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PROPOSED ACTION ON REGULATIONS

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

Conflict-of-Interest Code — Notice File No. Z2016-1114-01 2031

Amendment

Multi-County: California Joint Powers Insurance Authority
Santa Cruz — Monterey — Merced Managed Medical Care
Commission dba Central California Alliance for Health

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

Conflict-of-Interest Code — Notice File No. Z2016-1115-03 2032

Amendment

Multi-County: Friant Water Authority

TITLE 2. STATE LANDS COMMISSION

Biofouling Management to Minimize the Transfer of Nonindigenous Species From Vessels Arriving at California Ports — Notice File No. Z2016-1115-02 2033

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Time-Dated Material

SUMMARY OF REGULATORY ACTIONS

Regulations filed with the Secretary of State	2065
Sections Filed, June 15, 2016 to November 16, 2016	2068

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

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**PROPOSED ACTION ON
REGULATIONS**

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**TITLE 2. FAIR POLITICAL
PRACTICES COMMISSION**

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

CONFLICT-OF-INTEREST CODES

AMENDMENT

MULTI-COUNTY: California Joint Powers Insurance Authority
Santa Cruz — Monterey — Merced Managed Medical Care Commission dba Central California Alliance for Health

A written comment period has been established commencing on November 25, 2016, and closing on January 9, 2017. Written comments should be directed to the Fair Political Practices Commission, Attention Cynthia Jones, 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 or her duly authorized representative requests, no later than 15 days prior to the close of the written comment period, a public hearing before the full Commission. If a public hearing is requested, the proposed code(s) will be submitted to the Commission for review.

The Executive Director of the Commission will review the above-referenced conflict-of-interest code(s), proposed pursuant to Government Code Section 87300, which designate, pursuant to Government Code Section 87302, employees who must disclose certain investments, interests in real property and income.

The Executive Director of the Commission, upon her or its own motion or at the request of any interested per-

son, will approve, or revise and approve, or return the proposed code(s) to the agency for revision and re-submission within 60 days without further notice.

Any interested person may present statements, arguments or comments, in writing to the Executive Director of the Commission, relative to review of the proposed conflict-of-interest code(s). Any written comments must be received no later than January 9, 2017. 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 Cynthia Jones, 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 re-

spective agency. Requests for copies from the Commission should be made to Cynthia Jones, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322-5660.

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

Any interested person may present statements, arguments or comments, in writing to the Executive Director of the Commission, relative to review of the proposed conflict-of-interest code(s). Any written comments must be received no later than January 9, 2017. If a public hearing is to be held, oral comments may be presented to the Commission at the hearing.

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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 Cynthia Jones, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322-5660.

TITLE 2. STATE LANDS COMMISSION

**TITLE 2. ADMINISTRATION
DIVISION 3. STATE
PROPERTY OPERATIONS
CHAPTER 1. STATE
LANDS COMMISSION
ARTICLE 4.8. BIOFOULING
MANAGEMENT TO MINIMIZE THE
TRANSFER OF NONINDIGENOUS
SPECIES FROM VESSELS ARRIVING
AT CALIFORNIA PORTS**

The California State Lands Commission (Commission) will decide whether to adopt the regulations described below after considering all comments, objections, or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION

The Commission proposes to repeal section 2298 and adopt sections 2298.1, 2298.2, 2298.3, 2298.4, 2298.5, 2298.6, 2298.7, 2298.8, 2298.9, and 2298.9.1 under Article 4.8, and repeal section 2297.1 under Article 4.7, in Title 2, Division 3, Chapter 1 of the California Code of Regulations (CCR). These sections would establish regulations governing the management of biofouling, including recordkeeping and reporting, for vessels arriving at California ports, as authorized by Public Resources Code section 71201.7.

Specifically, the proposed regulatory action would:

- Repeal section 2298 to remove the existing requirement for annual submission of the Hull Husbandry Reporting Form (Revised June 6, 2008), to be replaced with a revised annual reporting form included in section 2298.5
- Adopt section 2298.1 to define the purpose, applicability, and date of implementation for the provisions of Article 4.8
- Adopt section 2298.2 to define specific terms to provide clarity for the provisions of Article 4.8
- Adopt section 2298.3 to establish requirements for developing and maintaining a vessel-specific Biofouling Management Plan
- Adopt section 2298.4 to establish requirements for developing and maintaining a vessel-specific Biofouling Record Book
- Adopt section 2298.5 to incorporate by reference an annual reporting form that replaces two existing annual reporting forms

- Adopt section 2298.6 to establish minimum requirements for biofouling management of a vessel's wetted surfaces
- Adopt section 2298.7 to establish additional biofouling management requirements for high-risk vessels remaining in one port for forty-five days or more
- Adopt section 2298.8 to clarify that propeller polishing is not prohibited under this regulatory action
- Adopt section 2298.9 to establish a process for the submission and approval of alternatives to Article 4.8
- Adopt section 2298.9.1 to establish criteria for emergency exemptions
- Repeal section 2297.1 to remove the existing requirement for submission of the Ballast Water Treatment Technology Annual Reporting Form (Revised July 1, 2010), to be replaced with a revised annual reporting form included in section 2298.5, and the Ballast Water Treatment Supplemental Reporting Form (Revised July 1, 2010), which is no longer necessary

The proposed regulatory action is proposed in accordance with the authority granted by Public Resources Code section 71201.7.

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. The written comment period closes at 5:00 pm on January 10, 2017. The Commission must receive all written comments by that time. Submit written comments to:

Ravindra Varma
Supervisor, Planning Branch
California State Lands Commission
Marine Environmental Protection Division
200 Oceangate, Suite 900
Long Beach, CA 90802

Written comments may also be submitted by facsimile at (562) 499-6317 or by email to CSLC.MEPDRegulations@slc.ca.gov. Please include "**Article 4.8 Comments**" in the subject line of the email.

PUBLIC HEARING

Commission staff has scheduled a public hearing on this proposed action on Tuesday January 10, 2017, at 10:00 a.m. The location of the hearing is:

Port of Long Beach
 Board Room
 4801 Airport Plaza Drive
 Long Beach, CA 90815

The Port of Long Beach is accessible for persons with disabilities. At the hearing, any person may present oral or written statements or arguments relevant to the proposed action. The public hearing will conclude once all who are present and wish to speak have had an opportunity to speak.

AUTHORITY AND REFERENCE

Authority: Public Resources Code section 71201.7 provides the Commission with the authority to adopt regulations as necessary to implement the provisions of the Marine Invasive Species Act.

Reference: The proposed regulations would implement, interpret, and make specific Public Resources Code sections 71200, 71201, 71202, 71204, and 71205.

INFORMATIVE DIGEST/POLICY STATEMENT
 OVERVIEW

The California Legislature amended the Marine Invasive Species Act (Public Resources Code section 71200 *et seq.*) in 2007 to add Public Resources Code section 71204.6, which required the Commission to develop and adopt regulations governing the management of biofouling on vessels 300 gross registered tons and above that arrive at a California port, excluding vessels of the armed forces or vessels in innocent passage as defined in Public Resources Code section 71202. Public Resources Code section 71204.6 also required the Commission to consider vessel design and voyage duration while developing these regulations. The section further required the Commission to:

- Develop the regulations based on the best available technology economically achievable
- Design the regulations to protect the waters of the state
- Adopt the regulations by January 1, 2012

Public Resources Code section 71201.7 requires the Commission to adopt regulations necessary to implement the Marine Invasive Species Act (hereafter “the Act”). The Commission adopted regulations, conditioned on the approval from the Office of Administrative Law, similar to the currently proposed regulations on December 18, 2015. Commission staff, however, chose to withdraw the regulations in March 2016 to address errors associated with the rulemaking.

SUMMARY OF RELATED EXISTING MARINE
 INVASIVE SPECIES ACT LAWS

California’s Marine Invasive Species Act requires the removal of biofouling from vessels on a regular basis (Public Resources Code section 71204(f)). Under the Act, a “regular basis” is:

- No longer than by the date of expiration on the vessel’s full-term Safety Construction Certificate or an extension of that expiration date
- No longer than by the date of expiration on the vessel’s full-term United States Coast Guard Certificate of Inspection or an extension of that expiration date by the United States Coast Guard
- No longer than 60 months since the time of the vessel’s last out-of-water drydocking

Because the definition of “regular basis” is set to expire upon the adoption of the proposed regulations, the Legislature intended for this provision to be an interim measure until the California State Lands Commission (Commission) could identify and adopt management requirements to satisfy the purpose of the Act.

Title 2, Division 3, Chapter 1, Article 4.8 (2 CCR § 2298) was originally adopted and implemented by the Commission with an effective date of January 1, 2009. The sole component of the existing regulation requires annual submission of the Hull Husbandry Reporting Form (Revised June 6, 2008).

SUMMARY OF PROPOSED
 REGULATORY ACTIONS

The proposed rulemaking would:

- Align with the priorities of the Commission, as described in Legislative reports (see Scianni et al. 2013, Dobroski et al. 2015)
- Align with the Commission’s Strategic Plan, adopted on December 18, 2015
- Implement Public Resources Code section 71201.7

The purpose of the Act, as described in Public Resources Code section 71201(d), is to move the State expeditiously toward elimination of the discharge of non-indigenous species into the waters of the State or into waters that may impact the waters of the State, based on the best available technology economically achievable. The State cannot achieve this purpose without the proposed regulations.

The proposed regulations would repeal two sections and adopt ten sections. A description of each of the proposed regulations is presented below.

Section 2298 of the California Code of Regulations is proposed for repeal. A Marine Invasive Species Program Annual Vessel Reporting Form included in sec-

tion 2298.5 will replace the existing Hull Husbandry Reporting Form currently included in this section. The new Marine Invasive Species Program Annual Vessel Reporting Form will combine the existing Hull Husbandry Reporting Form (currently required by this section) and the existing Ballast Water Treatment Technology Annual Reporting Form (currently required by 2 CCR § 2297.1), to improve clarity and data quality and reduce the number of reporting forms required of the regulated industry.

Section 2298.1 is proposed for adoption and would identify the purpose, applicability, and implementation date of the article.

Section 2298.2 would define key terms used throughout the text of the regulations to describe management requirements and regulation applicability. These definitions clarify the intent of the regulatory language and are necessary to increase compliance as intended by the regulations.

Section 2298.3 would make specific the requirements for the development and maintenance of a Biofouling Management Plan. The Biofouling Management Plan shall:

- Be aligned with the International Maritime Organization’s *Guidelines for the Control and Management of Ships’ Biofouling to Minimize the Transfer of Invasive Aquatic Species* (hereafter referred to as the “IMO Biofouling Guidelines”)
- Describe the vessel-specific biofouling management strategy
- Be maintained onboard the vessel
- Be made available for inspection by Commission staff upon request

Section 2298.4 would make specific the requirements for the development and maintenance of a Biofouling Record Book. The Biofouling Record Book shall:

- Be aligned with the IMO Biofouling Guidelines
- Document the implementation of the vessel-specific biofouling management strategy since the most recent of either a vessel’s delivery or the prior out-of-water maintenance
- Be maintained onboard the vessel
- Be made available for inspection by Commission staff upon request

Section 2298.5 would require annual submission of a Marine Invasive Species Program Annual Vessel Reporting Form (SLC 600.12, Revised 08/16). This new Marine Invasive Species Program Annual Vessel Reporting Form would replace the Hull Husbandry Reporting Form (currently required by 2 CCR § 2298) and the Ballast Water Treatment Technology Annual Reporting Form (currently required by 2 CCR § 2297.1) to

improve clarity and data quality and reduce the number of reporting forms that must be submitted by the regulated industry.

This section would require reporting form submission twenty-four hours in advance of a vessel’s first arrival of a calendar year to a California port. This modified submission timing would enable Commission staff to collect necessary data to prioritize boarding and inspection prior to a vessel’s arrival based on a per-vessel risk assessment. Data-driven prioritization of inspector resources will enable Commission staff to more effectively and efficiently identify vessels with greater perceived nonindigenous species (NIS) introduction risk.

This Marine Invasive Species Program Annual Vessel Reporting Form included in this section incorporates all previous questions from the existing Hull Husbandry Reporting Form, with a clarifying revision in one question, with the addition of a subset of revised questions from the existing Ballast Water Treatment Technology Annual Reporting Form. The revised form is incorporated by reference: “Marine Invasive Species Program Annual Vessel Reporting Form” (SLC 600.12, Revised 08/16).

Section 2298.6 would make specific minimum requirements for biofouling management of a vessel’s wetted surfaces.

Section 2298.7 would make specific minimum requirements for biofouling management for vessels that remain in a port, place, or shared waters for forty-five days or greater prior to arrival at a California port.

Section 2298.8 would make specific that these regulations do not prohibit or limit propeller cleaning in California waters.

Section 2298.9 would make specific the process for submission and approval of petitions for alternatives to Article 4.8. Alternatives proposed in petitions must fulfill the purpose of the regulation in Section 2298.1(a) and must be approved by the Commission’s Marine Environmental Protection Division Chief. The Division Chief’s approval can be withdrawn if he or she determines that the approved alternative requirements are not being followed.

Section 2298.9.1 would make specific the conditions that must be met for a vessel to claim an emergency exemption from the requirements of Article 4.8.

Section 2297.1 is proposed for repeal. The Marine Invasive Species Program Annual Vessel Reporting Form, proposed for adoption in section 2298.5, would replace the existing Ballast Water Treatment Technology Annual Reporting Form currently included in this section. The new Marine Invasive Species Program Annual Vessel Reporting Form will combine the existing Hull Husbandry Reporting Form (currently required by 2 CCR § 2298) and the existing Ballast Water Treatment Technology Annual Reporting Form (currently

required by this section), reducing the total reporting form requirements on the regulated industry. The Ballast Water Treatment Supplemental Reporting Form (currently required by this section) is no longer necessary, as it is redundant with the new United States Coast Guard (USCG) Ballast Water Management Report (BWMR; required under Title 33 of the Code of Federal Regulations § 151.2060) that must be submitted by vessels arriving at California ports on a per arrival basis.

COMPATIBILITY WITH EXISTING STATE REGULATIONS

The proposed regulations are consistent and compatible with existing state regulations. After conducting a review for any regulations that would relate to or affect this area, the Commission has concluded that there are no other state regulations that require vessel biofouling management.

Through California’s Clean Water Act section 401 certification of the U.S. Environmental Protection Agency’s (EPA) 2013 Vessel General Permit for Discharges Incidental to the Normal Operation of Vessels (VGP), the State Water Resources Control Board (Water Board) placed restrictions on in-water cleaning of vessels in copper-impaired waterbodies. These restrictions are primarily driven by concerns about increased copper discharges into copper-impaired waterbodies. These restrictions may influence the location and frequency of vessel in-water cleaning in California waters, but the Water Board’s restrictions do not require biofouling management. In most cases, these restrictions limit the availability of in-water cleaning in several California ports. Nevertheless, vessels subject to the Water Board’s restrictions and the proposed regulations would be able to comply with both.

DIFFERENCES FROM FEDERAL REGULATIONS

United States requirements for biofouling management to prevent the introduction of NIS include regulations adopted and implemented by the USCG and the VGP, adopted and implemented by the EPA.

The USCG requirements are found specifically within 33 CFR § 151.2050(e), 33 CFR § 151.2050(f), and 33 CFR § 151.2050(g)(3). These regulations require the following management activities:

- Rinsing of vessel anchors and anchor chains to remove organisms at their place of origin
- Removing biofouling from the hull, piping, and tanks on a regular basis
- Disposing of any removed substances in accordance with local, state, and federal regulations

- Detailing biofouling maintenance and sediment removal procedures within a ballast water management plan

The USCG requirements do not provide guidance for biofouling removal frequency, other than the undefined standard of “regular basis.” Therefore, Commission staff believes that there is no specific requirement to manage biofouling in a comprehensive manner. There is a requirement to keep biofouling management records onboard within a vessel’s ballast water management plan. Unlike the proposed regulations for vessels arriving at California ports, there is no USCG requirement to submit reporting forms detailing biofouling management activities. There also are no requirements for high-risk vessels that remain in one location for extended periods to manage biofouling prior to entering a United States port.

The USCG recently adopted a new Ballast Water Management Report (33 CFR § 151.2060) (BWMR) and required submission of this report beginning May 1, 2016. The new BWMR contains questions about a vessel’s ballast water treatment system (if installed onboard) that are similar to questions contained in the Commission’s Ballast Water Treatment Supplemental Reporting Form (adopted under 2 CCR § 2297.1). The Commission also requires submission of the BWMR, making the Ballast Water Treatment Supplemental Reporting Form redundant and unnecessary. Commission staff, therefore, proposes in this rulemaking action to repeal the requirement for vessels to submit the Ballast Water Treatment Supplemental Reporting Form.

The EPA requirements are located within the 2013 VGP (<https://www.epa.gov/npdes/vessels-vgp>) sections 22.20 and 2.2.23. These provisions require the following biofouling management activities:

- Removal of fouling organisms from seawater piping on a regular basis and disposal of removed substances in accordance with local, state, and federal regulations
- Minimize the transport of attached living organisms when traveling into U.S. waters from outside the U.S. economic zone or between Captain of the Port zones

The EPA requirements offer limited guidance on management measures to minimize the transport of attached living organisms. These management measures may include the use of appropriate anti-fouling management systems, in-water inspection and cleaning, and thorough cleaning of hulls and niche areas while in dry dock. The EPA VGP requirements are vague (e.g. “minimize” and “regular basis”) and do not impose definitive standards.

Unlike the proposed regulations for vessels arriving at California ports, there is no EPA VGP requirement to

submit annual reporting forms outlining vessel-specific maintenance and operational practices that influence biofouling accumulation and viability. The EPA requires vessels to submit limited maintenance information in a Notice of Intent at the initiation of each five-year VGP cycle. This five-year cycle does not allow for the reporting of ongoing biofouling management activities or operational practices that may result in significantly greater NIS introduction risk.

There is no mechanism in the VGP for properly assessing risk on a per-arrival basis, a practice that is critical to ensuring that high-risk vessels are identified, properly inspected, and managed.

Unlike the proposed California regulations, the EPA VGP contains no requirements for vessels that represent high NIS introduction risk, specifically:

- Vessels without anti-fouling or foul-release coatings
- Vessels with anti-fouling or foul-release coatings that are aged beyond their effective coating lifespan
- Vessels remaining in one geographic location for extended residency periods

The planning and implementation of a biofouling management strategy made specific by the proposed regulations are necessary to minimize the transport of nonindigenous species into and throughout the waters of the State of California.

BENEFITS OF THE PROPOSED REGULATIONS

NIS and invasive species may cause significant impacts to California's economy, human health, and environment. In the United States, invasive species are believed to be responsible for approximately \$120 billion in losses and damages each year (Pimentel et al. 2005). In California, NIS and invasive species threaten the coastal tourism and recreation industries. These industries represent a large component of California's Gross State Product, more than \$18.4 billion in 2013 (NOEP 2016).

Vessel biofouling contributes to the introduction of problematic and harmful algal bloom diatom (single-celled algae) species. Harmful diatoms include species of the genus *Pseudo-nitzschia*, which produces the toxin domoic acid that can result in gastrointestinal distress, memory loss, coma, and even death in humans (Lefebvre and Robertson 2010). Domoic acid from *Pseudo-nitzschia* blooms have also been linked to large-scale mortality in sea lions along the central California coast (Scholin et al. 2000). Diatoms are typical components of early-stage biofouling communities and can contribute many different species to a ships biofilm (also referred to as slime layer or microfouling).

Several parasites of mussels and barnacles have been detected from biofouling communities on vessels operating within California (Davidson et al. 2013). The presence of parasites within vessel biofouling communities is alarming because it hints at the potential for biofouling-mediated spread of human pathogens and parasites into and throughout California.

The nonindigenous overbite clam (*Corbula amurensis*) has been associated with the biofouling community on vessels within the San Francisco Bay region (Davidson et al. 2008a) and has had significant impacts to California's environment and native fish species. The clam was first detected in the San Francisco Bay in 1986, and spread throughout the region's waterways within two years. The clam accounts for up to 95% of the living biomass in some shallow portions of the bay floor (Nichols et al. 1990). It is believed to be a major contributor to the decline of several pelagic fish species in the Sacramento-San Joaquin River Delta, including the threatened native delta smelt, by reducing the plankton food base of the ecosystem (Feyrer et al. 2003, Sommer et al. 2007).

Of the more than 250 currently established NIS in California's coastal waters, up to 60% are believed to have been introduced through vessel biofouling (Ruiz et al. 2011). In recognition of the substantial threat to the State's economy, environment, and human health, the California Legislature enacted the Marine Invasive Species Act in 2003 and adopted amendments to it in 2007. The 2007 amendments require the Commission to develop and adopt the proposed biofouling management regulations to reduce the likelihood of biofouling-mediated NIS introductions into California.

The proposed regulations satisfy the purpose of the Marine Invasive Species Act, as specified in Public Resources Code section 71201(d): "to move the State expeditiously toward elimination of the discharge of non-indigenous species into the waters of the State." Vessels complying with the proposed regulations will reduce their likelihood of introducing NIS into California waters. As a result, human health and welfare, as well as the environment, will benefit significantly by enforcement of these important regulations.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference within the proposed regulatory text:

- International Maritime Organization's *Guidelines for the Control and Management of Ships' Biofouling to Minimize the Transfer of Invasive Aquatic Species* (adopted on July 15, 2011)
- *Marine Invasive Species Program Annual Vessel Reporting Form* (SLC 600.12, Revised 08/16)

PRE-RULEMAKING CONSULTATION AND
DECISION NOT TO PROCEED WITH
PREVIOUS SUBMISSION

Commission staff consulted with many stakeholder groups throughout the regulation development process. Public Resources Code section 71204.6 specifically required the Commission to consult with the State Water Resources Control Board (Water Board), the USCG, and a technical advisory group consisting of interested persons including, but not limited to shipping, port, and environmental conservation representatives.

The technical advisory group, including representatives from the Water Board and the USCG, provided guidance and comments on six drafts of the regulatory text since 2008. A summary of the technical advisory group consultations is included in the *CONSIDERATION OF ALTERNATIVES* section of this notice.

An earlier version of the proposed Article 4.8 regulations was published in the California Notice Register (California Regulatory Notice Register 2011, No. 37-Z) in September 2011. After four public comment periods, the rulemaking action ended in September 2012 without final adoption.

Commission staff received further public input on the development of the proposed regulations during the pre-notice discussion period from November 19, 2014, through December 31, 2014. Commission staff considered the comments from that informal comment period while drafting the express language within this proposed rulemaking. On May 1, 2015, a proposed rulemaking similar to the proposed rulemaking noticed herein was published in the California Notice Register (California Regulatory Notice Register 2015, No. 18-Z). On March 18, 2016, Commission staff withdrew that rulemaking.

DISCLOSURES REGARDING THE
PROPOSED ACTION

Commission staff, acting on behalf of the Commission, has made the following determinations:

REGULATIONS MANDATED BY FEDERAL LAW

Per Government Code section 11346.2(c), Commission staff finds that the proposed regulations are not mandated by federal regulations.

LOCAL MANDATE

Commission staff has determined that the proposed regulations do not impose any mandates on local agencies or school districts.

FISCAL IMPACTS

Commission staff has determined that the proposed regulations do not impose any mandate or cost requiring state reimbursement to any local agency or school district pursuant to Government Code sections 17500 *et seq.*

Commission staff does not anticipate other non-discretionary costs or savings imposed on local agencies.

Commission staff anticipates minimal costs to the Commission. Additional inspection responsibilities are expected to result in additional costs ranging between \$11,093.80 and \$33,266.34 annually. There are no expected savings.

Commission staff has determined that the proposed regulations will have no impact on costs or savings in federal funding to the State.

HOUSING COSTS

Commission staff has determined that the proposed regulations will have no significant effect on housing costs.

STATEMENT REGARDING ADVERSE
ECONOMIC IMPACTS DIRECTLY AFFECTING
BUSINESSES, INCLUDING ABILITY
TO COMPETE

Commission staff has determined that the proposed regulations will have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

STATEMENT OF THE RESULTS OF THE
ECONOMIC IMPACT ASSESSMENT

Through the Economic Impact Assessment, Commission staff has determined that the proposed regulations:

- (1) Will have no impact upon the elimination of jobs but may result in the creation of a small but uncertain number of jobs within the State of California.
- (2) Will have no impact upon the elimination of existing businesses but may result in the creation of a small but uncertain number of new businesses within the State of California.

(3) May expand to an unknown extent several categories of businesses currently doing business within the State of California, specifically businesses specializing in:

- The development and manufacturing of anti-fouling systems
- In-water cleaning and treatment services

(4) Will have no significant impact upon worker safety within the State of California.

Commission staff has determined that the proposed regulations will benefit:

(1) The State’s environment by:

- Establishing biofouling management requirements to reduce the likelihood of vessels arriving at California with excessive biofouling
- Reducing the risk of biofouling-mediated introductions of NIS into California waters

The proposed regulations would meet the purpose of the Marine Invasive Species Act (Public Resources Code section 71201(d)): “. . . to move the State expeditiously toward elimination of the discharge of nonindigenous species into the waters of the State. . .”

(2) The health and welfare of California residents by ensuring that vessels arriving at California ports undertake a minimum level of biofouling management to reduce the risk of biofouling-mediated introductions of:

- Pathogens and parasites (Davidson et al. 2013)
- Harmful nonindigenous species (e.g. harmful algal blooms and toxic diatoms)

The health and welfare of California residents would benefit significantly from the adoption and implementation of the proposed regulations.

COST IMPACTS ON REPRESENTATIVE PERSONS OR BUSINESSES

Sources of information

The estimates presented here were obtained from four categories of sources:

- 1) Estimates provided by shipping industry representatives who were involved in the Technical Advisory Group that advised the development of the proposed regulations
- 2) Vessel-reported data provided to the Commission through mandatory submission of the annual Hull Husbandry Reporting Form, since 2008 (data summarized in Falkner et al. 2009, Takata et al. 2011, Scianni et al. 2013, Dobroski et al. 2015)
- 3) Academic peer-reviewed literature

4) Technical and government reports

The implementation of the proposed regulations would result in increased costs to the regulated community. In most cases, staff expects the costs to be minor. Many of the costs associated with biofouling management are already incorporated into operational strategies because of the economic incentive to minimize biofouling-induced drag and associated fuel consumption.

Costs

Most of the costs associated with the proposed biofouling management regulations are already integrated into the current practices of the commercial fleet to reduce biofouling-induced drag and maximize fuel efficiency. Most of these costs are associated with practices to prevent biofouling attachment or accumulation, including the purchase, application, and appropriate use of anti-fouling and foul-release coatings (i.e. using coatings that are not aged beyond their effective lifespan).

Some additional costs may result from the implementation of the proposed regulations. These costs are detailed below.

Biofouling Management Plan (2 CCR § 2298.3) and Biofouling Record Book (2 CCR § 2298.4)

There may be costs associated with the development and maintenance of the required Biofouling Management Plan and Biofouling Record Book. Both the Biofouling Management Plan and Biofouling Record Book proposed in these regulations are also part of the IMO Biofouling Guidelines. Although the IMO Biofouling Guidelines are voluntary, it is reasonable to assume that proactive owners and operators will adopt the guidelines and develop these documents. In these cases, additional costs to comply with the proposed regulations should be minimal.

Several companies have indicated that most of the information needed for the development and maintenance of these documents is already kept onboard or as part of a vessel’s records within a Ship Management System. In these cases, the costs are expected to be minimal. One company indicated that it would cost about \$4,000 per vessel to develop the Biofouling Management Plan and Biofouling Record Book. Another company indicated that it takes about 40 person-hours per vessel to develop these documents.

As indicated by one company, owners and operators of multiple vessels will be able to spread the cost of developing multiple sets of documents across their fleet, resulting in reduced per-vessel costs.

Marine Invasive Species Program Annual Vessel Reporting Form (2 CCR § 2298.5)

The proposed regulation replaces two existing reporting forms (the Hull Husbandry Reporting Form

(Revised June 6, 2008) and the Ballast Water Treatment Technology Annual Reporting Form (Revised July 1, 2010)) with the proposed Marine Invasive Species Program Annual Vessel Reporting Form (SLC 600.12, Revised 08/16). No additional costs are expected. Overall administrative costs may be reduced because of the reduction in the number of forms submitted per year.

Biofouling Management of Hulls and Other Wetted Surfaces (2 CCR § 2298.6(a))

Most vessels already implement best practices by using anti-fouling and foul-release coatings appropriately (i.e. within the coating's expected lifespan). These vessels would be compliant with the proposed provisions in this section, and therefore, should have no additional costs.

A small proportion of vessels operating in California (approximately 1.6% of the fleet in 2013) either:

- Use coatings that have exceeded their effective coating lifespan as documented in their Biofouling Management Plan
- Are not using an anti-fouling coating

These vessels will have to manage biofouling in a different way to minimize NIS introduction risk. The vessel-specific Biofouling Management Plan must document how these vessels will manage biofouling in lieu of the appropriate use of anti-fouling or foul-release coatings (i.e. best preventive practices).

An option that masters, owners, operators, or persons in charge of a vessel may choose to manage biofouling in the absence of an effective anti-fouling coating will be in-water cleaning or treatment. The estimated costs associated with in-water cleaning or treatment range from \$10,000 to \$42,000 per cleaning event. The costs vary because of vessel size, geographic location where the service is performed, and the type of cleaning.

Biofouling Management for Niche Areas (2 CCR § 2298.6(b))

This provision of the proposed regulations requires management of certain vessel niche areas in any manner that the master, owner, operator, or person in charge determines is appropriate. This subpart specifies several different niche areas, and there are many management options available for each.

One option is the targeted application of appropriate anti-fouling or foul-release coatings to certain niche area surfaces. With proper planning, this option can be implemented during a scheduled out-of-water maintenance (e.g. dry docking). In this case, the additional amount of ship surface area to be coated is expected to be minimal. Therefore, the coating application cost is expected to be a marginal increase from the cost of the already scheduled out-of-water maintenance and coating application.

One option for management of sea chests and internal piping networks is the installation of Marine Growth Prevention Systems (MGPS). These systems are typically installed in sea chests or sea strainers and release small doses of biocides (typically copper or sodium hypochlorite) to prevent the settlement of biofouling organisms. The cost for MGPS installation and maintenance depends on the type of system installed and the number of units needed (typically based on the number of sea chests), and has been estimated at \$100,000 to \$1,000,000 per ship. In most cases, there should be no additional costs for the continued addition of biocides to the MGPS between dry dockings. Many vessels that arrive at California ports (at least 50% each year from 2008 to 2011) already have MGPSs installed (Scianni et al. 2013). No additional costs associated with biofouling management in sea chests and internal piping networks are anticipated for these vessels.

Another option for managing certain niche areas is in-water cleaning. Many masters, owners, operators, or persons in charge of a vessel choose to conduct in-water cleaning of the propeller (i.e. propeller polishing) because it typically increases the fuel efficiency. The estimated cost of propeller polishing is between \$2,000 and \$5,000 per cleaning. In-water cleaning can also be a suitable management option for many other niche areas.

There are many other options for managing niche areas, and vessel masters, owners, operators, or persons in charge are encouraged to determine which options are best suited for their vessels and operational profiles.

Extended Residency Periods (2 CCR § 2298.7)

Section 2298.7 focuses on vessels that have experienced extended residency periods (45 days or more in the same location). This provision is expected to be applicable to a small minority of vessels operating in California. For example, the percentage of vessels arriving at a California port that reported a residency period at or above 45 days was:

- 2.82 percent in 2008
- 3.96 percent in 2011
- 2.01 percent in 2013

After an extended residency period, a master, owner, operator, or person in charge of a vessel may wish to conduct an underwater inspection prior to transiting to California to determine biofouling extent. A typical underwater inspection ranges from \$2,500 to \$6,500 per inspection.

If the vessel needs to be cleaned to manage biofouling in accordance with the vessel-specific Biofouling Management Plan, there are two likely management options available. One option is in-water cleaning or treatment to remove or treat the biofouling. The estimated costs to conduct in-water cleaning or treatment

range from \$10,000 to \$42,000. The costs vary because of vessel size, geographic location where the service is performed, and the type of cleaning.

Propeller Cleaning (2 CCR § 2298.8)

Section 2298.8 is merely a clarifying provision. There are no requirements associated with it. Commission staff is not aware of any cost impacts that a representative private person or business would necessarily incur because of this proposed section.

BUSINESS REPORT

Commission staff has determined that the proposed regulations will impose a new reporting requirement upon businesses operating in the State. Section 2298.5 would require submission of the Marine Invasive Species Program Annual Vessel Reporting Form. This annual reporting requirement will replace the submission of two existing annual reporting requirements and one per-arrival reporting requirement, resulting in fewer forms to be submitted and processed. It is necessary that this reporting requirement apply to businesses so that the Commission can verify compliance with the Act and associated regulations to protect the health, safety, and welfare of the people of the State.

SMALL BUSINESS DETERMINATION

Commission staff has determined that the adoption of these regulations may adversely affect small businesses. There are several small barge owners or operators based in California. These companies may or may not qualify as small businesses because of their annual gross receipts (Government Code section 11342.610(c)(7) excludes the activity of “Transportation and warehousing, where the annual gross receipts exceed one million five hundred thousand dollars (\$1,500,000),” from classification as a “small business”). If these small barge companies do qualify as small businesses and if the vessels owned or operated by these companies fall under the jurisdiction of the Commission (and are subject to the Act), they may incur costs to comply with the proposed regulations. The costs for these vessels would be similar to the costs for any vessel to comply. The startup costs would be up to \$4,000 per vessel to develop and maintain a Biofouling Management Plan and a Biofouling Record Book. Ongoing costs would be variable, ranging from \$0 to \$42,000 for full-scale in-water cleaning, if necessary.

The adoption of these regulations may indirectly expand or create small businesses. Additional local in-water cleaning capacity may be necessary if there is additional demand for cleaning services as a component of a comprehensive biofouling management strategy.

ALTERNATIVES INFORMATION

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

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

Commission staff invites interested persons to present statements or arguments with respect to additional alternatives to the proposed regulations during the written comment period.

REFERENCES CITED IN NOTICE OF PROPOSED REGULATORY ACTION

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Takata, L., Dobroski, N., Scianni, C., Falkner, M. 2011. 2011 Biennial report on the California Marine Invasive Species Program. Final Report prepared for the California State Legislature. 136 pgs.

CONTACT PERSONS

Direct inquiries concerning the substance of the proposed regulations to:

Christopher Scianni
Senior Environmental Scientist (Supervisory)
California State Lands Commission
Marine Environmental Protection Division
200 Oceangate, Suite 900
Long Beach, CA 90802–4335
Telephone: (562) 499–6390
Facsimile: (562) 499–6317
Email: Chris.Scianni@slc.ca.gov

or:

Patrick Huber
Staff Attorney
California State Lands Commission
100 Howe Avenue, Suite 100
South Sacramento, CA 95825–8202
Telephone: (916) 574–0728
Facsimile: (916) 574–1855
Email: Patrick.Huber@slc.ca.gov

Requests for copies of the proposed text of the regulations, the initial statement of reasons, the modified text of the regulations, if any, or other information upon which the rulemaking is based should be directed to:

Ravindra Varma
Supervisor, Planning Branch
California State Lands Commission
Marine Environmental Protection Division
200 Oceangate, Suite 900
Long Beach, CA 90802–4335
Telephone: (562) 499–6400
Facsimile: (562) 499–6317
Ravi.Varma@slc.ca.gov

AVAILABILITY STATEMENTS

Commission staff will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at the Sacramento and Long Beach offices listed above. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations, the initial statement of reasons, including the economic impact assessment, and relevant sources of information upon which the proposed rulemaking is based. Interested parties may obtain copies of any of the aforementioned files by contacting Ravindra Varma as listed above, or by visiting the website listed below.

AVAILABILITY OF CHANGED OR MODIFIED TEXT OF ORIGINALLY PROPOSED REGULATIONS

After considering all timely and relevant comments, the Commission may adopt the proposed regulations as described in this notice. If Commission staff makes any substantial and sufficiently related modifications to the proposed text, the modified text with changes clearly indicated will be made available to the public for at least fifteen days prior to the date that the Commission adopts the regulations. Interested parties shall send requests for copies of any modified regulations to the attention of Ravindra Varma at the address indicated above. The Commission will accept written comments on the modified regulations for at least fifteen days after the date that they are available.

AVAILABILITY OF THE FINAL STATEMENT
OF REASONS

Upon its completion, interested parties may obtain a copy of the Final Statement of Reasons by contacting Ravindra Varma at the address, telephone number, or email address listed above or by accessing the website listed below.

AVAILABILITY OF DOCUMENTS ON
THE INTERNET

Copies of the notice of proposed rulemaking, the initial statement of reasons, the proposed text of regulations, the economic impact assessment, relevant documents, and any future changes or modifications to the proposed text can be accessed through our website at: <http://www.slc.ca.gov>.

**TITLE 8. DIVISION OF LABOR
STANDARDS ENFORCEMENT**

**Subject Matter of Regulations: Child Performer
Services Permits**

**TITLE 8, CALIFORNIA CODE OF
REGULATIONS
Sections 11770 et seq.**

NOTICE IS HEREBY GIVEN that the Labor Commissioner, Chief of the Division of Labor Standards Enforcement, Department of Industrial Relations, pursuant to the authority vested in her by Labor Code sections 59, 95, and 1706 proposes to adopt sections 11770, 11771, 11771.1, 11771.2, 11772, and 11773 within proposed Subchapter 2.2 of existing Chapter 6, of Division 1, of Title 8, California Code of Regulations, relating to Child Performer Services Permits.

PROPOSED REGULATORY ACTION

The Division of Labor Standards Enforcement (DLSE), proposes to adopt Subchapter 2.2 of Chapter 6 of Division 1, regulations consisting of the following:

Add new Subchapter 2.2 Child Performer Services Permits

1. Adopt section 11770 Representation or Services to Child Performers; Permit; Duration
2. Adopt section 11771 Application for Permit; Fingerprints
3. Adopt section 11771.1 Permit Renewal Application

4. Adopt section 11771.2 Fees
5. Adopt section 11772 Issuance of Permit; Denial
6. Adopt section 11773 Suspension and Revocation of Permit

TIME AND PLACE OF PUBLIC HEARING

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

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Department of Industrial Relations, Division of Labor Standards Enforcement. **The written comment period closes at 5:00 p.m., on January 9, 2017.** The DLSE will consider only comments received at the division by that time. Equal weight will be accorded to comments presented at the hearing and to other written comments received by 5:00 p.m. on that date by the Division.

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

Jennifer Stevens, Legislative Analyst
and Regulations Coordinator
Department of Industrial Relations
Division of Labor Standards Enforcement,
Legal Unit
2031 Howe Avenue, Suite 100
Sacramento, CA 95825

Written comments may be submitted by facsimile transmission (FAX), addressed to the above-named contact person at (916) 263-1563. Written comments may also be sent electronically (via e-mail) using the following e-mail address: DLSERegulations@dir.ca.gov.

Unless submitted prior to or at the public hearing, Ms. Stevens must receive all written comments no later than January 9, 2017.

AUTHORITY AND REFERENCE

The DLSE is undertaking this regulatory action pursuant to the authority under Labor Code sections 59, 95(a), 98.8, and 1702.

Reference is to Labor Code sections 1706, 1706.1, 1706.2, 1706.3, 1706.4, and 1706.5

INFORMATIVE DIGEST AND POLICY
STATEMENT OVERVIEW

Existing law establishes a permit program for any person who represents or provides specified services, as defined, to artists who are minors in entertainment enterprises. (AB 1660 [Chapter 634, Statutes of 2012].) The legislation prohibits any person from providing specified services if they are required to register as a sex offender pursuant to Penal Code Section 290 to 290.006. Existing law requires that any person seeking to provide the regulated activities must first submit an application and receive a permit issued by the Labor Commissioner prior to engaging in activities related to representation or providing specified services to minors in entertainment enterprises.

Existing law provides that the permit program is to be administered by the Labor Commissioner, Chief of the Division of Labor Standards Enforcement within the Department of Industrial Relations. Existing law provides an application requirement, applicant fingerprinting for submission to the Department of Justice for a criminal background check, an application fee to be set by the Labor Commissioner, including any fees required by the Department of Justice (DOJ), and reporting of arrests and convictions by DOJ to the Labor Commissioner prior to issuance of a permit.

The proposed regulation provides necessary standards for the permit program which DLSE is required to administer. These standards include further specifying who is covered by the permit requirement, the setting of application fees, application information, and standards for processing permit applications and permit renewals. The proposal also specifies suspension and revocation procedures which are necessary to fully administer the permit program where a subsequent action impacts the permit holder's qualification for a permit (e.g., a permit holder's lack of sex offender registration status changes). The proposed procedure for a temporary suspension in the event of an arrest provides an administrative mechanism affecting the permit which safeguards the minor for a temporary time period or as otherwise ordered by a court. The proposed procedure for revocation in the event of a conviction for a sex crime requiring the holder to register as a sex offender more significantly determines the holder's disqualification for a permit pursuant to the statute which specifies the sole criteria for holding a permit (absence of sex offender status). The proposals are necessary for the Labor Commissioner to duly and efficiently administer the mandated permit program designed to screen sex offenders from representing or performing specified activities relating to minors in entertainment enterprises.

These regulations implement, interpret, and make specific the statutory requirements of Chapter 5 (Child

Performer Services Permits) of Part 6 (Licensing) of Division 2 (Employment Regulation and Supervision), commencing with Section 1706 of the Labor Code, as follows:

Proposed New Subchapter 2.2 (of Chapter 6, Division 1, Title 8 of the California Code of Regulations) contains six (6) sections which provide requirements for application and issuance of permits to any person who seeks to represent or provide specified services to artists who are under the age of 18. The sections implement requirements or make more specific administrative procedures specified in Sections 1706–1706.5 of the Labor Code (AB 1660).

Proposed Section 11770 provides requirements for obtaining and posting a permit prior to engaging in any activity which is covered under the statute and specifies that the permit requirements are applicable to persons acting either individually as sole proprietors or for non-individual business entities. The section more specifically defines “incidental and occasional contact” for purposes of an exemption from the permit requirement. It also establishes an on-line permit application process for submission of an application to the Labor Commissioner.

Proposed Section 11771 provides for both application content for a permit and procedures for providing required fingerprints to be submitted to the Department of Justice (DOJ) for a criminal history report which is provided to the Labor Commissioner.

Proposed Section 11771.1 provides a process and on-line procedure for renewal of permits, which are valid for 2 years from the date of issuance by the Labor Commissioner, including specific information required on a renewal application.

Proposed Section 11771.2 provides the fee amounts required to be submitted with the permit application set by the Labor Commissioner as prescribed by Labor Code Section 1706(a). The fee includes an amount necessary to reimburse DLSE for the fees charged by the Department of Justice to perform fingerprint processing and criminal background checks provided to the Labor Commissioner in connection with a permit application pursuant to Labor Code Section 1706(c)(3)(B).

Proposed Section 11772 provides for administrative procedures and actions by DLSE, including the issuance or denial of a permit for each permit application. These include time requirements for submitting fingerprints, curing defects on an application, and responding to defect notices. This section also describes consequences for failing to comply with these requirements.

Proposed Section 11773 provides for suspension and revocation of an issued permit on specified grounds and under circumstances where the statutory conditions and subsequent reporting of an arrest warrant action by DLSE on an issued permit. Also, this section provides

that nothing in the administrative permit program regulations limits the authority of any aggrieved person or a prosecuting agency from seeking, or a court from granting, any relief against one representing or providing specified services regulated under the legislation which includes the permit requirement which is the subject of the proposed regulations.

OBJECTIVE AND ANTICIPATED BENEFITS OF THE PROPOSED REGULATIONS

The objective of the regulations is to establish procedures, standards, and criteria necessary for the DLSE to administer the Child Performer Services Permit program in accordance with the statutory requirements provided in Chapter 5 (Child Performer Services Permits) of Part 6 (Licensing) in Division 2 (Employment Regulation and Supervision) of the Labor Code. This chapter contains provisions requiring persons to apply for, and receive, a permit issued by the DLSE prior to engaging in activities related to procuring services for minors. Establishing standardized information regarding the standards, criteria, and processes for issuance of a permit will inform the public of the agency's standard procedures regarding the required permit program and provide for consistent administration of the permit program by the agency. Uniform procedures for submitting the required application and fingerprints under proposed time periods, as specified, will provide for efficient and effective issuance of permits to persons who seek to perform the regulated activities and will further accomplish the objective of the legislation (AB 1660) to enhance the protection of artists who are minors in the entertainment industry.

DETERMINATION OF INCONSISTENCY AND/OR INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

The Labor Commissioner, Chief of the Division of Labor Standards Enforcement, Department of Industrial Relations has determined that this proposed regulation is not inconsistent or incompatible with existing statutes or other regulations. After conducting a review for any regulations that would relate to or affect this area, the Labor Commissioner has concluded that these are the only valid regulations to implement the statutory mandates contained in Chapter 5 (Child Performer Service Permits) of Part 6 (Licensing) in Division 2 (Employment Regulation and Supervision) of the Labor Code.

DUPLICATION OF LABOR CODE PROVISIONS:

The proposed regulations repeat limited parts of various provisions of Labor Code sections 1706, 1706.1, 1706.2, 1706.3, 1706.4, and 1706.5. Duplication is necessary for the purpose of clarity such that the regulations represent comprehensive and consistent description of procedural requirements, standards, and criteria for administering the permit program.

DISCLOSURES REGARDING THE PROPOSED REGULATORY ACTION

The Labor Commissioner 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: No fiscal impact exists because these proposed regulations create rules to conform or carry out provisions in statute, where the cost of compliance is equivalent for both the existing procedures and provisions.

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

Direct cost impacts on housing: None

Cost impacts on a representative private person or business: The Labor Commissioner identifies a filing fee of \$245 which will be incurred by any person who seeks to obtain a permit for the purpose of representing or providing specified services to artists who are minors in the entertainment industry. These individuals are required to obtain a permit from DLSE in order to comply with these regulations which implement the statutory permit requirements set forth in Labor Code 1706 et seq. Permit applicants will also be subject to paying vendors authorized by the Department of Justice to take or scan fingerprints for submission for checking criminal history as required in Labor Code section 1706. DLSE is informed that vendors who provide fingerprint scanning services charge various amounts which generally range between \$20 and \$40 for providing fingerprinting services (this cost is not required for renewal applicants who do not have to submit fingerprints). Since the permit is required for individuals, businesses which utilize more than one individual to provide the regulated activity must ensure that each individual has the required permit. Conversely, a person in a business who does not perform the specified representation services for a minor is not required to obtain the permit.

Effect on Small Business: The proposed regulations may affect small business.

Significant, Statewide Adverse Economic Impact Directly Affecting Business, Including the Ability of

California Businesses to Compete with Businesses in Other States: None.

Summary Results of the Economic Impact Analysis/Assessment

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

Benefits of the Proposed Regulation: Uniform procedures for submitting the required application as required by statute (Labor Code section 1706 et seq.) will provide for efficient and effective issuance of permits to persons who seek to perform the regulated activities and will further enhance the protection of artists who are minors in the entertainment industry.

The agency has determined that the proposed regulatory action will not have a significant impact on business. While the proposed regulations will impact persons who represent or provide specified services to minors in the entertainment industry or enterprises that fall under the permit requirement, the regulatory action primarily implements, clarifies, and standardizes a permit program set by statute and will not significantly increase existing statutory obligations above that which the agency currently requires for permit applicants.

CONSIDERATION OF ALTERNATIVES

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

The agency has initially determined that no alternatives would be more effective in carrying out the purpose that underlies the proposed regulatory action, or would be at least as effective or less burdensome on the regulated public (persons who seek to represent or perform specified services, as defined, with respect to minors working in the entertainment industry or entertainment enterprises), and that would ensure full compliance with the existing statutes regarding permits being

implemented or made specific by the proposed regulations.

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

PUBLIC DISCUSSIONS OF PROPOSED REGULATIONS

A text of draft proposed regulations will be made available for public comment from November 25, 2016 to January 9, 2016 on the Agency's website (<https://www.dir.ca.gov/Rulemaking/DIRProposed.html>), and a public meeting for public comment will be held as noted.

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

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

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

In addition, the Notice, Initial Statement of Reasons, and proposed text of regulations may be accessed and downloaded from the Division's website at www.dir.ca.gov. To access them, click on the "Laws & Regulations" button and follow the link for "Rulemaking — Proposed Regulations". There you will find all of the agencies current rulemaking proceedings. Scroll down the list to find the Child Performer Services Permits rulemaking link.

Any interested person may inspect a copy or direct questions about the proposed regulations and any supplemental information contained in the rulemaking file. The rulemaking file will be available for inspection at the Division of Labor Standards Enforcement, 2031 Howe Avenue, Suite 100, Sacramento, California, between 9:00 a.m. and 4:30 p.m., Monday through Friday, unless the state office is closed for a state holiday. Copies of the proposed regulations, initial statement of reasons and any information contained in the rulemaking file may be requested in writing to the contact person.

CONTACT PERSON

Nonsubstantive inquiries concerning this action, such as requests to be added to the mailing list for rule-making notices, requests for copies of the text of the proposed regulations, the Initial Statement of Reasons, and any supplemental information contained in the rulemaking file may be requested in writing at the same address. The contact person is:

Jennifer Stevens, Legislative Analyst and
Regulations Coordinator
Department of Industrial Relations
Division of Labor Standards Enforcement,
Legal Unit
2031 Howe Avenue, Suite 100
Sacramento, CA 95825
E-mail: jstevens@dir.ca.gov

The telephone number of the contact person is (916) 263-1563.

CONTACT PERSON FOR
SUBSTANTIVE QUESTIONS

In the event the contact person is unavailable, or to obtain responses to questions regarding the substance of the proposed regulations, inquiries should be directed to the following backup contact person:

Robert N. Villalovos, Industrial Relations
Counsel IV
Department of Industrial Relations
Division of Labor Standards Enforcement,
Legal Unit
2031 Howe Avenue, Suite 100
Sacramento, CA 95825
E-mail: rvillalovos@dir.ca.gov

The telephone number of the backup contact persons is (916) 928-3117.

AVAILABILITY OF CHANGES FOLLOWING
PUBLIC HEARING

If the Labor Commissioner makes changes to the proposed regulations as a result of the public hearing and public comment received, the modified text with changes clearly indicated will be made available for public comment for at least 15 days prior to the date on which the regulations are adopted.

AVAILABILITY OF THE FINAL STATEMENT
OF REASONS

Upon its completion, the final Statement of Reasons will be available and copies may be requested from the contact person named in this notice or may be accessed on the Division's website at www.dir.ca.gov.

AUTOMATIC MAILING

A copy of this Notice, the Initial Statement of Reasons, and the text of the regulations, will automatically be sent to those interested persons on the DLSE's mailing list.

If adopted, the regulations as amended will appear in title 8, California Code of Regulations, commencing with section 11770. The text of the final regulations will also be available through the website of the Office of Administrative Law at www.oal.ca.gov.

TITLE 11. DEPARTMENT OF JUSTICE

Notice is hereby given that the Department of Justice (Department) proposes to adopt sections 2080; 2081; 2082; 2083; 2084; 2085; 2086; 2087; 2088; 2089; 2090; 2091; 2092; 2093; 2094; 2095; 2096; 2097; 2098; 2099; 2100; 2101; 2102; 2103; 2104; 2105; 2106; 2107; 2108; 2109; 2120, 2130; 2131; 2132; and, 2133 of Title 11, Division 3, Chapter 1, Article 8, of the California Code of Regulations (CCR) after considering all comments, objections, and recommendations regarding the proposed action. The proposed regulatory text is concerning the implementation of the Major League Sports Raffle Program, as authorized by Senate Bill (SB) 549 (Chapter 509, Statutes of 2015), effective January 1, 2016. SB 549 added section 320.6 to the Penal Code, authorizing major league sports raffles at a home game conducted by an eligible organization, as defined. Subdivision (o)(7) of section 320.6 of the Penal Code authorizes the Department to promulgate by June 1, 2016, regulations necessary to effectuate the statute, including emergency regulations, pursuant to the Administrative Procedures Act. The Bureau proposes changes to the text of the emergency regulations; however, all text should be considered new and subject to public comment as part of this formal rulemaking.

PUBLIC HEARING

Unless specifically requested, the Department will not hold a public hearing to provide all interested persons an opportunity to present statements or arguments, either orally or in writing, with respect to the proposed regulations. However, the public may request a hearing be held. The deadline to receive a written request for a

public hearing is no later than 15 days prior to the close of the written comment period which is January 9, 2017.

WRITTEN COMMENT PERIOD

Any interested party, or his or her duly authorized representative, may submit written comments relevant to the proposed regulatory action to the contact person(s) listed below. The written comment period closes on January 9, 2017 at 5:00 p.m. Only written comments received by that time shall be reviewed and considered by the Department before it adopts, amends, or repeals a regulation.

Susanne George, Regulations Coordinator
California Department of Justice
Bureau of Gambling Control
P.O. Box 168024
Sacramento, CA 95816-8024
916-227-3584

AUTHORITY AND REFERENCE

Authority: Penal Code section 320.6.

Reference: Subdivision (f) of section 19 of article IV of the California Constitution; Penal Code sections 320.5 and 320.6.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

SB 549 added section 320.6 to the Penal Code, authorizing major league sports raffles at a home game conducted by an eligible organization, as defined, where 50% of the gross receipts generated from the sale of raffle tickets are used to benefit or provide support for beneficial or charitable purposes, as defined, the other 50% is paid to the winner, and the winners of the prizes are determined by a manual draw, as specified. Eligible organizations are required to register annually with the Department, and annually file information for each of the eligible organization's last three fiscal years. Authority is vested in the Department to register eligible organizations that wish to conduct a raffle authorized under this statute. The statute prohibits an eligible organization from conducting a raffle, and a manufacturer or distributor of raffle-related products or services from conducting business with an eligible organization for purposes of conducting a raffle pursuant to these provisions, without first having obtained and thereafter maintain a registration from the Department, as specified. Once registered, the statute requires an eligible organization to file annually thereafter with the Depart-

ment a report that includes specified information for each of the eligible organization's last three fiscal years, and requires the Department to make those reports available online, as provided. The statute will sunset on December 31, 2018.

The California Constitution authorizes the Legislature to permit private, nonprofit, eligible organizations to conduct traditional raffles as a funding mechanism to support beneficial and charitable works, if, among other conditions, at least 90% of the gross receipts from the raffle go directly to beneficial or charitable purposes in California. The California Constitution further authorizes the Legislature to amend the percentage of gross receipts required to be dedicated to beneficial or charitable purposes by a statute passed by a two-thirds vote of each house of the Legislature. And existing statutory law implements those provisions and requires the Department to administer and enforce those provisions. Traditional raffles pursuant to this structure are currently administered by the Attorney General's Registry of Charitable Trusts.

Although the Registry of Charitable Trusts administers the registration and oversight of traditional raffles, it was determined that the duties associated with implementation of SB 549 would be tasked to the Bureau of Gambling Control within the Division of Law Enforcement. Therefore, the Bureau of Gambling Control is initiating this rulemaking.

These regulations implement the provisions of SB 549. The regulations include: definitions; eligible organization registration; duties of a fiduciary of an eligible organization; raffle registration; affiliated person registration; manufacturers and distributors of raffle-related products registration; operation of raffles; winner determination; minimum age; electronic raffle ticket sales; information to be listed on tickets; electronic raffle equipment standards; electronic accounting and reporting; house rules; records, reports, and retention; accountability and the lawful use of proceeds; advertising; and, annual financial reporting.

The objective of these regulations, as detailed below, is to enact a proper regulatory and administrative program for the implementation of major league sports event raffles, as mandated by SB 549, including a registration program for eligible organizations, affiliated persons of eligible organizations, and manufacturers and distributors of raffle-related products or services, identifying fees associated with registration types, and new forms related to this program.

It is anticipated that establishing and implementing these permanent regulations will formalize a regulatory framework that will be adequate to ensure the registration of eligible organizations, secure the operation of productive raffles at major league sports events, and the

provision of vital resources to recipient nonprofits serving the constituents of California.

Article 8. Major League Sports Raffle Program

§ 2080 Title and Scope

This section establishes the article's title and scope. It references the authorizing statute that requires these regulations to be promulgated by the Department. It declares the scope of the regulations by naming the person(s) that are subject to them. It provides that the Bureau of Gambling Control (Bureau) within the Department will carry out the registration, auditing, oversight, and enforcement functions prescribed in the regulations. Finally, this section provides a title for ease of reference by the Bureau and the regulated community.

§ 2081 Definitions

This section establishes the definitions that apply to the article. Definitions are necessary to provide scope of the persons or organizations subject to the regulations; identify the scope of the program; define terms of art associated with aspects of this program which differ from similarly used terms; define terms that are not defined in statute, but, are nonetheless required in order to define and implement this new program; and, to provide context to types of roles of persons who perform functions associated with the conduct of this new type of raffle in the state.

Subdivision (a) defines the term "affiliated person." This definition is necessary to identify the titles of the positions of the persons who are included in that term.

Subdivision (b) defines the term "affiliated sports team." This definition is necessary to identify the specified sports organizations whose nonprofit organizations established by or affiliated with these sports organizations could apply for registration with the Bureau.

Subdivision (c) defines the term "affiliated association." This definition is necessary to identify the specified sports associations whose nonprofit organizations established by or affiliated with these sports associations could apply for registration with the Bureau.

Subdivision (d) defines the term "annual" or "annually." This definition is necessary to provide context to the term of registrations pursuant to this regulatory proposal.

Subdivision (e) defines the term "approval." This definition is necessary to provide clarity to the use of the word "approval" that appears five times in section 2132 of these regulations. This definition is also necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless required in order to define and implement this new program.

Subdivision (f) defines the term "Bureau." This definition is necessary to identify the entity within the Department of Justice whose responsibility is vested with

the authority and responsibilities related to Penal Code section 320.6.

Subdivision (g) defines the term "calendar year." This definition is necessary to provide context to the term of registrations pursuant to this regulatory proposal. This definition is also necessary to ensure that all approvals issued pursuant to this regulatory proposal have a consistent termination.

Subdivision (h) defines the term "counterfoil." This definition is necessary to differentiate between the ticket sold and provided to the purchaser from the matching ticket that is generated which, together with other generated tickets, is placed into a container for possible selection during the manual draw.

Subdivision (i) defines the term "count and reconciliation team." This definition is necessary to define those persons who are responsible for receiving cash and credit transaction information from the ticket sellers, performing a tabulation of these transactions, and reconciling this information with the number of tickets sold.

Subdivision (j) is new text and defines the "Department of Justice's Major League Sports Raffle Program" or the "Major League Sports Raffle Program." This definition is necessary to define and provide the scope of this program administered by the Department of Justice.

Subdivision (k) is relettered from subdivision (j) and defines the term "direct seller." This definition is necessary to provide context to the term that is only partially defined in statute as well as the specific role associated with the term.

Subdivision (l) is relettered from subdivision (k) and defines the term "draw number." This definition is necessary because it is a commonly used term in the operation of raffles.

Subdivision (m) is relettered from subdivision (l) and defines the term "electronic raffle system." This definition is necessary as a commonly used term in the operation of raffles.

Subdivision (n) defines the term "eligible organization." This definition was amended to better reflect the scope of the term as outlined throughout Penal Code section 320.6, and includes additional language providing that the eligible organization be registered and current with the Attorney General's Registry of Charitable Trusts throughout the registration period. This definition is necessary to define a term of art associated with this program which differs from a similarly used term in other programs.

Subdivision (o) is relettered from subdivision (m) and defines the term "eligible recipient organization." This definition was amended with additional language providing that an eligible recipient organization be reg-

istered and current with the California Attorney General's Registry of Charitable Trusts at the time of the registered event registration. This definition is necessary because statute provides that an organization benefiting from the conduct of raffles can be an organization other than the eligible organization conducting the raffle. This amendment is necessary to ensure that eligible organizations and potential recipient eligible organizations are aware of the requirement for registration with the Registry of Charitable Trust and current status as a threshold for registration under this program.

Subdivision (p) is relettered from subdivision (o) and defines the term "fee." This definition was amended to better reflect the Department's authority to assess and collect a fee, pursuant to Penal Code section 320.6. This definition is necessary to define the term.

Subdivision (q) is relettered from subdivision (p) and defines the term "fiduciary." This definition is necessary to provide a title to the role of the person designated by the eligible organization to perform functions on its behalf under these regulations.

Subdivision (r) is relettered from subdivision (q) and defines the term "home game." This definition is amended to include the game commonly known as the "All Star Game" if held at a venue where an affiliated sports team plays the majority of its scheduled games. This definition is necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless required in order to define and implement this new program, as well as provide scope to the term in its application.

Subdivision (s) is relettered from subdivision (r) and defines the term "independent gaming test laboratory." This definition is necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless required in order to define and implement this new program.

Subdivision (t) is relettered from subdivision (s) and defines the term "manual draw." This definition is necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless required in order to define and implement this new program. This definition is also necessary because it is a commonly used term in the operation of raffles.

Subdivision (u) is relettered from subdivision (t) and defines the term "manual draw supervisor." This definition is necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless required in order to define and implement this new program.

Subdivision (v) is relettered from subdivision (u) and defines the term "person." This definition is necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless required in order to define and implement this new program.

Subdivision (w) is relettered from subdivision (v) and defines the term "prize." This definition is necessary to define a term associated with this program, but, which differs from a similarly used term in other programs.

Subdivision (x) is relettered from subdivision (w) and defines the term "raffle." This definition is necessary to define a term associated specifically with this program and according to statute which differs from how it is used in other statutes or programs.

Subdivision (y) is relettered from subdivision (x) and defines the term "raffle draw number." This definition is necessary as a commonly used term in the operation of raffles.

Subdivision (z) is relettered from subdivision (y) and defines the term "raffle player." This definition is necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless required in order to define and implement this new program.

Subdivision (aa) is relettered from subdivision (z) and defines the term "raffle-related products and services." This definition is necessary to define a term associated specifically with this program and according to statute which differs from how it is used in other statutes or programs.

Subdivision (ab) is relettered from subdivision (aa) and defines the term "raffle sales unit" or "electronic raffle ticket sales device." This definition is necessary as a commonly used term in the operation of raffles.

Subdivision (ac) is relettered from subdivision (ab) and defines the term "raffle ticket." This definition is necessary as a commonly used term in the operation of raffles.

Subdivision (ad) is relettered from subdivision (ac) and defines the term "registered event." This definition is necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless required in order to define and implement this new program.

Subdivision (ae) is relettered from subdivision (ad) and defines the term "registrant." This definition is amended to include a person that has filed an application to be registered in the Major League Sports Raffle Program. This definition is necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless required in order to define and implement this new program.

Subdivision (af) is new text and defines the term "registration application" or "registration four." This definition is necessary to define the document required for submission for registration.

Subdivision (ag) is relettered from subdivision (ae) and defines the term "unpaid volunteer." This definition is necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless re-

quired in order to define and implement this new program.

Subdivision (ah) is relettered from subdivision (af) and defines the term “venue.” This definition is necessary to define a term that is not specifically defined in the operative statute, but, is nonetheless required in order to define and implement this new program.

§ 2082 Delegation of Authority

This section provides that any power or authority granted to the Department and described in the applicable Penal Code section may be exercised by the Bureau of Gambling Control.

§ 2083 Major League Sports Raffle Program

This section identifies that the article is not applicable to entities not authorized by statute to conduct a raffle as defined. This section is necessary to clarify who is not eligible to conduct a raffle under these regulations to deter applications from ineligible persons.

§ 2084 Forms

This section identifies and incorporates by reference the forms specified in the article. This section is necessary to identify the name and number of each form associated with registration in the Major League Sports Raffle Program, and for the documentation of pre-raffle activities.

Subdivision (a) incorporates by reference the form entitled “Major League Sports Raffle Eligible Organization Registration Form (BGC 200; Rev. 08/2016),” which is used for an applicant to request registration as an eligible organization. This form is revised from the original version with minor formatting changes.

Subdivision (b) incorporates by reference the form entitled, “Major League Sports Raffle Unpaid Volunteer or Individual Affiliated Person — Annual Registration Form (BGC 201; Rev. 08/2016),” which is used for a person to apply for registration as an affiliated person. This form is revised from the original version with minor formatting changes.

Subdivision (c) incorporates by reference the form entitled “Major League Sports Raffle Manufacturer and Distributor of Products or Services Annual Registration Form (BGC 202; Rev. 08/2016),” which is used for the registration of a manufacturer or distributor of raffle-related products or services. This form is revised from the original version with minor formatting changes.

Subdivision (d) incorporates by reference the form entitled “Major League Sports Raffle Affiliated Person Annual Registration Form (BGC 203; Rev. 08/2016),” which is used for an eligible organization to apply for its employee(s) or volunteer(s) for registration as an affiliated person. This form is revised from the original version with minor formatting changes.

Subdivision (e) incorporates by reference the form entitled “Major League Sports Raffle Eligible Organization Annual Report (BGC 204; Rev. 08/2016),” which is used for an eligible organization to document the financial information requested pursuant to statute. This form is revised from the original version with minor formatting changes.

Subdivision (f) incorporates by reference the form entitled “Major League Sports Raffle Eligible Organization Registered Event Registration Form (BGC 205; Rev. 08/2016),” which is used for an eligible organization to register a raffle. This form is revised from the original version with minor formatting changes.

Subdivision (g) incorporates by reference the form entitled “Major League Sports Raffle Eligible Organization — Equipment Registration Form (BGC 206; Rev. 08/2016),” which is used for an eligible organization to register the equipment used in the sale and distribution of raffle tickets, pursuant to statute. This form is revised from the original version with minor formatting changes.

Subdivision (h) incorporates by reference the form entitled “Major League Sports Raffle Electronic Raffle System and Equipment Checklist and Test Draw (BGC 207; Orig. 01/2016),” which is used for an eligible organization to document its pre-raffle sales activities, to ensure that any electronic raffle system components are in proper working order prior to any electronic raffle ticket sales.

§ 2085 Major League Sports Raffle Program Records

This section requires the Bureau to maintain applications and reports it receives. This section is necessary to comply with Penal Code section 320.6, subdivision (o)(12)(C). This section requires the Bureau to make the reports submitted pursuant to Penal Code section 320.6, subdivision (o)(12)(A)(i)–(xv), available on the Attorney General’s Registry of Charitable Trusts.

§ 2086 Eligible Organization Registration

This section establishes the method an eligible organization must use to register under this article. This section is necessary to provide a process by which an eligible organization can apply for registration.

Subdivision (a) provides that the Bureau may issue a registration to an eligible organization.

Subdivision (b) requires that an eligible organization register annually prior to conducting a raffle.

Subdivision (c) requires an eligible organization to submit a Major League Sports Raffle Eligible Organization Registration Form (BGC 200; Rev. 08/2016) and a non-refundable registration fee. This form is revised from the original version with minor formatting changes.

§ 2087 Registrant Disclosure, Requests by Bureau, and Access by Bureau

The title of this section is amended by adding “Requests by Bureau.” New text for subdivision (b) is added to require registrants to furnish all information, documents, and other records requested by the Bureau related to the registrant’s participation in the Major League Sports Raffle Program. These amendments are necessary to allow the Bureau to fulfill its duties under the Major League Sports Program. Former subdivisions (b) and (c) are renumbered accordingly. This section requires each registrant to make true and complete disclosures of all information, documents and other records requested by the Bureau, and provides that the Bureau shall have access to the venue, records, and equipment. This section is necessary in order to provide notice to the regulated community the expectation for applications tendered to the Bureau contain true and complete information and for Bureau access to the venue, records, and equipment used to conduct raffles.

§ 2088 Fiduciary of Eligible Organization — Duties

This section identifies the responsibilities of a fiduciary, as defined. These requirements are necessary to ensure not only that registered events are conducted with integrity, but also that the eligible organization has designated at least one person with overall responsibility for ensuring compliance with applicable statutes, regulations, and administration requirements.

Subdivision (a) requires the fiduciary to ensure full accountability of all raffle assets.

Subdivision (b) requires the fiduciary to ensure that the raffle is conducted in accordance with pertinent laws, regulations, and established rules.

Subdivision (c) requires the fiduciary to ensure all records related to the registered event are current and accurate.

Subdivision (d) requires the fiduciary to be responsible for reviewing all reports and correspondence to and from the Bureau.

Subdivision (e) requires the fiduciary to sign and ensure that financial statements from the registered event are maintained by the eligible organization and submitted to the Bureau.

Subdivision (f) requires the fiduciary to respond in writing to violation notices.

Subdivision (g) requires the fiduciary to ensure that direct sellers are holders of a valid registration issued by the Bureau.

Subdivision (h) requires the fiduciary to ensure that all affiliated persons are trained to carry out the duties assigned to them; can operate any equipment necessary to conduct their duties; and, are fully informed of all

pertinent statutes and regulations associated with the Major League Sports Raffle Program.

Subdivision (i) requires the fiduciary to ensure that the electronic raffle system and all other equipment used to conduct a raffle is properly maintained, functions properly, and complies with the regulatory proposal.

Subdivision (j) requires the fiduciary to ensure that the manual draw is conducted in compliance with the regulatory proposal.

Subdivision (k) requires the fiduciary to designate him/herself or another affiliated person as the draw supervisor.

Subdivision (l) requires the fiduciary to ensure that the gross receipts are tallied and the prize amount announced prior to the manual draw.

Subdivision (m) requires the fiduciary to ensure that a registered event is conducted in the best interests of the public’s health, safety, and general welfare.

§ 2089 Raffle Registration; Registered Event

This section establishes the method for registration of a raffle as required by Penal Code section 320.6, subdivision (o). This section is necessary to effectuate raffle registration mandated by statute.

Subdivision (a) requires an eligible organization to apply for registration of each raffle it plans to conduct.

Subdivision (b) provides that the Bureau may issue a registration for a single raffle or multiple raffles, so long as each raffle will take place on a definite schedule during the calendar year of the eligible organization’s registration.

Subdivision (c) provides that no more than one raffle drawing shall be conducted during a registered event.

Subdivision (d) provides the manner for which an eligible organization is to apply for registration of raffles, including submission of the Major League Sports Raffle Eligible Organization Registered Event Registration Form (BGC 205; Rev. 08/2016) and remittance of required fee per registered event. This form is revised from the original version with minor formatting changes.

Subdivision (e) requires the eligible organization to submit a map detailing the location of any family section at the venue; location(s) where direct sellers and affiliated–person attended kiosks will be located; location where count and reconciliation functions will be performed; and the location where the manual draw will be conducted.

Subdivision (f) provides that the Bureau shall not register a raffle scheduled to encompass more than one calendar day.

Subdivision (g) is added to this section and requires an eligible organization to identify the entity, either it-

self or a recipient eligible organization, no later than fourteen days before a registered event. This section is necessary to accommodate instances where the eligible organization has decided that the raffle it wishes to conduct will specifically benefit a recipient eligible organization and to meet the statutory requirement that purchasers know which organization is benefitting from the event.

§ 2090 Raffle Registration; Registered Event; Post–Season Play

This section establishes the method used to register a raffle for post–season play. This section is necessary to effectuate raffle registration mandated by statute for those events that fall outside of the regular season.

This section requires an eligible organization to register a raffle it plans to conduct during post–season at least 24 hours prior to holding the raffle.

Subdivisions (a) and (b) provide the manner for which an eligible organization is to apply for registration of raffles, including submission of the Major League Sports Raffle Eligible Organization Registered Event Registration Form (BGC 205; Rev. 08/2016) and remittance of required fee per registered event. This form is revised from the original version with minor formatting changes.

§ 2091 Equipment Registration

This section establishes the method for an eligible organization to register the equipment used in the sale and distribution of raffle tickets. This section is necessary to effectuate equipment registration mandated by statute.

Subdivision (a) requires an eligible organization to register with the Bureau any equipment used in the sale and distribution of raffle tickets; and, proscribes the submission of Major League Sports Raffle Eligible Organization — Equipment Registration Form (BGC 206; Rev. 08/2016). This form is revised from the original version with minor formatting changes.

Subdivision (b) requires submission of a certificate of testing issued within the last 12 months for equipment being registered.

§ 2092 Affiliated Person Registration

This section establishes the method for an affiliated person, as defined, to register under this article. This section is necessary to effectuate equipment registration mandated by statute.

Subdivision (a) requires an affiliated person be registered annually with the Bureau. To apply for registration an applicant must be at least 18 years of age; be an affiliated person; submit Major League Sports Raffle Affiliated Person Annual Registration Form (BGC 203; Rev. 08/2016); or if a volunteer or individual employee submit Major League Sports Raffle Unpaid Volunteer or Single Employee — Affiliated Person Annual Registration Form (BGC 201; Rev. 08/2016); and, remit the

required fee. These forms are revised from the original version with minor formatting changes.

Subdivision (b) provides that an eligible organization may have other eligibility requirements of its affiliated persons.

§ 2093 Affiliated Person Training

This section requires affiliated persons to be trained, and to be familiar with the rules governing the raffle program, prior to conducting a raffle. This section also requires eligible organizations to maintain a record of training provided to every affiliated person.

Subdivision (a) requires every affiliated person to be trained to effectively operate the equipment assigned to him or her to operate. It also requires an eligible organization to maintain records of affiliated person training.

Subdivision (b) requires that every affiliated person receive a copy of the regulations and be familiar with their content prior to serving at his or her first registered event.

§ 2094 Affiliated Person Identification

This section as amended requires every affiliated person working at the venue of a registered event to specifically display on their person an identification card provided by the eligible organization conducting the raffle. This section is also amended to require the eligible organization to obtain annually from an affiliated person a copy of an unexpired government–issued identification evidencing nationality or residence and bearing a photograph or similar safeguard, and maintain the copy of the identification obtained in the affiliated person’s file for three years. This amendment is necessary to ensure that eligible organizations are obtaining and maintaining proof of identification for its affiliated persons, in order to prevent identity fraud. This section is necessary to ensure that only persons vetted and registered by the Bureau are working the events. Identification will also provide assurance to the general public that the persons conducting the event have been registered by the Bureau.

§ 2095 Manufacturers and Distributors of Raffle–Related Products or Services; Registration

This section establishes the method for the registration of a manufacturer or distributor of raffle–related products and services, as defined, and required by Penal Code section 320.6, subdivision (o). This section is necessary to effectuate manufacturers and distributors of raffle–related products or services registration mandated by statute. This section also includes the requirement of the registrant to submit the appropriate form, Major League Sports Raffle Manufacturer and Distributor of Products or Services Annual Registration Form (BGC 202; Rev. 08/2016), and submit a nonrefundable fee. This form is revised from the original version with minor formatting changes.

§ 2096 Registered Event; Ticket Sales

This section establishes the method for conducting a raffle and ticket sales. This section is necessary to establish the methods to be used for the sale of raffle tickets and to define the parameters of ticket sales in order to protect the integrity of any raffle.

Subdivision (a) prohibits more than one raffle per registered event.

Subdivision (b) provides that raffle tickets can only be sold during a home game.

Subdivision (c) prohibits the sale of raffle tickets in any seating area designated as a family section.

Subdivision (d) provides that raffle tickets may only be sold in areas within the home game venue where a ticket is required for entry.

Subdivision (e) prohibits the pre-sale printing of electronically generated raffle tickets.

Subdivision (f) prohibits the advanced sale of raffle tickets.

Subdivision (g) prohibits an eligible organization from changing the price of raffle tickets once raffle ticket sales at a registered event have commenced. This subdivision also provides for the sale of raffle tickets at different price points and requires an accounting to document sales at each price point.

Subdivision (h) provides that all raffle ticket draw numbers be unique and not duplicated in a registered event.

Subdivision (i) provides that each raffle ticket number purchased represents one entry in the drawing of the winner. This subdivision also requires that the equipment used to conduct raffles and the method of play shall ensure that each raffle ticket sold has an equal opportunity to be selected as the winning ticket.

Subdivision (j) requires that one counterfoil shall be drawn from a pool of all of counterfoils generated at a registered event to determine the winner.

Subdivision (k) requires that the sale of raffle tickets be conducted by an affiliated person.

Subdivision (l) provides that a raffle player may purchase more than one raffle ticket at a time.

Subdivision (m) provides for the methods of payments for raffle ticket purchases. This subdivision also prohibits the use of electronic benefit cards or public assistance funds to purchase raffle tickets.

Subdivision (n) prohibits the transfer or assignment of a raffle ticket from the purchaser to any other person.

Subdivision (o) provides that raffle ticket sales are final and prohibits refunds.

Subdivision (p) prohibits persons affiliated with an eligible organization, affiliated sports team or association, eligible recipient organization, or manufacturer or distributor of raffle-related products or services, including any affiliated person, employee or agent or his

or her immediate family from purchasing raffle tickets or receiving a raffle prize.

Subdivision (q) provides that raffle ticket sales can commence no sooner than when ticket holders for the live home game event are permitted entrance and shall conclude with the announcement of the winning draw number. This subdivision also provides for the delayed completion of a registered event postponed due to weather delay, power outage, emergency, or other reasonably unforeseen event.

Subdivision (r) requires that the eligible organization have on site of a registered event either the fiduciary listed on its registration application or one designated affiliated person within its organization to oversee the event.

Subdivision (s) requires the eligible organization to have a sufficient number of affiliated persons, including supervisors or managers, on site prior to, throughout, and to the conclusion of the registered event to competently fulfill the functions of raffle ticket sales, count and reconciliation, and raffle system management functions.

Subdivision (t) requires that reconciliation of monetary and ticket transactions be conducted in a secure location and under constant security and surveillance at the venue.

Subdivision (u) prohibits the defrayment of costs from revenues generated from the sale of raffle tickets.

Subdivision (v) provides that the total prize amount shall be one half of the gross proceeds collected from the sale of raffle tickets.

Subdivision (w) provides that all proceeds collected from the sale of raffle tickets that are not distributed as a prize shall be used to benefit the eligible organization or eligible recipient organization identified at the time of event registration.

Subdivision (x) requires the raffle rules established by the eligible organization specify when the raffle is to occur.

Subdivision (y) requires the raffle rules and every ticket sold include the name and phone number of the individual in charge of the registered event. This subdivision also requires the raffle rules provide each raffle player a method of verifying the winning draw number.

Subdivision (z) is relettered from (ab). This subdivision requires every eligible organization to establish and publish the duration of time when raffle tickets will be sold, including sufficient time for the completion of count and reconciliation functions, eligible counterfoil verification, and winning counterfoil and raffle ticket verification procedures following the manual draw.

Subdivision (aa) is relettered from (ac). This subdivision requires an eligible organization to limit moneys carried by direct sellers to \$1,000 in cash.

Subdivision (ab) is relettered from (ad). This subdivision requires an eligible organization to ensure that there are security measures in place to protect health, safety, and welfare of raffle players and affiliated persons. This subdivision also requires security at the following locations: where raffle sales are conducted; routes to and from where raffle ticket sales occur to area where count and reconciliation functions occur; the area where the raffle system management functions and distribution of raffle sales units occurs; and, the location where counterfoil tickets are printed and deposited into the counterfoil container for the manual draw.

Subdivision (ac) is relettered from (ae). This subdivision requires an eligible organization to ensure that every affiliated person possess sufficient training, knowledge, and experience to carry out his or her assigned duties.

Subdivision (ad) is relettered from (af). This subdivision requires an eligible organization, affiliated person, and any other person or entity required to be registered by these regulations to report any conduct, activity, or incident that occurs that may be contrary to statute, these regulations, or that may affect the integrity of any registered event to the Bureau's Criminal Intelligence Unit, at the contact information specified.

§ 2097 Winner Determination

This section establishes the method for determining the raffle winner. This section is necessary to establish the methods to be used for the determination of a winner drawn from the sale of raffle tickets at a registered event in order to protect the integrity of any raffle.

Subdivision (a) provides that once verified, a registered event shall have only one winning raffle ticket.

Subdivision (b) provides that the raffle winner need not be present to win.

Subdivision (c) requires that the gross receipts from the registered event must be tallied prior to the conduct of the manual draw.

Subdivision (d) requires the eligible organization to use procedures that ensure every counterfoil generated has an equal chance of being selected during the manual draw.

Subdivision (e) prohibits the conduct of a manual draw without the fiduciary or manual draw supervisor present. This subdivision also requires the manual draw to be conducted at an authorized location and be video recorded; the intermixing of the counterfoils in the container prior to the manual draw; and, that the video recording of the manual draw be maintained as part of the records of the event.

Subdivision (f) requires that the counterfoil selected as the winner be verified as having been sold at that registered event.

Subdivision (g) prohibits voided tickets from being eligible for selection as the winning ticket.

Subdivision (h) requires that the winning ticket be presented to the fiduciary or manual draw supervisor for validation.

Subdivision (i) requires an eligible organization to collect appropriate identification and provide appropriate tax reporting documentation.

Subdivision (j) requires an eligible organization to comply with tax holding requirements established by federal or state tax agencies and any reporting requirements on monetary transactions imposed by law.

Subdivision (k) requires an eligible organization to post the winning ticket number on its website and that of the affiliated sports team or association and is amended to require that the posting of information be made within 48 hours after the manual draw for the registered event.

Subdivision (l) is moved from subdivision (k) and requires that the raffle winner present the actual, purchased raffle ticket in order to redeem the prize. This subdivision is amended to require that the redemption of the prize be made within 30 days of the event. This amendment is necessary because eligible organizations currently conducting registered events posed questions to the Bureau as to the maximum timeframe for which the redemption of a prize is to occur.

Subdivision (m) contains new text and provides that any raffle prize unclaimed by a winner within the 30-day redemption period may be used as provided in Penal Code section 320.6, subdivision (d)(4)(A) by the eligible organization provided the time for redemption of the prize has expired. This subdivision is necessary because it clarifies that an eligible organization may donate unclaimed prizes to support another private, non-profit eligible organization at any time after the prize redemption period has expired and does not have to wait until the end of the season.

§ 2098 Minimum Age of Raffle Players

This section addresses the minimum age of raffle players and the responsibility of an eligible organization to ask for and be provided a valid, government-issued identification of the ticket purchaser. This section is necessary to ensure that underage persons are not purchasing raffle tickets.

Subdivision (a) requires that raffle tickets be sold only to persons 18 years of age or older.

Subdivision (b) provides that it is the responsibility of the eligible organization to ensure that raffle ticket sellers ask for and are provided a valid government-issued identification to ensure age verification.

§ 2099 Electronic Raffle System

This section addresses the use of electronic raffle systems. This section is necessary to establish parameters for the use of electronic raffle systems.

Subdivision (a) provides that an electronic raffle system may be used to sell tickets and conduct the raffle pursuant to these regulations.

Subdivision (b) requires that an electronic raffle system comply with system standards established in section 2101.

Subdivision (c) provides that raffle tickets generated by an electronic raffle system can only be sold to a raffle player by an affiliated person.

Subdivision (d) provides that an eligible organization may use a portable or wireless raffle sales unit to sell raffle tickets.

Subdivision (e) requires that electronic raffle systems may only be used by an affiliated person.

§ 2100 Raffle Tickets — Limitations; Requirements; Information To Be Listed On Raffle Tickets

This section addresses the information required to be included on raffle tickets and limitations related to raffle tickets. This section is necessary to provide parameters and consistency for raffle tickets and provides guidelines for information required to be on each raffle ticket sold.

Subdivision (a) provides that a player is not required to buy more than one ticket or to pay for anything more than the raffle ticket price to enter the raffle.

Subdivision (b) requires that the sale of a raffle ticket be recorded as a receipt that is given to the purchaser containing the information required in this regulation and that a corresponding counterfoil be printed or detached and deposited into a container with all other counterfoils generated during the registered event.

Subdivision (c) prohibits an eligible organization from printing any word or phrase on promotional material or advertising that indicates the purchase of raffle tickets is a charitable donation.

Subdivision (d) requires all raffle tickets to be sold at the same price or pursuant to uniform discounted pricing structure. This section also prohibits an eligible organization from changing the price of raffle tickets once the sale of raffle tickets at a registered event has commenced.

Subdivision (e)(1)–(8) is a list of information that is required to be printed on each raffle ticket, including the following: the name of the eligible organization conducting the raffle; the Bureau-issued identification number for the registered event; the location, date, and time of the raffle; the unique number of the raffle ticket; the name of the eligible recipient organization, if different than the eligible organization; the contact informa-

tion for the eligible organization conducting the raffle and a notice to the purchaser that ticket holders need not be present at the time of the manual draw to win; responsible gambling information; and, the time limit for the player to claim the prize, as provided in Penal Code section 320.6. Subdivision (f)(1)–(4) provides that an eligible organization may use non-electronic two-part, admission style raffle tickets, provided that each ticket must contain all of the information from subdivision (e) of this section; the tickets must be consecutively numbered; the registered event is conducted pursuant to these regulations; and the raffle tickets are sold to a purchaser only by an affiliated person.

§ 2101 Electronic Raffle Equipment Standards

This section addresses electronic raffle system standards. This section is necessary to provide standards by which an eligible organization can have any electronic, raffle-related equipment certified, as required by statute.

This section specifies that an electronic raffle system must be certified by an independent gaming test lab, as defined, and provides a benchmark standard — GLI-31.

§ 2102 Accounting and Reporting

This section addresses accounting and reporting requirements. This section is necessary to ensure that an eligible organization maintains stringent control and documentation of the moneys generated from the conduct of raffles in order to protect the integrity of events.

Subdivision (a) provides that the Bureau may audit the raffle records of an eligible organization at any time.

Subdivision (b) requires an eligible organization to follow the electronic raffle system reporting requirements no less stringent than the current version of GLI-31.

Subdivision (c)(1)–(11) requires an eligible organization to generate within five calendar days of conducting a registered event a report that contains all of the following: date and time of event; raffle ticket sales information, including the total number of tickets sold and money generated; direct seller information; the time the sales began and ended; the raffle draw numbers-in-play; the prize winning raffle draw number; the total prize amount; the status of the prize claim; identification of the prize winner; a sample raffle ticket for the registered event; and, the number of voided raffle tickets.

Subdivision (d) requires an eligible organization to maintain a copy of the report required in (c) as part of the record for the registered event.

Subdivision (e) requires an eligible organization to provide within 72 hours of the Bureau's request the following reports: exception report; raffle bearer ticket report; sales by raffle sales unit; voided draw number re-

port; raffle sales unit event log; raffle sales unit corruption log; raffle seller report; and any other report listed in the Electronic Accounting and Reporting Section of GLI-31 but not listed in the subdivision.

§ 2103 Raffle Rules

This section provides the minimum requirements for raffle rules, and requires raffle rules to be established and posted at specified locations. This section is necessary to provide guidelines for an eligible organization to develop and implement raffle rules in order to ensure consistency and protect the integrity of raffles.

Subdivision (a) requires an eligible organization to post its raffle rules at kiosk locations and on the eligible organization's website.

Subdivision (b)(1)–(16) provides guidelines for the content and context of the raffle rules, including: the eligible organization's name; the Bureau-issued registration number for the eligible organization; the price of raffle tickets, including price points for volume discount rates; the method by which the prize winner is determined; the manner for claiming the prize; the contingency plan for delayed conduction of an event; the alternative prize distribution if a winner fails to claim a prize; eligibility information for raffle players; eligibility information for a prize recipient; prize restriction; identification of locations where raffle tickets may be purchased; any disclaimers; publicity release; choice of law and jurisdictions; and, the effective date of the raffle rules. The text pertaining to prize redemption was amended to require notification to players that the winner of a raffle prize must present the actual, purchased raffle ticket from the registered event, displaying the winning raffle draw number, within 30 days of the registered event in order to be eligible to redeem the prize. This amendment was necessary to provide eligible organizations guidelines as to notice it must provide to players concerning specific requirements for prize redemption that the previous language did not contain.

Subdivision (c) requires an eligible organization to post the raffle rules to its website, in a conspicuous place at the event, and have printed copies in sufficient amount for distribution to interested parties at the event.

§ 2104 Reports, Records, and Retention

This section addresses reports, records, and retention of information maintained by the eligible organization. This section is necessary to ensure that records of registered events are collected, maintained, and available for Bureau inspection and investigation purposes.

Subdivision (a) requires an eligible organization to maintain counterfoil tickets for one month after awarding a prize or until alternative distribution of an unclaimed prize has occurred.

Subdivision (b) requires the retention of server data, reports, and records for five years.

Subdivision (c) requires records pertaining to a registered event be completed and maintained in a current and accurate manner for five years.

Subdivision (d) requires reports and all supporting documents to be made available to the Bureau on site at the venue.

§ 2105 Accountability; Lawful Use of Proceeds

This section addresses accountability and the lawful use of proceeds raised by raffles. This section is necessary to inform an eligible organization of their responsibilities related to oversight of monetary transactions, documentation, and equipment, to ensure the integrity of raffles.

Subdivision (a) requires an eligible organization be responsible for all cash, raffle-related products, financial statements, bank-validated deposit slips for all proceeds from raffles, and bank statements from all financial accounts where proceeds were deposited or transferred.

Subdivision (b) requires that pursuant to statute, all proceeds generated by raffles be devoted exclusively to lawful purposes.

Subdivision (c) provides that all financial accounts into which proceeds from a registered event are deposited or transferred shall be open for review and inspection by the Bureau.

Subdivision (d) requires that all moneys derived from a registered event be deposited into the eligible organization's financial account within one business day of the registered event.

Subdivision (e) provides that only prize payments and distributions for the lawful purposes of the eligible organization or the eligible recipient organization are the only allowable expenditures from the proceeds of raffles.

§ 2106 Advertising

This section addresses advertising. This section is necessary in order to ensure that advertising is not misleading and complies with statute.

Subdivision (a)(1)–(7) requires raffle advertisements to contain information as specified by the regulations and the enabling statute. It includes information that will allow the consumer to make an informed decision.

Subdivision (b) requires that advertising on the Internet comply with Penal Code section 320.6, subdivision (h)(2).

§ 2107 Eligible Organization — Annual Financial Report

This section addresses annual financial reporting and requires every organization to submit an annual report to the Bureau, as required by the enabling statute, on a specified form. This section was amended to include text concerning the annual registration and the necessity of submitting annual financial reports with its regis-

tration. This section is necessary to implement Penal Code section 320.6(o)(12)(A).

§ 2108 Electronic Raffle System, Venue Requirements

This section addresses electronic raffle systems and technical requirements at venues. This section is necessary to ensure the integrity of raffle operations.

Subdivision (a) provides that computer networks and/or wireless services used to conduct a raffle are housed in a permanent, secure location, under constant surveillance, and with a stable network.

Subdivision (b) requires that the fiduciary or an affiliated person designated by the fiduciary who is qualified to address technical problems must be available during times specified to provide technical support.

§ 2109 Proper Functioning of Raffle Equipment

This section requires the electronic raffle system to be configured, and confirmed to be functioning properly, and fully operational prior to each registered event, and requires documentation of compliance with these requirements. This section is necessary to ensure the integrity of raffle operations that utilize electronic raffle systems.

Subdivision (a) requires the fiduciary or an affiliated person designated by the fiduciary to ensure that the electronic raffle system is configured correctly, functioning properly, and fully operational before each registered event.

Subdivision (b) requires an eligible organization to verify and document the electronic raffle system functionality. This subdivision also requires the completion of a form and maintaining the completed form for a period of three years.

Subdivision (c) prohibits an affiliated person from restarting a raffle sales unit, as defined, or adjusting any associated network equipment for any reason without supervisory oversight.

Subdivision (d) requires that notice to the Bureau is required if the electronic raffle system or associated equipment is not functioning properly, prior to a registered event. In the event the electronic raffle system fails, this section allows the use of a two-part admission-style raffle ticket-based system or requires the raffle to be cancelled.

§ 2120 Registration Applications; Time for Processing

This is new text. This section provides a timeline for the Bureau’s processing of applications it receives for registration in the Major League Sports Raffle Program. This section is necessary because it makes the period for processing of applications certain. Further, this section requires the Bureau to specify any deficiencies in submitted applications, thus allowing applicants a chance to correct any deficiencies identified by the Bu-

reau. It also clarifies that any fee submitted with an application that is rejected by the Bureau will be returned to the applicant.

§ 2130 Violations

This section addresses violations and specifies grounds which may constitute a violation of the enabling statute or the regulations and requires registrants to comply with all applicable laws. This section imposes a duty on the eligible organization to maintain security controls over the venue to protect the public health, safety, and general welfare of the raffle players, and to protect the operations related to the raffle. This section is necessary to provide notice to registrants about what constitutes a violation of these regulations.

Subdivision (a) provides that all authorizations granted pursuant to these regulations are granted on the condition that an eligible organization will operate a registered event in a manner suitable to protect the public health, safety, and welfare. This subdivision also provides that the responsibility for the employment and maintenance of suitable methods of operation rests with an eligible organization. This subdivision provides that willful or persistent use or toleration of methods of operation deemed unsuitable by the Bureau shall constitute grounds for registration revocation or other disciplinary action.

Subdivision (b) prohibits a registrant from conducting a raffle in violation of statute or these regulations.

Subdivision (c) prohibits a registered manufacturer or distributor of raffle-related products or services from providing equipment or services in violation of statute or these regulations.

Subdivision (d) requires a registrant to meet the disclosure and reporting requirements set forth in these regulations.

Subdivision (e) requires an eligible organization to maintain security controls over the venue to protect the public health, safety and general welfare and raffle operations.

Subdivision (f) is new text and requires every registrant to cooperate fully with any inquiry or investigation that may be undertaken by the Bureau or the California Attorney General to enforce the provisions of Penal Code section 320.6 and its implementing regulations.

§ 2131 Discipline

This section addresses potential discipline processes. This section is necessary to provide notice to registrants of potential disciplinary measures that may result from violations of these regulations or applicable laws.

Subdivision (a) provides the applicable hearing procedures for administrative actions.

Subdivision (b) establishes the types of disciplinary actions the Bureau may take against a registrant for any

violation of the enabling statute, the regulations or other applicable laws.

Subdivision (c) is new text and provides that a registrant may reapply when it has remedied the issues which caused the denial of the application for registration.

§ 2132 Penalties

This section addresses potential penalties as a result of any administrative action based on a violation of statute or these regulations. This section is necessary to delineate the types of penalties that may be assessed against a registrant. Subdivisions (a)–(g) outline the following penalties: revocation of an approval or registration; suspension of an approval or registration; imposition of conditions on a registration or approval; imposition of a fine or monetary penalty; issuance of a stay, in whole or in part, in the imposition of a revocation or a suspension; the payment of a monetary penalty in lieu of all or a portion of a revocation or suspension; or the recovery of costs incurred by the Bureau investigating or prosecuting an action against a registrant.

§ 2133 Penalties for False Registration or Misrepresentation

This section is new text and provides that a registrant that submits false or misleading information in the registration application or registration form, or fails to provide material information required in any form or report required to be submitted to the Bureau, or maintained by the registrant pursuant to these regulations shall be subject to denial, revocation or suspension of its registration. Further, this section provides that each instance of misrepresentation, submission of false information, or failure to submit required information during the registration or reporting process shall constitute a separate violation. This section is necessary to allow the Bureau to fulfill its duties under the Major League Sports Raffle Program, and to ensure that registrants are engaged in conduct that is in the best interest of the public’s health, safety, and general welfare.

Comparable Federal Regulations:

There are presently no federal regulations on topic to the proposed action.

FORMS AND STANDARDS INCORPORATED BY REFERENCE

The following forms are hereby incorporated by reference. Their specific application is indicated in the pertinent sections of the regulation text.

- Major League Sports Raffle Eligible Organization Registration Form (BGC 200; Rev. 08/2016)
- Major League Sports Raffle Unpaid Volunteer or Single Employee — Affiliated Person Annual Registration Form (BGC 201; Rev. 08/2016)

- Major League Sports Raffle Manufacturer and Distributor of Products or Services Annual Registration Form (BGC 202; Rev. 08/2016)
- Major League Sports Raffle Affiliated Person Annual Registration Form (BGC 203; Rev. 08/2016)
- Major League Sports Raffle Eligible Organization Annual Report (BGC 204; Rev. 08/2016)
- Major League Sports Raffle Eligible Organization Registered Event Registration Form (BGC 205; Rev. 08/2016)
- Major League Sports Raffle Eligible Organization — Equipment Registration Form (BGC 206; Rev. 08/2016)
- Major League Sports Raffle Electronic Raffle System and Equipment Checklist and Test Draw (BGC 207; Orig. 01/2016)

The following industry standard is hereby incorporated by reference:

- GLI–31, Electronic Raffle Systems, Version 1.1; Release Date: July 24, 2015

The Bureau selected this technical standard in lieu of adopting its own technical standards because Gaming Laboratories International is recognized as a trusted industry leader for gaming test services and standards developed for testing purposes. The GLI–31 is intended to be a guideline for compliance and testing standards to be used by eligible organizations for testing certification purposes for equipment used in the sale and distribution of raffle tickets and for report content requirements, as indicated in the regulation.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Department has made the following determinations:

Mandate on Local Agencies and School Districts: None.

Costs or Savings to any State Agency: The Department estimated its costs of \$700,000 for Fiscal Year 15–16, when SB 549 was still in the legislative process. In addition, the Department anticipated ongoing costs of \$1,037,000 for FY 2016–2017 and \$1,037,000 for FY 2017–2018, and position authority for seven positions to address the workload related to the initial implementation of, and the ongoing regulatory reporting requirements, and statutory enforcement activities for the Major League Sporting Event Raffles Program pursuant to newly enacted California Penal Code section 320.6.

Costs 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.

Costs or Savings in Federal Funding to the State: None.

Cost impacts on a representative person or business: An eligible organization, as defined in statute, which intends to obtain a registration would be subject to a minimum annual registration fee of \$5,000, as per statute. Once registered, an eligible organization would be required to pay, in addition to the annual fee, \$100 for every individual raffle it intends to conduct during its registration period. Manufacturers or distributors of raffle-related products or services who intend to obtain a registration would be subject to a minimum annual registration fee of \$5,000, as per statute. Unless it requires its employees or unpaid volunteers who perform functions related to the conduct of a raffle to do so on their own, an eligible organization may incur costs for registration of its employees or unpaid volunteers of \$10 per person. A person who performs a function related to the conduct of a raffle is required to register and will be subject to a \$10 registration fee.

Statewide adverse economic impact directly affecting businesses and individuals: Although its proposed action will directly affect businesses statewide, including small businesses, the Department concludes the adverse economic impact, including the ability of California businesses to compete with businesses in other states, will not be significant.

Business Reports: Subdivision (o)(12) of section 320.6 of the California Penal Code requires an eligible organization to submit annually a report that includes costs, expenditures, the charitable or beneficial purposes for which proceeds of the raffles were used, and other requirements.

Significant effect on housing costs: None.

Other matters prescribed by statute applicable to the agency or to any specific regulation or class of regulations: None.

RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The Department concludes it is unlikely that the proposed regulations will affect (1) the creation of jobs within the State of California; (2) the elimination of any jobs within the State of California; (3) the creation of new businesses within the State of California; (4) the elimination of existing businesses within the State of California; and, (5) the expansion of businesses currently doing business within the State of California.

Benefits of the Proposed Regulations: The proposed regulations will provide a new method for an eligible

organization to raise funds for charitable or beneficial purposes in California, pursuant to Penal Code section 320.6.

Small Business Determination: The Department has determined that the proposed regulations will affect small businesses who are required to register in order to conduct activities pursuant to the parameters of Penal Code section 320.6.

CONSIDERATION OF ALTERNATIVES

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

CONTACT PERSONS

Inquiries concerning the proposed regulatory action may be directed to:

Susanne George
California Department of Justice
Bureau of Gambling Control
4949 Broadway, E-231
Sacramento, CA 95820
E-mail: Susanne.George@doj.ca.gov
916-227-3584

Questions regarding procedure, comments, or the substance of the proposed action should be addressed to the above contact person. In the event that the contact person is unavailable, inquiries regarding the proposed regulatory action may be directed to the following back-up contact person:

Jennifer Tatge
California Department of Justice
Bureau of Gambling Control
4949 Broadway, E-231
Sacramento, CA 95820
E-mail: Jennifer.Tatge@doj.ca.gov
916-227-3584

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

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

The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the express terms of the regulations, the initial statement of reasons, any information upon which the proposed rulemaking is based, and an economic impact assessment contained in the initial statement of reasons. The text of the proposed regulations (the “express terms”), the initial statement of reasons, and the forms incorporated by reference, and any information upon which the proposed rulemaking was based are available on the Bureau’s regulations page on its website at <http://www.oag.ca.gov/gambling>. Copies may be obtained by contacting Susanne George at the contact information listed above.

AVAILABILITY OF CHANGED OR
MODIFIED TEXT

After considering all timely and relevant comments received, the Office of Administrative Law may adopt the proposed regulations substantially as described in this notice. If the Department makes modifications that are sufficiently related to the original proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Department adopts the regulations as revised. Copies of any modified text will be available on the Bureau’s regulations page on its website at: <http://www.oag.ca.gov/gambling>. Please send requests for copies to Susanne George at the contact information listed above. The Department will accept written comments on the modified regulations, if applicable, for 15 days after the date on which they are made available.

AVAILABILITY OF THE FINAL STATEMENT
OF REASONS

Upon its completion, the Final Statement of Reasons will be available on the Bureau’s regulations page on its website at: <http://www.oag.ca.gov/gambling>. You may also obtain a written copy of the Final Statement of Reasons by contacting Susanne George at the contact information listed above.

AVAILABILITY OF DOCUMENTS ON
THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations in underline and strikeout format, as well as the Final Statement of Reasons, once completed, can be access through the Department’s website at: <http://oag.ca.gov/gambling>.

**TITLE 14. STATE MINING AND
GEOLOGY BOARD**

**DEPARTMENT OF CONSERVATION
STATE MINING AND GEOLOGY BOARD**

**TITLE 14. NATURAL RESOURCES
Division 2. Department of Conservation
Chapter 8. Mining and Geology
Subchapter 1. State Mining and Geology Board
Article 11. Financial Assurance Mechanisms**

NOTICE IS HEREBY GIVEN that the State Mining and Geology Board (SMGB), pursuant to the authority in Section 2755 of the Public Resources Code (PRC), proposes to add regulations to Title 14 of the California Code of Regulations (CCR) and to approve the proposed Financial Assurance Cost Estimate Form after considering all comments, objections or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION

The SMGB proposes to add Section 3805.1 and approve a Financial Assurance Cost Estimate form. This section and form pertain to the calculation of financial assurance amounts that guarantee reclamation of mined lands, which are currently imposed on surface mining operations as required by State law.

WRITTEN COMMENT PERIOD AND
PUBLIC HEARING

Any person, or his or her authorized representative, may submit written statements, arguments, or comments related to the proposed regulatory action to the SMGB.

Comments may be submitted by email to smgb@conservation.ca.gov, by facsimile (FAX) to (916) 445-0738, or by mail to:

State Mining and Geology Board
801 K Street, MS 20-15
Sacramento, CA 95814
ATTN: FACE Form Regulation

The written comment period closes at 5:00 p.m. on January 9, 2017. The SMGB will consider only comments received at the SMGB office by that time.

If requested by a member of the public at least 15 days prior to the close of the written comment period, the SMGB will conduct a public hearing, following the close of the public comment period, to receive statements or arguments, orally or in writing, relevant to the proposed action from any interested person, or their authorized representative.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by section 2755 of the Public Resources Code, and to implement, interpret, or make specific section 2773.1(a)(4) of the Public Resources Code, which becomes operative on January 1, 2017 as a result of Assembly Bill 1142, the SMGB is proposing the addition of section 3805.1 to Subchapter 1 of Chapter 8 of Division 2 of Title 14 of the California Code of Regulations and to approve a standardized financial assurance cost estimate form (FACE-1).

INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

Existing law requires surface mining operators to submit estimated costs associated with approved reclamation plans for surface mining operations in a non-specified written format. These cost estimates are commonly referred to as financial assurance cost estimates and are submitted before mining operations begin and are annually reviewed and approved thereafter.

PRC Section 2773.1(a)(4), as amended by AB 1142, requires the SMGB to approve a standardized financial assurance cost estimate form for use by each surface mining operation in the State.

Proposed Regulation and Form

Adopt § 3805.1. Financial Assurance Cost Estimate Form.

The purpose of section 3805.1 is to establish a standardized form for which financial assurance cost estimates shall be submitted to lead agencies for review and approval using form FACE-1. This is necessary to meet the new statutory requirements of PRC section 2773.1(a)(4) (AB 1142), which requires the SMGB to approve a financial assurance cost estimate form for use by each surface mining operation.

FINANCIAL ASSURANCE COST ESTIMATE FACE-1 FORM (01/17), INCORPORATED BY REFERENCE

Form FACE-1 is designed to receive information from the preparer regarding the surface mining operation's existing condition, performance standards of the approved reclamation plan, and the methods, effort, and direct expenses anticipated to achieve the performance standards and end use of the approved reclamation plan. In addition to receiving information regarding the surface mining operations existing reclamation requirements, form FACE-1 provides requirements for estimating the labor and administrative costs that would be associated with the lead agency or Department of Conservation managing the performance of reclamation by a third party.

Anticipated Benefits of the Proposed Regulations

The SMGB anticipates that the proposed regulation and form will establish a standardized format for the calculation and review of financial assurance cost estimates. In addition, mine operators will be provided with clear and equitable methods for calculation of financial assurance amounts, the administrative time and expense for the initial and annual review of financial assurance cost estimates by lead agencies and the Department will be reduced, and the process should result in comprehensive and complete cost estimates resulting in sufficient monies necessary to guarantee reclamation of mined lands.

CONSISTENCY WITH FEDERAL STATUTE AND REGULATION

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

CONSISTENCY WITH EXISTING STATE REGULATIONS

The proposed regulation and form do not significantly change the requirements of the existing financial assurance cost estimate review process which was developed through consultation with other state agencies with authority over aspects of surface mining operations. The proposed regulatory change is intended to dovetail with other state agencies' jurisdictional requirements. The proposed regulatory change is not in-

consistent or incompatible with existing state regulations.

CEQA COMPLIANCE

This proposed regulation and form follow statutory changes approved by the Legislature and signed into law by the Governor (AB 1142) on April 18, 2016. The proposal will not result in direct or indirect physical changes to the environment. As such, the SMGB has determined that this rulemaking action is not a project as defined in Title 14, CCR, Section 15378, and that this activity is not subject to the requirements of the California Environmental Quality Act (CEQA).

PLAIN ENGLISH REQUIREMENT

Department of Conservation and SMGB staff prepared the proposed regulation and form pursuant to the standard of clarity provided in Government Code Section 11349 and the plain English requirements of Government Code Sections 11342.580 and 11346.2(a)(1). The proposed regulation and form are written to be easily understood by the parties that will use them.

LOCAL MANDATE

This proposal does not impose a mandate on local agencies or school districts.

FISCAL IMPACT

This proposal does not impose costs on any local agency or school district for which reimbursement would be required pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. This proposal does not impose other nondiscretionary cost or savings on local agencies. This proposal does not result in any cost or savings in federal funding to the State.

COST OR SAVINGS TO STATE AGENCIES

The proposed regulation and form imposes no additional expenses to state agencies and may reduce administrative expenses for local agencies.

EFFECT ON HOUSING COSTS

The adoption of this regulation and form will have no significant effect on housing costs.

IMPACT ON BUSINESS

The Department and SMGB staff have made an initial determination that the adoption of the regulation and form 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. The proposed regulation and form follow statutory changes approved by the Legislature and that were signed into law by the Governor (AB 1142).

COST IMPACTS ON A REPRESENTATIVE PRIVATE PERSON OR BUSINESS

PRC section 2773.1(a), effective January 1, 1999, states “Lead agencies shall require financial assurances of each surface mining operation to ensure reclamation is performed in accordance with the surface mining operation’s approved reclamation plan, as follows: . . .” PRC section 2773.1(a)(3) requires “The amount of financial assurances required of a surface mining operation for any one year shall be adjusted annually to account for new lands disturbed by surface mining operation, inflation, and reclamation of lands accomplished in accordance with the approved reclamation plan.” The SMGB drafted the proposed regulation and form based in part on the statutory amendments resulting from AB 1142, which requires financial assurance cost estimates for each surface mining operation be submitted to the local lead agency for review on a form approved by the SMGB. A representative private person or business will not be adversely impacted with the adoption of these regulatory changes because existing law requires mining operators to submit financial assurance cost estimates. Conversely, a representative private person or business may experience decreased annual costs due to the proposed standardization of the financial assurance cost estimate form and review process.

RESULTS OF THE ECONOMIC IMPACT ASSESSMENT/ANALYSIS

The proposed regulation and form satisfy the SMGB’s statutory mandate to impose a standardized financial assurance cost estimate form upon surface mining operators, and to establish minimum standards for estimating financial assurance amounts. Further, imposition of minimum standards ensures that the Department and SMGB are able to carry out the provisions of SMARA and complete reclamation of mined lands if the surface mining operator is unable to do so. The proposed regulation meets the statutory goals of AB 1142 by creating a form and minimum standards for calculat-

ing the financial assurance amount to be held by a surface mining operation. SMGB staff has determined that the proposed regulation and form will not result in the creation or elimination of California jobs, nor will it result in the creation or elimination of California businesses. Additionally, SMGB staff has determined that expansion of existing California businesses will not result from adoption of the proposed regulation. Further, Department of Conservation and SMGB staff have determined that the proposed regulation will result in non-monetary benefits such as protection of public health and safety, environmental safety, and transparency in business and government. Specifically, the benefits are as follows:

- The public will be ensured of sufficient and reliable funding to guarantee reclamation of mined lands.
- Mine operators will be provided with clear and equitable methods for calculation of financial assurance amounts.
- Financial assurance amounts for each surface mine in the state will be calculated in the same format, providing consistency for operators that work in multiple jurisdictions, and for lead agencies reviewing financial assurance cost estimates for multiple surface mining operations.
- The format of an operation's annual estimate will remain consistent and allow for the lead agency and Department to easily compare and contrast financial assurance cost estimates as the mine is expanded or reclaimed and potentially reduce administrative costs associated with the review and approval of financial assurance cost estimates.

FINDING OF NECESSITY OF REPORTS

SMGB staff has found that the proposed regulation and form are necessary to implement fair and effective regulation of financial assurances held by surface mines. Financial assurance amounts are annually calculated by surface mine operators and submitted to local lead agencies for review and approval. Such annual estimates of reclamation costs are necessary to guarantee reclamation, and for the health, safety, and welfare of the people of the State, and therefore annual financial assurance cost estimate requirements should apply to mining businesses.

SMALL BUSINESS DETERMINATION

The proposed regulation and form follow statutory changes approved by Legislature and that were signed

into law by the Governor (AB 1142). Further, adoption of the proposed regulation continues current local lead agency and department policies. Therefore, SMGB staff has determined that the proposed regulations will not adversely affect small businesses.

CONSIDERATION OF ALTERNATIVES

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

The SMGB invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period or at any hearing scheduled to take statements or arguments that are relevant to the proposed action.

CONTACT PERSONS

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

Nicholas Lash, Associate Governmental
Program Analyst
State Mining and Geology Board
801 K Street, Suite 2015
Sacramento, California 95814
Phone: (916) 322-1082
Fax: (916) 445-0738
Nicholas.Lash@conservation.ca.gov

OR

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

Please direct requests for copies of the proposed text (the "express terms") of these regulations, the initial statement of reasons, the modified text of these regulations, if any, or other information upon which this rule-making is based to Amy Scott at the above address.

AVAILABILITY OF INITIAL STATEMENT OF REASONS, TEXT OF PROPOSED REGULATION, AND RULEMAKING FILE

The SMGB 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, the initial statement of reasons, and a standard form 399.

Copies of these documents may be obtained by contacting Nicholas Lash or Amy Scott at the address and phone number listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After the written comment period and any hearing that may be conducted by the SMGB to accept comments and evidence regarding the adoption of the proposed regulation, the SMGB will consider all timely and relevant comments received, and thereafter the SMGB may adopt the proposed regulation substantially as described in this notice. If the SMGB makes modifications that are sufficiently related to the original proposed text, it will make the modified text (with changes clearly indicated) available to the public for at least 15 days before the SMGB adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Nicholas Lash or Amy Scott at the address indicated above. The SMGB will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Nicholas Lash or Amy Scott at the above address.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations in underline and strikeout can be accessed through our website at: <http://www.conservation.ca.gov/smgf>.

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# 2016-1004-05
BOARD OF EDUCATION
CA High School Proficiency Exam (CHSPE)

The State Board of Education (SBE) submitted this timely certificate of compliance to make permanent the regulatory changes made in OAL File No. 2016-0520-06E. The emergency rulemaking action adopted and amended sections in CCR title 5, to implement Education Code section 48412, which prohibits the California Department of Education (CDE) from charging a fee to an examinee who meets the defined criteria of a homeless youth.

Title 5
ADOPT: 11524, 11525 AMEND: 11520, 11521, 11522
Filed 11/15/2016
Effective 11/15/2016
Agency Contact: Hillary Wirick (916) 319-0644

File# 2016-1004-02
BOARD OF FORESTRY AND FIRE PROTECTION
Less Than 3 Acre Conversion Amendments, 2016

This rulemaking action by the Board of Forestry and Fire Protection provides an exception to the existing prohibition on timber operations on significant archeological sites.

Title 14
AMEND: 1104.1
Filed 11/15/2016
Effective 01/01/2017
Agency Contact: Matt Dias (916) 653-8007

File# 2016-0928-03
BOARD OF OPTOMETRY
Continuing Optometric Education

In this regular rulemaking, the Board of Optometry (the "Board") is amending sections 1536 and 1571 in title 16 of the California Code of Regulations. The amendments give licensees the option to have continu-

ing medical education credits count toward license renewal requirements. Additionally, the Board is incorporating two forms by reference: a Continuing Education Course Approval Application and a Continuing Education Exemption Request form.

Title 16
AMEND: 1536, 1571
Filed 11/09/2016
Effective 01/01/2017
Agency Contact: Joanne Stacy (916) 575-7182

File# 2016-1007-02
CALIFORNIA PRISON INDUSTRY AUTHORITY
CALPIA Employee Substance Abuse Testing

This rulemaking action adds section 8106.1 to Title 15 of the California Code of Regulations (CCR), which will enable the California Prison Industry Authority to test its employees for additional substances that are not currently regulated by Department of Human Resources drug testing regulations in Title 2 of the CCR.

Title 15
ADOPT: 8106.1
Filed 11/09/2016
Effective 01/01/2017
Agency Contact: Dawn Eger (916) 358-1612

File# 2016-1014-01
CONTRACTORS' STATE LICENSE BOARD
Application for License, Classifications, and Special Provisions

This action makes changes without regulatory effect to Contractors' State License Board provisions in Title 16 of the California Code of Regulations to conform regulations to statutory changes (Senate Bill 467, Chapter 656, Statutes of 2015) and to make other non-substantive technical changes.

Title 16
AMEND: 816, 832, 832.16, 864, 865, 867, 869.1, 869.5, 870
REPEAL: 817
Filed 11/15/2016
Agency Contact: Betsy Figueria (916) 255-3369

File# 2016-0930-01
DEPARTMENT OF CORRECTIONS AND REHABILITATION
Funds Enclosed in Correspondence

This rulemaking action by the Department of Corrections and Rehabilitation amends section 3140 in title 15 of the California Code of Regulations to require a sender of funds to provide his or her name and address on the face of the negotiable instrument.

Title 15
AMEND: 3140
Filed 11/14/2016
Effective 01/01/2017
Agency Contact: Sarah Pollock (916) 445-2308

File# 2016-1107-03
DEPARTMENT OF FISH AND WILDLIFE
Emergency Closure of Commercial Dungeness and Rock Crab Fishing

This emergency regulatory action by the Department of Fish and Wildlife (Department) adopts section 131, in CCR title 14, to close the commercial rock crab fishery and delay the start of the commercial Dungeness crab fishery. Specifically, the emergency action prohibits all take or possession of Dungeness crab and all rock crab under a commercial fishing license from any ocean waters, north of Point Reyes, Marin County, for Dungeness crab and north of Pigeon Point, San Mateo County for Rock crab, that pose a significant risk to public health, as determined by the Director of the Office of Environmental Health Hazard Assessment.

Title 14
ADOPT: 131
Filed 11/15/2016
Effective 11/15/2016
Agency Contact: Craig Martz (916) 653-4674

File# 2016-1011-03
DEPARTMENT OF FOOD AND AGRICULTURE
Asian Citrus Psyllid Interior Quarantine

This rulemaking action by the Department of Food and Agriculture makes permanent emergency rulemaking 2016-0421-03E, which expanded the quarantine area for Asian Citrus Psyllid (ACP) "Diaphorina citri" in the Madera area of Madera County and into Fresno County. The expansion of the Madera area quarantine encompasses the Sumner Hill and Fresno areas of Madera and Fresno counties, which are combined into the Madera area.

Title 3
AMEND: 3435(b)
Filed 11/14/2016
Effective 11/14/2016
Agency Contact: Sara Khalid (916) 403-6625

File# 2016-1103-04
DEPARTMENT OF FOOD AND AGRICULTURE
Asian Citrus Psyllid Interior Quarantine

This emergency action by the Department of Food and Agriculture expands the quarantine area for the Asian Citrus Psyllid (ACP) Diaphorina citri near the Goshen area of Tulare County into the Hanford area of Kings County. This action also incorporates the exist-

ing quarantine in the unincorporated area of Kings County. The amendment provides authority for the state to perform quarantine activities against ACP within this additional area.

Title 3
 AMEND: 3435(b)
 Filed 11/09/2016
 Effective 11/09/2016
 Agency Contact: Sara Khalid (916) 403-6625

File# 2016-1026-04
 DEPARTMENT OF PESTICIDE REGULATION
 Conflict-of-Interest Code

This is a Conflict-of-Interest code that has been approved by the Fair Political Commission and is being submitted for filing with the Secretary of State and printing only.

Title 3
 AMEND: 3
 Filed 11/09/2016
 Effective 12/09/2016
 Agency Contact: Alexis Carriker (916) 322-4553

File# 2016-1018-03
 FISH AND GAME COMMISSION
 Upland Game Birds

This rulemaking action by the Fish and Game Commission deletes the current white-tailed ptarmigan hunting zone description and adds a new statewide area, addresses the method of take of wild turkeys when using hunting arrows or crossbow bolts by requiring the use of broad head type blades that will not pass through a hole seventh-eighths inch in diameter, addresses the possession and use of firearms by archery hunters while hunting and establishes a waiver for active or honorably retired peace officers or hunters that possess a Concealed Carry Weapon (CCW) permit, and amends the provision that deals with the revocation and suspension of hunting and sport fishing privileges. In this action, the Fish and Game Commission decided not to make any changes to section 300(a)(1)(D)(4), concerning the number of permits issued for hunting sage grouse, but to maintain the same sage grouse permit levels as allowed for the 2015 season.

Title 14
 AMEND: 300, 311, 745.5
 Filed 11/10/2016
 Effective 11/11/2016
 Agency Contact: Caren Woodson (916) 653-4899

File# 2016-1011-05
 OFFICE OF ENVIRONMENTAL HEALTH
 HAZARD ASSESSMENT
 Chemicals Known to the State to Cause Cancer or Reproductive Toxicity

The Office of Environmental Health Hazard Assessment (OEHHA) submitted this file and print action to add the chemical Pentachlorophenol and by-products of its synthesis (complex mixture) to the list of chemicals known to the State to cause cancer in title 27, California Code of Regulations, section 27001(b).

Title 27
 AMEND: 27001
 Filed 11/14/2016
 Effective 11/14/2016
 Agency Contact: Michelle Ramirez (916) 445-6900

File# 2016-0929-04
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 Board Election Modifications

This action amends the Board of Administration election procedures to allow alternative voting methods and make various technical changes.

Title 2
 ADOPT: 554.2 AMEND: 554, 554.1, 554.2, 554.3, 554.4, 554.5, 554.6, 554.7, 554.8, 554.9, 554.10
 Filed 11/10/2016
 Effective 01/01/2017
 Agency Contact: Anthony Martin (916) 795-9347

File# 2016-1104-01
 State Water Resources Control Board
 FY 2016-17 Waste Discharge Requirement Fees

This emergency regulatory action by the State Water Resources Control Board is the annual adjustment to fees assessed to persons issued waste discharge permits. These fees are adjusted each fiscal year to conform to the revenue levels set forth in the Budget Act. This is a statutorily deemed emergency and exempt from review by the Office of Administrative Law pursuant to Water Code section 13260(f)(2).

Title 23
 AMEND: 2200, 2200.1, 2200.2, 2200.5, 2200.6, 2200.7, 2200.8, 2200.9
 Filed 11/14/2016
 Effective 11/14/2016
 Agency Contact: Glen Osterhage (916) 341-5032

**CCR CHANGES FILED
WITH THE SECRETARY OF STATE
WITHIN June 15, 2016 TO
November 16, 2016**

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

- 11/10/16 ADOPT: 554.2 AMEND: 554, 554.1, 554.2, 554.3, 554.4, 554.5, 554.6, 554.7, 554.8, 554.9, 554.10
- 10/18/16 AMEND: 18951
- 10/03/16 ADOPT: 649.49 AMEND: 649, 649.3, 649.4, 649.18, 649.50, 649.52, 649.57, 649.60 REPEAL: 649.1, 649.46, 649.51, 649.62
- 09/19/16 ADOPT: 18751 REPEAL: 18751
- 09/19/16 AMEND: 18215.3, 18232
- 09/15/16 AMEND: 18942
- 09/13/16 AMEND: 1181.2, 1181.3, 1181.6, 1183.1, 1183.2, 1183.3, 1183.8, 1183.9, 1183.10, 1183.11, 1183.14, 1183.15, 1183.17, 1183.18, 1185.1, 1185.2, 1185.3, 1185.4, 1185.5, 1187.4, 1187.6, 1187.7, 1187.8, 1187.9, 1187.14, 1187.15, 1190.1, 1190.2, 1190.3, 1190.5
- 09/07/16 ADOPT: 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016
- 08/31/16 AMEND: 18531.5
- 08/17/16 AMEND: 18239
- 08/17/16 AMEND: 59000
- 07/29/16 ADOPT: 599.860
- 07/13/16 AMEND: 1859.2, 1859.102 REPEAL: 1866, 1866.1, 1866.2, 1866.3, 1866.4, 1866.4.1, 1866.4.2, 1866.4.3, 1866.4.4, 1866.4.6, 1866.4.7, 1866.5, 1866.5.1, 1866.5.2, 1866.5.3, 1866.5.4, 1866.5.5, 1866.5.6, 1866.5.7, 1866.5.8, 1866.5.9, 1866.7, 1866.8, 1866.9, 1866.9.1, 1866.10, 1866.12, 1866.13, 1866.14
- 07/11/16 AMEND: 59560
- 06/27/16 AMEND: 1897
- 06/23/16 ADOPT: 17010, 17011, 17012, 17013, 17014, 17030, 17031, 17032, 17033, 17034, 17035, 17036, 17037, 17038, 17039, 17040, 17041, 17042, 17043,

- 17044, 17045, 17046, 17047 REPEAL: 17010, 17030, 17111, 17112, 17113, 17120, 17121, 17122, 17130, 17140, 17141, 17142, 17150, 17151, 17152, 17153, 17160, 17200, 17201, 17210, 17220, 17300, 17400, 17402, 17403, 17404, 17405, 17406, 17408, 17412, 17414, 17416, 17418, 17420, 17422, 17424, 17426, 17430, 17432, 17434, 17435, 17436, 17440, 17442, 17444, 17446, 17448, 17450, 17452, 17454, 17458, 17460, 17461, 17463, 17464, 17466, 17468, 17470, 17471, 17473, 17475, 17477, 17478, 17481, 17482, 17483, 17485, 17486, 17488, 17490, 17491, 17493, 17495, 17498, 17500, 17502, 17504, 17508, 17510, 17512, 17514, 17515, 17516, 17518, 17519, 17520, 17521, 17525, 17527, 17528, 17530, 17532, 17534, 17538, 17542, 17544, 17546, 17548, 17550, 17551, 17552, 17553, 17554, 17555, 17556, 17557, 17558, 17559, 17560, 17561, 17562, 17563, 17564, 17565, 17566, 17567, 17570, 17571, 17572, 17575, 17576, 17580, 17581, 17582, 17588, 17590, 17592

Title 3

- 11/14/16 AMEND: 3435(b)
- 11/09/16 AMEND: 3
- 11/09/16 AMEND: 3435(b)
- 11/08/16 AMEND: 3435(b)
- 11/03/16 AMEND: 3589(a)
- 11/02/16 ADOPT: 3591.28
- 11/02/16 AMEND: 3591.12
- 10/28/16 AMEND: 3435(b)
- 10/28/16 AMEND: 3435(b)
- 10/19/16 AMEND: 3435(b)
- 10/17/16 ADOPT: 6722 AMEND: 6000, 6618, 6619, 6720, 6723, 6723.1, 6724, 6726, 6732, 6734, 6768.3, 6738.4, 6744, 6761, 6761.1, 6762, 6764, 6766, 6768, 6769, 6770, 6771, 6776, 6782
- 10/13/16 AMEND: 3435(b)
- 10/12/16 ADOPT: 6302 AMEND: 6414
- 10/06/16 REPEAL: 3963
- 10/06/16 AMEND: 3435(b)
- 09/30/16 AMEND: 3435(b)
- 09/27/16 AMEND: 3435(b)
- 09/27/16 AMEND: 4603, 3883 REPEAL: 3885
- 09/21/16 ADOPT: 302, 303, 304, 304.1, 304.2, 305, 305.1, 305.2, 305.3, 306, 306.1, 306.2, 306.3, 307, 308, 309, 310, 310.1, 311, 312, 313, 314, 315, 316.1, 316.2,

	316.3, 316.4, 317, 318, 319, 320.1, 320.2, 320.3, 321, 322, 322.1, 322.2, 322.3, 323, 323.1, 323.2, 324.1, 324.2, 325, 326, 327, 328, 329, 330.1, 330.2, 340	08/09/16	AMEND: 10031, 10032, 10033, 10035, 10036
		07/25/16	AMEND: 1581, 1843
		07/19/16	AMEND: 5170
09/20/16	AMEND: 3435(b)	07/19/16	ADOPT: 1866.1 AMEND: 1844
09/20/16	AMEND: 3435(b)	07/05/16	AMEND: 1689.1
09/16/16	AMEND: 3435(b)	06/29/16	AMEND: 8034, 8035
09/14/16	AMEND: 3435(b)	06/15/16	ADOPT: 299 AMEND: 297, 300
09/07/16	ADOPT: 3442		
09/07/16	ADOPT: 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016	Title 5	
		11/15/16	ADOPT: 11524, 11525 AMEND: 11520, 11521, 11522
		09/22/16	ADOPT: 11533, 11534 AMEND: 11530, 11531
08/29/16	ADOPT: 3591.26	08/30/16	ADOPT: 1700
08/29/16	AMEND: 3435(b)	08/26/16	AMEND: 27000, 27004
08/29/16	AMEND: 3591.2	08/16/16	ADOPT: 80022 AMEND: 80025.3
08/26/16	AMEND: 3435(b)	08/03/16	AMEND: 19810
08/25/16	AMEND: 3435(b)	07/27/16	AMEND: 19810
08/24/16	AMEND: 3435(b)	07/20/16	AMEND: 30950, 30951, 30951.1, 30952, 30953, 30954, 30955, 30956, 30957, 30958, 30959
08/24/16	AMEND: 1358.7		
08/23/16	AMEND: 3435(b)	07/14/16	ADOPT: 74117 AMEND: 74110, 74112
08/03/16	AMEND: 3435(b)	07/05/16	REPEAL: 6100, 6101, 6102, 6103, 6104, 6105, 6110, 6111, 6112, 6113, 6115, 6116, 6120, 6125, 6126
08/02/16	AMEND: 3435(b)		
08/01/16	AMEND: 3435(b)	06/15/16	REPEAL: 3820, 3822, 3823, 3824, 3831, 3840, 3860, 3870
08/01/16	AMEND: 3435(b)		
07/25/16	AMEND: 3024.5	Title 7	
07/25/16	AMEND: 3435(b)	10/06/16	AMEND: 211.5, 213, 215, 218
07/25/16	AMEND: 3435(b)	Title 8	
07/25/16	AMEND: 3435(b)	10/17/16	ADOPT: 1532.3, 5204 AMEND: 5155
07/21/16	AMEND: 3435(b)	09/20/16	AMEND: 334
07/20/16	AMEND: 3435(b)	08/02/16	ADOPT: 346, 346.1, 346.2, 350.3, 350.4, 355.1, 355.2, 355.3, 355.4, 355.5, 372.8, 372.9, 376.8 AMEND: 347, 348, 352, 354, 356, 356.1, 356.2, 359, 359.1, 361.3, 364.2, 371, 371.1, 371.2, 372.6, 376.1, 376.4, 376.7, 378, 380, 383, 391.1, 392, 392.4, 392.5 REPEAL: 355
07/07/16	AMEND: 3435(b)	07/28/16	ADOPT: 9792.24.4 AMEND: 9792.23, 9792.24.2
07/05/16	AMEND: 3435(b)		
07/05/16	AMEND: 3435(b)	06/28/16	AMEND: 5148(c)
06/30/16	ADOPT: 450, 450.1, 450.2, 450.3, 450.4, 451, 452	Title 9	
		09/16/16	ADOPT: 4700, 4710, 4711, 4712, 4713, 4714, 4715, 4716, 4717
06/30/16	AMEND: 3435(b)		
06/30/16	AMEND: 3435(b)	06/27/16	ADOPT: 4600, 4601, 4602
06/28/16	AMEND: 3435(b)	Title 10	
06/22/16	AMEND: 3435(b)	11/02/16	AMEND: 2498.6
06/22/16	AMEND: 3435(b)	09/30/16	ADOPT: 6520, 6522, 6524, 6526, 6528, 6530, 6532, 6534, 6536, 6538
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