



# California Regulatory Notice Register

REGISTER 2015, NO. 32-Z

PUBLISHED WEEKLY BY THE OFFICE OF ADMINISTRATIVE LAW

AUGUST 7, 2015

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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.

CALIFORNIA REGULATORY NOTICE REGISTER (USPS 002-931), (ISSN 1041-2654) is published weekly by the Office of Administrative Law, 300 Capitol Mall, Suite 1250, Sacramento, CA 95814-4339. The Register is printed by Barclays, a subsidiary of West, a Thomson Reuters Business, and is offered by subscription for \$205.00 (annual price). To order or make changes to current subscriptions, please call (800) 888-3600. "Periodicals Postage Paid in Saint Paul, MN." **POSTMASTER:** Send address changes to the: CALIFORNIA REGULATORY NOTICE REGISTER, Barclays, a subsidiary of West, a Thomson Reuters Business, P.O. Box 2006, San Francisco, CA 94126. The Register can also be accessed at <http://www.oal.ca.gov>.

**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**

STATE AGENCY: California Horse Racing Board

A written comment period has been established commencing on August 7, 2015, and closing on **September 21, 2015**. 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.

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 **September 21, 2015**. 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 3. DEPARTMENT OF  
PESTICIDE REGULATION**

Field Fumigant Use Requirements  
DPR Regulation No. 15-002

**NOTICE OF PUBLIC HEARING ON A  
PROPOSED OZONE STATE IMPLEMENTATION  
PLAN AMENDMENT REGARDING PESTICIDE  
EMISSIONS IN THE SACRAMENTO METRO,  
SAN JOAQUIN VALLEY, SOUTH COAST,  
SOUTHEAST DESERT, AND VENTURA  
NONATTAINMENT AREAS**

The Department of Pesticide Regulation (DPR) proposes to amend sections 6000, 6445, 6447, 6447.2, 6447.3, 6448.1, 6449.1, 6450.1, 6452, 6452.2, and 6784 of Title 3, California Code of Regulations. The proposed action would add and revise existing field fumigation methods in the Sacramento Metro, San Joaquin Valley, South Coast, Southeast Desert, and Ventura ozone nonattainment areas (NAAs) when using methyl bromide, 1,3-Dichloropropene (1,3-D), chloropicrin, metam-sodium, and potassium N-methyldithiocarbamate (metam-potassium), and make changes to be consistent with product labeling.

DPR will conduct a public hearing to accept comments on these amendments that may become part of the ozone state implementation plan (SIP). The federal Clean Air Act requires each state to submit a SIP for achieving and maintaining federal ambient air quality standards for ozone. California's SIP contains an element to reduce pesticidal sources of volatile organic compounds (VOCs). These proposed regulations amend and add to regulations that were previously submitted to the U.S. Environmental Protection Agency (U.S. EPA) to support a pending SIP amendment. Opportunity to comment and the hearing on the proposed regulations as part of the SIP amendment are being provided in conjunction with this rulemaking.

**SUBMITTAL OF COMMENTS**

Any interested person may present comments in writing about the proposed action to the agency contact person named below. Written comments must be received no later than 5:00 p.m. on September 23, 2015. Comments regarding this proposed action may also be transmitted via e-mail to <dpr15002@cdpr.ca.gov> or by facsimile at 916-324-1491.

A public hearing has been scheduled for the time and place stated below to receive oral or written comments regarding the proposed changes.<sup>1</sup>

DATE: September 22, 2015  
TIME: 6:00 p.m.  
PLACE: Kern Agricultural Pavilion  
3300 E. Belle Terrace  
Bakersfield, California 93307

A DPR representative will preside at the hearing. Persons who wish to speak will be asked to register before the hearing. The registration of speakers will be conducted at the location of the hearing from 5:00 p.m. to 6:00 p.m. Generally, registered persons will be heard in the order of their registration. Any other person who wishes to speak at the hearing will be afforded the opportunity to do so after the registered persons have been heard. If the number of registered persons in attendance warrants, the hearing officer may limit the time for each presentation in order to allow everyone wishing to speak the opportunity to be heard. Oral comments presented at a hearing carry no more weight than written comments.

**EFFECT ON SMALL BUSINESS**

DPR has determined that the proposed regulatory action does affect small businesses.

**INFORMATIVE DIGEST/POLICY STATEMENT  
OVERVIEW**

State and federal law mandates that DPR protect human health and the environment by regulating pesticide sales and use and by fostering reduced-risk pest management.

Before planting, farmers use fumigants to control disease, weeds, and pests in the soil. Fumigants are also used to control pests in structures and harvested commodities. Measured in pounds, fumigants represent approximately 20 percent of all agricultural pesticides used in California. Because fumigants are usually applied at a rate of several hundred pounds an acre and are very volatile, fumigants account for an even higher proportion of VOCs emitted by pesticides. In some areas of the state, up to three-quarters or more of the pesticide VOCs are from fumigants. VOCs can contribute to the formation of ground-level ozone, which is harmful to human health and vegetation when present at high enough concentrations. The federal Clean Air Act requires each state to submit a SIP for achieving and

<sup>1</sup> If you have special accommodation or language needs, please include this in your request for a public hearing. TTY/TDD speech-to-speech users may dial 7-1-1 for the California Relay Service.

maintaining federal ambient air quality standards for ozone. An ozone NAA is a geographical region in California that does not meet either federal or state ambient air quality standards. U.S. EPA designates NAAs in Title 40, Code of Federal Regulations section 81.305. In 1994, California's Air Resources Board and DPR developed a plan to reduce pesticidal sources of VOCs in five NAAs — Sacramento Metro, San Joaquin Valley, South Coast, Southeast Desert, and Ventura — as part of the California SIP to meet the one-hour ozone standard.

DPR adopted regulations to achieve a reduction of pesticide VOC emissions from 1990 levels in the five NAAs. The regulations, in part, focus exclusively on fumigant emissions to achieve reductions from pesticides during the May 1 through October 31 peak ozone season through controls on application methods, and established a process to allow the use of interim field fumigation methods as part of DPR's efforts to reduce VOC emissions and to provide the necessary flexibility for innovations that reduce emissions to occur.

In 2012, U.S. EPA approved updated labels for soil fumigants currently registered to include new requirements for buffer zones and related measures. The revised labels include buffer zone credits for tarpaulins that greatly reduce the emissions of the fumigants in the soil, also known as totally impermeable film (TIF) tarpaulins. On the labels, they are referred to as tarpaulins that have been tested for permeability and determined by U.S. EPA to qualify for at least 60 percent buffer zone reduction credit.

Within the five NAAs during May 1 through October 31, only the fumigation methods specified in sections 6447.3, 6448.1, 6449.1, and 6450.1 are allowed except some of these methods classified as "high-emission" are prohibited in the San Joaquin Valley, Southeast Desert, and Ventura NAAs. As mentioned above, under specific criteria pursuant to 3 CCR 6452, the Director may grant interim approval of fumigation methods that reduce VOC emissions. The interim method approved must be accompanied by scientific documentation showing VOC emissions are not higher than other "low-emission" methods allowed in an NAA. The interim approval expires three years after the date of the approval unless adopted by regulation. If these interim methods are not put into regulation, the benefit of further emission reduction from use of the TIF tarpaulin will not be received. Section 6452 sets different standards by which to evaluate whether a new fumigation method will be allowed: one for the Sacramento Metro and South Coast ozone NAAs; and one for the San Joaquin Valley, Southeast Desert, and Ventura ozone NAAs. Sacramento Metro and South Coast have a less stringent standard because no further VOC reductions from pesticides are needed in these ozone NAAs. Both "low-emission" and "high-emission" methods can be

used in these two areas. Only "low-emission" methods are allowed in the San Joaquin Valley, Southeast Desert, and Ventura ozone NAAs during the May–October peak ozone season. The key information is the emission rating (percent of the fumigant applied that is emitted to the air) and the emission rate (emission rating multiplied by the maximum application rate). Either the emission rating or the emission rate can be no greater than the current methods allowed within the ozone NAAs by the regulations. The maximum emission rating allowed in the San Joaquin Valley, Southeast Desert, and Ventura ozone NAAs for methyl bromide is 48 percent, and for chloropicrin and 1,3–D it is 44 percent.

In the past several years, DPR reviewed several studies that estimated fumigant emissions from applications that used TIF tarpaulins. Except for the type of tarpaulin, fumigations with TIF tarpaulins are identical to other methods specified by DPR's VOC regulations. DPR determined that the TIF tarpaulin fumigation methods meet the standard for an interim method, and approved interim use of the TIF tarpaulin methods using methyl bromide, chloropicrin, or 1,3–D. DPR defined TIF tarpaulins as those for which labeling assigns a buffer zone credit of 60 percent.

The proposed regulatory action pertains to the following five fumigant active ingredients. Common brand names and/or alternative chemical names are given in parentheses as an aid to identification— methyl bromide, 1,3–D (Telone, Inline), chloropicrin, metamsodium (Vapam, Sectagon), and potassium N-methyl-dithiocarbamate (also known as metam-potassium [K-Pam]).

DPR proposes to amend sections 6447.3, 6448.1, and 6449.1 to add and revise existing field fumigation methods that may be used in the five ozone NAAs during the May 1 through October 31 time period. The addition of new methods, as well as amending existing methods, would result in no greater emission than any of the fumigant methods currently allowed. Additionally, FAC section 12973 states that use of a pesticide shall not be in conflict with the label. Since many of the same requirements in DPR's regulations are now included on the fumigant labels it is not necessary to repeat the requirements in regulation. DPR proposes revising the regulations to remove language that is required by the labels. Also, DPR proposes minor clarifying and grammatical changes throughout the proposed regulations.

Adoption of these regulations will provide a benefit to public health and the environment by continuing to reduce VOC emissions in the Sacramento Metro, San Joaquin Valley, South Coast, Southeast Desert, and Ventura ozone NAAs.

During the process of developing these regulations, DPR conducted a search of any similar regulations on this topic and concluded that these proposed regulations

are not inconsistent or incompatible with existing state regulations. DPR is the only agency that has the authority to regulate the use of pesticides.

#### **IMPACT ON LOCAL AGENCIES OR SCHOOL DISTRICTS**

DPR has determined that the proposed regulatory action does not impose a mandate on local agencies or school districts, nor does it require reimbursement by the state pursuant to Part 7 (commencing with section 17500) of Division 4 of the Government Code, because the regulatory action does not constitute a “new program or higher level of service of an existing program” within the meaning of section 6 of Article XIII of the California Constitution. DPR has also determined that no nondiscretionary costs or savings to local agencies or school districts are expected to result from the proposed regulatory action.

CAC offices will be the local agencies responsible for enforcing the proposed regulations. DPR anticipates that there will be no fiscal impact to these agencies. DPR negotiates an annual work plan with the CACs for enforcement activities.

#### **COSTS OR SAVINGS TO STATE AGENCIES**

DPR has determined that no savings or increased costs to any state agency will result from the proposed regulatory action.

#### **EFFECT ON FEDERAL FUNDING TO THE STATE**

DPR has determined that no costs or savings in federal funding to the state will result from the proposed action.

#### **EFFECT ON HOUSING COSTS**

DPR has made an initial determination that the proposed action will have no effect on housing costs.

#### **SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESSES**

DPR has made an initial determination that adoption of this regulation will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

#### **COST IMPACTS ON REPRESENTATIVE PRIVATE PERSONS OR BUSINESSES**

DPR has made an initial determination that the adoption of this regulation will not have a significant cost impact on representative private persons or businesses. Providing additional alternative fumigation methods could allow an additional 700 acres (mostly strawberries) to be grown in the Ventura NAA, with the potential of increasing net annual income by \$11 million. However, the new fumigant labels have increased buffer zones to address exposure concerns which have resulted in a decrease in acres fumigated from 23,702 in 2012 to 15,760 in 2013. While the use of TIF tarps would allow 700 more acres to be fumigated without going over the fumigant limit, the new buffer zone restrictions designed to limit exposure may prohibit some or all of that increased acreage allowed by the use of TIF tarps under the interim method now being proposed as an amendment to the VOC regulations.

#### **RESULTS OF THE ECONOMIC IMPACT ANALYSIS**

Adoption of these regulations will provide a benefit to public health and the environment by continuing to reduce VOC emissions in the Sacramento Metro, San Joaquin Valley, South Coast, Southeast Desert, and Ventura ozone NAAs.

Impact on the Creation, Elimination, or Expansion of Job/Businesses: DPR has determined it is unlikely the proposed regulatory action will impact the creation or elimination of jobs, the creation of new businesses or the elimination of existing businesses, or the expansion of businesses currently doing business with the State of California.

#### **CONSIDERATION OF ALTERNATIVES**

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

As stated above, the interim methods expire three years after the date of approval. If the interim methods are not adopted, the current regulations that prohibit TIF tarpaulins for use with methyl bromide would require growers and applicators to use standard polyethylene tarpaulins, and therefore, further reduction in

VOC emissions for each acre fumigated would not be achieved. This is contrary to DPR's goal for VOCs and U.S. EPA's goal for stratospheric ozone depletion. Also, 1,3-D and chloropicrin (and MITC generating products) fumigation methods can currently use TIF tarpaulins but the reductions achieved cannot be applied to meet our SIP requirements.

**AUTHORITY**

This regulatory action is taken pursuant to the authority vested by Food and Agricultural Code sections 11456, 12976, 12981, 14005, and 14102.

**REFERENCE**

This regulatory action is to implement, interpret, or make specific Food and Agricultural Code sections 11501, 12981, 14006, and 14102.

**AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS**

DPR has prepared an Initial Statement of Reasons and has available the express terms of the proposed action, all of the information upon which the proposal is based, and a rulemaking file. A copy of the Initial Statement of Reasons and the proposed text of the regulation may be obtained from the agency contact person named in this notice. The information upon which DPR relied in preparing this proposal and the rulemaking file are available for review at the address specified below.

**AVAILABILITY OF CHANGED OR MODIFIED TEXT**

After the close of the comment period, DPR may make the regulation permanent if it remains substantially the same as described in the Informative Digest. If DPR does make substantial changes to the regulation, the modified text will be made available for at least 15 days prior to adoption. Requests for the modified text should be addressed to the agency contact person named in this notice. DPR will accept written comments on any changes for 15 days after the modified text is made available.

**AGENCY CONTACT**

Written comments about the proposed regulatory action; requests for a copy of the Initial Statement of Reasons, and the proposed text of the regulation; and inquiries regarding the rulemaking file may be directed to:

Linda Irokawa-Otani, Regulations Coordinator  
 Department of Pesticide Regulation  
 1001 I Street, P.O. Box 4015  
 Sacramento, California 95812-4015  
 916-445-3991

Note: In the event the contact person is unavailable, questions on the substance of the proposed regulatory action may be directed to the following person at the same address as noted below:

Pam Wofford, Environmental Program Manager  
 Environmental Monitoring Branch  
 916-324-4297

This Notice of Proposed Action, the Initial Statement of Reasons, and the proposed text of the regulation are also available on DPR's Internet Home Page <<http://www.cdpr.ca.gov>>. Upon request, the proposed text can be made available in an alternate form as a disability-related accommodation.

**AVAILABILITY OF FINAL STATEMENT OF REASONS**

Following its preparation, a copy of the Final Statement of Reasons mandated by Government Code section 11346.9(a) may be obtained from the contact person named above. In addition, the Final Statement of Reasons will be posted on DPR's Internet Home Page and accessed at <<http://www.cdpr.ca.gov>>.

**TITLE 4. CALIFORNIA GAMBLING CONTROL COMMISSION**

**PLAYING BOOKS FOR THIRD-PARTY PROVIDERS OF PROPOSITION PLAYER SERVICES AND GAMBLING BUSINESSES**

**CGCC-GCA-2015-02-R**

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

**WRITTEN COMMENT PERIOD**

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Commission at any time during the 45-day public comment period, which

closes on **September 21, 2015**. Written comments relevant to the proposed regulatory action may be sent by mail, facsimile, or e-mail, directed to one of the individuals designated in this notice as a contact person. To be eligible for the Commission’s consideration, all written comments must be **received at its office no later than 5:00 p.m. on September 21, 2015. Comments sent to persons and/or addresses other than those specified under Contact Persons, or received after the date and time specified above, will be included in the record of this proposed regulatory action, but will not be summarized or responded to regardless of the manner of transmission.** Written comments will also be accepted at the public hearing described below.

### PUBLIC HEARING

Any interested person, or his or her authorized representative, may present statements or arguments orally or in writing relevant to the proposed regulatory action at a public hearing to be held at **10:00 a.m. on December 3, 2015**, in the Commission’s Hearing Room located at 2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833.

### ADOPTION OF PROPOSED ACTION

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

### AUTHORITY AND REFERENCE

Pursuant to the authority vested by sections 19840, 19841, 19853, and 19984, of the Business and Professions Code; and to implement, interpret or make specific sections 19805, 19826, 19853, and 19984 of the Business and Professions Code,<sup>1</sup> the Commission is proposing to adopt the following changes to Chapters 2.1, 2.2

<sup>1</sup> All statutory references hereinafter are the Business and Professions Code, unless otherwise specified.

and 3 of Division 18 of Title 4 of the California Code of Regulations:

### INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

#### EXISTING LAW:

Business and Professions Code section 19811, subdivision (b), vests the Commission with jurisdiction over all persons or things having to do with the operations of gambling establishments in this state.

Business and Professions Code section 19841, subdivision (c), provides the Commission the authority to adopt regulations that implement the provisions of the Act relating to licensing and other approvals.

Business and Professions Code section 19841, subdivision (k), provides the Commission the authority to adopt regulations that specify standard forms for reporting financial conditions, results of operations, and other relevant financial information.

Business and Professions Code section 19984, subdivision (b), provides the Commission the authority to establish reasonable criteria for any person or entity that provides proposition player services to gambling establishments. Under this section, the Commission may impose disclosures, approvals, conditions, or limitations as it deems necessary to protect the integrity of controlled gambling.

Business and Professions Code section 19984, subdivision (c), provides the Department of Justice<sup>2</sup> the authority to perform background checks, financial audits, and other investigatory services as needed, pursuant to Commission regulations, to assist the Commission in regulating Third-Party Providers of Proposition Player Services.

#### SPECIFIC PROPOSAL:

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

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

#### Amend Section 12200. Definitions.

- Subsection (b), paragraph (12), “License,” subparagraph (B) — The quotations around the phrase “other employee” would be deleted.

<sup>2</sup> In the Act, “department” refers to the Department of Justice. While the Act assigns certain powers and authority to the department, in actual practice the responsibility for fulfilling the obligations imposed upon the department is delegated to the Bureau of Gambling Control, pursuant to Business and Professions Code section 19810.

- Subsection (b), paragraph (25) “Sessions of play” — The reference to Section 12200.13, which would be repealed, would be deleted. The phrase “of a third-party proposition player services provided” would be deleted and the word “performed” would be added before the phrase “by an individual.” The phrase “at a specific gaming table” would be added after the phrase “by an individual proposition player.”
- Subsection (b), paragraph (26) — The word “proposition” would be added before the word “players.”

**Amend Section 12200.7. Proposition Player Contract Criteria.**

- Subsection (b), paragraph (13) would be repealed as this requirement is unnecessary since the playing book form approval process will no longer remain as part of the contract approval process.
- Subsection (b), paragraphs (14) through (22) would be renumbered accordingly.

**Amend Section 12200.9. Review and Approval of Proposition Player Contracts.**

- Subsection (3), paragraph (D) would be repealed as this requirement is unnecessary since the playing book form approval process will no longer remain as part of the contract approval process.
- Subsection (3), paragraphs (E) and (F) will be changed accordingly.

**Amend Section 12200.10A. Expedited Review and Approval of Proposition Player Contracts.**

- Subsection (c), paragraph (4) would be repealed as this requirement is unnecessary since the playing book form approval process will no longer remain as part of the contract approval process.
- Subsection (c), paragraphs (5) and (6) would be renumbered accordingly.

**Amend Section 12200.11. Extension of Proposition Player Contracts.**

- Subsection (a), paragraph (4) would be repealed as this requirement is unnecessary since the playing book form approval process will no longer remain as part of the contract approval process.
- Subsection (a), paragraph (5) would be renumbered accordingly.

**Repeal Section 12200.13. Playing Books.**

Section 12200.13 would be repealed and replaced by Sections 12250 through 12259 in the new Chapter 3 of the proposed regulations.

**CHAPTER 2.2. GAMBLING BUSINESSES: REGISTRATION; LICENSING.**

**Amend Section 12220. Definitions.**

- Subsection (b), paragraph (13), “License,” subparagraph (B) — The quotations around the phrase “other employee” would be deleted.
- Subsection (b), paragraph (25) — The reference to Section 12220.13, which would be repealed, would be deleted. The phrase “at a specific gaming table” would be added after the phrase “by a player.”

**Repeal Section 12220.13. Playing Books.**

Section 12220.13 would be repealed and replaced by Sections 12250 through 12259 in the new Chapter 3 of the proposed regulations.

**CHAPTER 3. PLAYING BOOKS.**

**Add Section 12250. Definitions.**

- Subsection (a) would clarify that the terms used in Business and Professions Code section 19805 and Sections 12002, 12200 and 12220 of Division 18 shall govern Chapter 3, unless otherwise provided in subsection (b).
- Subsection (b), paragraph (1) — The term “authentication” would be defined to mean the verification of an individual as being authorized to access a database system.
- Subsection (b), paragraph (1), subparagraph (A) — The term “active authentication” would be defined to mean the identification information of those individuals currently allowed access to an electronic playing book system.
- Subsection (b), paragraph (1), subparagraph (B) — The term “inactive authentication” would be defined to mean the identification information of those individuals no longer allowed to use or access an electronic playing book system.
- Subsection (b), paragraph (2) — The term “backup” would be defined to mean the process of copying files to a second medium in order to allow the information to be retrieved in the event of a system failure.
- Subsection (b), paragraph (3) — The term “electronic playing book” would be defined to mean a collection of digital playing book forms, to differentiate it from a hardcopy version of a playing book.
- Subsection (b), paragraph (4) — The term “electronic playing book device” or “playing book device” would be defined to mean the specific type of terminal used as an electronic playing book by the players.

- Subsection (b), paragraph (5) — The term “hardcopy playing book” would be defined to mean a tangible collection of paper playing book forms, to differentiate it from an electronic playing book.
- Subsection (b), paragraph (6) — The term “independent gaming test laboratory” would be defined to mean a gaming test laboratory that meets one of two requirements. The laboratory may either be: (1) registered or licensed by another United States jurisdiction to test, approve, and certify gambling equipment, systems, and software, and be accredited by a signatory to the International Laboratory Accreditation Cooperation (ILAC), Mutual Recognition Arrangement (MRA), or other equivalent laboratory accreditation agreement; or, (2) be operated by a state governmental gaming regulatory agency.
- Subsection (b), paragraph (7) — The term “information technology technician” or “IT technician” would be defined to mean any person responsible for and with the permissions necessary to access a system database, as specified.
- Subsection (b), paragraph (8) — The term “permissions” would be defined to mean the assigned level of system access rights to view or make changes to the content of the system.
- Subsection (b), paragraph (9) — The term “primary database” or “database” would be defined to mean a collection and storage of all electronic playing book system information.
- Subsection (b), paragraph (10) — The term “synchronization” or “synch” would be defined to mean the process of uploading information from a terminal, such as a playing book device, to a primary database.
- Subsection (b), paragraph (11) — The term “system” would be defined to mean a group of interdependent components that interact regularly to perform a task.
- Subsection (b), paragraph (12) — The term “terminal” would be defined to mean computer hardware that is used to enter data into or display information from a system.
- Subsection (b) — The current requirement that the primary owner is responsible for assuring that its players maintain accurate, complete, and up-to-date playing books in conformity with the regulations of the Commission for all sessions of play would be moved from Sections 12200.13(a) and 12220.13(a) to this subsection, and the requirement that the playing books be legible for audit purposes would be added.
- Subsection (c) — The current requirement that the playing book record be transferred to the primary owner, or a supervisor designated by the primary owner, at the end of each session of play would be moved from Sections 12200.13(a) and 12220.13(a) to this subsection.
- Subsection (d) — The current requirement that a hardcopy playing book be recorded in ink would be moved from Sections 12200.13(b)(2) and 12220.13(b)(2) to this subsection. The five-year retention period for playing books would be maintained by reference to Section 12003,<sup>3</sup> which requires a five-year retention period at a California location disclosed to the Bureau. This subsection would then require that the electronic playing book records be maintained in accordance with Section 12257, which has different requirements for the database and the storage of the backup information.
- Subsection (e) — This subsection would provide that the data-entry method for the playing book forms may be in any format that the Bureau approves. The current requirements for the information to be included on each playing book form would be moved from Sections 12200.13(b)(2) and 12220.13(b)(2) to this subsection.
- Subsection (e), paragraph (1) — The current requirement of Sections 12200.13(b)(2)(A) and 12220.13(b)(2)(A) for the playing book form to include sequential numbers would be moved to this paragraph and a requirement to include a unique identifier for each specific gambling enterprise would be added. The current requirements of Sections 12200.13(b)(2)(A) and 12220.13(b)(2)(A) that any unused forms be voided and maintained would remain for hardcopy playing books and would be moved to this paragraph.

**Adopt Section 12251. General Provisions.**

- Subsection (a) — This subsection allows a playing book terminal to have access to applications other than the playing book system, but requires that any application affecting the playing book database must be approved by the Bureau.

<sup>3</sup> This general records retention requirement is included in Section 12003 of the recently approved rulemaking file for the Accounting and Financial Reporting Requirements regulations which become effective July 1, 2015.

- Subsection (e), paragraph (2) — The current requirements of Sections 12200.13(b)(2)(B) and 12220.13(b)(2)(B) to include the name of the gambling establishment where play occurred would be moved to this paragraph (2).
- Subsection (e), paragraph (3) — The current requirements of Sections 12200.13(b)(2)(C) and 12220.13(b)(2)(C) to record the date and time in the playing book would be moved to this paragraph.
- Subsection (e), paragraph (4) — The current requirements of Sections 12200.13(b)(2)(D) and 12220.13(b)(2)(D) to include the beginning and ending balances would be moved to this paragraph.
- Subsection (e), paragraph (5) — The current requirements of Sections 12200.13(b)(2)(E) and 12220.13(b)(2)(E) to record fills and credits in the playing book would be moved to this paragraph. The requirement would be amended to clarify that the itemizations are to be maintained for each session of play.
- Subsection (e), paragraph (6) — The current requirement of Sections 12200.13(b)(2)(F) and 12220.13(b)(2)(F) to identify players by printed name and badge number in the playing book would be moved to this paragraph.
- Subsection (e), paragraph (7) — The current requirements of Sections 12200.13(b)(2)(G) and 12220.13(b)(2)(G) to include the table number assigned by the gambling enterprise would be moved to this paragraph.
- Subsection (e), paragraph (8) — The current requirements of Sections 12200.13(b)(2)(G) and 12220.13(b)(2)(G) to identify the Bureau-approved game in the playing book would be moved to this paragraph (8), and would be amended to refer to the “Bureau identification number.”
- Subsection (e), paragraph (9) — The current requirements of Sections 12200.13(b)(2)(I) and 12220.13(b)(2)(I) to include the name of the primary owner would be moved to this paragraph.
- Subsection (e), paragraph (10) — The current requirements of Sections 12200.13(b)(3) and 12220.13(b)(3) to record the date and time again in the playing book would be moved to this paragraph, and would be amended to clarify that this date and time is for the completion of the session of play.
- Subsection (e), paragraph (11) — The current requirements of Sections 12200.13(b)(3) and 12220.13(b)(3) for the person who prepared the form to sign it under penalty of perjury would be moved to this paragraph. In addition, a provision would be added to allow a cage receipt to be substituted for a supervisor’s signature in situations where a supervisor is not present to sign the playing book form.
- Subsection (e), paragraph (11), subparagraph (A) — Signatures would also be required for the electronic playing book, but in a method approved by the Bureau, and supported by the system, to indicate a signature.
- Subsection (e), paragraph (11), subparagraph (B) — This provision would require that the version of the playing book form to be signed must be the same as the approved printed version and visible as a single document on the playing book device.
- Subsection (f) — This provision would require that the information collected from all playing book records, copies of playing books, or any other information or records shall be provided to the Bureau upon request, pursuant to subsection (c) of Section 12003. This would apply to both hardcopy and electronic playing book records.
- Subsection (g) — This provision would require that all IT technicians employed by a registrant or licensee be registered or licensed as other employees pursuant to either Chapter 2.1 or 2.2, as applicable. This requirement would also be made applicable to any subcontractor, independent contractor or any employee of either, who are authorized to perform IT technician duties.

**Adopt Section 12253. Approval of Playing Book Forms.**

- Subsection (a) — The current requirement of Sections 12200.13(b)(1) and 12220.13(b)(1) that the Bureau review and approve or disapprove playing book forms would be moved to this subsection. This subsection would require that only an approved playing book form on record with the Bureau may be used during play.
- Subsection (b) — The current Bureau form, Request for Approval of Playing Book, BGC-APP. 036 (Rev. 12/11), would be renamed “Application for Approval of Playing Book Form or Electronic Playing Book System, BGC-APP 036 (Rev. 06/15)” and, it would be amended to accommodate applications for approval of both new and revised hardcopy playing book forms, as

well as electronic playing book forms and systems. This subsection would require approval only if an initial playing book form is submitted or a currently approved playing book form is revised. This would simplify the approval process and eliminate duplicate and unnecessary approvals.

- Subsection (b), paragraph (1) — The current requirement of Sections 12200.13(c)(1)(A) and 12220.13(c)(1)(A) for an application processing fee of \$75 would be moved to this paragraph.
- Subsection (b), paragraph (2) — The current requirement of Sections 12200.13(c)(1)(B) and 12220.13(c)(1)(B) to include a sample playing book form would be moved to this paragraph. For approval of an electronic playing book form, this paragraph would require submission of a print out of the form, screen–shots or pictures of the form as it appears on the device, a copy of the current certification of the electronic playing book system from an independent gaming test laboratory, and a description of how a signature would be indicated.
- Subsection (b), paragraph (3) — This paragraph would require submission of a description of the changes to an approved form for an amendment approval.
- Subsection (c) — The current requirement of Sections 12200.13(c)(2) and 12220.13(c)(2) that the Bureau shall review and approve or disapprove a playing book form within 30 days of receipt of a completed application would be moved to this subsection. This subsection would provide that the Bureau shall notify the applicant within 10 working days if the application is accepted or deficient. The current requirement that a written notice to be sent to the primary owner or the primary owner’s designee would also be retained in this subsection.
- Subsection (d) — This provision would allow non–substantive changes to a previously approved playing book form to be deemed accepted upon notice to the Bureau, unless otherwise advised by the Bureau within 30 days. The Bureau would retain the ability to determine, on an individual case–by–case basis, that a particular change is substantive and to require approval pursuant to subsection (b).
- Subsection (e) — This provision would allow an approved playing book form to be used at any gambling establishment where the TPPPS or Gambling Business operates.

**Adopt Section 12255. Electronic Playing Book Device Requirements.**

- Subsection (a) — This subsection would establish data storage and retrieval requirements for the playing book device.
- Subsection (a), paragraph (1) — This paragraph would require that the playing book device be able to retrieve or display the information necessary to confirm that it is the type of device that was certified and is functioning as approved.
- Subsection (a), paragraph (2) — This paragraph would require that the playing book form and recorded data be exportable to a printable version of the playing book form and to a spreadsheet (delimiter–separated value or comma–separated value) file format.
- Subsection (a), paragraph (3) — This paragraph would require that documentation be printable to an on–site printer.
- Subsection (b) — This subsection would establish security requirements for the playing book device.
- Subsection (b), paragraph (1) — This paragraph would require that upon login, the date and time of the last session must appear and be accepted for security purposes.
- Subsection (b), paragraph (2) — This paragraph would require that the device have anti–virus and unauthorized software installation protection.
- Subsection (c) — This subsection would establish the capability and limitation requirements for the playing book device.
- Subsection (c), paragraph (1) — This paragraph would provide that all access, activities, and entries into the playing book device be time, date, and user identification stamped.
- Subsection (c), paragraph (2) — This paragraph would require that all information entered into the playing book device be automatically synched to the database in time increments of 60 seconds or less.
- Subsection (c), paragraph (3) — This paragraph would require that the device have manual synch capabilities so that information could be synched upon command or in case of an automatic synch error.

- Subsection (c), paragraph (4) — This paragraph would provide that the device must have the ability to remain functional and save information in the event of a database connectivity failure, and requires that the information be synchronized upon reconnection as a failsafe to protect the data entered into the playing book device.
- Subsection (d) — This subsection would require that, in the event of a device or multiple device failure, physical copies of the approved playing book form be available for use until a device is repaired or replaced.

**Adopt Section 12257. Electronic Playing Book Database Requirements.**

- Subsection (a) — This subsection would establish the security requirements for the database.
- Subsection (a), paragraph (1) — This paragraph would require that all access, activities, and data entries be date, time, user and terminal identification stamped and logged.
- Subsection (a), paragraph (2) — This paragraph would require that all communications between the database and any terminal be encrypted.
- Subsection (a), paragraph (3) — This paragraph would require that the database have anti-virus and unauthorized software installation protection.
- Subsection (a), paragraph (4) — This paragraph would require that the database have surge protection and uninterrupted power supply protection to protect the physical security of the database.
- Subsection (a), paragraph (5) — This paragraph would require that the database be able to identify and log the date, time, and terminal of any unauthorized access, system error or connectivity failure as well as notify an IT technician.
- Subsection (b) — This subsection would establish the means by which the database will control access to the playing book system.
- Subsection (b), paragraph (1) — This paragraph would require a minimum of two methods of active authentication for all users. After three failed access attempts, the database would deny access to the user until reset by an IT technician.
- Subsection (b), paragraph (2) — This paragraph would require a minimum of three active authentications for an IT technician to access the database, and notice to the primary owner upon three failed attempts.

- Subsection (b), paragraph (3) — This paragraph would require that the authentications for any person losing permission to use the system be made inactive within 24 hours after the loss of permission.
- Subsection (b), paragraph (4) — This paragraph would require that the database shall not allow a user to be active on more than one terminal at a time without specific permissions as indicated on the chart of system access.
- Subsection (c) — This subsection would establish the storage and retrieval requirements for the database.
- Subsection (c), paragraph (1) — This paragraph would require that all data stored in the system cannot be edited, deleted, or replaced, but instead notations of edits, deletions or replacements must be made in order to protect the integrity of the data and allow for accurate documentation and tracking of the entered data.
- Subsection (c), paragraph (2) — This paragraph would require that the database have the ability to generate a system report and a report of all notations to edit, delete, or replace original data.
- Subsection (c), paragraph (3) — This paragraph would require that the database be able to retrieve or display the information necessary to confirm that it is the type of device that was certified and is functioning as approved.
- Subsection (d) — This subsection would require that a system backup be performed daily, and that the documentation be maintained at a location compliant with subsection (f).
- Subsection (e) — This subsection would require that date and time synchronization for all terminals and the database be controlled or updated by a network time protocol server.
- Subsection (f) — This subsection would require that the primary database location comply with Section 12003 and that the backup storage must be at a site other than where the primary database is located, and that the backup storage location be disclosed to the Bureau.
- Subsection (g) — This subsection would require that an IT technician registered or licensed as an “other employee” monitor and be responsible for any necessary access to the database by a non-licensed party.

**Adopt Section 12259. Approval of Electronic Playing Book Systems.**

- Subsection (a) — This subsection would provide that each electronic playing book system requires prior approval by the Bureau.
- Subsection (a), paragraph (1) — This paragraph would use the current application processing fee of \$75 for hardcopy playing book forms in Sections 12200.13 and 12220.13 as the fee for the initial review and processing of the electronic playing book approval application.
- Subsection (a), paragraph (2) — This paragraph would require a certification, from an independent gaming test laboratory, confirming that the electronic playing book system, including the software, the database, and a playing book device prototype, meets the requirements of this chapter. This provision would also require that the certification identify which technical test standard was used or, alternatively, include a statement that no technical test standard was used to certify the system.
- Subsection (a), paragraph (3) — This paragraph would require that a chart of system access be included with the application for approval, which would provide the position titles, methods of authentication, and the permissions granted for use of or access to the system.
- Subsection (a), paragraph (4) — This paragraph would require that a written summary of the design and operation of the system be submitted with the application for approval. In addition, the written description must be supplemented by one or any combination of the following: (1) a video of the system in operation; or, (2) a prototype device with written instructions and access; or, (3) a live demonstration of the system.
- Subsection (a), paragraph (5) — This paragraph would require that the contact information for an IT technician responsible for administering the electronic playing book system be included in the application for approval. This paragraph would also require that an IT technician be available during the approval process during the Bureau’s normal business hours so that the Bureau may ask any questions it may have regarding the system.
- Subsection (b) — This paragraph would provide that the Bureau shall notify the applicant within 30 working days if the filing is accepted or deficient and that the Bureau must approve or deny an electronic playing book system within 120 days of receiving a completed application.

- Subsection (c) — This subsection would provide that each system replacement or upgrade requires certification of continued compliance with this chapter by an independent gaming test laboratory. This certification would be submitted with the application for Bureau approval of a playing book system.
- Subsection (c), paragraph (1) — This paragraph would provide that new security updates for a previously approved version would not require notification, approval, or certification.
- Subsection (c), paragraph (2) — This paragraph would require that any update to any software, system, or components internally developed by the licensee requires notification to the Bureau within five days of the change.

**CHAPTER 10. DISCIPLINE, HEARINGS, AND DECISIONS.**

**Amend Section 12560. Disciplinary Guidelines for Third-Party Providers of Proposition Player Services Licensees or Registrants.**

- Subsection (b), paragraph (20) would be amended to change the referenced section from 12200.13 to 12251.

**POLICY STATEMENT OVERVIEW/ANTICIPATED BENEFITS:**

This proposed action has been drafted to supplement the current requirement that TPPPS and Gambling Businesses maintain playing books for all sessions of play with an option to do so electronically. This proposed action will create uniform requirements and approval processes for both TPPPS and Gambling Businesses. Finally, the proposed regulations will consolidate the playing book requirements into a new chapter that will apply to both TPPPS and Gambling Businesses for clarity and simplicity, and to eliminate redundancy.

Subsection (b), paragraph (1) of Section 12200.13 in Chapter 2.1 and Section 12220.13 in Chapter 2.2 provide that a playing book must be “recorded in ink.” This has been interpreted to require hardcopy playing books. With advancements in electronic and virtual record-keeping, providing for an electronic method of maintaining the playing books has been requested by the industry. These proposed regulations will offer an electronic method to comply with the playing book requirements, as well as the approvals necessary to ensure that the electronic playing book system and information are properly secure.

Moreover, the current regulations create a different playing book form approval process for TPPPS and Gambling Businesses. A TPPPS is required to submit a playing book form for approval with each gambling enterprise contract. Because a Gambling Business does

not enter into a contractual relationship with a gambling enterprise, the Gambling Business is required to have a playing book form approved as part of the registration or license renewal process every two years. Both entities must submit the playing book form for review and approval even if the previously approved playing book form is still in use and has not changed. This results in unnecessary and repetitive approvals being requested by licensees and processed by the Bureau. These proposed regulations will separate playing book approvals from contract approvals and registration/license renewal processes and create an approval process uniformly applied to both TPPPS and Gambling Businesses that will require only initial and amended playing book form approvals.

Finally, these proposed regulations will apply uniformly to both TPPPS and Gambling Businesses, to reduce the redundancy of maintaining mirroring requirements in two different chapters. This will provide simplicity, uniformity and clarity. The proposed regulation will also enhance transparency in the regulation of TPPPS and Gambling Businesses; and, will protect the health, safety, and general welfare of the public by aiding and preserving the integrity of controlled gambling.

**CONSISTENCY OR COMPATIBILITY WITH EXISTING STATE REGULATIONS:**

During the development of this regulatory action, the Commission has conducted a search of any similar regulations on this topic and has concluded that these proposed regulations are neither inconsistent nor incompatible with existing state regulations or statutes. In arriving at this conclusion, the Commission reviewed the Act, relevant sections of the Penal Code, its own regulations in Title 4, and the Bureau's regulations in Title 11 of the California Code of Regulations.

As provided in subdivision (b) of section 19811, the Commission is vested with jurisdiction and supervision over gambling establishments, and over all persons or things having to do with the operations of gambling establishments in California. The scope and content of the Commission's regulations is generally set forth in section 19841. The scope and content of these proposed regulations is specifically addressed in subdivision (b) of section 19984 of the Business and Professions Code.

**COMPARABLE FEDERAL LAW:**

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

FISCAL IMPACT ESTIMATES

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

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

The Bureau of Gambling Control within the Department of Justice provided the Commission with estimated costs associated with the proposed amendments. The Bureau indicates that they would require one position at the cost of \$95,000 in the first year, which includes the position's standard complement and \$87,000 thereafter. If there are questions pertaining to the Bureau's information, the contact person is:

Susanne George  
[Susanne.george@doj.ca.gov](mailto:Susanne.george@doj.ca.gov)  
 (916) 227-2461

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

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

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

**EFFECT ON HOUSING COSTS:** None.

**IMPACT ON BUSINESS:**

The Commission has made an initial determination that the adoption of these regulations would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

For the most part, this proposed action only makes minor modifications to the requirements already in place for hardcopy playing books. Furthermore, the elimination of the requirements for redundant approval of the same playing book form, regardless of any change, should actually have a positive impact on the affected businesses.

The addition of provisions relating to electronic playing book forms and systems may have a business impact; however, that impact would not be significant. The possible adverse impact would come from the development of the electronic playing book system itself, and in the certification of the system. That impact may be offset, at least to a large extent, by the reduction in storage costs in that data would be stored electronically rather than in hardcopy form. Furthermore, the use of the electronic playing book is a purely discretionary alternative and is not mandated by the proposed action.

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

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

**EFFECT ON SMALL BUSINESS:**

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

**RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS**

**IMPACT ON JOBS/NEW BUSINESSES:**

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

The proposed action only makes minor modifications to existing requirements for hardcopy playing books and adds a discretionary alternative for the use of electronic playing books.

**BENEFITS OF PROPOSED REGULATION:**

These proposed regulations will have the benefit of providing one uniform and streamlined playing book approval process for TPPPS and Gambling Business and will provide an electronic playing book compliance option for licensees. These proposed regulations will allow each licensee to choose the method of playing book maintenance that best suits their business, while still maintaining the standards required to document each session of play. This will provide clarity, simplicity and uniformity for TPPPS and Gambling Businesses.

The proposed regulations will also enhance transparency in the regulation of TPPPS and Gambling Businesses; and, will protect the health, safety, and general welfare of the public by aiding and preserving the integrity of controlled gambling.

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

**CONSIDERATION OF ALTERNATIVES**

The Commission must determine that no reasonable alternative considered by the Commission or that has otherwise been identified and brought to the attention of the Commission would be more effective in carrying

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

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

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

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

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

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

**CONTACT PERSONS**

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

Tina M. Littleton, Manager  
Regulatory Actions Unit  
California Gambling Control Commission  
2399 Gateway Oaks Drive, Suite 220  
Sacramento, CA 95833-4231  
Telephone: (916) 263-4787  
Fax: (916) 263-0499  
E-mail: [tlittleton@cgcc.ca.gov](mailto:tlittleton@cgcc.ca.gov)

Requests for a copy of the Initial Statement of Reasons, proposed text of the regulation, modified text of the regulation, if any, or other technical information upon which the proposed action is based should be directed to the following **backup** contact person:

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

**WEBSITE ACCESS**

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

**TITLE 4. CALIFORNIA HORSE RACING BOARD**

**NOTICE OF INTENTION TO AMEND THE CONFLICT-OF-INTEREST CODE OF THE CALIFORNIA HORSE RACING BOARD**

NOTICE IS HEREBY GIVEN that the California Horse Racing Board, pursuant to the authority vested in it by section 87306 of the Government Code, proposes amendment to its Conflict-of-Interest Code. All inquiries should be directed to the contact listed below.

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

Changes to the Conflict-of-Interest Code include: adding the Equine Medical Director, Hearing Officers, Chief Counsel, and Staff Counsel to the list of designated positions that must file statements of economic interest with the Board, and makes other technical changes to reflect the current organizational structure of the Department. Copies of the amended code are available and may be requested from the Contact Person set forth below.

Any interested person may submit written comments relating to the proposed amendments by submitting them in writing no later than September 21, 2015, or at the conclusion of the public hearing, if requested, whichever comes later, to the Contact Person set forth below. A person may request a hearing no later than September 6, 2015.

The California Horse Racing Board has determined that the proposed amendments:

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

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

Philip Laird, Staff Counsel  
 California Horse Racing Board  
 1010 Hurley Way, Suite 300  
 Sacramento, CA 95825  
 Telephone: (916) 263-6025  
 E-Mail: [pjlaird@chr.ca.gov](mailto:pjlaird@chr.ca.gov)

**TITLE 4. CALIFORNIA HORSE RACING BOARD**

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

**PROPOSED REGULATORY ACTION**

The Board proposes to amend Rule 1632, Jockey’s Riding Fee, to adjust the Non-Winning Jockey Riding Fee scale for losing mounts to reflect the new California minimum wage increase of 11.1 percent that will be effective January 1, 2016. Business and Professions Code section 19501(b)(1) requires the scale of minimum jockey riding fees for losing mounts to be increased whenever the State minimum wage is increased by the percentage of that increase. In addition, the Board proposes to amend the Non-Winning Jockey Riding Fee scale to reflect an increase of 11.1 percent for the 2nd and 3rd place mounts in races with a gross purse of \$9,999 or less.

**PUBLIC HEARING**

The Board will hold a public hearing starting at **9:30 a.m., Thursday, September 24, 2015**, or as soon there-

after as business before the Board will permit, at the **Los Alamitos Race Course, 4961 Katella Avenue, Los Alamitos, California**. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

#### WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m. on September 21, 2015**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Nicole Lopes–Gravelly, Regulation Analyst  
California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
Telephone: (916) 263–6397  
Fax: (916) 263–6022  
E–mail: [nlgravelly@chrb.ca.gov](mailto:nlgravelly@chrb.ca.gov)

#### AUTHORITY AND REFERENCE

Authority cited: Sections 19440, 19501 and 19562, Business and Professions Code. Reference: Sections 19401(a), 19401(d), 19420, 19440, 19501, and 19502, Business and Professions Code.

Business and Professions Code sections 19420 and 19440 give the Board jurisdiction and supervision over meetings in California where horse races with wagering on their results are held, and authorize the Board to adopt, amend or repeal regulations.

#### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19401(a) and (d) provides that the intent of Chapter 4 is to allow pari-mutuel wagering on horse races, while assuring protection of the public and providing uniformity of regulation for each type of horse racing. Business and Professions Code section 19420 states jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California

Horse Racing Board. Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 provides that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California. Assembly Bill (AB) 649, Chapter 605, Statutes of 2007, added section 19501 to the Business and Professions Code. Subsection 19501(b)(1) states that the scale of minimum jockey riding fees for losing mounts shall be increased whenever the State minimum wage is increased by the percentage of that increase.

Business and Professions Code section 19501(b)(1) requires an increase in the scale of minimum jockey riding fees for losing mounts whenever the State minimum wage is increased by a percentage of that increase. As of January 1, 2016, the California minimum wage rate will increase 11.1 percent per hour for all hours worked. This necessitates the amendment of Board Rule 1632, which provides jockey riding fees in the absence of a contract or special agreement between the trainer/owner and jockey. The Board proposes to amend subsection 1632(b) by increasing the minimum jockey riding fee for losing mounts by 11.1 percent to comply with Business and Professions Code section 19501(b)(1). However, the 11.1 percent increase to the losing mount fees causes the losing mount to earn more than the third place mount finishing with a gross purse of less than \$9,999. Due to Business and Professions Code section 19501(b)(1), the minimum wage increase of January 2016 results in a losing mount earning more than a mount coming in second or third place. This creates a disparity between the non-winning jockey riding fees making it more advantageous for a jockey to intentionally lose a race rather than to put forth his best effort, thereby compromising the honesty and integrity of a race. Therefore, the Board also proposes to amend the 2nd and 3rd place mount fees to reflect the 11.1 percent minimum wage increase for all mounts not sharing in purse monies to ensure these riders receive more than losing mounts.

The proposed amendment to Rule 1632 modifies subsection 1632(b) by adjusting the scale of jockey riding fees for losing mounts and for all 2nd and 3rd place mounts in races with a gross purse of \$9,999 or less by 11.1 percent.

POLICY STATEMENT OVERVIEW OF  
ANTICIPATED BENEFITS OF PROPOSAL

The proposed amendment to Rule 1632(b) increases the scale of minimum jockey riding fee for losing mounts by 11.1 percent based on the California minimum wage rate increase that becomes effective January 1, 2016. In addition, the amendment to Rule 1632(b) applies the 11.1 percent increase for all 2nd and 3rd place mounts in races with a gross purse of \$9,999 or less in order to balance the Non-Winning Jockey Riding Fee scale. This will eliminate any disparity between the non-winning jockey riding fees and will deter jockeys from intentionally losing a race rather than put forth his best effort in order to earn more money. This will increase the public's confidence in California horse racing, which may result in increased wagering. An increase in wagering will have a positive economic impact on the industry by increasing handle, which in turn may increase purses and commissions. The specific benefits anticipated from the regulation are compliance with current law and a balanced fee scale which will result in a fair and honest race product.

CONSISTENCY EVALUATION

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

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

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

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

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

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

The Board has made an initial determination that the proposed amendment to Rule 1632 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

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

Cost impact on representative private persons or businesses: The Board is not aware of any cost impacts

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

Significant effect on housing costs: none.

RESULTS OF ECONOMIC  
IMPACT ASSESSMENT

The adoption of the proposed amendment to Rule 1632 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California. The proposed amendment to Rule 1632 is a benefit to the health and welfare of California residents because it promotes fairness and compliance with current law. The proposed regulation will increase the losing mounts fee scale to reflect the new California minimum wage increase of 11.1 percent that becomes effective January 1, 2016, as required by Business and Professions Code section 19501(b)(1). In addition, by applying the 11.1 percent to the 2nd and 3rd place mount fees; CHRB will create a balanced fee scale and eliminate any inequality. This will promote the public's interest in a fair and honest race product by eliminating the possibility of a jockey intentionally losing a race rather than put forth his best effort in order to earn more money. Furthermore, by adjusting the Non-Winning Jockey Riding Fee scale based on the minimum wage increase there may be an increase to consumer spending that in turn may help the overall economy in California.

Effect on small businesses: none. The proposal to amend Rule 1632 does not affect small businesses because horse racing associations in California are not classified as small businesses under Government Code Section 11342.610.

CONSIDERATION OF ALTERNATIVES

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

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

CONTACT PERSON

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

Nicole Lopes–Gravely, Regulation Analyst  
California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
Telephone: (916) 263–6397  
Fax: (916) 263–6022  
E–mail: [nlgravely@chrb.ca.gov](mailto:nlgravely@chrb.ca.gov)

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

Laurel Houle, Regulation Analyst  
Policy and Regulations  
Telephone: (916) 274–6043

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

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

AVAILABILITY OF MODIFIED TEXT

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

AVAILABILITY OF FINAL STATEMENT OF REASONS

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

BOARD WEB ACCESS

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

TITLE 4. STATE ATHLETIC COMMISSION

NOTICE IS HEREBY GIVEN that the California State Athletic Commission (hereinafter “Commission”) is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held:

**September 21, 2015 — 10:00 a.m.**  
Department of Consumer Affairs  
Donner Lake Room — 2nd Floor  
2005 Evergreen Street  
Sacramento, CA 95815

Written comments, including those sent by mail, facsimile, or e–mail to the addresses listed under Contact Person in this Notice, must be received by the Commission at its office not later than 5:00 p.m. **September 21, 2015**, or must be received by the Commission at the hearing. The Commission, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Business Code section 18611 authorizes the Commission to adopt these proposed regulations. The proposed regulations implement, interpret, and make specific sections 18611, 18640, 18641, 18642, 18645, 18648, 18661, 18711, 18714 of the Business Code.

INFORMATIVE DIGEST/ POLICY STATEMENT  
OVERVIEW

**Amend section 201.5.** Existing regulations gives definitions for “commission,” “code,” “rules,” “club,” and “promoter” and further states that as used in this chapter, the masculine gender includes the feminine gender. This proposal amends the current definitions to include that all pronouns used in the chapter are gender-neutral unless context clearly indicates otherwise.

**Amend section 303.** Existing regulations set the rules regarding the administration or use of drugs and lists those substances. The Commission drug tests athletes for prohibited substances based on “The World Anti-Doping Code, The Prohibited List International Standard” (World Anti-Doping Agency). Since the WADA “Prohibited Substances” and “Prohibited Methods” periodically change, the Commission regulations should reference WADA directly rather than go through a rule change annually to update the prohibited substances list. This proposal clarifies and further defines the administration or use of prohibited substances, and prohibited methods. This proposal also defines “Prohibited Substances” and “Prohibited Method” to mean those substances and methods included in “The World Anti-Doping Code, The Prohibited List International Standard” (World Anti-Doping Agency) <https://www.wada-ama.org/en/resources/science-medicine/prohibited-list>.

**Adopt sections 424–426.** Currently, there is no exemption to allow an athlete to use a medically prescribed drug that may be necessary to maintain the athlete’s health. This proposal would establish an exemption process and provide the necessary authority to the Commission to allow an athlete to use a medically prescribed drug that is necessary to maintain their health, before or during a match, provided said usage does not provide an advantage to the athlete during competition.

Existing law at Section 18611 of the Business and Professions Code authorizes the Commission to adopt, amend, or repeal, in accordance with the Administrative Procedure Act, rules and regulations as may be necessary to enable it to carry out the laws relating to boxing and the martial arts. By adopting section 424, the Commission will honor its commitment to the health and safety of athletes, allowing them to use the medication necessary to maintain their health, as diagnosed and prescribed by a licensed physician.

It is anticipated that the adoption of regulations such as these will protect the health and safety of athletes, prevent discrimination against those athletes with legitimate medical conditions and promote fairness and social equity by allowing eligible legitimate contenders

an equal opportunity to enter the ring. The adoption of Rule 424 will allow athletes an avenue, not otherwise afforded, to request permission from the Commission to use a prohibited substance, when proven necessary and that it does not provide an unfair advantage during competition, before and during competition. The athlete upon asking permission from the Commission is required to complete a form, named “Application for Determination of Therapeutic Use Exemption” (Rev 07/15, this form is incorporated by reference).

Without this avenue, fighters may choose to fight in other states where exemptions exist, or discontinue taking medications that are necessary, thereby risking their health in order to fight in California, or quit fighting altogether.

**Adopt sections 830–837.** This rulemaking action clarifies and makes specific the licensing requirements for a transgender athlete with the Commission.

Business Code Section 18640 requires all persons that engage in the promotion of, or participate in, a boxing or martial arts contest, match, or exhibition, to have a license. Business Code section 18611 authorizes the Commission to adopt regulations necessary to enable it to carry out the laws relating to boxing and the martial arts.

The regulations proposed in this rulemaking action would specify the steps required in order to obtain a license as a transgender athlete in order to compete in a Commission-regulated boxing or martial arts contest, match, or exhibition. It establishes procedures for transgender athletes and specific testing performed to ensure hormone levels are within prescribed standards. It would also establish specific testing requirements pre-fight and day of the fight in order to establish the transgender athlete meets licensing requirements.

The broad objective of the regulation is to promote fair participation in combat sports and prevent discrimination on the basis of gender or gender identity in a manner that will also protect public health and safety for all participants. The specific benefit anticipated from the regulation is increased protection of the transgender athletes and their opponents by specifying transgender licensing standards, including measurable hormone levels.

The Commission has determined that this proposed regulation is not inconsistent or incompatible with existing regulations. After conducting a review for any regulations that would relate to or affect this area, the Commission has concluded that these are the only regulations that concern the licensing of transgender athletes to participate in a boxing or martial arts contest, match, or exhibition in California.

CONSISTENCY AND COMPATIBILITY WITH  
EXISTING STATE REGULATIONS

The Commission has conducted an evaluation for any other regulations on this area and has concluded that these are the only regulations concerning Therapeutic Use Exemptions and Transgender Athletes. Therefore, the proposed regulations are neither inconsistent nor incompatible with any other existing state regulations.

FORMS INCORPORATED BY REFERENCE

- Application for Determination of Therapeutic Use Exemption (form number PA014, revised 07/15)
- Application for Professional Athlete (form number PA003, revised 07/15)

FISCAL IMPACT ESTIMATES

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

The CSAC has made an initial determination that there will be no 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.**

EFFECT ON SMALL BUSINESS

The Commission has determined that the proposed regulations would not affect small businesses. The proposed changes provide a mechanism to allow an athlete an avenue to continue to use specific medications necessary to maintain the athlete's health.

RESULTS OF THE ECONOMIC  
IMPACT ANALYSIS

The Commission has derived that this proposal will affect the State of California business environment as follows:

- Unlikely to eliminate any jobs, including for health care professionals
- Unlikely to create jobs, including for health care professionals
- Unlikely to create new businesses
- Unlikely to eliminate any existing businesses
- Unlikely to expand current business

Benefits of the Proposed Action: The proposed regulation will benefit California residents by protecting professional athletes by only allowing use of performance enhancing drugs when medically needed and appropriate. It is even possible that the proposal will make promoters within the combative sports industry more likely to promote events due to a consistent therapeutic use exemption policy. The proposal will also set standards for transgender athletes to ensure fairness and prevent discrimination.

CONSIDERATION OF ALTERNATIVES

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

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

INITIAL STATEMENT OF REASONS  
AND INFORMATION

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

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations, any document incorporated by reference and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained

at the hearing or prior to the hearing upon request from the California State Athletic Commission at 2005 Evergreen Street, Suite 2010, Sacramento, California 95815.

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

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

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

CONTACT PERSON

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

Name: Sophia Cornejo  
 Address: 2005 Evergreen Street, Suite 2010  
 Sacramento, CA 95815  
 Telephone No.: (916) 263-2195  
 Fax No.: (916) 263-2197  
 E-Mail  
 Address: Sophia.Cornejo@dca.ca.gov

The backup contact person is:

Name: Heather Jackson  
 Address: 2005 Evergreen Street, Suite 2010  
 Sacramento, CA 95815  
 Telephone No.: (916) 263-2195  
 Fax No.: (916) 263-2197  
 E-Mail  
 Address: heather.jackson@dca.ca.gov

Website Access: Materials regarding this proposal can be found at <http://www.dca.ca.gov/csac>.

TITLE 13. AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER TECHNICAL STATUS AND PROPOSED REVISIONS TO ON-BOARD DIAGNOSTIC SYSTEM REQUIREMENTS AND ASSOCIATED ENFORCEMENT PROVISIONS FOR PASSENGER CARS, LIGHT-DUTY TRUCKS, AND MEDIUM-DUTY VEHICLES AND ENGINES

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider approving for adoption proposed amendments to California's On-Board Diagnostic System Requirements (OBD II) and associated enforcement provisions for passenger cars, light-duty trucks, and medium-duty vehicles and engines. The Board will consider amendments to the OBD II regulations to account for Low Emission Vehicle III applications, to update the monitoring requirements for gasoline and diesel vehicles and engines, and to clarify and improve the regulation where necessary, among other revisions.

DATE: September 24, 2015  
 TIME: 9:00 a.m.  
 PLACE: South Coast Air Quality  
 Management District  
 Auditorium  
 21865 Copley Drive  
 Diamond Bar, California 91765

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., September 24, 2015, and may continue at 8:30 a.m., on September 25, 2015. This item may not be considered until September 25, 2015. Please consult the agenda for the meeting, which will be available at least 10 days before September 24, 2015, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW PURSUANT TO GOVERNMENT CODE SECTION 11346.5(a)(3)

**Sections Affected:** Proposed amendments to California Code of Regulations (CCR), title 13, sections 1900, 1968.2, and 1968.5, and these documents incorporated by reference.

**Documents Incorporated by Reference:**

These documents would be incorporated in the regulation by reference as specified by section:

1. "Emissions-Related Parts List," June 1, 1990, section 1900(b)(6);

2. “California 2015 and Subsequent Model Criteria Pollutant Exhaust Emission Standards and Test Procedures and 2017 and Subsequent Model Greenhouse Gas Exhaust Emission Standards and Test Procedures for Passenger Cars, Light Duty Trucks, and Medium Duty Vehicles,” as last amended December 6, 2012, sections 1968.2(c) and 1968.2(h)(6.2);
3. “California Exhaust Emission Standards and Test Procedures for 2018 and Subsequent Model Zero-Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes,” as last amended May 30, 2014, section 1968.2(c);
4. International Organization for Standardization (ISO) 15765-4: “Road Vehicles — Diagnostics Communications over Controller Area Network (DoCAN) — Part 4: Requirements for emission-related systems,” February 2011, section 1968.2(g)(1.9);
5. ISO 15765-4: “Road Vehicles — Diagnostics Communications over Controller Area Network (DoCAN) — Part 4: Requirements for emission-related systems — Amendment 1,” February 2013, section 1968.2(g)(1.9.1);
6. ISO 26262-5 “Road vehicles — Functional Safety — Part 5: Product development at the hardware level,” November 2011, section 1968.2(g)(1.13);
7. SAE International (SAE) J1699-3 — “Vehicle OBD II Compliance Test Cases,” May 2012, section 1968.2(g)(1.11);
8. SAE 1850 “Class B Data Communications Network Interface,” June 2006, section 1968.2(g)(1.5);
9. SAE J1930-DA “Electrical/Electronic Systems Diagnostic Terms, Definitions, Abbreviations, and Acronyms Web Tool Spreadsheet,” March 2014, section 1968.2(g)(1.1.1);
10. SAE J1962 “Diagnostic Connector — Equivalent to ISO/DIS 15031-3: December 14, 2001,” July 2012, section 1968.2(g)(1.2);
11. SAE J1979 “E/E Diagnostic Test Modes,” August 2014, section 1968.2(g)(1.4);
12. SAE J1979-DA “Digital Annex of E/E Diagnostic Test Modes,” June 2014, section 1968.2(g)(1.4.1);
13. SAE J2012 “Diagnostic Trouble Code Definitions,” March 2013, section 1968.2(g)(1.6);
14. SAE J2012-DA “Digital Annex of Diagnostic Trouble Code Definitions and Failure Type Byte Definitions,” January 2013, section 1968.2(g)(1.6.1);
15. SAE J1939 “Recommended Practice for a Serial Control and Communications Vehicle Network,” August 2013, section 1968.2(g)(1.10.1);
16. SAE J1939-01 “On-Highway Equipment Control and Communications Network,” November 2012, section 1968.2(g)(1.10.2);
17. SAE J1939-11 “Physical Layer, 250K bits/s, Twisted Shielded Pair,” September 2012, section 1968.2(g)(1.10.3);
18. SAE J1939-13 “Off-Board Diagnostic Connector,” October 2011, section 1968.2(g)(1.10.4);
19. SAE J1939-15 “Reduced Physical Layer, 250K bits/sec, UN-Shielded Twisted Pair (UTP),” May 2014, section 1968.2(g)(1.10.5);
20. SAE J1939-21 “Data Link Layer,” December 2010, section 1968.2(g)(1.10.6);
21. SAE J1939-31 “Network Layer,” April 2014, section 1968.2(g)(1.10.7);
22. SAE J1939-71 “Vehicle Application Layer,” April 2014, section 1968.2(g)(1.10.8);
23. SAE J1939-73 “Application Layer — Diagnostics,” July 2013, section 1968.2(g)(1.10.9);
24. SAE J1939-81 “Network Management,” June 2011, section 1968.2(g)(1.10.10); and
25. SAE J1939-84 “OBD Communications Compliance Test Cases For Heavy Duty Components and Vehicles,” February 2015, section 1968.2(g)(1.10.11).

**Background and Effect of the Proposed Rulemaking:**

OBD II systems serve an important role in helping to ensure that engines and vehicles maintain low emissions throughout their full lives. OBD II systems monitor virtually all emission controls on gasoline and diesel engines, including catalysts, particulate matter (PM) filters, exhaust gas recirculation systems, oxygen sensors, evaporative systems, fuel systems, and electronic powertrain components, and other components and systems that can affect emissions when malfunctioning. The systems also provide specific diagnostic information in a standardized format through a standardized serial data link on-board the vehicles. The use and operation of OBD II systems ensure reductions of in-use motor vehicle and motor vehicle engine emissions through improvements in emission system durability and performance.

The Board originally adopted comprehensive OBD regulations in 1990, requiring all 1996 and newer model year passenger cars, light-duty trucks, and medium-duty vehicles and engines to have OBD II systems. The Board subsequently updated the OBD requirements in

2002 with the adoption of California Code of Regulations, title 13, sections 1968.2 and 1968.5, which established OBD II requirements and enforcement requirements for 2004 and subsequent model year vehicles. The Board has modified the OBD II regulation in several updates since initial adoption to address manufacturers' implementation concerns and, where needed, to strengthen specific monitoring requirements. The Board last adopted updates to the OBD II requirements in 2012 and 2013 to address several concerns and issues regarding the regulation (CCR, title 13, § 1968.2) and enforcement requirements (CCR, title 13, § 1968.5).

**Objectives and Benefits of the Proposed Regulatory Action:**

The OBD II regulation reduces motor vehicle and motor vehicle engine emissions by establishing emission standards and other requirements for OBD II systems installed on passenger cars, light-duty trucks, and medium-duty vehicles and engines certified for sale in California. The OBD II systems, through an onboard computer(s), monitor emission systems in-use for the actual life of the vehicle or engine, detect malfunctions of monitored emission systems, illuminate a malfunction indicator light (MIL) to notify the vehicle operator of detected malfunctions, and store fault codes identifying the detected malfunctions. The use and operation of OBD II systems ensure reductions of in-use motor vehicle and motor vehicle engine emissions through improvements in emission system durability and performance.

In adopting the OBD II regulation, the Board directed the staff to monitor manufacturers' progress towards meeting the regulation's requirements and to report back should modifications to the requirements be deemed appropriate. Since then, staff has met with stakeholders in several teleconferences and face-to-face meetings, including a public workshop in October 2014, where staff and manufacturers identified areas in which modifications to the OBD II regulation would be beneficial.

The proposed amendments to the OBD II regulation include:

- Adding definitions for "emissions neutral diagnostic," "emissions neutral default action," "safety-only component or system," and "smart device," and revising the monitoring requirements
- Revising the requirements for default modes of operation to clarify the conditions under which manufacturers are exempt from illuminating the MIL
- Proposing more stringent in-use monitoring performance requirements for the PM filter monitor on light-duty diesel vehicles

- Proposing emission malfunction thresholds for Low Emission Vehicle III (REV III) applications, including revisions to the direct ozone reduction system requirements and proposed PM thresholds for gasoline vehicles
- Specifying more detailed monitoring requirements for hybrid vehicles
- Revising the gasoline misfire monitoring requirements for plug-in electric hybrid vehicles to no longer require emission threshold-based malfunction criteria
- Relaxing the interim malfunction thresholds for gasoline air-fuel ratio cylinder imbalance monitoring
- Revising the gasoline evaporative system purge flow monitoring requirements for purging on the high-load purge lines and proposing relaxed in-use monitoring performance requirements for the monitor
- Revising the gasoline and diesel crankcase ventilation system monitoring requirements
- Revising the requirements for light-duty and medium-duty chassis-certified diesel vehicles, including revising the diesel misfire monitoring requirements to no longer require emission threshold-based malfunction criteria and to require expanded monitoring conditions
- Revising the gasoline and diesel cooling system monitoring requirements to clarify when monitor enablement can occur
- Revising the criteria that manufacturers must meet to be exempt from monitoring certain comprehensive components
- Updating the SAE and ISO document references
- Revising the readiness status requirements to clarify which monitors are to be included in determining readiness
- Adding data stream parameters required to be reported
- Clarifying the calibration verification number requirements
- Revising the certification demonstration testing requirements to clarify how to perform the testing for gasoline air-fuel ratio cylinder imbalance monitoring and exhaust gas sensor monitoring, to add testing requirements for the evaporative system monitor, to specify additional data required to be collected during testing, and to clarify the test requirements for catalyst faults and other faults where default actions are taken
- Adding items required to be submitted as part of the certification application

Staff is also proposing amendments to the OBD II enforcement regulation (CCR, title 13, § 1968.5) to align with the proposed changes to the OBD II regulation, including revisions to the mandatory recall provisions for the air–fuel ratio cylinder imbalance monitor for gasoline vehicles, the misfire monitor for plug–in hybrid electric vehicles, and the misfire and PM filter monitors for light–duty diesel vehicles.

Finally, the staff is also proposing amendments to CCR, title 13, section 1900, specifically to the definition of “emissions–related part.” CCR, title 13, section 1900(b)(6) defines “emissions–related part” as “any automotive part, which affects any regulated emissions from a motor vehicle which is subject to California or federal emission standards. This includes, at a minimum, those parts specified in the ‘Emissions–Related Parts List,’ adopted by the State Board on November 4, 1977, as last amended May 19, 1981.” Although the “Emissions–Related Parts List” was updated on June 1, 1990, section 1900(b)(6) was never revised to incorporate the updated version of the “Emissions–Related Parts List.” Staff is proposing to modify the definition of “Emissions–related part” in section 1900(b)(6) to incorporate the version of the “Emissions–Related Parts List” as last amended June 1, 1990. The definition of “emissions–related part” refers to motor vehicles subject to California or federal emissions standards. The definition of the term “emission standard” that applies to all on–road motor vehicles and motor vehicle engines is set forth in CCR, title 13, section 1900(b)(3), and CCR, title 13, sections 1900(b)(4) and (b)(5) define the terms “evaporative emission standards” and “exhaust emission standards” as subcategories of emission standards.

The terms “emission standard”, “evaporative emission standard” and “exhaust emission standard” are also set forth in provisions that are specifically applicable to heavy–duty motor vehicle engines and heavy–duty vehicles in CCR, title 13, sections 1956.8(i)(2)–(4), 2485(h)(7)–(9), and CCR, title 17, section 95302(a)(19.1)–(19.3). CCR, title 13, sections 1968.2(c) and 1971.1(c) define “emission standard”, “evaporative emission standard” and “exhaust emission standard” in the OBD II regulation and the heavy–duty OBD (HD OBD) regulation, respectively.

The proposed OBD II amendments will provide manufacturers with greater compliance flexibility, and strengthen and clarify the performance requirements they are expected to meet in designing and developing robust OBD II systems. This will encourage manufacturers to design and build more durable engines and emission–related components, all of which will help ensure that forecasted emission reduction benefits from adopted light– and medium–duty vehicle emission control programs are achieved in–use. Ultimately, the pro-

posed action will further the goal of ARB which is to promote and protect public health, welfare and ecological resources through the effective and efficient reduction of air pollutants, and provide safe, clean air to Californians.

**DETERMINATION OF INCONSISTENCY AND INCOMPATIBILITY WITH EXISTING STATE REGULATIONS**

During developing the proposed regulatory action, ARB has searched any similar regulations on this topic and has concluded these regulations are neither inconsistent nor incompatible with existing state regulations.

**MANDATED BY FEDERAL LAW OR REGULATIONS**

The federal Clean Air Act establishes ambient air quality standards that states must achieve by specific dates. The Clean Air Act does not mandate specific requirements that states must adopt but instead provides states with discretion on how to achieve these emission reductions. The OBD amendments set forth here have been determined by the California legislature and ARB as a necessary and important part of California’s emission reduction program to achieve the federal objectives.

**COMPARABLE FEDERAL REGULATIONS**

In February 1993, the U.S. EPA promulgated OBD requirements for federally certified light–duty vehicles and trucks. (40 CFR Part 86, §§ 86.094–2, 86.094–17, 86.094–18(a), 86.094–21(h), 86.094–25(d), 86.094–30(f), 86.094–35(l), 86.095–30(f), 86.095–35(l); see 58 Fed.Reg. 9468–9488 (February 19, 1993).) These requirements were later amended to require OBD systems on medium–duty vehicles by the 2008 model year. The final rule with the latest modifications of the requirements was published on February 24, 2009. A central part of the federal regulation is that, for federal certification of vehicles, U.S. EPA will deem California–certified OBD II systems to comply with the federal regulations.

In Health and Safety Code sections 43013, 43018, and 43101, the Legislature directed ARB to adopt emission standards for new motor vehicles that are necessary and technologically feasible and to endeavor to achieve the maximum emission reduction possible from vehicular and other mobile sources to accomplish the attainment of the State standards at the earliest practicable date. ARB initially adopted the OBD II regulations to meet those legislative directives. The OBD II regulation was first adopted in 1990. On October 3,

1996, the U.S. EPA granted California's request for a waiver regarding the OBD II regulation, as last amended in December 1994,<sup>1</sup> recognizing that the OBD II regulation is at least as stringent in protecting public health and welfare as the federal regulation, and that unique circumstances exist in California necessitating the need for the State's own motor vehicle regulations program.

In 2014, the U.S. EPA adopted regulations that establish more stringent emission standards for 2017 and subsequent model year light duty vehicles, light-duty trucks, medium-duty passenger vehicles, and complete heavy-duty vehicles between 8,501 and 14,000 lbs GVWR, and that additionally limit the sulfur content in gasoline: "Control of Air Pollution From Motor Vehicles: Tier 3 Motor Vehicle Emission and Fuel Standards; Final Rule" (EPA Tier 3 regulation), 79 Federal Register 23414 (April 28, 2014). The EPA Tier 3 regulation largely harmonizes federal emission standards for the regulated categories of vehicles with the corresponding California emission standards in California's LEV III program.<sup>2</sup>

The EPA Tier 3 regulation also includes provisions that generally align federal OBD requirements for 2017 and subsequent model year light duty vehicles, light-duty trucks, medium-duty passenger vehicles, and complete heavy-duty vehicles between 8,501 and 14,000 lbs GVWR with ARB's California OBD II regulation, as last amended in 2013.<sup>3</sup> The amended federal OBD requirements differ from corresponding California OBD requirements in several minor respects, but notably retain the provision that allows the U.S. EPA to deem California-certified OBD II systems to comply with the federal OBD regulation.

Although the amended federal OBD regulation generally harmonizes federal and California OBD requirements, the OBD II regulation still establishes more comprehensive and stringent requirements than the amended federal regulation. For instance, the OBD II regulation requires earlier compliance with monitoring requirements compared to the amended federal regulation. The OBD II regulation requires OBD systems in medium-duty diesel vehicles and engines to detect PM filter performance faults before emissions exceed 0.03 g/bhp-hr beginning in the 2013 model year, but allow specific failure modes to be excluded until the 2015

model year.<sup>4</sup> The amended federal OBD regulation requires federal OBD systems to detect PM filter performance faults at these same levels beginning in the 2019 model year, so California OBD systems must detect PM filter monitoring faults (without excluding specific failure modes) at least three model years earlier than federal OBD systems.

The 2015 amendments to the OBD II requirements will further establish the stringency of the California OBD II requirements to federal requirements. The 2015 amendments continue California's efforts to require more comprehensive and robust monitoring of emission-related components and systems than required by federal OBD regulation. The amendments also incorporate some new requirements adopted in the U.S. EPA Tier 3 regulation, including requiring demonstration testing of the evaporative system 0.020-inch leak monitor and storing a data stream parameter related to the distance traveled since the last successful completion of that monitor. More details about the comparison between the California OBD II requirements and the federal OBD requirements can be found in the ISOR.

Historically, virtually every vehicle sold in the U.S. is designed and certified to California's OBD II requirements in lieu of the federal OBD requirements.

#### STATE IMPLEMENTATION PLAN REVISION

If adopted by ARB, ARB plans to submit the proposed regulatory action to the United States Environmental Protection Agency (U.S. EPA) for approval as a revision to the California State Implementation Plan (SIP) as required by the federal Clean Air Act (CAA). The adopted regulatory action would be submitted as a SIP revision because it amends regulations intending to reduce emissions of air pollutants to attain and maintain the National Ambient Air Quality Standards promulgated by U.S. EPA under the CAA.

#### AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

ARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled: Technical Status and Proposed Revisions to On-Board Diagnostic System Requirements and Associated Enforcement Provisions for Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles and Engines (OBD II).

Copies of the ISOR and the full text of the proposed regulatory language, in underline and strikeout format

<sup>4</sup> 13 CCR 1968.2(f)(9.2.1).

<sup>1</sup> *California State Motor Vehicle Pollution Control Standards; Waiver of Federal Preemption; Decision*, dated October 3, 1996, 61 Fed.Reg. 53371 (October 11, 1996).

<sup>2</sup> EPA issued California a waiver for the LEV III emission standards in 2013. 78 Fed. Reg. 2112 (Jan. 9, 2013).

<sup>3</sup> ARB most recently adopted amendments to the OBD II regulation on June 26, 2013, and those amendments became operative under state law on July 31, 2013.

to allow for comparison with the existing regulations, may be accessed on ARB’s website listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322–2990, on August 4, 2015.

**Final Statement of Reasons Availability**

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on ARB’s website listed below.

**Agency Contact Persons**

Inquiries concerning the substance of the proposed regulatory action may be directed to the designated agency contact persons, Leela Rao, Manager, On–Board Diagnostics Program Development Section, at (626) 350–6469 or Adriane Chiu (back–up contact), Air Resources Engineer, On–Board Diagnostics Program Development Section, at (626) 350–6453.

Further, the agency representative to whom nonsubstantive inquiries concerning the proposed administrative action may be directed is Sadie Macali, Regulations Coordinator, (916) 322–6533. The Board staff has compiled a record for this rulemaking action, which includes all of the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

**Internet Access**

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on ARB’s website for this rulemaking at <http://www.arb.ca.gov/regact/2015/obdii2015/obdii2015.htm>.

**DISCLOSURES REGARDING THE PROPOSED REGULATION**

The determinations of the Board’s Executive Officer concerning the costs or savings incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulatory action are presented below.

**Fiscal Impact/Local Mandate**

Under Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action would cause some additional costs to ARB and would not create costs or savings to any other State agency or in federal funding to the State, costs or mandate to any local agency or school district, whether or not reimbursable by the State under Government Code, title 2, division 4, part 7 (commencing with section 17500), or other nondiscretionary cost or savings to State or local agencies.

**Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete**

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

**Cost Impacts on Representative Private Persons or Businesses**

In developing this regulatory proposal, ARB staff evaluated the potential economic impacts on representative private persons or businesses. The proposed revisions to the regulations consist primarily of updating and clarification of existing requirements. The only changes expected to affect costs involve the addition of more stringent monitoring requirements for the crankcase ventilation systems on gasoline and diesel vehicles and adding new demonstration testing requirements for the air–fuel ratio cylinder imbalance monitor and cold start emission reduction strategy monitor on gasoline vehicles. For the proposed changes, the incremental cost to light–duty and medium–duty manufacturers was estimated to be \$5.11 per vehicle. These costs are likely to be passed on to the consumer. The overall incremental cost to a consumer was estimated to be \$5.43 per vehicle which when compared to the \$34,367 average price of a typical new vehicles<sup>5</sup> represents a price increase of less than 0.02 percent. More details of this analysis are set forth in the ISOR.

**Results of the Economic Impact Assessment Prepared Under Government Code Section 11346.3(b)**

*Effect on Jobs/Businesses:*

The Executive Officer has determined that the proposed regulatory action would have minor or no impact on the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses doing business within the State of California. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the Economic Impact Analysis in the ISOR.

*Benefits of the Proposed Regulation:*

The objective of the proposed amendments to the regulations is to strengthen the OBD II requirements, provide manufacturers with greater compliance flexibility, and clarify the performance requirements they are expected to meet in designing and developing robust OBD

<sup>5</sup> <https://www.nada.org/nadadata/>, Annual Financial Profile of America’s Franchised New–Car Dealerships 2014, May 15, 2015.

II systems. This will encourage manufacturers to design and build more durable engines and emission-related components, all of which will help ensure that forecasted emission reduction benefits from adopted light- and medium-duty vehicle emission control programs are achieved in-use.

A summary of these benefits is provided, please refer to “Objectives and Benefits,” under the Informative Digest of Proposed Action and Policy Statement Overview Pursuant to Government Code Section 11346.5(a)(3) discussion on page 1315.

**Effect on Small Business**

The Executive Officer has also determined, under California Code of Regulations, title 1, section 4, that the proposed regulatory action may affect small businesses. There is estimated to be one light-duty vehicle manufacturer that may be a “small business.” The light-duty vehicle manufacturer is not in California. The impact to the small light-duty vehicle manufacturer is expected to be similar as for the large manufacturers since the small manufacturer purchases California-certified vehicles from a large manufacturer which it then modifies. The small manufacturer is likely to pass on the incremental costs to consumers.

**Housing Costs**

The Executive Officer has also made the initial determination that the proposed regulatory action will not have a significant effect on housing costs.

**Business Reports**

Under Government Code sections 11346.3(d) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the proposed regulatory action which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

**Alternatives**

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome 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. ARB staff considered alternatives to the proposed amendments, as described in Section VI of the ISOR.

**Environmental Analysis**

ARB, as the lead agency under the California Environmental Quality Act (CEQA), has reviewed the proposed regulation and concluded this is exempt under

CEQA Guidelines § 15308 — Actions Taken by Regulatory Agencies for Protection of the Environment. A brief explanation of the basis for reaching this conclusion is included in Section III of the ISOR.

**WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS**

Interested members of the public may present comments orally or in writing at the hearing and may provide comments by postal mail or by electronic submittal before the hearing. The public comment period for this regulatory action will begin on Friday, August 7, 2015. To be considered by the Board, written comments not physically submitted, must be submitted on or after Friday, August 7, 2015 and received by **5:00 p.m. on Monday, September 21, 2015**, and must be addressed to:

- Postal mail: Clerk of the Board,  
Air Resources Board  
1001 I Street  
Sacramento, California 95814
- Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

ARB requests that written and email statements on this item be filed at least 10 days prior to the hearing so ARB staff and Board members have additional time to consider each comment. The Board encourages members of the public to bring to the attention of staff before the hearing any suggestions for modification of the proposed regulatory action.

The Board requests but does not require that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

**AUTHORITY AND REFERENCE**

This regulatory action is proposed under that authority granted in Health and Safety Code, sections 38501, 38505, 38510, 39010, 39500, 39600, 39601, 39602.5, 40000, 43000.5, 43013, 43016, 43018, 43100, 43101, 43104, 43105, 43105.5, and 43106; and *Engine Manufacturers Association v. California Air Resources Board* (2014) 231 Cal.App.4th 1022. This action is proposed to implement, interpret and make specific sections 38501, 38505, 38510, 39002, 39003, 39010, 39018, 39021.5, 39024, 39024.5, 39027, 39027.3,

39028, 39029, 39031, 39032, 39032.5, 39033, 39035, 39037.05, 39037.5, 39038, 39039, 39040, 39042, 39042.5, 39046, 39047, 39053, 39054, 39058, 39059, 39060, 39515, 39600, 39601, 39602.5, 43000, 43000.5, 43004, 43006, 43013, 43016, 43018, 43100, 43101, 43102, 43104, 43105, 43105.5, 43106, 43150, 43151, 43152, 43153, 43154, 43155, 43156, 43204, 43211, and 43212 of the Health and Safety Code.

### HEARING PROCEDURES

The public hearing will be conducted under the California Administrative Procedure Act, Government Code, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340).

Following the public hearing, the Board may adopt the regulatory language as originally proposed, or with non-substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice and that the regulatory language as modified could result from the proposed regulatory action; the full regulatory text, with the modifications clearly indicated, will be provided to the public, for written comment, at least 15 days before it is adopted.

The public may request a copy of the modified regulatory text from ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990.

### SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno u otro idioma
- Una acomodación razonables relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Re-transmisión de Mensajes de California.

### TITLE 16. BOARD OF REGISTERED NURSING

**NOTICE IS HEREBY GIVEN** that the Board of Registered Nursing (hereinafter referred to as "Board") is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held at:

**Board of Registered Nursing  
1747 N. Market Blvd.  
Hearing Room  
Sacramento, CA 95834**

**September 21, 2015  
9:00 a.m.**

Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by the Board at its office not later than 5:00 p.m. on September 21, 2015. The Board, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Pursuant to the authority vested by Section 2715 of the Business and Professions Code (Code), and to implement, interpret or make specific Section 2725.4 of said Code, the Board is considering changes to Division 14 of Title 16 of the California Code of Regulations as follows:

INFORMATIVE DIGEST/POLICY STATEMENT  
OVERVIEW

Add Sections 1463.5 and 1483.5

Existing laws require a nurse practitioner, certified nurse–midwife, or physician assistant to complete training, as specified, and to comply with standardized procedures or protocols, as specified, in order to perform an abortion by aspiration techniques, and would indefinitely authorize a nurse practitioner, certified nurse–midwife, or physician assistant who completed a specified training program and achieved clinical competency to continue to perform abortions by aspiration techniques. The Board is proposing regulations to establish protocols in order to perform an abortion by aspiration techniques pursuant to Business and Professions Code Sections 2253 and 2725.4.

ANTICIPATED BENEFITS OF THE  
PROPOSED REGULATION

The benefit of these regulations is that nurse practitioners and certified nurse midwives will have pathways available to them to achieve competency in aspiration abortions after January 1, 2016, something they are allowed by statute to do. Without these regulations, they will not have any mechanism to do so.

DETERMINATION OF  
INCONSISTENCY/INCOMPATIBILITY WITH  
EXISTING REGULATION

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

FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: None.

Nondiscretionary Costs/Savings to Local Agencies: None.

Local Mandate: None.

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

Business Impact: The Board has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact

directly affecting business, including the ability of California businesses to compete with businesses in other states.

Results of the Economic Impact Assessment: The Board has determined that this regulatory proposal may have an impact on the creation of jobs as it allows nurse practitioners and certified nurse midwives to perform abortion by aspiration techniques. New businesses may be created in order to give courses or classes to nurse practitioners and certified nurse midwives in order to perform abortion by aspiration techniques. The Board has determined that this regulation will not have any impact on the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

Benefits of the Proposed Action: The proposed regulation will benefit California residents by enabling the nurse practitioners and certified nurse–midwives to be properly trained in order to safely perform abortion by aspiration techniques.

Cost Impact on Representative Private Person or Business:

The proposed regulations may affect some nurse practitioners or certified nurse–midwives. They may incur costs from a school program or course, a course provided by a Board–approved continuing education provider, or from a course offered by a state or national health care professional or accreditation organization in order to learn how to perform abortions by aspiration techniques. Small businesses that would like to become continuing education providers for the Board may have a cost impact in the form of an application fee, which is \$200. There is also an ongoing biennial renewal fee of \$200 in order to keep the continuing education provider license current.

Effect on Housing Costs: None

EFFECT ON SMALL BUSINESS

The Board has determined that the proposed regulations may affect small businesses.

CONSIDERATION OF ALTERNATIVES

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

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

**INITIAL STATEMENT OF REASONS  
AND INFORMATION**

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

**TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing upon request from the person designated in the Notice under Contact Person or by accessing the Board's website, [www.rn.ca.gov](http://www.rn.ca.gov).

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

All the information upon which the proposed regulations are based is contained in the rulemaking file, which is available for public inspection by contacting the person named below. You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named below or by accessing the website listed below.

**CONTACT PERSON**

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

Name: Ronnie Whitaker  
Address: 1747 N. Market Blvd., Suite 150  
Sacramento, CA 95834  
Telephone No.: 916-574-8257  
Fax No.: 916-574-7700  
E-Mail  
Address: [ronnie.whitaker@dca.ca.gov](mailto:ronnie.whitaker@dca.ca.gov)

The backup contact person is:

Name: Alcidia Valim  
Address: 1747 N. Market Blvd., Suite 150  
Sacramento, CA 95834  
Telephone No.: 916-574-7684  
Fax No.: 916-574-7700  
E-Mail  
Address: [alcidia.valim@dca.ca.gov](mailto:alcidia.valim@dca.ca.gov)

Website Access: Materials regarding this proposal can be found at [www.rn.ca.gov](http://www.rn.ca.gov).

**TITLE 16. DENTAL BOARD OF  
CALIFORNIA**

**NOTICE IS HEREBY GIVEN** that the Dental Board of California (Board) is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held at:

**Department of Consumer Affairs  
2005 Evergreen Street, 1st Floor Hearing Room  
Sacramento, California 95815  
Tuesday, September 22, 2015  
10:00 a.m.**

Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by the Board at its office not later than 5:00 p.m. on Monday, September 21, 2015 or must be received by the Board at the hearing. The Board, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

**AUTHORITY AND REFERENCE**

Pursuant to the authority vested by Section 1614 of the Business and Professions Code (Code), to implement, interpret or make specific Sections 142, 1614, and 1753.4 of the Code the Board is considering changes to Division 10 of Title 16 of the California Code of Regulations as follows:

**INFORMATIVE DIGEST/POLICY STATEMENT  
OVERVIEW:**

The Dental Board of California (Board) currently regulates approximately 102,000 licensees, consisting of approximately 45,900 dentists (DDS), approximately 54,400 registered dental assistants (RDA), and approximately 1,700 registered dental assistants in extended functions (RDAEF). The Board's highest priority is the protection of the public when exercising its li-

censing, regulatory, and disciplinary functions. The primary methods by which the Board achieves this goal are issuing licenses to eligible applicants, investigating complaints against licensees, disciplining licensees for violating the Dental Practice Act (DPA), monitoring licensees whose license has been placed on probation, and managing the Diversion Program for licensees.

Pursuant to Code Section 1614, the Board is authorized to adopt, amend, or repeal such rules and regulations as may be reasonably necessary to enable the Board to carry into effect the provisions of the Dental Practice Act.

The main purpose of this proposal is to amend California Code of Regulations, Title 16, Section 1004, subdivision (a), to specify that an application for RDAEF licensure shall be deemed to have been abandoned if the applicant, after failing either the clinical or practical component of the RDAEF examination, fails to take a re-examination of the failed component within two years after the date the applicant was notified of such failure. This proposed amendment is necessary because it would implement provisions of Code Section 1753.4 and clarify that an applicant who fails a component of the RDAEF examination would only need to re-exam in the failed component, rather than both components, thus relieving undue burden upon candidates who may have passed one component already. The Board also proposes technical amendments to subdivision (a) for the purpose of clarity.

Additionally, the Board proposes to add subdivision (c) to Section 1004 to specify that for any other application deficiencies not listed in subdivision (a), an applicant for any license issued by the Board who fails to complete application requirements within one year after being notified by the Board of application deficiencies will have their application deemed abandoned and will be required to file a new application and meet all of the requirements which are in effect at the time of reapplication.

#### ANTICIPATED BENEFITS

The benefit from these proposed regulations will be to clarify that an applicant who fails one component of the RDAEF examination would only need to re-exam in the failed component, rather than both components, thus relieving undue burden upon candidates who may have passed one component already.

An additional benefit would be that, in the event the Board deems an application deficient or incomplete, this proposal would provide the Board with the ability to return only a letter to the applicant outlining the deficiencies rather than returning an entire copy of the incomplete application. This would reduce the amount of

money the Board would spend on mailing deficient applications back to applicants as the envelopes would be lighter and the mailing cost lower. It would also alleviate unnecessary duplication and filing expenses to ensure a copy of the application is returned to the applicant and a copy of the application is retained at the Board's office.

#### CONSISTENCY AND COMPATIBILITY WITH EXISTING STATE REGULATIONS

After conducting a review for any regulations that would relate to or affect this area, the Board has evaluated this regulatory proposal and it is not inconsistent or incompatible with existing state regulations. The Board is the only state entity that regulates the practice of dentistry and dental assisting through a licensure process in the interest of public protection; therefore, the Board is the only entity that may regulate the abandonment of applications to practice dentistry and dental assisting in the State of California.

#### FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: None.

Nondiscretionary Costs/Savings to Local Agencies: None.

Local Mandate: None.

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

Business Impact:

The Board has made the initial determination that the proposed regulation would not have a significant, state-wide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states because this proposal would not affect businesses. This proposal would only impact applicants applying for licensure from the Dental Board of California who either fail a component of the RDAEF examination or fail to complete application deficiencies within a reasonable amount of time.

The Board has not considered proposed alternatives that would lessen any adverse economic impact on businesses and invites you to submit such proposals. Submissions may include the following considerations:

- (A) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to businesses.
- (B) Consolidation or simplification of compliance and reporting requirements for businesses.

- (C) The use of performance standards rather than prescriptive standards.
- (D) Exemption or partial exemption from the regulatory requirements for businesses.

The rulemaking file includes the facts, evidence, documents, testimony, and/or other evidence which supports this determination.

Cost Impact on Representative Private Person or Business:

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. This proposal would only impact applicants applying for licensure from the Dental Board of California who either fail a component of the RDAEF examination or fail to complete application deficiencies within a reasonable amount of time.

Effect on Housing Costs: None.

#### EFFECT ON SMALL BUSINESS

The Board has determined that the proposed regulations would not affect small businesses. This proposal would only impact applicants applying for licensure from the Dental Board of California who either fail a component of the RDAEF examination or fail to complete application deficiencies within a reasonable amount of time.

#### RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS

Impact on Jobs/Businesses:

The Board has determined that this regulatory proposal will not have a significant impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California. This determination was made because the proposed changes are not sufficient to create or eliminate jobs or businesses.

The Board has determined that this regulatory proposal will have the following benefits to the health and welfare of California residents, worker safety, and state's environment:

The benefit from these proposed regulations will be to clarify that an applicant who fails one component of the RDAEF examination would only need to re-exam in the failed component, rather than both components, thus relieving undue burden upon candidates who may have passed one component already. An additional

benefit would be that, in the event the Board deems an application deficient or incomplete, this proposal would provide the Board with the ability to return only a letter to the applicant outlining the deficiencies rather than returning an entire copy of the incomplete application. This would reduce the amount of money the Board would spend on mailing deficient applications back to applicants as the envelopes would be lighter and the mailing cost lower. It would also alleviate unnecessary duplication and filing expenses to ensure a copy of the application is returned to the applicant and a copy of the application is retained at the Board's office.

This regulatory proposal does not affect worker safety because this proposal is not relative to worker safety.

This regulatory proposal does not affect the state's environment because this proposal is not relevant to the state's environment.

#### CONSIDERATION OF ALTERNATIVES

The Board must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would either be more effective in carrying out the purpose for which the action is proposed 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 than the proposal described in this Notice.

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

#### INITIAL STATEMENT OF REASONS AND INFORMATION

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

#### TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing upon request from the Board at 2005 Evergreen Street, Suite 1550, Sacramento, California 95815 or by accessing the Board's website at <http://www.dbc.ca.gov/lawsregs/index.shtml>.

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

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

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

CONTACT PERSON

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

Name: Sarah Wallace, Assistant Executive Officer  
Dental Board of California  
Address: 2005 Evergreen Street, Suite 1550  
Sacramento, CA 95815  
Telephone No.: (916) 263-2187  
Fax No.: (916) 263-2140  
E-Mail  
Address: Sarah.Wallace@dca.ca.gov

The backup contact person is:

Name: Karen M. Fischer, MPA, Executive Officer  
Address: Dental Board of California  
2005 Evergreen Street, Suite 1550  
Sacramento, CA 95815  
Telephone No.: (916) 263-2300  
Fax No.: (916) 263-2140  
E-Mail  
Address: Karen.Fischer@dca.ca.gov

Website Access: Materials regarding this proposal can be found at the Board's Web site at: <http://www.dbc.ca.gov/lawsregs/index.shtml>.

**TITLE 18. FRANCHISE TAX BOARD**

The Franchise Tax Board ("Board") proposes to adopt proposed amendments to a regulation described below after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Board will hold a public hearing starting at 10:00 a.m. on September 22, 2015 at the Franchise Tax Board Golden State Rooms A and B, 9646 Butterfield Way,

Sacramento, CA 95827. The auditorium is wheelchair accessible. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest. The Board requests but does not require that persons who make oral comments at the hearing also submit a written copy of their testimony at the hearing.

In addition, Government Code section 15702, subdivision (b) provides for consideration by the Board of any proposed regulatory action if any person makes such request in writing.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Board. Comments may also be submitted by facsimile (FAX) at (916) 843-2114 or by email to [Melissa.Williams@ftb.ca.gov](mailto:Melissa.Williams@ftb.ca.gov). The written comment period closes at **5:00 p.m. on September 22, 2015**. The Board will consider only comments received at the Board offices by that time. Submit comments to:

Melissa Williams, Tax Counsel IV  
Legal Division MS A260  
Franchise Tax Board  
P.O. Box 1720  
Rancho Cordova, CA 95741-1720

AUTHORITY AND REFERENCE

Revenue and Taxation Code ("RTC") section 25136(b) authorizes the Board to adopt these proposed amendments to the regulation. The proposed amendments to the regulation implement, interpret, and make specific provisions in RTC section 25136-2 of the California Code of Regulations.

INFORMATIVE DIGEST/POLICY STATEMENT  
OVERVIEW

This rulemaking action clarifies and makes specific the market based rules for assigning sales from services and sales from intangible property.

The purpose of proposed amendments to Code of Regulations, Title 18, ("CCR") section 25136-2 is to instruct multistate taxpayers on how to assign sales of other than sales of tangible personal property based on the location of the taxpayer's market. The proposed amendments to the regulation will achieve the purpose of defining and making specific provisions in RTC section 25136 by providing definitions, guidelines, and examples relating to marketable securities, asset management fees, dividends, goodwill, and interest.

Specifically, the proposed amendments will accomplish the following. Subdivision (a)(2) of RTC section 25136 provides that “Sales from intangible property are in this state to the extent the property is used in this state. In the case of marketable securities, sales are in this state if the customer is in this state.” However, CCR section 25136–2 does not currently provide a definition of “marketable securities.” Second, CCR section 25136–2 does not address how to assign the sales of marketable securities; in other words, there are no provisions on how to determine whether a customer is in this state. Third, CCR section 25136–2 does not address how to assign asset management fees for those taxpayers who do not come under the provisions of CCR, section 25137–14 for mutual fund service providers. Fourth, CCR section 25136–2 does not address assignment rules for receipts such as interest, dividends, and goodwill. Finally, the proposed amendments to the regulation address a number of non–substantive clean–up issues.

Anticipated Benefits of the Proposed Regulation:

The broad objective of the proposed amendments to this regulation is to ensure that taxpayers, their representatives, and the state of California have guidance on how to assign certain sales from services and sales from intangible property. The specific benefits anticipated from the proposed amendments to the regulation are the providing of definitions, guidelines, and examples relating to marketable securities, asset management fees, dividends, goodwill and interest.

Determination of Inconsistency/Incompatibility with Existing State Regulations:

The Board has determined that these proposed amendments to this regulation are not inconsistent or incompatible with existing regulations. After conducting a review for any regulations that would relate to or affect this area, the Board has concluded that these are the only regulations that concern the sales of other than sales of tangible personal property.

DISCLOSURES REGARDING THE PROPOSED ACTION

*The Board 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 proposed amendments will have no impact on a private person. The Franchise Tax Board has no reason to believe that the proposed amendments will increase or decrease the cost of doing business in the State of California because the regulation is already in place, and the proposed modifications will assist businesses by providing clarity that does not currently exist in connection with how to assign sales from services and sales from intangible property. The proposed regulation amends current regulations and clarifies existing Franchise Tax Board practices for sales from services and sales from intangible property. Providing clearer administrative guidance may reduce the cost of taxpayer compliance but is not expected to result in any additional costs. Based on the analysis above, 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.

Statewide adverse economic impact directly affecting businesses and individuals: The proposed amendments will have no impact on individuals. This regulation applies only to large multistate businesses, those that do business within and without the state of California. Although the proposed amendments will directly affect businesses that do business within and without the state of California, the Board concludes that the adverse economic impact, including the ability of California businesses to compete with businesses in other states, will not be significant.

Significant effect on housing costs: None.

Results of the Economic Impact Analysis/Assessment

The Board concludes that (1) the regulation impacts taxpayers who apportion sales from services and sales from intangible property, (2) there is no expected impact on the creation, elimination or expansion in the number of businesses within California or on the creation or elimination of jobs within California as a result of the proposed amendments, (3) the proposed amendments to the regulation clarify existing Board practices for sales from services and sales from intangible property which may reduce the cost of taxpayer compliance but are not expected to result in any additional costs, (4) as a result, the amendments facilitate tax administration, and (5) there is no expected impact to the health and welfare of California residents, worker safety, and the state’s environment.

Benefits of the Proposed Action: The proposed amendments will benefit taxpayers, tax practitioners, and the state of California by providing clarity that does not currently exist in connection with how to assign sales from services and sales from intangible property. The benefits are the result of goals developed by the Board based on broad statutory authority. There are no

benefits of the proposed amendments to the health and welfare of California residents, worker safety and the state's environment.

Small Business Determination: The Board has determined that the proposed amendments to the regulation do not affect small businesses. Entities that are required to apportion their income and use this regulation for determining how to assign their sales from services and sales from intangible property are large multistate businesses that do business both within the state of California and outside the state of California.

#### CONSIDERATION OF ALTERNATIVES

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

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

#### CONTACT PERSONS

Inquiries concerning the proposed administrative action may be directed to:

Melissa Williams, Tax Counsel IV  
Legal Division MS A260  
Franchise Tax Board  
P.O. Box 1720  
Rancho Cordova, CA 95741-1720  
Telephone: (916) 845-7831  
Facsimile (916) 843-2114

The backup contact person for these inquiries is:

Teresa Bush-Chavey  
Legal Division MS A260  
Franchise Tax Board  
P.O. Box 1720  
Rancho Cordova, CA 95741-1720  
Telephone: (916) 845-7847  
Facsimile: (916) 855-5525

Please direct requests for copies of the proposed text (the "express terms") of the regulations, the initial statement of reasons, the modified text of the regulation, if

any, or other information upon which the rulemaking is based to Ms. Bush-Chavey at the above address or send the request by email to [teresa.bushchavey@ftb.ca.gov](mailto:teresa.bushchavey@ftb.ca.gov).

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

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the initial statement of reasons. Copies can be obtained on the Franchise Tax Board's website at [ftb.ca.gov](http://ftb.ca.gov) or by contacting Teresa Bush-Chavey at the address, phone number or email address listed above.

#### AVAILABILITY OF CHANGED OR MODIFIED TEXT

After holding the hearing and considering all timely and relevant comments received, the Board may adopt the proposed regulations substantially as described in this notice. If the Board makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Board adopts the regulations as revised. Copies of the modifications will be published on the Franchise Tax Board's website at [ftb.ca.gov](http://ftb.ca.gov) and mailed to anyone that has expressed an interest in receiving the modification information. Please send requests for copies of any modified regulations to the attention of Teresa Bush-Chavey at the address or email address indicated above. The Board 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 will be published on the Franchise Tax Board's website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and may also be obtained by contacting Ms. Bush-Chavey at the above address or email address.

#### AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulation in

underline and strikeout can be accessed through our website at [www.ftb.ca.gov](http://www.ftb.ca.gov).

**GENERAL PUBLIC INTEREST**

**DEPARTMENT OF DEVELOPMENTAL SERVICES**

**THE DEPARTMENT DEVELOPMENTAL SERVICES INTENDS TO SUBMIT A 1915(c) HOME AND COMMUNITY-BASED SERVICES WAIVER APPLICATION TO IMPLEMENT THE SELF-DETERMINATION PROGRAM**

This notice provides information of public interest with respect to the Department of Developmental Services (DDS), through the Department of Health Care Services (DHCS), seeking approval from the federal Centers for Medicare & Medicaid Services (CMS), for the Self-Determination Program for individuals with developmental disabilities. The Self-Determination Program will be effective upon approval from CMS of a Home and Community-Based Service Waiver application, and will only affect Medi-Cal beneficiaries with developmental disabilities receiving services through regional centers. DDS, via DHCS, plans to submit the Self-Determination Waiver to CMS no sooner than September 7, 2015.

**PUBLIC REVIEW AND COMMENT**

The draft Self-Determination Program Waiver application is posted on the DDS website at <http://www.dds.ca.gov/SDP/SDPUpdates.cfm>. Please provide comments no later than September 7, 2015. Comments or requests to review a hardcopy of the application can be submitted via email at [sdp@dds.ca.gov](mailto:sdp@dds.ca.gov), by phone at (916) 653-7710, or in writing to the address below:

Department of Developmental Services  
 Community Services Division  
 Attention: Betsi Howard  
 1600 Ninth Street, Room 320, MS 3-8  
 Sacramento, CA 95814

**DEPARTMENT OF HEALTH CARE SERVICES**

**FINAL RULES, CMS-2249-F, REQUIRE HOME AND COMMUNITY-BASED (HCB) SETTING COMPLIANCE**

**Final Statewide Transition Plan Submission — Stakeholder Phone Conference**

**Purpose:**

The California Department of Health Care Services (DHCS) is providing notice that the final Statewide Transition Plan (STP) will be submitted to the Centers for Medicare and Medicaid Services (CMS) on August 14, 2015. This final STP describes California’s plan to ensure approved Home and Community-Based Services (HOBS) waivers and programs comply with the new federal HCBS setting rules including timetables. DHCS will be holding a stakeholder phone conference after submission of the STP to CMS to discuss:

- ▶ Summary of public comments received on revised STP during 30 day comment period (July 2, 2015–July 31, 2015)
- ▶ Summary of changes made to the final STP based on public input
- ▶ Updates on the revision of the On-Site Assessment Tools and Provider Self-Survey Tools as a result of public input

<b>Date: Thursday, August 20, 2015</b>	<b>Time: 1:00 p.m.–3:00 p.m.</b>
<b>Toll Free Phone Number: 888-456-0327</b>	<b>Participant Passcode: 7109848</b>

**Agenda will be posted on DHCS web-site, please visit <http://dhcs.ca.gov/STP> for detailed information.**

**PARTICIPATE VIA TEXT TELEPHONE RELAY**

If you use a TTY (text telephone) machine, and wish to participate in this phone conference via the California Relay Service (CRS), dial the CRS line at 711. Tell the CRS Operator that you wish to participate in a conference call. Then give the operator the toll free number 1 (888) 456-0327 and passcode 7109848. From this point onward, the operator will provide further instructions.

**To review the STP, On-site Assessment Tools, and Provider Self-Survey Tools please visit <http://dhcs.ca.gov/STP>.**

**More information about the new federal rules is available at: <http://www.medicaid.gov/Medicaid->**

CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Home-and-Community-Based-Services/Home-and-Community-Based-Services.html.

**For Further Information, contact  
Jalal Haddad  
Department of Health Care Services  
Long-Term Care Division  
1501 Capitol Avenue, MS 4503  
P.O. Box 997437  
Sacramento, CA 95899-7437**

**DISAPPROVAL DECISION**

Printed below is the summary of an Office of Administrative Law disapproval decision. The full text of the disapproval decision is available at [www.oal.ca.gov](http://www.oal.ca.gov) under the “Publications” tab. You may also request a copy of a decision by contacting the Office of Administrative Law, 300 Capitol Mall, Suite 1250, Sacramento, CA 95814-4339, (916) 323-6225 — FAX (916) 323-6826. Please request by OAL file number.

**MENTAL HEALTH SERVICES  
OVERSIGHT AND ACCOUNTABILITY  
COMMISSION**

**State of California  
Office of Administrative Law**

**In re:  
Mental Health Services Oversight and  
Accountability Commission**

**Regulatory Action:  
Title 9,  
California Code of Regulations**

**Adopt sections:  
3200.245, 3200.246, 3510.010, 3560, 3560.010,  
3560.020, 3700, 3701, 3705, 3706, 3710, 3715, 3720,  
3725, 3726, 3730, 3735, 3740, 3745, 3750, 3755,  
3755.010**

**DECISION OF DISAPPROVAL OF  
REGULATORY ACTION**

**Government Code Section 11349.3**

**OAL Matter Number: 2015-0605-04**

**OAL Matter Type: Regular Resubmittal (SR)**

**SUMMARY OF REGULATORY ACTION**

On June 5, 2015, the Mental Health Services Oversight and Accountability Commission (Commission) submitted to the Office of Administrative Law (OAL) its proposed regulatory action to adopt various sections in Title 9 of the California Code of Regulations (CCR). The proposed action would establish requirements for the Prevention and Early Intervention Component of the Mental Health Services Act, define terms, and require counties to submit reports and plans to the Commission.

On July 17, 2015, OAL notified the Commission that OAL disapproved the proposed regulations because the regulations failed to comply with the consistency standard of Government Code section 11349.1. This Decision of Disapproval of Regulatory Action explains the reasons for OAL’s action.

**DECISION**

OAL disapproved the above-referenced regulatory action because the proposed regulations failed to comply with the consistency standard of Government Code section 11349.1, subdivision (a)(4). All APA issues must be resolved prior to OAL’s approval of any resubmission.

**CONCLUSION**

For the reasons stated above, OAL disapproved this regulatory action proposed by the Commission. If you have any questions, please contact me at (916) 323-6824.

Date: July 24, 2015

\_\_\_\_\_  
Thanh Huynh  
Senior Attorney

FOR: DEBRA M. CORNEZ  
Director

Original: Toby Ewing  
Copy: Filomena Yeroshek

**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# 2015-0612-01  
**BOARD OF ACCOUNTANCY**  
 Disciplinary Guidelines

This regulatory action by the Board of Accountancy incorporates revised model disciplinary guidelines into section 98 of title 16 of the California Code of Regulations.

Title 16  
 AMEND: 98  
 Filed 07/23/2015  
 Effective 10/01/2015  
 Agency Contact: Pat Billingsley (916) 561-1782

File# 2015-0616-02  
**BOARD OF EQUALIZATION**  
 Petroleum Refining Properties

This rulemaking action adopts section 474 in Title 18 of the California Code of Regulations and establishes that, for purposes of determining a decline in the value of a petroleum refining property, for tax-assessment purposes, the land, improvements, and fixtures of such a property are rebuttably presumed to constitute a single appraisal unit, except when measuring a decline in value caused by disaster.

Title 18  
 ADOPT: 474  
 Filed 07/27/2015  
 Effective 10/01/2015  
 Agency Contact: Richard Bennion (916) 445-2130

File# 2015-0616-01  
**BOARD OF VOCATIONAL NURSING AND PSYCHIATRIC TECHNICIANS**  
 Disclosure Requirements for Renewal of License

This rulemaking by the Board of Vocational Nursing and Psychiatric Technicians amends sections in Title 16 of the California Code of Regulations, for the purpose of updating the requirement regarding disclosure of

convictions for violation of the law. Currently, traffic infractions not involving alcohol, dangerous drugs, or controlled substances under \$300.00, do not need to be disclosed. This action amends that provision to exclude traffic infractions under \$1,000.00.

Title 16  
 AMEND: 2517.5, 2575.5  
 Filed 07/27/2015  
 Effective 10/01/2015  
 Agency Contact: Rocio Llamas (916) 263-2042

File# 2015-0615-04  
**CALIFORNIA HORSE RACING BOARD**  
 Jockey's Riding Fee

Through this regular rulemaking, the California Horse Racing Board (the "Board") is amending section 1632 in title 4 of the California Code of Regulations. Business and Professions Code section 16501, subdivision (b)(1), requires the scale of minimum jockey riding fees for losing mounts to be increased whenever the State minimum wage is increased by the percentage of that increase. As such, the Board is amending Section 1632 to adjust the non-winning jockey riding fee scale for losing mounts to reflect the California minimum wage increase of 12.5 percent that became effective July 1, 2014. Additionally, the Board is amending the non-winning jockey riding fee scale to reflect an increase of 12.5 percent for the second and third place mounts in races with a gross purse of \$9,999 or less.

Title 4  
 AMEND: 1632  
 Filed 07/23/2015  
 Effective 10/01/2015  
 Agency Contact:  
 Nicole Lopes-Gravelly (916) 987-3456

File# 2015-0622-05  
**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
 CTCAC Regulations Implementing Federal and State LIHTC Laws

This action by the California Tax Credit Allocation Committee (Committee) amends section 10325 of title 4 of the California Code of Regulations on the application selection criteria for credit ceiling applications. This amendment is exempt from the procedural requirements of the Administrative Procedure Act and is effective upon adoption by the Committee pursuant to section 50199.17 of the Health and Safety Code

Title 4  
 AMEND: 10325  
 Filed 07/28/2015  
 Effective 06/10/2015  
 Agency Contact: Gina Ferguson (916) 651-7707

File# 2015-0615-05  
 DEPARTMENT OF CORRECTIONS AND  
 REHABILITATION  
 Canine Searches

The Department of Corrections and Rehabilitation submitted a certificate of compliance for the emergency regulatory action adopting section 3410.2 and amending sections 3000, 3173.2, 3287, and 3410.1 of title 15 of the California Code of Regulations to provide for canine searches. This regulatory action was certified on September 5, 2014 as an operational necessity by the Undersecretary and deemed an emergency by the Legislature pursuant to Penal Code section 5058.3.

Title 15  
 ADOPT: 3410.2 AMEND: 3000, 3173.2, 3287,  
 3410.1  
 Filed 07/27/2015  
 Effective 07/27/2015  
 Agency Contact: Gail Long (916) 445-2276

File# 2015-0717-04  
 DEPARTMENT OF INSURANCE  
 Provider Network Adequacy

The Department of Insurance (DOI) submitted this emergency readopt action to maintain the changes adopted in OAL File No. 2015-0120-03E, which amended four sections and adopted four sections in title 10 of the California Code of Regulations (CCR) to require health insurers to establish and maintain adequate medical provider networks to meet the healthcare needs of their policyholders, maintain accurate provider directories, and require disclosure of out-of-network providers who will participate in a patient's planned care.

Title 10  
 ADOPT: 2240.15, 2240.16, 2240.6, 2240.7  
 AMEND: 2240, 2240.1, 2240.4, 2240.5  
 Filed 07/27/2015  
 Effective 07/27/2015  
 Agency Contact: Bruce Hinze (415) 538-4392

File# 2015-0622-01  
 DEPARTMENT OF MOTOR VEHICLES  
 Ignition Interlock Device (IID) Program

The Department of Motor Vehicles (DMV) is amending 9 sections and repealing one section in Title 13 of the California Code of Regulations in this rulemaking action. The DMV is required by statute to certify or cause to be certified ignition interlock devices and to prohibit the certification of a device that fails to meet accuracy requirements and specifications provided in guidelines adopted by the National Highway Traffic Safety Administration (NHTSA). In 2013 the NHTSA

updated the performance and testing methods in the Federal Register. In order for DMV to continue to follow the federal criteria and guidelines when certifying devices for use in California this rulemaking is amending these regulations to update them to the latest NHTSA guidelines. DMV also is making some minor changes to forms incorporated by reference.

Title 13  
 AMEND: 125.00, 125.02, 125.12, 125.16, 125.18,  
 125.20, 126.00, 127.00, 127.08  
 REPEAL: 126.02  
 Filed 07/29/2015  
 Effective 10/01/2015  
 Agency Contact: Randi Calkins (916) 657-8898

File# 2015-0723-07  
 FISH AND GAME COMMISSION  
 Tuna Sport Fishing

This rulemaking action by the Fish and Game Commission (Commission) amends sections 27.65 and 28.38 of title 14 of the California Code of Regulations to amend the daily bag limit for Pacific bluefin tuna from ten to two tuna. In addition, the Commission is amending the filleting requirements for all species of tuna filleted on a boat or brought ashore as fillets.

Title 14  
 AMEND: 27.65, 28.38  
 Filed 07/29/2015  
 Effective 07/30/2015  
 Agency Contact: Sherrie Fonbuena (916) 654-9866

File# 2015-0615-01  
 OFFICE OF SPILL PREVENTION AND RESPONSE  
 Change of Oil Spill Contingency Plan Time Frames to  
 Comply with Statute

This action by the Office of Spill Prevention and Response makes changes without regulatory effect to conform regulatory timeframes with statutory changes enacted in Statutes 2014, chapter 35, section 23 (SB 861).

Title 14  
 AMEND: 816.03  
 Filed 07/23/2015  
 Agency Contact: Shaun Pritchard (916) 324-6259

File# 2015-0612-03  
 OFFICE OF STATEWIDE HEALTH PLANNING  
 AND DEVELOPMENT  
 Patient Data Transmission Standards

This certificate of compliance makes permanent the prior emergency regulatory action (OAL file no. 2015-0203-07E) by the Office of Statewide Health Planning and Development that amended two sections in Title 22 of the California Code of Regulations. This amendment is to remove the requirement in regulation

to use a data encryption system that has a security vulnerability. This change is necessary so medical records are not sent to the Office using an outdated data encryption system that contains a security vulnerability. This emergency is designed to prevent a serious security risk to medical privacy that could impact millions of Californians.

Title 22  
 AMEND: 97177.15, 97244  
 Filed 07/23/2015  
 Effective 07/23/2015  
 Agency Contact: Beth Herse (916) 326-3613

File# 2015-0617-01  
 OFFICE OF TOURISM  
 Minor Revisions to the Regulations Regarding the Tourism Marketing Act

This action amends various regulatory sections to remove reference to the agency Secretary, alter definitions, delete a form, and amend assessments payable within the tourism industry.

Title 10  
 AMEND: 5350, 5357.1  
 Filed 07/29/2015  
 Effective 10/01/2015  
 Agency Contact:  
 Scott M. Plamondon (916) 558-6043

File# 2015-0610-02  
 STATE ATHLETIC COMMISSION  
 Boxer's Pension Fund

The State Athletic Commission amends sections 400, 401, 402, 403, 404, 405, and 406 of title 4 of the California Code of Regulations to make changes to the Professional Boxer's Pension Plan.

Title 4  
 AMEND: 400, 401, 402, 403, 404, 405, 406  
 Filed 07/22/2015  
 Effective 10/01/2015  
 Agency Contact: Sophia Cornejo (916) 263-2196

**CCR CHANGES FILED  
 WITH THE SECRETARY OF STATE  
 WITHIN February 25, 2015 TO  
 July 29, 2015**

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**

- 07/16/15 AMEND: 548.42, 548.124
- 07/15/15 AMEND: 59640
- 07/15/15 AMEND: 18404.2
- 07/10/15 AMEND: 18700, 18700.1, 18700.3, 18701, 18702, 18702.2, 18702.4, 18747
- 06/22/15 ADOPT: 18700.3, 18707 AMEND: 18704 REPEAL: 18704.1, 18704.2, 18704.3, 18704.4, 18704.5, 18704.6
- 06/22/15 AMEND: 18361.7
- 06/16/15 AMEND: 39000, 39001, 39002
- 06/02/15 AMEND: 10001, 10002, 10005, 10006, 10007, 10008, 10009, 10011, 10012, 10013, 10015, 10021, 10022, 10024, 10025, 10029, 10030, 10031, 10033, 10035, 10037, 10038, 10039, 10041, 10042, 10046, 10047, 10050, 10053, 10054, 10056, 10057, 10061, 10062, 10063, 10065
- 05/27/15 ADOPT: 61100, 61101, 61102, 61103, 61104, 61105, 61106, 61107, 61108, 61109, 61120, 61121, 61122, 61130, 61131, 61132, 61140
- 05/18/15 AMEND: 18703 REPEAL: 18703.2, 18703.4, 18703.5, 18707, 18707.1, 18707.2, 18707.4, 18707.5, 18707.6, 18707.7, 18707.9, 18707.10
- 05/04/15 ADOPT: 1701, 1702 AMEND: 1700
- 04/27/15 AMEND: 18700, 18700.1, 18700.2, 18700.3, 18701, 18701.1, 18702, 18702.1, 18702.2, 18702.3, 18702.4, 18702.5, 18703.3, 18704, 18704.1, 18704.2, 18704.3, 18704.4, 18704.5, 18704.6, 18705, 18705.1, 18705.2, 18705.3, 18705.4, 18705.5, 18706, 18706.1, 18708, 18709
- 04/09/15 AMEND: 57400
- 04/08/15 AMEND: 212
- 04/07/15 ADOPT: 59780
- 04/02/15 AMEND: 18215
- 04/02/15 AMEND: 18530.4, 18530.45
- 03/24/15 AMEND: 1900
- 03/23/15 AMEND: 1189.10
- 03/23/15 AMEND: 59740
- 03/17/15 AMEND: 549
- 03/04/15 AMEND: 11087, 11088, 11089, 11090, 11091, 11092, 11093, 11094, 11095, 11096, 11097 REPEAL: 11098

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- 07/21/15 AMEND: 3439(b)
- 07/08/15 AMEND: 3435(b)

07/01/15	AMEND: 4603(i)	03/10/15	ADOPT: 10170.16, 10170.17, 10170.18, 10170.19, 10170.20, 10170.21, 10170.22, 10170.23, 10170.24
06/24/15	AMEND: 3435(b)		
06/24/15	AMEND: 2751(b)		
06/22/15	AMEND: 3435(b)	03/09/15	ADOPT: 10091.1, 10091.2, 10091.3, 10091.4, 10091.5, 10091.6, 10091.7, 10091.8, 10091.9, 10091.10, 10091.11, 10091.12, 10091.13, 10091.14, 10091.15
06/02/15	AMEND: 3591.11(a)		
05/28/15	AMEND: 3435(b)		
05/19/15	ADOPT: 3441	03/04/15	AMEND: 1866
05/13/15	AMEND: 3435(b)	03/02/15	AMEND: 1688
05/08/15	AMEND: 3435(b)	02/26/15	ADOPT: 24465-3
05/06/15	AMEND: 3435(b)		
05/06/15	AMEND: 6400	<b>Title 5</b>	
04/30/15	AMEND: 3435(b)	07/20/15	ADOPT: 80054.1 AMEND: 80054
04/30/15	AMEND: 3435	05/21/15	AMEND: 19810
04/16/15	AMEND: 6512	05/18/15	AMEND: 19810
04/15/15	ADOPT: 6738.1, 6738.2, 6738.3, 6738.4 AMEND: 6000, 6702, 6720, 6724, 6738, 6739, 6764, 6771, 6793, 6795 REPEAL: 6486.7, 6736	03/12/15	AMEND: 19810
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04/09/15	AMEND: 3435(b)	07/06/15	AMEND: 5530, 5568, 5572, 5574, 5575, 5621, 2540.7, 2540.8
04/08/15	AMEND: 3435(b)	04/30/15	ADOPT: 9980, 9981, 9982, 9983 AMEND: 9990, 9992, 10208.7 REPEAL: 9994
04/06/15	AMEND: 3	04/30/15	AMEND: 4345, 4351, 4352, 4354
03/20/15	AMEND: 3435(b)	04/30/15	AMEND: 1618.1(e)
03/17/15	AMEND: 1428.6, 1428.7, 1428.8, 1428.10, 1428.12	04/20/15	ADOPT: 9792.21.1, 9792.25.1 AMEND: 9792.20, 9792.21, 9792.23, 9792.24.1, 9792.24.3, 9792.25, 9792.26
03/02/15	AMEND: 3435(b)	04/06/15	AMEND: 9701, 9702
02/25/15	AMEND: 2	04/06/15	ADOPT: 17300, 17301, 17302, 17303, 17304, 17305, 17306, 17307, 17308, 17309, 17310
<b>Title 4</b>		04/03/15	AMEND: 3395
07/28/15	AMEND: 10325	02/25/15	AMEND: 9789.25
07/23/15	AMEND: 1632	<b>Title 9</b>	
07/22/15	AMEND: 400, 401, 402, 403, 404, 405, 406	07/16/15	ADOPT: 3200.182, 3200.183, 3200.184, 3510.020, 3580, 3580.010, 3580.020, 3900, 3905, 3910, 3910.010, 3910.015, 3910.020, 3915, 3925, 3930, 3935
07/15/15	AMEND: 1588	06/15/15	AMEND: 4210
07/02/15	AMEND: 5205, 5230, 5170	06/01/15	ADOPT: 4530, 4530.1, 4530.2, 4530.3, 4530.4, 4530.5, 4530.6, 4530.7, 4530.8, 4530.9, 4530.10, 4530.11, 4530.12
06/04/15	ADOPT: 1891.1	05/27/15	AMEND: 7400
05/19/15	ADOPT: 8130, 8131, 8132, 8133, 8134, 8135, 8136, 8137, 8138	03/09/15	AMEND: 4210
05/07/15	AMEND: 10325	<b>Title 10</b>	
05/07/15	AMEND: 10315, 10322, 10325, 10327	07/29/15	AMEND: 5350, 5357.1
05/04/15	AMEND: 8035(e)-(f)	07/27/15	ADOPT: 2240.15, 2240.16, 2240.6, 2240.7 AMEND: 2240, 2240.1, 2240.4, 2240.5
04/27/15	AMEND: 10170.2, 10170.3, 10170.4, 10170.5, 10170.6, 10170.7, 10170.8, 10170.9, 10170.10, 10170.11	07/06/15	ADOPT: 6850, 6852, 6854, 6856, 6858, 6860, 6862, 6864, 6866, 6868
04/21/15	AMEND: 150		
04/09/15	AMEND: 10176, 10177, 10178, 10179, 10180, 10181, 10182, 10183, 10187		
04/07/15	AMEND: 87102, 87455, 87465, 87469, 87615, 87616, 87632, 87633		
04/06/15	ADOPT: 10080, 10081, 10082, 10083, 10084, 10085, 10086, 10087		
04/06/15	AMEND: 278		
03/30/15	ADOPT: 8078.3, 8078.4, 8078.5, 8078.6, 8078.7		
03/13/15	AMEND: 5205, 5230		

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06/29/15 ADOPT: 2194.18, 2194.19, 2194.20, 2194.21, 2194.22, 2194.23, 2194.24, 2194.25, 2194.26  
 06/15/15 ADOPT: 6432  
 05/26/15 ADOPT: 2563  
 05/11/15 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, 6622  
 04/27/15 REPEAL: 3530  
 04/27/15 ADOPT: 6900, 6901, 6902, 6903, 6904, 6905, 6906, 6907, 6908  
 04/13/15 ADOPT: 5508, 5509, 5510, 5511, 5512, 5513, 5514, 5515, 5516  
 03/25/15 AMEND: 2303, 2303.1, 2303.2, 2303.3, 2303.4, 2303.5, 2303.6, 2303.7, 2303.8, 2303.9, 2303.10, 2303.11, 2303.12, 2303.13, 2303.14, 2303.16, 2303.17, 2303.18, 2303.19, 2303.20, 2303.21, 2303.22, 2303.23, 2303.24, 2303.25  
 03/18/15 ADOPT: 6432  
 03/16/15 ADOPT: 6426, 6434

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06/24/15 AMEND: 1005, 1007, 1008  
 06/02/15 AMEND: 999.5  
 05/13/15 AMEND: 51.14  
 05/13/15 AMEND: 51.17  
 05/13/15 AMEND: 51.22  
 03/09/15 ADOPT: 4250, 4251, 4252, 4253, 4254, 4255, 4256, 4257, 4258, 4259

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07/29/15 AMEND: 125.00, 125.02, 125.12, 125.16, 125.18, 125.20, 126.00, 127.00, 127.08 REPEAL: 126.02  
 06/19/15 ADOPT: 16.00, 16.02, 16.04, 16.06, 16.08, 16.10, 16.12, 16.14  
 05/29/15 ADOPT: 1153 AMEND: 1150.1, 1150.2, 1151.1, 1151.2, 1151.3, 1151.4, 1151.5, 1151.5.1, 1151.6, 1151.7, 1151.8, 1151.8.1, 1151.8.2, 1151.8.3, 1151.8.4, 1151.9, 1151.9.1, 1151.10, 1151.10.1, 1152.1, 1152.2, 1152.2.1, 1152.3, 1152.3.1, 1152.4, 1152.4.1, 1152.4.2, 1152.5, 1152.6, 1152.6.1, 1152.7, 1152.7.1 REPEAL: 1152.8  
 04/09/15 AMEND: 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629

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07/29/15 AMEND: 27.65, 28.38  
 07/23/15 AMEND: 816.03

07/21/15 ADOPT: 18959, 18960, 18961, 18962, 18963, 18964, 18965, 18966, 18967, 18968, 18969, 18970, 18971  
 07/13/15 AMEND: 1038, 1052.1  
 07/10/15 ADOPT: 748.5  
 07/02/15 ADOPT: 8.01  
 07/01/15 AMEND: 7.50  
 06/26/15 ADOPT: 250.1 AMEND: 311, 353, 464, 465, 475, 485 REPEAL: 355  
 06/24/15 AMEND: 165  
 06/22/15 ADOPT: 364.1 AMEND: 360, 361, 362, 363, 364, 702, 708.5, 708.11, 713  
 06/22/15 AMEND: 1665.7  
 06/22/15 AMEND: 895.1, 1038, 1038.2  
 06/04/15 AMEND: 7.50  
 05/28/15 AMEND: 3550.14  
 05/21/15 AMEND: 708.3, 708.10, 708.11  
 05/01/15 AMEND: 27.80  
 04/28/15 AMEND: 28.20, 28.95  
 04/27/15 AMEND: 1273.01, 1273.02, 1273.05, 1273.06, 1273.07, 1273.08, 1273.10, 1273.11, 1274.01, 1274.09, 1275.00, 1275.01, 1275.10, 1275.15, 1276.00, 1276.03  
 04/24/15 AMEND: 7.50  
 04/20/15 ADOPT: 1760.1, 1779.1  
 04/06/15 AMEND: 15411  
 04/01/15 AMEND: Heading of Division 7  
 04/01/15 AMEND: 1.73, 27.75, 27.80  
 03/30/15 ADOPT: 3550.17  
 03/10/15 AMEND: 1.91, 27.20, 27.25, 27.30, 27.35, 27.40, 27.45, 27.50, 27.51, 27.65, 28.26, 28.27, 28.28, 28.29, 28.48, 28.49, 28.54, 28.55, 58.56, 28.58, 28.90

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07/27/15 ADOPT: 3410.2 AMEND: 3000, 3173.2, 3287, 3410.1  
 07/15/15 ADOPT: 1830.1, 1840.1, 1847.1, 1848.5, 1849.1, 1850.1 AMEND: 1800, 1806, 1812, 1814, 1830, 1831, 1840, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1856, 1860, 1866, 1867, 1868, 1870, 1872, 1876, 1878, 1888, 1890, 1892 REPEAL: 1857  
 06/18/15 ADOPT: 1712.3, 1714.3, 1730.3, 1740.3 AMEND: 1700, 1706, 1712.2, 1714.2, 1730.2, 1731, 1740.2, 1747, 1747.1, 1748, 1748.5, 1749, 1749.1, 1750, 1750.1, 1751, 1752, 1753, 1754, 1756, 1760, 1766, 1767, 1768, 1770, 1772, 1776, 1778, 1788, 1790, 1792  
 06/17/15 AMEND: 3000, 3268, 3268.1, 3268.2  
 06/02/15 AMEND: 3124

- 06/01/15 ADOPT: 3335.5, 3341.1, 3341.2, 3341.3, 3341.4, 3341.5, 3341.6, 3341.7, 3341.8, 3341.9 AMEND: 3000, 3044, 3269, 3269.1, 3335, 3336, 3337, 3338, 3339, 3340, 3341, 3341.5, 3342, 3343, 3344
- 05/29/15 ADOPT: 8113
- 05/26/15 ADOPT: 8100, 8102, 8104, 8105, 8106, 8107, 8108, 8110, 8111, 8112, 8114, 8118, 8119, 8119.1, 8120 AMEND: 8000
- 05/26/15 AMEND: 2275
- 05/26/15 AMEND: 233
- 04/30/15 AMEND: 3006, 3134.1, 3135
- 04/27/15 ADOPT: 3999.18
- 04/22/15 AMEND: 3001, 3042, 3043, 3084.7, 3379, 3768.2
- 04/16/15 ADOPT: 3410.1 AMEND: 3173.2
- 03/17/15 ADOPT: 3410.2 AMEND: 3000, 3173.2, 3287, 3410.1
- 03/16/15 ADOPT: 1830.1, 1840.1, 1847.1, 1848.5, 1849.1, 1850.1 AMEND: 1800, 1806, 1812, 1814, 1830, 1831, 1840, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1856, 1860, 1866, 1867, 1868, 1870, 1872, 1876, 1878, 1888, 1890, 1892 REPEAL: 1857
- 03/12/15 REPEAL: 3999.13
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- 07/27/15 AMEND: 2517.5, 2575.5
- 07/23/15 AMEND: 98
- 06/29/15 AMEND: 961
- 06/25/15 AMEND: 1313.01, 1313.02, 1313.03, 1313.04, 1313.05, 1313.06
- 06/23/15 AMEND: 1888
- 06/10/15 AMEND: 1388, 1388.6, 1389, 1392
- 06/02/15 ADOPT: 1399.469.1, 1399.469.2 AMEND: 1399.405, 1399.419
- 04/10/15 ADOPT: 1746.3
- 04/09/15 ADOPT: 1399.326, 1399.329, 1399.343, 1399.344, 1399.345, 1399.346 AMEND: 1399.301, 1399.350, 1399.351, 1399.352, 1399.395
- 04/09/15 AMEND: 4161
- 04/08/15 AMEND: 3306, 3310, 3340.10, 3351.1
- 04/01/15 ADOPT: 914.1, 914.2 AMEND: 918, 921, 921.1, 921.2
- 03/26/15 ADOPT: 977, 980.4 AMEND: 978, 979, 980, 980.1, 980.2, 980.3, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994
- 03/26/15 AMEND: 3373
- 03/25/15 ADOPT: 1361.5, 1361.51, 1361.52, 1361.53, 1361.54, 1361.55 AMEND: 1361
- 03/18/15 AMEND: 2649
- 03/06/15 REPEAL: 950.8, 950.9
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- 06/15/15 30104, 30110, 30118, 30126, 30145, 30145.1, 30146, 30131, 30336.8, 30408, 30409, 30456.8, 30535
- 06/05/15 AMEND: 100500
- 02/27/15 AMEND: 13675, 13676
- Title 17, 22**
- 06/15/15 AMEND: 30104, 30110, 30118, 30126, 30145, 30145.1, 30146, 30231, 30336.8, 30408, 30409, 30456.8, 30535
- 06/02/15 ADOPT: 60002 AMEND: 7583, 7601, 7604, 7626, 7629, 60313, 64212, 64213, 64214, 64251, 64252, 64254, 64257, 64260, 64400.34, 64400.50, 64402, 64412, 64414, 64415, 64416, 64421, 64422, 64423, 64423.1, 64424, 64425, 64426, 64426.1, 64426.5, 64427, 64432, 64432.1, 64432.2, 64432.3, 64432.8, 64433, 64433.2, 64433.3, 64433.7, 64433.8, 64434, 64442, 64443, 64445, 64445.1, 64445.2, 64447, 64448, 64449, 64449.2, 64449.4, 64449.5, 64463, 64463.1, 64463.4, 64463.7, 64465, 64469, 64470, 64481, 64482, 64483, 64533, 64533.5, 64534, 64534.2, 64534.8, 64535.2, 64535.4, 64536, 64536.2, 64536.6, 64537, 64537.2, 64537.4, 64551.100, 64554, 64556, 64558, 64560, 64572, 64582, 64583, 64585, 64593, 64600, 64604, 64650, 64651.10, 64651.32, 64651.91, 64652.5, 64653, 64653.5, 64656, 64656.5, 64658, 64659, 64660, 64661, 64662, 64663, 64664, 64664.2, 64665, 64666 REPEAL: 60400, 60401, 60402, 60403, 60404, 60405, 60406, 60407, 60410, 60415, 60425, 60435, 60440, 60445, 60450, 60455, 60460, 60465, 60470, 60475, 64197
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- 07/27/15 ADOPT: 474
- 06/25/15 AMEND: 1591
- 06/25/15 AMEND: 308.6
- 05/13/15 AMEND: 1685.5
- 05/06/15 AMEND: 1598.1
- 05/06/15 AMEND: 1533.2
- 04/30/15 AMEND: 1621
- 03/19/15 AMEND: 472, 902, 904
- 03/04/15 AMEND: 6001
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- 06/25/15 AMEND: 3.3
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 05/15/15 AMEND: 1601, 1602, 1604, 1605.1,  
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 03/12/15 AMEND: 3103  
 03/04/15 AMEND: 1682(c)

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 07/23/15 AMEND: 97177.15, 97244  
 07/16/15 AMEND: 60301.400, 60301.800, 60310,  
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 07/14/15 AMEND: 51341.1  
 06/24/15 ADOPT: 50188  
 06/10/15 AMEND: 72443, 72449, 72467  
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 06/01/15 AMEND: 101169(d)(18), 101225(f),  
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 05/27/15 AMEND: 72516, 73518  
 05/20/15 AMEND: 52000  
 05/12/15 ADOPT: 51193.1, 51193.3 AMEND:  
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 04/30/15 AMEND: 97232  
 04/07/15 AMEND: 51516.1

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 07/06/15 ADOPT: 876  
 06/23/15 ADOPT: 35270 AMEND: 35037, 35181,  
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 06/19/15 ADOPT: 3949.11  
 06/19/15 ADOPT: 7125.1 AMEND: 7113, 7116,  
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 05/19/15 AMEND: 2919  
 05/19/15 ADOPT: 3949.10  
 05/18/15 ADOPT: 863, 864, 865, 866  
 05/15/15 AMEND: 2916  
 05/04/15 AMEND: 3939.21  
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 04/22/15 ADOPT: 600, 600.1, 600.2, 600.3, 600.4,  
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 610.1, 610.2, 610.3, 610.4, 610.5, 610.6,  
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612.1, 612.2, 612.3, 612.4, 612.5, 612.6,  
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 612.66, 612.67, 615.1, 615.2, 615.3, 618,  
 620, 625.1, 625.2, 625.3, 625.4, 625.5,  
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 03/30/15 ADOPT: 877, 878, 878.1, 878.2, 879,  
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 03/27/15 AMEND: 879(c)  
 03/27/15 ADOPT: 863, 864, 865  
 03/18/15 AMEND: 3939.10  
 03/17/15 ADOPT: 3919.15

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 05/26/15 ADOPT: 6932 REPEAL: 6932  
 03/03/15 AMEND: 4514

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 07/06/15 ADOPT: 25904

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 07/20/15 ADOPT: 42-708, 42-709 AMEND:  
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 42-714, 42-716, 42-720, 42-721,  
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 06/29/15 ADOPT: 42-749 AMEND: 41-440,  
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 06/17/15 ADOPT: 40-039 AMEND: 22-071,  
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 05/12/15 AMEND: 31-502  
 05/06/15 AMEND: 31-502