

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2018-0910-02	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
RECEIVED DATE SEP 10 '18		PUBLICATION DATE SEP 21 '18	
Office of Administrative Law NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY Department of Justice			AGENCY FILE NUMBER (If any) DOJ-18-006

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE Automated Firearms System Information Updates		TITLE(S) 11	FIRST SECTION AFFECTED 4350	2. REQUESTED PUBLICATION DATE September 21, 2018
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON Jessie Romine	TELEPHONE NUMBER 916-227-4217	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)		1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)	
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)			
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)		ADOPT	
		AMEND	
TITLE(S)		REPEAL	
3. TYPE OF FILING			
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)			
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal	
<input type="checkbox"/> Other (Specify) _____			
7. CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE	DATE
TYPED NAME AND TITLE OF SIGNATORY	

For use by Office of Administrative Law (OAL) only

NOTICE OF PROPOSED RULEMAKING

Notice to be published on September 21, 2018

The Department of Justice (Department) proposes to adopt sections 4350 through 4353, of Title 11, Division 5, Chapter 13, of the California Code of Regulations. Chapter 13 is titled “Automated Firearms System Information Updates.” Commencing on or before July 1, 2019, this new chapter establishes the process whereby an individual may update an Automated Firearms System (AFS) record with the Department.

PUBLIC HEARING

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

WRITTEN COMMENT PERIOD

Any interested person or their authorized representative may submit written comments relevant to the proposed regulatory action. The written comment period closes at 5:00 p.m. on November 7th, 2018. Only comments received by that time will be considered. Written comments must be submitted to:

Jessie Romine
Bureau of Firearms
Division of Law Enforcement
Department of Justice
P.O. Box 160487
Sacramento, CA 95816-0487
Phone: 916-227-4217
Email: AFSregs@doj.ca.gov

AUTHORITY AND REFERENCE

Authority: Sections 11106, and 30370, Penal Code.

Reference: Sections 11106, and 30370, Penal Code; 1798.17, Civil Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

In order to assist in the investigation of crime, the prosecution of civil actions by city attorneys, the arrest and prosecution of criminals, and the recovery of lost, stolen, or found property, the Attorney General is charged with keeping and properly filing and managing complete records pertaining to certain firearm related data. (See Pen. Code, § 11106.) The Department has determined that maintenance of this data will be facilitated by the creation of a process allowing

an individual to access certain portions of this data to keep it current. The recent passage of laws concerning the purchase of ammunition underscore the need for, and the benefits of, such a system.

The California Code of Regulations, Title 11, Division 5, Chapter 13, adds the following provisions:

Section 4350 specifies the title and scope of the new Chapter, the regulation for how an individual may update his or her AFS record with the Department.

Section 4351 specifies that a California resident can electronically update one or more AFS records through CFARS to match his or her current personal information.

Section 4352 informs the individual of the Department's Privacy Notice and requires the individual to agree to the release of the individual's personal information to representatives of the Department in order for the Department to process an AFS record update.

Section 4353 specifies the information that an individual shall enter into the California Firearms CFARS in order to update an AFS record with the Department.

ANTICIPATED BENEFITS OF THE PROPOSED REGULATIONS

The anticipated benefit of the proposed regulations is that they will provide a convenient, inexpensive, and secure way for an individual to keep his or her firearms-related information current with the Department. That, in turn, will facilitate the purchase of ammunition and the management of firearm ownership information.

EVALUATION OF INCONSISTENCY/INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

Pursuant to Government Code 11346.5, subdivision (a)(3)(D), the Department shall evaluate whether the proposed regulation is inconsistent or incompatible with existing state regulations. Pursuant to this evaluation, the Department has reviewed existing regulations pertaining to firearms within California Code of Regulations ("CCR") Title 11, Division 5, and determined that these proposed regulations are not inconsistent or incompatible. This determination is based on the fact that there are no regulations currently existing which address the same process.

COMPARABLE FEDERAL REGULATIONS

The proposed regulations are not mandated by federal statute or regulation.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Department has made the following initial determinations:

Mandate on local agencies or school districts: None.

Cost or savings to any state agency: There will be a cost for the Department to hire additional personnel to verify each AFS record update and additional cost to maintain the AFS. The Department projects there will be approximately one million (1,000,000) AFS record updates completed in the first year that these regulations are in effect.

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

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

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

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

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

Business report requirement: None.

Significant effect on housing costs: None.

Small business determination: The Department has determined that the proposed regulation will not affect the creation or elimination of businesses because the new AFS update system only pertains to individuals with firearm-related information – not to businesses.

RESULTS OF THE ECONOMIC IMPACT ASSESSMENT/ANALYSIS

Assessment regarding effect on jobs/businesses. Adoption of the proposed regulations will not:

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

The Department's determination on items (1) through (3) is based on the fact that the new AFS update system only pertains to individuals with firearm-related information – not to businesses.

(4) Benefits of the Proposed Regulation: The anticipated benefits of the proposed regulations are that they will help provide a convenient, inexpensive, and secure way for an individual to keep his or her firearms-related information current with the Department. That, in turn, will facilitate the purchase of ammunition and the management of firearm ownership information.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative it considered 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 or would be as effective and less burdensome to affected private persons than the proposed action or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. Any person interested in presenting statements or arguments with respect to alternatives to the proposed regulations may do so at the scheduled hearing or during the written comment period.

CONTACT PERSONS

Please direct inquiries concerning the proposed administrative action to:

Jessie Romine
Bureau of Firearms
Division of Law Enforcement
Department of Justice
P.O. Box 160487
Sacramento, CA 95816-0487
Phone: (916) 227-4217
Email: AFSregs@doj.ca.gov

The back-up contact person for these inquiries is:

Jacqueline Dosch
Bureau of Firearms
Division of Law Enforcement
Department of Justice
P.O. Box 160487
Sacramento, CA 95816-0487
Phone: (916) 227-7614
Email: AFSregs@doj.ca.gov

AVAILABILITY OF RULEMAKING FILE INCLUDING THE INITIAL STATEMENT OF REASONS

The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process. The text of the proposed regulation (the “express terms”), the initial statement of reasons, and the information upon which the proposed rulemaking is based are available at the Department’s website at <http://oag.ca.gov/firearms/regs>. Copies may also be obtained by contacting Jessie Romine.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments received, the Department may adopt the proposed regulations substantially as described in this notice. If the Department makes

modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days and accept written comments before the Department adopts the regulations. Copies of any modified text will be available on the Department's website at <http://oag.ca.gov/firearms/regs>. A written copy of any modified text may be obtained by contacting Jessie Romine.

AVAILABILITY OF FINAL STATEMENT OF REASONS

Upon completion, the final statement of reasons will be available on the Department's website at <http://oag.ca.gov/firearms/regs>. You may also obtain a written copy of the final statement of reasons by contacting Jessie Romine.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulation in underline and strikeout format, as well as the Final Statement of Reasons once completed, are available on the Department's website at <http://oag.ca.gov/firearms/regs>.

California Code of Regulations

Title 11, Division 5

Chapter 13: Automated Firearms System Information Updates.

Article 1. General.

§ 4350. Title and Scope.

This chapter shall be known as the “Department of Justice Regulations for Automated Firearms System Information Updates,” may be cited as such and is referred to herein as “these regulations.” The provisions of these regulations shall apply to an individual who seeks to electronically update an Automated Firearms System (AFS) record with the Department of Justice (Department).

Note: Authority cited: Sections 11106, and 30370, Penal Code. Reference: Sections 11106, and 30370, Penal Code.

§ 4351. Purpose.

(a) Commencing on or before July 1, 2019, an individual shall be able to electronically update one or more AFS records through the California Firearms Application Reporting System (CFARS) to match his or her current name, date of birth, address, and California Driver License, California Identification, or military identification number.

Note: Authority cited: Sections 11106, and 30370, Penal Code. Reference: Sections 11106, and 30370, Penal Code.

§ 4352. Privacy Notice Requirements.

(a) An individual shall agree to the following terms of the Department’s Privacy Notice before they may electronically update one or more AFS records.

(1) Collection and Use of Personal Information: The Division of Law Enforcement, Bureau of Firearms in the Department of Justice collects the information on this application pursuant to Penal Code section 11106. The Bureau of Firearms uses this information to update personal information in the Automated Firearms System for the purchase of ammunition. In addition, any personal information collected by state agencies is subject to the limitations in the Information Practices Act and state policy. The Department of Justice’s general privacy policy is available at <http://oag.ca.gov/privacy-policy>.

(2) Providing Personal Information: All personal information fields marked with an asterisk on this application are mandatory. Failure to provide the mandatory personal information will result in the application not being processed.

(3) Access to Your Information: You may review the records maintained by the Division of Law Enforcement, Bureau of Firearms in the Department of Justice that contain your personal information, as permitted by the Information Practices Act. See below for contact information.

(4) Possible Disclosure of Personal Information: We may need to share the information you provide us with any Bureau of Firearms representative or any other person designated by the Attorney General upon request. The information you provide may also be disclosed in the following circumstances:

(A) With other persons or agencies when necessary to perform their legal duties, and their use of your information is compatible and complies with state law, such as for investigations, licensing, certification, or regulatory purposes.

(B) To another government agency as required by state or federal law.

(5) Contact Information: For questions about this notice or access to your records, you may contact the Staff Services Analyst in the Customer Support Center at (916) 227-7527, via email at firearms.bureau@doj.ca.gov, or by mail at P.O. Box 820200 Sacramento, CA 94203-0200.

Note: Authority cited: Sections 11106, and 30370, Penal Code. Reference: Section 30370, Penal Code; Section 1798.17, Civil Code.

§ 4353. Updating AFS Records.

(a) Before an individual can electronically update one or more AFS records, they shall create a CFARS account as prescribed by California Code of Regulations, Title 11, section 4340.

(b) The individual shall provide his or her current information: Full name, current residence address, zip code, identification type and number, and date of birth.

(c) The individual shall provide his or her personal information for one or more firearms purchased or transferred into his or her ownership: Full name, previous residence address, zip code, date of birth, and identification type and number.

(d) The individual shall provide information for one or more firearms that were purchased or transferred into his or her ownership and possession with the same owner information at the time of purchase. The individual will need to provide the following information for each firearm: Make, model, caliber, serial number, and/or type.

(e) The individual may add another firearm by providing additional firearm identifying information as prescribed by subdivision (d).

(f) Updates to name, date of birth, identification type and/or identification number require the individual to electronically upload documents verifying the change as prompted by CFARS. The individual will be prompted to upload a copy of his or her current California Driver License, California Identification Card, or military identification card (with military station orders) along with the following documentation to verify an AFS record update:

(1) A change of name requires a copy of his or her marriage license, endorsed court order regarding restoration of former name, or endorsed court order regarding name change.

(2) A change to the date of birth requires a copy of his or her birth certificate.

(3) An update to identification type, and/or identification number requires a copy of his or her California Driver License, California Identification Card, or out-of-state driver license.

(g) The individual shall then agree to the following personal declaration: I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct.

(h) The individual has provided the necessary information for the AFS record update, and will then submit the information.

(i) The Department shall either approve or reject the individual's request to update one or more AFS records and notify the user of the approval or rejection via electronic mail. If the request is rejected, the electronic mail notification shall provide information on how to proceed.

Note: Authority cited: Sections 11106, and 30370, Penal Code. Reference: Section 30370, Penal Code.

INITIAL STATEMENT OF REASONS

PROBLEM STATEMENT

In order to assist in the investigation of crime, the prosecution of civil actions by city attorneys, the arrest and prosecution of criminals, and the recovery of lost, stolen, or found property, the Attorney General is charged with keeping, properly filing, and managing complete records pertaining to certain firearm related data. (See Pen. Code, § 11106.) Currently there is no mechanism by which an individual can access and update his or her Automated Firearms System (“AFS”) records. The Department has determined that maintenance of this data will be facilitated by the creation of a process allowing an individual to update portions of this data to keep it current. The recent passage of laws concerning the purchase of ammunition underscore the need for, and the benefits of, such a system.

ANTICIPATED BENEFITS

The anticipated benefit of the proposed regulations is that they will provide a convenient and secure way for an individual to keep his or her firearms-related information current with the Department. These regulations establish the process an individual can use to update an AFS record. That, in turn, will facilitate the purchase of ammunition and the management of firearm ownership information.

PURPOSE & NECESSITY

§ 4350. Title and Scope.

This regulation identifies the title and scope of the new chapter—Chapter 13, named “The Department of Justice Regulations for Automated Firearms System Information Updates.” This regulation is necessary to identify the title and explain the scope, which encompasses the process and information required for an individual to update an AFS record.

§ 4351. Purpose.

This regulation advises an individual how to update electronically one or more AFS records through the California Firearms Application Reporting System (CFARS) so that his or her personal information remains current. This section is necessary to advise an individual when and how they can update his or her personal information located in AFS, and what information may be updated.

§ 4352. Privacy Notice Requirements.

Subdivisions (a)(1) through (5) specify that an individual must agree to the Department’s Privacy Notice before an AFS record can be updated. The privacy notice was included in the regulations since the application is submitted electronically through CFARS. This regulation is necessary to inform an individual of the Department’s privacy policy.

§ 4353. Updating AFS Records.

Subdivision (a) establishes that before an individual can electronically update one or more AFS records, the individual must create a CFARS account. This regulation is necessary because an individual can only update an AFS record from his or her CFARS account. The CFARS account allows the individual to update their AFS record through a secure website.

Subdivision (b) clarifies that an individual shall provide his or her current personal information. This subdivision is necessary because this is the information that will be applied to each AFS record found.

Subdivisions (c) and (d) specify the individual shall provide his or her previous personal and firearm information from when the firearm(s) was purchased. This is necessary because the previous personal information along with the firearm information will be used to locate the AFS record within AFS that requires an update.

Subdivision (e) further specifies that an individual may add more firearms by providing additional firearm identifying information. This will allow an individual to find an additional AFS record that can be updated to match his or her current personal information. There is no limit to how many firearms an individual can include in an AFS record update. This subdivision is necessary because an individual may decide to update multiple AFS records.

Subdivisions (f)(1) through (3) prompts an individual to provide specific documentation to justify an AFS record update. These subdivisions are necessary because this documentation justifies the need for the AFS record to be updated.

Subdivision (g) establishes that an individual shall declare under penalty of perjury under the laws of the state of California that they have provided truthful information. This subdivision is necessary to ensure an individual provides truthful information in order to update an AFS record.

Subdivision (h) explains that once an individual has provided the necessary information for an AFS record update, the information will then be submitted. This subdivision is necessary because this information is required to update an AFS record.

Subdivision (i) explains the Department shall either approve or reject an individual's request to update one or more AFS records and notify the user of the approval or rejection via electronic email. This subdivision is necessary because an AFS record update that pertains to a change of name, date of birth, identification type and number is not automatic, and will be verified by the Department. In addition, the individual needs to understand where the Department's determination for an AFS record update will be made available.

AUTHORITY AND REFERENCE

Authority: Sections 11106, and 30370, Penal Code.

Reference: Sections 11106, and 30370, Penal Code; 1798.17, Civil Code.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS

Department staff relied upon their experience and expertise when writing these proposed regulations. The Department did not rely upon technical, theoretical, or empirical studies or reports in proposing the amendments to these regulations.

ECONOMIC IMPACT ASSESSMENT/ANALYSIS

The Department determines that these regulations will not have a significant impact on the creation or elimination of jobs within California because the new AFS record update system only pertains to individuals with firearm-related information – not to businesses. The Department will be required to hire personnel to verify an individual has provided the necessary documentation for an AFS record update.

The Department determines that these regulations will not have a significant impact on the creation of new businesses or elimination of existing businesses or affect the expansion of businesses currently doing business in California because the new AFS record update system only pertains to individuals with firearm-related information – not to businesses.

Finally, these proposed regulations, and the system to which they pertain, are beneficial to both the individual user and the Department. Providing direct access to some of an individual's firearms-related information for the purpose of keeping it current makes the editing process easier, faster, more efficient, and less costly.

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The Department finds that these regulations would not have statewide adverse economic impact on businesses because these regulations only provide individuals the ability to update an AFS record.

REASONABLE ALTERNATIVES TO THE REGULATION AND THE AGENCY'S REASONS FOR REJECTING THOSE ALTERNATIVES

No other reasonable alternatives were presented to, or considered by, the Department that would be either more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESSES, AND THE AGENCY'S REASONS FOR REJECTING THEM

No other reasonable alternatives were presented to, or considered by, the Department that would be either more effective in carrying out the purpose for which the action is proposed, or would be

as effective and less burdensome.

DUPLICATION OR CONFLICT WITH FEDERAL REGULATIONS

The Department determines that these regulations are not duplicative or pose a conflict with federal regulations.

ECONOMIC AND FISCAL IMPACT STATEMENT**(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Justice	CONTACT PERSON Jessie Romine	EMAIL ADDRESS AFSregs@doj.ca.gov	TELEPHONE NUMBER 916-227-4217
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Automated Firearms System Information Updates			NOTICE FILE NUMBER Z

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- | | |
|--|---|
| <input type="checkbox"/> a. Impacts business and/or employees | <input type="checkbox"/> e. Imposes reporting requirements |
| <input type="checkbox"/> b. Impacts small businesses | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input type="checkbox"/> c. Impacts jobs or occupations | <input type="checkbox"/> g. Impacts individuals |
| <input type="checkbox"/> d. Impacts California competitiveness | <input checked="" type="checkbox"/> h. None of the above (Explain below): |

The proposed regulatory action allows individuals to update AFS records.*If any box in Items 1 a through g is checked, complete this Economic Impact Statement.**If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.*2. The _____ estimates that the economic impact of this regulation (which includes the fiscal impact) is:
(Agency/Department)

- ☐ Below \$10 million
- ☐ Between \$10 and \$25 million
- ☐ Between \$25 and \$50 million
- ☐ Over \$50 million *[If the economic impact is over \$50 million, agencies are required to submit a [Standardized Regulatory Impact Assessment](#) as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: _____

Describe the types of businesses (Include nonprofits): _____

Enter the number or percentage of total businesses impacted that are small businesses: _____

4. Enter the number of businesses that will be created: _____ eliminated: _____

Explain: _____

5. Indicate the geographic extent of impacts: ☐ Statewide☐ Local or regional (List areas): _____

6. Enter the number of jobs created: _____ and eliminated: _____

Describe the types of jobs or occupations impacted: _____

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

☐ YES☐ NO

If YES, explain briefly: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT (CONTINUED)**B. ESTIMATED COSTS** *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ _____

a. Initial costs for a small business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

b. Initial costs for a typical business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

c. Initial costs for an individual: \$ _____ Annual ongoing costs: \$ _____ Years: _____

d. Describe other economic costs that may occur: _____

2. If multiple industries are impacted, enter the share of total costs for each industry: _____

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements.
Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted. \$ _____4. Will this regulation directly impact housing costs? ☐ YES ☐ NO

If YES, enter the annual dollar cost per housing unit: \$ _____

Number of units: _____

5. Are there comparable Federal regulations? ☐ YES ☐ NO

Explain the need for State regulation given the existence or absence of Federal regulations: _____

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ _____

C. ESTIMATED BENEFITS *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: _____

2. Are the benefits the result of: ☐ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?

Explain: _____

3. What are the total statewide benefits from this regulation over its lifetime? \$ _____

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: _____

D. ALTERNATIVES TO THE REGULATION *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT (CONTINUED)

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ _____ Cost: \$ _____

Alternative 1: Benefit: \$ _____ Cost: \$ _____

Alternative 2: Benefit: \$ _____ Cost: \$ _____

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: _____

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?
- ☐
- YES
- ☐
- NO

Explain: _____

E. MAJOR REGULATIONS *Include calculations and assumptions in the rulemaking record.**California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.*

1. Will the estimated costs of this regulation to California business enterprises
- exceed \$10 million**
- ?
- ☐
- YES
- ☒
- NO

*If YES, complete E2. and E3**If NO, skip to E4*

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 1: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 2: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

☐ YES ☒ NO*If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.*

5. Briefly describe the following:

The increase or decrease of investment in the State: _____

The incentive for innovation in products, materials or processes: _____

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

FISCAL IMPACT STATEMENT**A. FISCAL EFFECT ON LOCAL GOVERNMENT** *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

- ☐ 1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

- ☐ a. Funding provided in _____
Budget Act of _____ or Chapter _____, Statutes of _____

- ☐ b. Funding will be requested in the Governor's Budget Act of _____
Fiscal Year: _____

- ☐ 2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

- ☐ a. Implements the Federal mandate contained in _____
- ☐ b. Implements the court mandate set forth by the _____ Court.

Case of: _____ vs. _____

- ☐ c. Implements a mandate of the people of this State expressed in their approval of Proposition No. _____

Date of Election: _____

- ☐ d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: _____

- ☐ e. Will be fully financed from the fees, revenue, etc. from: _____

Authorized by Section: _____ of the _____ Code;

- ☐ f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

- ☐ g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in _____

- ☐ 3. Annual Savings. (approximate)

\$ _____

- ☐ 4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

- ☒ 5. No fiscal impact exists. This regulation does not affect any local entity or program.

- ☐ 6. Other. Explain _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

FISCAL IMPACT STATEMENT (CONTINUED)**B. FISCAL EFFECT ON STATE GOVERNMENT** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

It is anticipated that State agencies will:☐ a. Absorb these additional costs within their existing budgets and resources.☐ b. Increase the currently authorized budget level for the _____ Fiscal Year☐ 2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

☒ 3. No fiscal impact exists. This regulation does not affect any State agency or program.☐ 4. Other. Explain _____**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

☐ 2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

☒ 3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.☐ 4. Other. Explain _____

FISCAL OFFICER SIGNATURE

DATE



6/21/16

The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY

DATE



9/6/18

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

DATE

