the buying public. The proposed regulations will provide a non-monetary benefit by setting the guidelines and timelines applicable, which promotes openness and transparency in business and government.

The Regulations proposed in this rulemaking action will:

Section 1475 — Implement Senate Bill 86 known as the “Roberti Act”

Section 1476 — Define the terms used in the proposed regulations

Section 1477 — Specify the order of priority for the Conditional Offer Prior to Sale

Section 1478 — Set forth the criteria for Conditions of Offer Prior to Sale

Section 1479 — Set forth the notices for Conditional Offer Prior to Sale

Section 1480 — Set forth the terms of the Conditional Offer Prior to Sale

Section 1481 — Set forth the terms of acceptance for the Conditional Offer Prior to Sale

Section 1482 — Specify the burden of evidence for income and occupancy on the buyer

Section 1483 — Provide grounds for denial based on insufficiency or incompleteness of response to Conditional Offer Prior to Sale

Section 1484 — Specify that failure to respond will be deemed a rejection of the Conditional Offer Prior to Sale

Section 1485 — Establish the eligibility for buyers and sets forth priority for purchase

Section 1486 — Specify the response time for buyers for entering into a Contract for Sale

Section 1487 — Specify time for close of escrow and the Department’s authority to extend

Section 1488 — Provide sale provision for properties not subject to sale under the Affordable Sales Program

Section 1489 — Provide the duty of the purchaser upon noncompliance

Section 1490 — Specify the monitoring requirement to ensure compliance with the terms of sale

The adoption of the proposed regulations will increase the openness and transparency in government regarding the sale of property pursuant to the Roberti Act.

Adoption of the proposed regulations will not affect: 1) the protection of public health and safety, worker safety, or the environment; and 2) the prevention of discrimination. Adoption of the proposed regulations will: 1) increase openness and transparency in business and government; and 2) promote fairness and social equity because they make residential properties available to low or moderate income people that would otherwise be unaffordable.

DISCLOSURES REGARDING THE PROPOSED ACTION/RESULTS OF THE ECONOMIC IMPACT ANALYSIS

Caltrans has made the following determinations:

Mandate on local agencies and school districts: None.

Cost or savings to any state agency: The cost of below market sales of property sold under the Roberti Act is estimated to be \$232.4 to \$307.1 million.

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

Other non-discretionary costs or savings imposed on local agencies: There will be an anticipated loss of property tax revenues to the county of Los Angeles that cannot be reasonably estimated.

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

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

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

Adoption of these regulations:

- (1) will not affect the creation or elimination of jobs within California.
- (2) will not affect the creation of new businesses or the elimination of existing businesses within California.
- (3) will not affect the expansion of businesses currently doing business within California.
- (4) will not affect the benefits of the regulation to worker's safety, and the state's environment.
- (5) will benefit the health and welfare of California residents by providing affordable home ownership to low and moderate income households.

Significant Effect on Housing Costs: None.

Caltrans has determined that the proposed regulations do not affect small businesses because the pro-

posed regulations apply only to certain state-owned properties, not small businesses.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a) (13), Caltrans must determine that no reasonable alternative that is considered or that has otherwise been identified and brought to the attention of Caltrans would be more effective in carrying out the purpose for which the action is proposed or 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.

Caltrans invites interested persons to present statements or arguments with respect to alternatives to the proposed regulatory action during the written comment period and during any of the two scheduled hearings.

CONTACT PERSONS

Inquiries concerning the proposed regulatory action may be directed to:

Brent L. Green
 Chief, Division of Right of Way and Land Surveys
 California Department of Transportation
 1120 N Street, MS 37
 Sacramento, CA 95814
 916-654-4790
 Affordable_Sales_Program@dot.ca.gov

Alternate contact person:

Jennifer Lowden
 Assistant Division Chief, Division of Right of Way and Land Surveys
 California Department of Transportation
 1120 N Street, MS 37
 Sacramento, CA 95814
 916-654-4790
 Affordable_Sales_Program@dot.ca.gov

Please direct requests for copies of the text of the proposed regulations, the initial statement of reasons, or other information upon which the rulemaking is based to Brent L. Green at the above address.

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

Caltrans will have the entire Rulemaking File available for inspection and copying throughout the rule-making process at its office at the above address during regular business hours. 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 Brent L. Green at the address or phone number listed above.

**AVAILABILITY OF CHANGED OR
MODIFIED TEXT**

After considering all written comments received timely, as well as comments received at the scheduled public hearings, Caltrans may adopt the proposed regulations as described in this notice. If Caltrans makes substantive modifications that are sufficiently related to the originally proposed text, it will make the modified text (with changes clearly indicated) available to the public for at least 15 days before Caltrans adopts the regulations as revised. Copies of any modified regulations may be obtained by contacting Brent L. Green at the address or phone number listed above. Caltrans will accept written comments on any 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 Brent L. Green at the above address or by visiting Caltrans' Web site listed below.

**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 if applicable can be accessed through Caltrans' Web site at: <http://www.dot.ca.gov/regulations.htm>.

GENERAL PUBLIC INTEREST

**DEPARTMENT OF HEALTH CARE
SERVICES**

**THE CALIFORNIA DEPARTMENT OF HEALTH
CARE SERVICES (DHCS) PROPOSES TO
AMEND THE STATE PLAN TO REFLECT THE
EFFECTIVE DATE OF THE 2014
REIMBURSEMENT RATE FOR ALTERNATIVE
BIRTH CENTERS AND STATE-RECOGNIZED
PROVIDERS AT ALTERNATIVE BIRTH
CENTERS.**

This notice provides information of public interest with respect to the requirements in the Affordable Care Act, Section 2301 regarding alternative birth centers. DHCS will submit to the Centers for Medicare and Medicaid Services (CMS) the necessary Medicaid State Plan Amendment (SPA) to include the provisions of Welfare and Institutions (W&I) Code Section 14148.8 as part of the California State Plan.

**ALTERNATIVE BIRTH CENTERS AND
PROFESSIONALS WHO PROVIDE SERVICES IN
ALTERNATIVE BIRTH CENTERS**

DHCS will amend the State Plan (SPA) to include the effective date of July 1, 2014 for the 2014 reimbursement rate for alternative birth centers. Medi-Cal currently covers alternative birth centers and professionals who provide services in them. This SPA will not change the scope of services, as defined in W&I Code Section 14148.8.

PUBLIC REVIEW AND COMMENT

The California statute discussed above is available for public review at local county welfare offices throughout the State and at www.leginfo.com. Interested parties may submit written comments, request for copies of the statute, and/or request copies of the written comments to: Connie Florez, Chief, Fee-For-Service Rates Development, Department of Health Care Services, MS 4600, P.O. Box 997417, Sacramento, CA 95899-7417.

**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# 2014-0407-01
BOARD OF EQUALIZATION
Taxable Sales of Food Products

The Board of Equalization amended title 18, California Code of Regulations, section 1603, which pertains to the taxable sales of food products. The amendment adds a definition for “mobile food vendors” and provides that, for sales made on or after July 1, 2014, mobile food vendor sales of taxable items are presumed to be made on a tax-included basis, as specified.

Title 18
California Code of Regulations
AMEND: 1603
Filed 05/15/2014
Effective 07/01/2014
Agency Contact:
Richard E. Bennion (916) 445-2130

File# 2014-0425-02
BUREAU OF AUTOMOTIVE REPAIR
Smog Check Inspector and Repair Technician Application

This action without regulatory effect amends the Smog Check Inspector and Repair Technician Application.

Title 16
California Code of Regulations
AMEND: 3340.29
Filed 05/21/2014
Agency Contact: Vincent Somma (916) 403-8560

File# 2014-0512-01
CALIFORNIA HEALTH BENEFIT EXCHANGE
2015 Standard Benefit Design

The California Patient Protection and Affordable Care Act established the California Health Benefit Exchange (HBEX). HBEX is responsible for arranging and contracting with health insurance issuers to provide

affordable, quality health insurance coverage to qualified individuals and qualified employers through the Exchange. In this emergency rulemaking action, HBEX adopts the 2015 Standard Benefit Plan Designs, which standardize the way health plans are designed. The 2015 Standard Benefit Plan Designs are incorporated by reference in section 6460 of title 10 of the California Code of Regulations.

Title 10
California Code of Regulations
ADOPT: 6460
Filed 05/21/2014
Effective 05/21/2014
Agency Contact: Brandon Ross (916) 228-8281

File# 2014-0506-01
CALIFORNIA HEALTH FACILITIES FINANCING
AUTHORITY
Investment in Mental Health Wellness Grant Program

The California Health Facilities Financing Authority submitted this emergency readopt action to maintain the regulation adopted in OAL File No. 2013-1114-02E, which added sections 7113 through 7129 to Title 10 of the California Code of Regulations. That emergency rulemaking implemented SB 82 and SB 101, which provide additional funding to counties to improve access and capacity for crisis services for Californians affected by mental health disorders.

Title 4
California Code of Regulations
ADOPT: 7113, 7114, 7115, 7116, 7117, 7118, 7119, 7120, 7121, 7122, 7123, 7124, 7125, 7126, 7127, 7128, 7129
Filed 05/15/2014
Effective 05/15/2014
Agency Contact: Rosalind Brewer (916) 653-8243

File# 2014-0409-02
CALIFORNIA HEALTH FACILITIES FINANCING
AUTHORITY
Amendments to Children’s Hospital Program of 2004 Regulations

The California Health Facilities Financing Authority (Authority) amended nine sections under title 4 of the California Code of Regulations pertaining to the implementation of the Children’s Hospital Bond Act of 2004 and which provides grant funding to the Children’s Hospital Program through sales of general obligation bonds. Pursuant to these regulations, the first round of funding is set to expire on 6/30/2014, and a second round of funding is to commence on 7/1/2014 with applications for funding to be available by 6/1/2014. The purpose of this action is to provide for the second funding round starting 7/1/2014 and expiring 6/30/2018,

during which the Authority may award remaining grant funds in a manner consistent with the current program regulations.

Title 4

California Code of Regulations

AMEND: 7030, 7032, 7033, 7034, 7035, 7036, 7037, 7040, 7042

Filed 05/19/2014

Effective 05/19/2014

Agency Contact:

Barbara Webster-Hawkins (916) 654-5711

File# 2014-0430-04

COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING

Driver Instructor Training

This regulatory action specifies the hours and prerequisites for driver instructor courses.

Title 11

California Code of Regulations

AMEND: 1082

Filed 05/20/2014

Effective 08/01/2014

Agency Contact: Cheryl Smith (916) 227-0544

File# 2014-0424-06

COMMISSION ON STATE MANDATES

General Cleanup

The Commission on State Mandates (Commission) submitted this file and print action to clarify and streamline most of the Commission's regulations under title 2 of the California Code of Regulations, to eliminate duplicative language, and to improve the overall navigation and readability of the Commission's regulations by reorganizing and renumbering articles and sections. The regulations repeal and replace all articles of the Commission's current regulations except for article 9, the Commission's conflict-of-interest regulations. This action is exempt from review and approval by the Office of Administrative Law pursuant to Government Code section 17527(g).

Title 2

California Code of Regulations

ADOPT: 1181.1, 1181.2, 1181.3, 1181.4, 1181.5, 1181.6, 1181.7, 1181.8, 1181.9, 1181.10, 1181.11, 1181.12, 1181.13, 1182.1, 1182.2, 1182.3, 1182.4, 1182.5, 1182.6, 1182.7, 1182.8, 1182.9, 1182.10, 1182.11, 1182.12, 1182.13, 1182.14, 1182.15, 1182.16, 1183.1, 1183.2, 1183.3, 1183.4, 1183.5, 1183.6, 1183.7, 1183.8, 1183.9, 1183.10, 1183.11, 1183.12, 1183.13, 1183.14, 1183.15, 1183.16, 1183.17, 1183.18, 1184.1, 1185.1, 1185.2, 1185.3, 1185.4, 1185.5, 1185.6, 1185.7, 1185.8, 1185.9,

1186.1, 1186.2, 1186.3, 1186.4, 1186.5, 1186.6, 1186.7, 1187.1, 1187.2, 1187.3, 1187.4, 1187.5, 1187.6, 1187.7, 1187.8, 1187.9, 1187.10, 1187.11, 1187.12, 1187.13, 1187.14, 1187.15, 1188.1, 1188.2, 1190.1, 1190.2, 1190.3, 1190.4, 1190.5 REPEAL: 1181, 1181.1, 1181.2, 1181.4, 1182, 1182.1, 1182.2, 1182.3, 1182.4, 1182.5, 1183, 1183.01, 1183.02, 1183.03, 1183.04, 1183.05, 1183.06, 1183.07, 1183.08, 1183.081, 1183.09, 1183.1, 1183.11, 1183.12, 1183.13, 1183.131, 1183.14, 1183.2, 1183.21, 1183.25, 1183.30, 1183.31, 1183.32, 1184.5, 1184.6, 1184.7, 1184.8, 1184.9, 1184.10, 1184.11, 1185, 1185.1, 1185.2, 1185.21, 1185.3, 1185.4, 1185.5, 1185.6, 1185.7, 1186, 1186.5, 1186.51, 1186.52, 1186.53, 1186.54, 1186.55, 1186.6, 1186.61, 1186.62, 1186.63, 1186.64, 1186.65, 1186.7, 1186.71, 1186.72, 1186.73, 1187, 1187.2, 1187.3, 1187.4, 1187.5, 1187.6, 1187.7, 1187.8, 1187.9, 1188, 1188.1, 1188.2, 1188.3, 1188.31, 1188.4, 1189, 1189.1, 1189.2, 1189.3, 1189.6, 1189.61, 1190, 1190.01, 1190.02, 1190.03, 1190.04, 1190.05

Filed 05/19/2014

Effective 07/01/2014

Agency Contact: Heidi Palchik (916) 323-3562

File# 2014-0418-05

COMMISSION ON TEACHER CREDENTIALING

Subject Classification System for Designated Subjects CTE Credentials

The Commission on Teacher Credentialing amended section 80035.5 of title 5 of the California Code of Regulations to revise the industry sectors for designated subjects career technical education teaching credentials to conform to changes made by the State Board of Education to the industry sectors identified in the California career technical education model curriculum standards.

Title 5

California Code of Regulations

AMEND: 80035.5

Filed 05/19/2014

Agency Contact:

Tammy A. Duggan (916) 323-5354

File# 2014-0408-01

DENTAL BOARD OF CALIFORNIA

Sponsored Free Health Care Events

This action by the Dental Board of California makes non-substantive changes to forms 901-A (DCA/2011) and DBC-901-B (New 02/2012), which are incorporated by reference into sections 1023.16 and 1023.17, Title 16, of the California Code of Regulations, to reflect changes in the agency name and contact information pursuant to the Governor's Reorganization Plan

No. 2 (Stats. 2012, Chapter 147 (SB 1039)). Corresponding changes are made to sections 1027.16 and 1023.17 to reflect new revision dates of the incorporated forms.

Title 16
 California Code of Regulations
 AMEND: 1023.16, 1023.17
 Filed 05/19/2014
 Agency Contact: Sarah Wallace (916) 263-2187

File# 2014-0404-02
 DEPARTMENT OF CORRECTIONS AND REHABILITATION
 Reentry Hubs

The Department of Corrections and Rehabilitation submitted this timely certificate of compliance to make permanent the emergency regulations adopted in OAL file no. 2013-1016-02EON. The emergency rulemaking amended sections of Title 15 of the California Code of Regulations to establish Reentry Hubs. These amendments are a continuation of the implementation of AB 109, the Public Safety Realignment Act.

Title 15
 California Code of Regulations
 AMEND: 3000, 3040, 3040.1, 3041, 3041.3, 3043, 3043.5, 3043.6, 3044, 3046, 3074.3, 3075.1, 3077.1, 3078.4, 3170.1, 3190, 3375.2, 3375.4, 3375.5, 3375.6, 3376, 3379, 3383
 Filed 05/14/2014
 Effective 05/14/2014
 Agency Contact: Josh Jugum (916) 445-2228

File# 2014-0410-02
 DEPARTMENT OF FISH AND WILDLIFE
 Hunter Education Instructor Incentives

The Department of Fish and Wildlife amended section 360 of title 14 of the California Code of Regulations to add a subdivision (e) to establish Hunter Education Instructor Incentive Tags.

Title 14
 California Code of Regulations
 AMEND: 360
 Filed 05/21/2014
 Effective 07/01/2014
 Agency Contact: Roy Griffith (916) 358-2946

File# 2014-0402-03
 DEPARTMENT OF FOOD AND AGRICULTURE
 Equine Medication Monitoring Program

This rulemaking action by the Department of Food and Agriculture certifies emergency action no. 2013-1125-03E, which amended the regulations governing the Equine Medication Monitoring Program (EMMP). These regulations will align with those of the United States Equine Federation (USEF), the national governing body for equestrian sports, which were recently amended to strengthen USEF's random drug testing standards. The amended rules include a new list of approved therapeutic medications and maximum detectable plasma levels, acceptable time frames for injection of medications, specific penalties for violation of the rules, and incorporation by reference of various forms.

Title 3
 California Code of Regulations
 ADOPT: 1280, 1280.1, 1280.8, 1280.10 AMEND: 1280.7
 Filed 05/14/2014
 Effective 05/14/2014
 Agency Contact: Nancy Grillo (916) 900-5033

File# 2014-0418-04
 DEPARTMENT OF INDUSTRIAL RELATIONS
 Process Safety Management Program Assessment

This Certificate of Compliance establishes the Annual Process Safety Management Program Assessment. (Previous OAL file # 2013-1021-01E).

Title 8
 California Code of Regulations
 ADOPT: 344.76, 344.77
 Filed 05/14/2014
 Effective 05/14/2014
 Agency Contact: James M. Robbins (510) 286-0544

File# 2014-0409-01
 DEPARTMENT OF MOTOR VEHICLES
 Autonomous Vehicles — Manufacturer Testing

The Department of Motor Vehicles (DMV) adopts these regulations to implement Senate Bill 1298, Chapter 570, Statutes of 2012, regarding the testing of Autonomous Vehicles (AVs). These regulations implement the public-roads testing procedures for AVs and contain the requirements manufacturers must follow. The regulations cover the following subjects: permits; financial responsibility for accidents; reporting requirements; vehicle test driver qualifications; test driver training programs; denials, non-renewals, suspensions and revocation of permits; appeal processes; AV registration; transfer of titles to AVs; and vehicles excluded from the testing program. The regulations also incorporate seven new DMV forms to implement the program.

Title 13

California Code of Regulations

ADOPT: 227.00, 227.02, 227.04, 227.06, 227.08, 227.10, 227.12, 227.14, 227.16, 227.18, 227.20, 227.22, 227.24, 227.26, 227.28, 227.30, 227.32, 227.34, 227.36, 227.38, 227.42, 227.44, 227.46, 227.48, 227.50, 227.52

Filed 05/19/2014

Effective 09/16/2014

Agency Contact: Randi Calkins (916) 657-8898

File# 2014-0515-04

DEPARTMENT OF PUBLIC HEALTH

California Biobank Program

This emergency regulatory action adopts requirements for the Biobank Program. This action is exempt from OAL review pursuant to Health and Safety Code section 124977.

Title 17

California Code of Regulations

ADOPT: 6550, 6551, 6553, 6553.1, 6555, 6557, 6557.1, 6557.2, 6557.3

Filed 05/20/2014

Effective 05/20/2014

Agency Contact: Linda M. Cortez (916) 440-7807

File# 2014-0409-04

FISH AND GAME COMMISSION

Commercial Taking of Market Squid

This rulemaking action by the Fish and Game Commission (FGC) amends sections 149 and 149.1 of title 14 of the California Code of Regulations, which pertain to the commercial taking of market squid and the Market Squid Fishery Restricted Access Program. This rulemaking action amends existing regulations to clarify that the commercial market squid fishery is closed once the seasonal catch limit is reached.

This rulemaking action amends the definition of incidental catch, modifies language regarding forfeiture of squid taken illegally, adds text referencing permit requirements for commercial vessels fishing for market squid, and clarifies that operators and crewmembers on a permitted market squid vessel or light boat operating under the provisions of a commercial market squid permit are not required to possess a Tidal Invertebrate Permit. Other non-substantive changes are also included in this rulemaking action in order to improve clarity and organization of the regulation text.

Title 14

California Code of Regulations

AMEND: 149, 149.1

Filed 05/19/2014

Effective 07/01/2014

Agency Contact: Sherrie Fonbuena (916) 654-9866

File# 2014-0402-01

FRANCHISE TAX BOARD

LLC Fees

This rulemaking action by the Franchise Tax Board (Board) adopts new section 17942 in Title 18, Division 3, Chapter 2.5, new subchapter 10.6. This new section is intended to provide rules for determining the appropriate annual fee amount payable by Limited Liability Companies doing business in California.

Title 18

California Code of Regulations

ADOPT: 17942

Filed 05/14/2014

Effective 07/01/2014

Agency Contact: Colleen Berwick (916) 845-3306

File# 2014-0425-01

STATE WATER RESOURCES CONTROL BOARD

Sacramento and San Joaquin River BP Drinking Water Policy

In this Government Code section 11353 action, the State Water Resources Control Board (SWRCB) adopts the Central Valley Water Quality Control Board's (CVRWQCB) Sacramento and San Joaquin Rivers Basin Plan surface water narrative drinking-water water quality objective specific to Cryptosporidium and Giardia. The amendments include an implementation plan which includes numeric triggers which may prompt investigatory action by the CVRWQCB to identify sources of changes to existing water quality. The amendments also include a one-time special study to characterize ambient background conditions and potential sources of Cryptosporidium and to consider monitoring for other chemical constituents.

Title 23

California Code of Regulations

ADOPT: 3949.9

Filed 05/19/2014

Effective 05/19/2014

Agency Contact: Jay Simi (916) 464-4833

**CCR CHANGES FILED
WITH THE SECRETARY OF STATE
WITHIN December 18, 2013 TO
May 21, 2014**

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

05/19/14 ADOPT: 1181.1, 1181.2, 1181.3, 1181.4, 1181.5, 1181.6, 1181.7, 1181.8, 1181.9, 1181.10, 1181.11, 1181.12, 1181.13, 1182.1, 1182.2, 1182.3, 1182.4, 1182.5, 1182.6, 1182.7, 1182.8, 1182.9, 1182.10, 1182.11, 1182.12, 1182.13, 1182.14, 1182.15, 1182.16, 1183.1, 1183.2, 1183.3, 1183.4, 1183.5, 1183.6, 1183.7, 1183.8, 1183.9, 1183.10, 1183.11, 1183.12, 1183.13, 1183.14, 1183.15, 1183.16, 1183.17, 1183.18, 1184.1, 1185.1, 1185.2, 1185.3, 1185.4, 1185.5, 1185.6, 1185.7, 1185.8, 1185.9, 1186.1, 1186.2, 1186.3, 1186.4, 1186.5, 1186.6, 1186.7, 1187.1, 1187.2, 1187.3, 1187.4, 1187.5, 1187.6, 1187.7, 1187.8, 1187.9, 1187.10, 1187.11, 1187.12, 1187.13, 1187.14, 1187.15, 1188.1, 1188.2, 1190.1, 1190.2, 1190.3, 1190.4, 1190.5
REPEAL: 1181, 1181.1, 1181.2, 1181.4, 1182, 1182.1, 1182.2, 1182.3, 1182.4, 1182.5, 1183, 1183.01, 1183.02, 1183.03, 1183.04, 1183.05, 1183.06, 1183.07, 1183.08, 1183.081, 1183.09, 1183.1, 1183.11, 1183.12, 1183.13, 1183.131, 1183.14, 1183.2, 1183.21, 1183.25, 1183.30, 1183.31, 1183.32, 1184.5, 1184.6, 1184.7, 1184.8, 1184.9, 1184.10, 1184.11, 1185, 1185.1, 1185.2, 1185.21, 1185.3, 1185.4, 1185.5, 1185.6, 1185.7, 1186, 1186.5, 1186.51, 1186.52, 1186.53, 1186.54, 1186.55, 1186.6, 1186.61, 1186.62, 1186.63, 1186.64, 1186.65, 1186.7, 1186.71, 1186.72, 1186.73, 1187, 1187.2, 1187.3, 1187.4, 1187.5, 1187.6, 1187.7, 1187.8, 1187.9, 1188, 1188.1, 1188.2, 1188.3, 1188.31, 1188.4, 1189, 1189.1, 1189.2, 1189.3, 1189.6, 1189.61,

1190, 1190.01, 1190.02, 1190.03, 1190.04, 1190.05
05/01/14 ADOPT: 18706.1 AMEND: 18706
05/01/14 AMEND: 18950.1
05/01/14 AMEND: 18705.2 REPEAL: 18704.2
04/30/14 AMEND: 18704
04/30/14 AMEND: 18707.9
04/16/14 ADOPT: 599.760.1 AMEND: 599.757, 599.759, 599.761, 599.768, 599.769
REPEAL: 599.755, 599.760, 599.764, 599.765, 599.766, 599.767
03/10/14 AMEND: 1900, 2002, 2003
03/05/14 ADOPT: 630, 632.5, 632.11 AMEND: 631, 631.5, 632, 632.6, 632.7, 632.8, 632.9, 632.10 REPEAL: 632.5, 632.11
02/10/14 AMEND: 58000
01/27/14 AMEND: 56800
01/21/14 AMEND: 1194
01/13/14 AMEND: 55300
12/23/13 ADOPT: 18950.2 AMEND: 18942, 18944, 18950, 18950.1, 18950.4
REPEAL: 18727.5, 18950.3
12/23/13 AMEND: 18351

Title 3

05/14/14 ADOPT: 1280, 1280.1, 1280.8, 1280.10
AMEND: 1280.7
05/12/14 AMEND: 3591.20(a)
04/24/14 AMEND: 3435(b)
04/04/14 AMEND: 3435(b)
03/19/14 AMEND: 3406(b)
03/18/14 ADOPT: 6471 AMEND: 6000, 6400
03/18/14 AMEND: 3423(b)
03/10/14 AMEND: 3589(a)
03/05/14 ADOPT: 1358.3
02/26/14 AMEND: 3434(b)(c)(d)
02/25/14 AMEND: 3417(b)
02/25/14 AMEND: 3700(b)
02/20/14 AMEND: 3423(b)
02/20/14 AMEND: 3701, 3701.1, 3701.2, 3701.3, 3701.4, 3701.5, 3701.6, 3701.7, 3701.8
02/12/14 AMEND: 3700(c)
02/10/14 AMEND: 3435(b)
02/05/14 AMEND: 3435(b)
01/27/14 AMEND: 3406(b)
01/23/14 AMEND: 3591.11
01/14/14 ADOPT: 1392.13
01/09/14 AMEND: 1300, 1300.1, 1300.3, 1300.11, 1300.12, 1300.13, 1300.14, 1300.15 REPEAL: 1300.2, 1300.4

Title 4

05/19/14 AMEND: 7030, 7032, 7033, 7034, 7035, 7036, 7037, 7040, 7042

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05/15/14 ADOPT: 7113, 7114, 7115, 7116, 7117, 7118, 7119, 7120, 7121, 7122, 7123, 7124, 7125, 7126, 7127, 7128, 7129

05/12/14 AMEND: 1632

04/07/14 AMEND: 1656, 1658

04/03/14 AMEND: 10030, 10031, 10032, 10033, 10034, 10035, 10036

04/02/14 AMEND: 2066

03/28/14 AMEND: 10302, 10305, 10315, 10317, 10320, 10322, 10325, 10326, 10327, 10328, 10337

03/24/14 ADOPT: 10170.1, 10170.2, 10170.3, 10170.4, 10170.5, 10170.6, 10170.7, 10170.8, 10170.9, 10170.10, 10170.11, 10170.12, 10170.13, 10170.14, 10170.15

03/11/14 ADOPT: 1927.1

03/10/14 ADOPT: 10080, 10081, 10082, 10083, 10084, 10085, 10086, 10087

02/03/14 ADOPT: 10170.16, 10170.17, 10170.18, 10170.19, 10170.20, 10170.21, 10170.22, 10170.23, 10170.24

01/21/14 ADOPT: 10170.1, 10170.2, 10170.3, 10170.4, 10170.5, 10170.6, 10170.7, 10170.8, 10170.9, 10170.10, 10170.11, 10170.12, 10170.13, 10170.14, 10170.15

12/26/13 ADOPT: 8034(d)

12/24/13 AMEND: 8070, 8072

12/23/13 AMEND: 5000, 5170, 5190, 5205, 5212, 5230, 5250

12/19/13 AMEND: 10325

Title 5

05/19/14 AMEND: 80035.5

05/05/14 ADOPT: 14037, 14038, 14039, 14040, 14041, 14042

05/05/14 ADOPT: 3051.19, 3051.20, 3051.21, 3051.22, 3051.23, 3051.24 AMEND: 3001, 3023, 3025, 3029, 3030, 3031, 3040, 3043, 3051, 3051.1, 3051.2, 3051.3,.4, 3051.5, 3051.6, 3051.7, 3051.75, 3051.8, 3051.9, 3051.10, 3051.11, 3051.12, 3051.13, 3051.14, 3051.15, 3051.16, 3051.17, 3051.18, 3060, 3061, 3064, 3065, 3068, 3083, 3084, 3088 REPEAL: 3054

04/15/14 AMEND: 70020

04/01/14 AMEND: 80303

04/01/14 ADOPT: 15498, 15498.1, 15498.2, 15498.3

02/28/14 ADOPT: 19843, 19844, 19848, 19849, 19855 AMEND: 19815, 19816, 19816.1, 19817.2, 19819, 19820, 19824, 19828.4, 19840, 19845.2, 19850, 19851, 19852, 19853 REPEAL: 19839

02/13/14 ADOPT: 80033

02/06/14 ADOPT: 15494, 15495, 15496, 15497

02/05/14 ADOPT: 80691, 80692

02/03/14 AMEND: 850, 851, 852, 853, 853.5, 855, 857, 858, 859, 861, 862, 862.5, 863, 864 REPEAL: 854, 864.5, 865, 866, 867, 867.5, 868

01/23/14 AMEND: 22000

Title 7

02/27/14 AMEND: 213

Title 8

05/14/14 ADOPT: 344.76, 344.77

05/05/14 AMEND: 1529, 1532, 1532.1, 1532.2, 1535, 3204, 5150, 5157, 5161, 5189, 5190, 5191, 5192, 5194, 5197, 5198, 5200, 5201, 5202, 5206, 5207, 5208, 5208.1, 5209, 5210, 5211, 5212, 5213, 5214, 5215, 5217, 5218, 5219, 5220, 8358, 8359

05/05/14 ADOPT: 1929 AMEND: 1504, 1930, 1931, 1932, 1934, 1935, 1936, 5154, 5191, 5194, 5415, 5417, 5449, 5451, 5531, 5532, 5533, 5534, 5535, 5537, 5538, 5541, 5542, 5543, 5545, 5546, 5547, 5549, 5555, 5556, 5558, 5560, 5566, 5568, 5569, 5570, 5573, 5574, 5575, 5576, 5577, 5578, 5579, 5580, 5583, 5585.1, 5589, 5590, 5592, 5593, 5594, 5595, 5596, 5597, 5598, 5599, 5601, 5602, 5606, 5607, 5608, 5616, 5617, 5618, 5619, 5620, 5621, 5622, 5624

04/28/14 AMEND: 2940.2, 2940.7, 8602, 8610, 8611, 8615

04/16/14 AMEND: 10205.14 REPEAL: 9788.01, 9788.1, 9788.11, 9788.2, 9788.3, 9788.31, 9788.32, 9788.4, 9788.45, 9788.5, 9788.6, 9788.7, 9788.8, 9788.9, 9788.91

04/14/14 AMEND: 3650

04/14/14 AMEND: 5001

04/09/14 AMEND: 1619.1(b)

04/03/14 AMEND: 4355

04/01/14 AMEND: 1520, 3384

02/12/14 ADOPT: 9785.5, 9792.6.1, 9792.9.1, 9792.10.1, 9792.10.2, 9792.10.3, 9792.10.4, 9792.10.5, 9792.10.6, 9792.10.7, 9792.10.8, 9792.10.9 AMEND: 9785, 9792.6, 9792.7, 9792.9, 9792.10, 9792.11, 9792.12, 9792.15

02/12/14 ADOPT: 9792.5.4, 9792.5.5, 9792.5.6, 9792.5.7, 9792.5.8, 9792.5.9, 9792.5.10, 9792.5.11, 9792.5.12, 9792.5.13,

	9792.5.14, 9792.5.15	AMEND:	02/11/14	AMEND: 3500, 3523, 3525, 3527, 3528, 3529, 3530, 3541, 3542, 3543, 3561, 3563, 3565, 3568, 3569, 3570, 3571, 3575, 3576, 3577, 3581, 3582, 3601, 3602, 3603, 3621, 3661, 3662, 3663, 3664, 3665, 3666, 3668, 3681, 3702, 3704, 3721, 3723, 3724, 3725, 3726, 3728, 3729, 3730, 3732, 3741, 3761
02/12/14	AMEND: 9780, 9780.1, 9783, 9783.1, 9785			
02/05/14	AMEND: 10133.32, 10133.33, 10133.35, 10133.36			
01/21/14	AMEND: 334			
01/21/14	AMEND: 344, 344.1			
01/09/14	AMEND: 8495, 8496, 8497, 8500		02/10/14	ADOPT: 6650, 6652, 6654, 6656, 6657, 6658, 6660, 6662, 6664, 6666, 6668, 6670
01/09/14	AMEND: 5155			
01/07/14	AMEND: 4297		01/28/14	AMEND: 2318.6, 2353.1
12/26/13	AMEND: 9789.12.2, 9789.12.3, 9789.12.4, 9789.12.8, 9789.19		01/28/14	AMEND: 2318.6, 2353.1, 2354
			01/24/14	ADOPT: 217, 217.5, 217.10, 217.15, 217.20, 217.25, 217.30, 217.35, 217.40, 217.45 AMEND: 202, 216, 218, 219, 221 REPEAL: 217
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01/28/14	ADOPT: 7005.5 AMEND: 7005 REPEAL: 7144, 7145, 7146, 7147		01/07/14	ADOPT: 1430 AMEND: 260.210, 260.211, 260.211.1, 260.231, 1422, 1422.7, 1423, 1581, 1582, 1805.204, 1950.122.8
01/14/14	AMEND: 7214.1, 7220.7, 7227.2			
Title 10			12/30/13	AMEND: 260.237
05/21/14	ADOPT: 6460		12/27/13	AMEND: 2699.100, 2699.200, 2699.201, 2699.205, 2699.207, 2699.209, 2699.210, 2699.400 REPEAL: 2699.202, 2699.208, 2699.211
05/12/14	ADOPT: 6650, 6652, 6654, 6656, 6657, 6658, 6660, 6662, 6664, 6666, 6668, 6670			
05/07/14	AMEND: 2498.4.9		12/24/13	ADOPT: 2598.3(b), 2598.3(c)
04/29/14	AMEND: 2509.1, 2509.3, 2509.4, 2509.5, 2509.6, 2509.7, 2509.8, 2509.9, 2509.10, 2509.11, 2509.12, 2509.13, 2509.14, 2509.15, 2509.16, 2509.17, 2509.18, 2509.19, 2509.20		12/23/13	ADOPT: 6456
			12/19/13	AMEND: 2698.200
04/28/14	AMEND: 2498.6		12/19/13	AMEND: 2698.602
04/23/14	AMEND: 3541, 3568		Title 11	
04/23/14	AMEND: 2498.5		05/20/14	AMEND: 1082
04/21/14	ADOPT: 2907.1, 2907.2, 2907.3, 2907.4		02/27/14	AMEND: 20
04/10/14	ADOPT: 2562.1, 2562.2, 2562.3, 2562.4		02/19/14	AMEND: 999.10
04/01/14	ADOPT: 6700, 6702, 6704, 6706, 6708, 6710, 6712, 6714, 6716, 6718		01/14/14	AMEND: 1015(c)
04/01/14	ADOPT: 6408, 6410, 6450, 6452, 6454, 6470, 6472, 6474, 6476, 6478, 6480, 6482, 6484, 6486, 6490, 6492, 6494, 6496, 6498, 6500, 6502, 6504, 6506, 6508, 6510, 6600, 6602, 6604, 6606, 6608, 6610, 6612, 6614, 6616, 6618, 6620		12/26/13	ADOPT: 4200, 4210, 4220, 4230, 4240
04/01/14	ADOPT: 6800, 6802, 6804, 6806		12/18/13	AMEND: 4001, 4002
04/01/14	ADOPT: 6520, 6522, 6524, 6526, 6528, 6530, 6532, 6534, 6536, 6538		Title 13	
03/25/14	ADOPT: 6456		05/19/14	ADOPT: 227.00, 227.02, 227.04, 227.06, 227.08, 227.10, 227.12, 227.14, 227.16, 227.18, 227.20, 227.22, 227.24, 227.26, 227.28, 227.30, 227.32, 227.34, 227.36, 227.38, 227.42, 227.44, 227.46, 227.48, 227.50, 227.52
03/17/14	ADOPT: 6458			
03/10/14	ADOPT: 6424, 6440		05/01/14	AMEND: 125.02
03/06/14	ADOPT: 6420, 6422		03/13/14	AMEND: 1239
02/25/14	ADOPT: 2218.30		02/24/14	AMEND: 1
02/24/14	ADOPT: 2594, 2594.1, 2594.2, 2594.3, 2594.4, 2594.5, 2594.6, 2594.7		02/24/14	AMEND: 553.70
02/20/14	ADOPT: 8000, 8010, 8020, 8030, 8040, 8050, 8060, 8070		12/30/13	AMEND: 423.00
			12/16/13	AMEND: 2262.9, 2263, 2282
			Title 14	
			05/21/14	AMEND: 360
			05/19/14	AMEND: 149, 149.1
			04/30/14	AMEND: 27.80

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04/11/14 AMEND: 3550.15
 04/07/14 AMEND: 790, 820.01
 04/01/14 AMEND: 27.80
 03/26/14 AMEND: 916.9(g)(2)(A),
 936.9(g)(2)(A), 956.9(g)(2)(A)
 03/25/14 ADOPT: 5200, 5201, 5202, 5203, 5204,
 5205, 5206, 5207, 5208, 5209, 5210,
 5211, 5300, 5301, 5302, 5303, 5304,
 5305, 5306, 5307
 03/24/14 AMEND: 228(a)
 03/18/14 AMEND: 601, 702(a)(1)
 02/19/14 AMEND: 7.00, 7.50, 8.00
 02/10/14 AMEND: 701
 02/06/14 AMEND: 1665.6(b)
 01/21/14 AMEND: 7.50
 01/16/14 ADOPT: 3100, 3101, 3102, 3103, 3104,
 3105, 3106, 3107, 3108, 3109, 3110,
 3111, 3112, 3113, 3114, 3115, 3116, 3117
 01/14/14 AMEND: 165, 165.5
 01/13/14 ADOPT: 4000
 01/13/14 ADOPT: 2830, 2831, 2831.1, 2831.2,
 2831.3, 2831.4, 2831.5, 2832, 2833,
 2834, 2835 AMEND: 2000, 2085, 2501
 12/26/13 AMEND: 228(a)
 12/30/13 ADOPT: 1761, 1780, 1781, 1782, 1783,
 1783.1, 1783.2, 1783.3, 1783.4, 1788
 12/23/13 AMEND: 5.79, 27.92
 12/20/13 ADOPT: 2012 AMEND: 2010, 2015,
 2030, 2040, 2045, 2405, 2505
 12/19/13 AMEND: 705
 12/19/13 AMEND: 790, 818.02, 825.03, 827.02

Title 15

05/14/14 AMEND: 3000, 3040, 3040.1, 3041,
 3041.3, 3043, 3043.5, 3043.6, 3044,
 3046, 3074.3, 3075.1, 3077.1, 3078.4,
 3170.1, 3190, 3375.2, 3375.4, 3375.5,
 3375.6, 3376, 3379, 3383
 05/12/14 AMEND: 3043
 04/21/14 REPEAL: 3999.12
 03/28/14 ADOPT: 3999.17
 03/24/14 AMEND: 3044, 3190, 3282, 3335
 03/18/14 AMEND: 3290, 3315
 02/11/14 ADOPT: 3999.15
 02/11/14 ADOPT: 3999.16
 02/06/14 ADOPT: 3750, 3751, 3752, 3753, 3754,
 3756, 3760, 3761, 3761.1, 3762, 3763,
 3764, 3765, 3766 AMEND: 3000,
 3075.2, 3768.2, 3768.3
 01/23/14 AMEND: 3000, 3075
 01/15/14 REPEAL: 3999.9
 01/09/14 ADOPT: 1712.2, 1714.2, 1730.2, 1740.2
 AMEND: 1700, 1706, 1712, 1712.1,
 1714, 1714.1, 1730, 1730.1, 1731, 1747,

1747.1, 1747.5, 1748, 1748.5, 1749,
 1749.1, 1750, 1750.1, 1751, 1752, 1753,
 1754, 1756, 1760, 1766, 1767, 1768,
 1770, 1772, 1776, 1778, 1788, 1790,
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 01/08/14 AMEND: 3044, 3190, 3315
 01/08/14 AMEND: 3000, 3006, 3084.7, 3165,
 3176, 3177, 3294.5, 3310, 3315, 3352,
 3376, 3376.1, 3377.1, 3379, 3426, 3430,
 3434

Title 16

05/21/14 AMEND: 3340.29
 05/19/14 AMEND: 1023.16, 1023.17
 05/05/14 AMEND: 120
 04/24/14 AMEND: 1495.1, 1495.2
 04/23/14 AMEND: 940
 04/22/14 AMEND: 1419(c)
 04/21/14 AMEND: 1508.1
 04/14/14 AMEND: 1749
 02/24/14 ADOPT: 1762 AMEND: 1745, 1769
 02/19/14 AMEND: 1021
 01/17/14 AMEND: 475, 476, 3065
 01/16/14 ADOPT: 1138
 01/13/14 AMEND: 70
 01/07/14 AMEND: 1524
 01/07/14 ADOPT: 1018.01 AMEND: 1018
 12/31/13 ADOPT: 4172
 12/23/13 ADOPT: 4128 AMEND: 4122, 4130
 12/18/13 ADOPT: 5.5, 18, 19, 20, 21, 22 AMEND:
 21 (renumbered to 36.1), 26, 98

Title 17

05/20/14 ADOPT: 6550, 6551, 6553, 6553.1,
 6555, 6557, 6557.1, 6557.2, 6557.3
 05/05/14 AMEND: 6050, 6051, 6070
 04/16/14 AMEND: 1230, 2641.57
 04/16/14 AMEND: 54342
 04/10/14 AMEND: 60201, 60203, 60205, 60207,
 60210
 03/12/14 ADOPT: 56068, 56069, 56070, 56071,
 56072, 56073, 56074, 56620, 56621,
 56622, 56623, 56624, 56625 AMEND:
 56101
 01/28/14 ADOPT: 54521, 54522, 54523, 54524,
 54525, 54526, 54527, 54528, 54529,
 54530, 54531, 54532, 54533, 54534,
 54535 AMEND: 54500, 54505, 54520
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 01/27/14 AMEND: 100600, 100601, 100602,
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 12/31/13 ADOPT: 95124 AMEND: 95101, 95102,
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95153, 95154, 95155, 95156, 95157

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05/15/14 AMEND: 1603
05/14/14 ADOPT: 17942
05/13/14 AMEND: 1699
04/09/14 REPEAL: 18641, 19513
04/02/14 AMEND: 1705
03/10/14 ADOPT: 18662-0, 19002 AMEND:
18662-1, 18662-2, 18662-3, 18662-4,
18662-5, 18662-6, 18662-8 REPEAL:
18662-7, 18662-11, 18662-12,
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03/04/14 AMEND: 1502
02/25/14 ADOPT: 5255, 5256, 5453, 5552
AMEND: 5200, 5212, 5215, 5215.4,
5215.6, 5216, 5217, 5218, 5219, 5220,
5222, 5224, 5225, 5230, 5233, 5235,
5237, 5240, 5241, 5242, 5247, 5250,
5262, 5264, 5266, 5267, 5270, 5311,
5322, 5323.6, 5323.8, 5324, 5325.6,
5332, 5332.6, 5333, 5333.4, 5333.6,
5334, 5334.4, 5334.6, 5335, 5336.5,
5345, 5421, 5435, 5444, 5450, 5451,
5452, 5460, 5463, 5510, 5511, 5512,
5522.8, 5523.6, 5551, 5561, 5562, 5563,
5570, 5573, 5574 REPEAL: 5450, 5512,
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02/20/14 ADOPT: 19266
01/08/14 AMEND: 25106.5-1
12/24/13 AMEND: 263, 462.020, 462.060,
462.160, 462.180, 462.220, 462.240

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04/22/14 AMEND: 1601, 1602, 1602.1, 1603,
1604, 1605, 1605.1, 1605.2, 1605.3,
1606, 1607, 1608
01/28/14 AMEND: 2401, 2402
01/08/14 AMEND: 1660, 1661, 1662, 1663, 1664,
1665
01/08/14 AMEND: 1.2, 1.5, 1.9, 1.10, 1.13, 2.4,
3.3, 3.6, 4.2, 8.3, 13.1, 13.8, 13.11, 13.13,
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01/07/14 ADOPT: 2653, 2654, 2655, 2656, 2657,
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04/07/14 REPEAL: 75040, 75041, 75042, 75043,
75044
04/03/14 AMEND: 97212, 97215, 97225, 97226,
97227, 97228, 97229, 97244, 97248,
97258, 97259, 97260, 97261

03/25/14 AMEND: 97225, 97226, 97227
03/17/14 AMEND: 51516.1
02/26/14 AMEND: 53800, 53810 REPEAL:
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02/13/14 AMEND: 51003
12/24/13 AMEND: 51510, 51510.1, 51510.2,
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51535, 51535.1, 54501

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05/19/14 ADOPT: 3949.9
05/07/14 ADOPT: 3929.10
03/11/14 ADOPT: 3969.4
02/27/14 AMEND: 2922
02/04/14 AMEND: 2921
01/09/14 ADOPT: 13.2, 21, 22, 23, 24, 25, 27, 29
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13.3), 20, 21 (renumbered to 26), 26
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30) REPEAL: 23, 24, 25, 27

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04/07/14 AMEND: 4353, 4369
03/24/14 ADOPT: 6932 REPEAL: 6932

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05/13/14 AMEND: 27000
04/30/14 AMEND: 10013, 10014
04/16/14 AMEND: 25302, 25304
02/20/14 AMEND: 27001

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05/07/14 AMEND: 1300.43.3, 1300.65, 1300.71,
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04/28/14 ADOPT: 1300.67.241
04/14/14 ADOPT: 1300.67.005

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12/24/13 ADOPT: 40-038 AMEND: 22-071,
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