

- consistency with environmental, public health, and accessibility statutes and regulations;
- d) The proposed standard is not unreasonable, arbitrary, unfair, or capricious;
 - e) The cost to the public is reasonable, based on the overall benefit to be derived;
 - f) The proposed standard is not unnecessarily ambiguous or vague;
 - g) The applicable national specifications, published standards, and model codes have been incorporated where appropriate;
 - h) The format of the proposed standard is consistent with that adopted by the CBSC; and,
 - i) The proposed standard, if it promotes fire and panic safety, as determined by the State Fire Marshall (SFM), has the written approval of the SFM.
- 3) Requires every agency subject to the Administrative Procedure Act (APA) to prepare and submit an ISOR for proposing the adoption, amendment, or repeal of a regulation, which must include certain information, including for building standards, the estimated cost of compliance, the estimated potential benefits, and the related assumptions used to determine the estimates.
- 4) Requires agencies promulgating regulations to analyze the potential impact of a proposed regulation on businesses or job creation in the state and potential financial impacts on state agencies.
- 5) Requires state agencies adopting building standards that impact housing to include estimated benefits and costs of compliance, as well as underlying assumptions, in an ISOR.

This bill:

- 1) Provides that if the CBSC finds that the ISOR is submitted without a completed statement of estimated cost of compliance, including the related assumptions used to determine the estimate, as required, the CSBC shall not approve or adopt the proposed or adopted building standard.

Background

The Building Standards Process. The California Building Standards Law establishes the process for adopting state building standards by the CBSC. Statewide building standards are intended to provide uniformity in building

development across the state. The CBSC's duties include the following: receiving proposed building standards from state agencies for consideration in each triennial and intervening building code adoption cycle; reviewing and approving building standards submitted by state agencies; adopting building standards for state buildings where no other state agency is authorized by law; and publishing the approved building standards in the California Building Standards Code.

Most building standards currently in use in California are developed and vetted at the national level every three years by technical organizations, academics, and trade associations that develop consensus standards, which are then incorporated into the International Building Code (IBC), the national model code used by most U.S. jurisdictions. At the state level, agencies with jurisdictional authority then review the IBC and amend as necessary for California's specific needs, *e.g.*:

- SFM is responsible for the development of building standards that provide for fire and life safety within residential buildings, such as means of egress, fire alarm systems, and fire extinguishing systems.
- Department of Housing and Community Development is responsible for the development of residential building standards, such as those in single-family and multifamily dwellings, as well as dormitories, hotels, motels, and accessibility in privately funded multifamily dwellings.
- Division of the State Architect (DSA) is responsible for the development of building standards to promote structural safety and accessibility in public schools, essential service buildings, commercial facilities, and public housing.

After the proposal of building standards by state agencies, the proposals undergo a public vetting process. A code advisory committee composed of experts in a particular scope of code reviews the proposed standards, followed by public review. The proposing agency considers feedback and may then amend the standards and re-submit them to the CBSC for consideration. CBSC reviews and adopts the standards and files them with the Secretary of State for codification and publishing, and there is an 180-day period during which local agencies file modifications and changes to the state codes. The new codes then take effect January 1st of the subsequent year following publication.

Updates and changes to building standards are adopted on two timelines: through the triennial code adoption cycle which occurs every three years, and through the intervening code adoption cycle which provides an update to codes 18 months after the publication of the triennial codes. Regulatory activities for each cycle begin over two years before the effective date of the codes.

As a matter of practice, the Legislature typically offers guidelines or directs agencies to consider certain standards, rather than *requiring* the adoption of specific standards, in order to provide flexibility and allow for subject matter experts to determine suitability and weigh the many considerations that must be evaluated when recommending new or modified building standards.

AB 130 Building Standards Freeze. The Legislature and Governor have enacted multiple directives to research and propose new building standards in recent years, including for rainwater catchment, electric vehicle charging, water efficiency and reuse, adaptive reuse projects, “single stair” apartments exceeding three stories, and beyond. Some of the most impactful mandates in recent years have also come from outside stakeholders or the adopting agencies themselves (rather than the Legislature), like solar panel mandates and fire sprinkler requirements. There are several legitimate and important concerns that are addressed by these and many other elements of building standards for housing. However, the framework for proposing and adopting new standards can leave agencies in silos regarding the volume or costs of new proposals that counterpart agencies are also simultaneously developing. Cost analyses are performed on each individual modification or for each respective chapter, not on the accumulation of the entirety of changes in each intervening or triennial cycle across all agencies. Holistic review is therefore difficult and while individual standards may increase costs by what appears a reasonable amount, the cost of all cumulative changes may be less reasonable.

In response to concerns regarding the rapid pace of modifications to building standards, the deadly Los Angeles fires of January 2025, and a need to find methods to stem increases in housing construction costs, the Legislature and Governor enacted several significant changes to building standards in the 2025 housing budget trailer bill, AB 130 (Committee on Budget and Fiscal Review, Chapter 22, Statutes of 2025). The most significant change to building standards included a freeze to any new building standards or changes to existing building standards affecting residential units at both the state and local level until June 1st, 2031, with limited exceptions. The bill also curtailed the practice of incorporating significant new building standards into the codes via the intervening code cycle (instead, only technical or emergency changes may be made in this manner), and allowed phased residential developments utilizing model home designs to continue using approved building permits until those designs substantially change, or for a period of 10 years, rather than at each new code cycle.

Comments

- 1) *Author's statement.* “California’s world-leading building standards have increased energy efficiency while protecting the health and safety of residents. However, these benefits have costs. Existing law requires state agencies to publish any cost estimates that come about from a proposed change to the building code. Unfortunately, many agencies provide inadequate information, denying the public the opportunity to determine if the benefits outweigh the costs. This bill is a straightforward transparency measure to ensure that agencies provide an honest accounting of the costs associated with a proposed building standard change.”

- 2) *The regulatory process for building standards.* Because building standards qualify as regulations, their adoption is subject to the APA, which establishes the general process for the adoption of regulations. As part of the APA, an entity proposing new or amended regulations must prepare and submit to the Office of Administrative Law (OAL) a notice of the proposed action and an ISOR for proposing the change in regulation. Among other things, the ISOR must include a statement of the specific purpose for each change, the problem the agency intends to address, and the rationale for why the change is reasonably necessary to carry out the purpose and address the problem for which it is proposed. The ISOR must also enumerate the benefits anticipated from the regulatory action, both monetary and non-monetary, and include evidence to support an initial determination that the change may have or will not have a significant, statewide adverse impact directly affecting business. The notice of proposed action that accompanies the ISOR must include, among other things, a statement of whether or not the changes would have a significant effect on housing costs and, separately, a description of all cost impacts known to the agency that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. If the agency is unaware of cost impacts on private persons or businesses, it may state that instead. AB 1612 (Lara, Chapter 471, Statutes of 2012) required the ISOR for any amendment to a model building code that impacts housing to include the estimated cost of compliance, the estimated potential benefits, and the related assumptions used to determine the estimates. For changes in the model codes themselves, AB 1612 required the ISOR to include the estimated cost of compliance, the estimated potential benefits, and the related assumptions used to determine the estimates for that specific change only if an interested party has made a request to the agency to examine that specific section. State agencies developing building standards that relate to housing must publicly substantiate how the cost of the new standards is determined.

Although existing law requires an agency to include the assumptions behind the cost analysis of a proposed standard, the analysis can be incomplete or not comprehensive. To give the analysis more weight, this bill will require CBSC to deny a proposed building standard if it finds that the ISOR is submitted without a completed statement of estimated cost compliance, including the assumptions used to determine the estimate.

Related/Prior Legislation

AB 130 (Committee on Budget and Fiscal Review, Chapter 22, Statutes of 2025) — among other things, imposed a moratorium on the adoption of new building standards or changes to existing standards by the CBSC until June 1st, 2031, with some limited exceptions.

AB 1070 (Ward, 2025) — would require HCD to initiate a study no later than January 31, 2027, evaluating the conditions under which residential developments of between 3 and 10 units may be designed and constructed under the requirements of the California Residential Code. If the report identifies and recommends amendments to building standards, would require HCD to research, develop, and consider proposing the standards for adoption by the CBSC. *This bill is pending in the Senate Housing Committee.*

AB 1612 (Lara, Chapter 471, Statutes of 2012) — required the ISOR for any amendment to a model building code that impacts housing to include the estimated cost of compliance, the estimated potential benefits, and the related assumptions used to determine the estimates.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, June 17th, 2026)

SUPPORT:

Bay Area Council (Sponsor)

California Building Industry Association (Sponsor)

Air-conditioning Heating and Refrigeration Institute

American Subcontractors Association-california

Boma California

California Apartment Association

California Business Properties Association

California Chamber of Commerce

California Construction and Industrial Materials Association
California Council for Affordable Housing
California Council for Environmental & Economic Balance (CCEEB)
California Housing Consortium
California Manufacturers & Technology Association
California Manufacturers and Technology Association
Construction Employers' Association
Lieutenant Governor Eleni Kounalakis
Naiop California
Spray Foam Coalition
Zillow Group

OPPOSITION:

None received.

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