



- 5) Provides that any report required or requested by law to be submitted by a state or local agency to a committee of the Legislature or the Members of either house of the Legislature generally, to instead be submitted as an electronic copy to the SOS, the Chief Clerk of the Assembly, and the Legislative Counsel, as specified.

This bill requires the OAL, within 60 days of returning a regulation to the adopting agency, to report the disapproval and the reasons for disapproval to the Legislature, as specified.

## Background

*Author Statement.* According to the author's office, "SB 1204 will enhance transparency and accountability in California's regulatory process by ensuring the Legislature is informed whenever the OAL disapproves a regulation. Providing lawmakers with timely information on the reasons for disapproval will improve transparency in the rulemaking process and ensure that legislators are aware when major regulatory actions are rejected. This allows the Legislature to better oversee state agencies, understand potential issues in proposed regulations, and take informed action when necessary."

*Office of Administrative Law.* Established in July 1980, the OAL ensures that agency regulations are clear, necessary, legally valid, and available to the public. Since its creation, OAL has been and continues to be responsible for reviewing administrative regulations proposed by over 200 state agencies for compliance with the standards set forth in California's APA, for transmitting these regulations to the SOS, and for publishing regulations in the California Code of Regulations.

OAL assists state regulatory agencies through a formal training program, as well as through other less formal methods, to understand and comply with the APA. OAL also accepts petitions challenging alleged underground regulations—those rules issued by state agencies which meet the APA's definition of a "regulation" but were not adopted pursuant to the APA process and are not expressly exempt. OAL also oversees the publication and distribution, in print and online, of the California Code of Regulations and the California Regulatory Notice Register.

OAL is required to either approve a regulation submitted to it for review and transmit it to the SOS for filing or disapprove of it within 30 working days after the regulation has been submitted to the office for review. If the office fails to act within 30 days, the regulation is deemed to have been approved and the OAL is required to transmit it to the SOS for filing. Existing law requires OAL, if

disapproving a regulation, to return it to the adopting agency within the 30-day period accompanied by a notice specifying the reasons for disapproval.

*Rulemaking Process.* OAL is responsible for ensuring that California state agencies comply with the rulemaking procedures and standards set forth in the APA. A “regulation” is any rule, regulation, order or standard of general application or the amendment, supplement, or revision of any rule, regulation, order, or standard adopted by any state agency to implement, interpret, or make specific the law enforced or administered by it. When adopting regulations, every department, division, office, officer, bureau, board or commission in the executive branch of California state government must follow the rulemaking procedures in the APA (Government Code section 11340 et seq.) and regulations adopted by the OAL, unless expressly exempted by statute from some or all of these requirements.

The APA requirements are designed to provide the public with a meaningful opportunity to participate in the adoption of regulations or rules that have the force of law by California state agencies and to ensure the creation of an adequate record for the OAL and judicial review.

Regulations subject to the APA are generally adopted through the “Regular” or “Emergency” rulemaking processes. The rulemaking process used by an agency to adopt regulations will dictate what procedural requirements must be followed, including but not limited to the contents of the rulemaking record, timeframes, and opportunities for public participation, OAL’s review, and effective dates for the regulations.

*California Regulatory Notice Register.* The California Regulatory Notice Register contains notices of proposed regulatory actions by state regulatory agencies to adopt, amend, or repeal regulations contained in the California Code of Regulations. A state agency must complete its rulemaking and submit the rulemaking file to OAL within one year of the date of publication of a Notice of Proposed Action (“Notice”) in the Notice Register (Government Code section 11346.4(b)). OAL provides online access to current and past issues of the California Regulatory Notice Register online.

The Notice of Proposed Action contains a variety of information about the nature of the proposed regulatory changes including various findings, determinations, statutory authority and the law(s) being implemented. The Notice of Proposed Action also contains procedural information, such as deadlines for submitting comments, scheduling of hearings, and where copies of the Express Terms, Initial Statement of Reasons, and any other supporting information can be obtained. For

non-major regulations, the results of the Economic Impact Assessment will be included in the Notice of Proposed Action. If the rulemaking is a major regulation, any comments provided by the Department of Finance (DOF), along with the agency's responses, will be included in the Notice of Proposed Action.

OAL publishes the Notice Register every Friday. To be published, a Notice must be received by OAL no later than 10 calendar days before the publication date.

Section 5, Title 1, California Code of Regulations describes what an agency must submit with its Notice. The Notice for a rulemaking must be published at least 45 calendar days before the close of the public comment period and public hearing, if a hearing is scheduled (Government Code section 11346.4(a)).

*Disapproved Regulations.* This bill requires the OAL, within 60 days of returning a disapproved regulation to the adopting agency, to report the disapproval and the reasons for the disapproval to the Legislature, as specified.

### **Prior/Related Legislation**

SB 885 (Strickland, 2026) prohibits a state agency from taking final action to adopt a major regulation until certain requirements are met, including that after the state agency prepares a standardized regulatory impact analysis and submits the analysis to the Department of Finance, the state agency submits a proposal to the legislature recommending legislation to authorize the adoption of the major regulation and the Legislature enacts a law expressly authorizing the state agency to adopt that major regulation, as specified. (Pending in the Senate Governmental Organization Committee)

SB 981 (Niello, 2026) requires a standardized regulatory impact analysis prepared by the State Air Resources Board to additionally address cost of living impacts on residents of the state, including, but not limited to, retail gasoline and transportation costs, consumer electric bills, consumer goods and food costs, housing and building construction costs, and costs to businesses. (Pending in the Senate Environmental Quality Committee)

SB 986 (Seyarto, 2026) prohibits a major regulation from taking effect until the Legislature enacts a law to approve the regulation, except as provided for emergency regulations, as specified. (Pending in the Senate Governmental Organization Committee)

SB 1123 (Wiener, 2026) requires an agency, in estimating the economic impact of adopting, amending, or repealing a regulation, to identify and calculate any offsetting benefits, impacts, or savings that might result directly or indirectly from

that adoption, amendment, or repeal and factor those benefits, impacts, or savings into its economic impact estimate, as specified. (Pending in the Senate Governmental Organization Committee)

SB 1161 (Valladares, 2026) requires the State Air Resources Board proposing to adopt, amend, or repeal a regulation to prepare an economic impact analysis that assesses whether and to what extent it will affect low- and middle-income California households and disadvantaged communities, as specified. (Pending in the Environmental Quality Committee)

AB 2366 (Avila Farias, 2026) among other things – requires, for the purposes of the APA, the assessment of the potential for adverse economic impact the consideration of the proposal’s cost-of-living impacts on residents of the state; requires the assessment for nonmajor regulations to include to what extent it will affect the cost-of-living impacts on residents of the state and requires the standardized regulatory impact analysis for major regulations to address the cost-of-living impacts on residents of the state, as specified. (Pending in the Assembly Committee on Economic Development, Growth, and Household Impact)

SB 688 (Niello, 2025) would have established the Office of Regulatory Counsel to draft and assist in the preparation, consideration, amendment, and repeal of regulations for a state agency, as specified. (Held on the Senate Appropriations Committee Suspense File)

AB 1232 (Avila Farias, 2025) among other things, requires state agencies to consider the “cost of living regulatory impacts on the residents of the state” that result from proposed regulations. (Held on the Assembly Appropriations Committee Suspense File)

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

**SUPPORT:**

Roofing Contractors Association of California

**OPPOSITION:**

None received

**ARGUMENTS IN SUPPORT:** In support of the bill, the Roofing Contractors Association of California (RCAC) writes, in part, “[u]nder current law, the OAL

must approve or disapprove a proposed regulation, which cannot be disapproved except for failure to comply with one of the six statutory standards of review, including authority, reference, nonduplication, clarity, necessity, and consistency. After determination, the OAL returns the regulation to the adopting agency along with written reasons explaining its decision.

“However, there is no requirement that the Legislature be formally notified when a regulation is disapproved or told of the reasoning behind that decision. As a result, policymakers lack information with respect to the development of agency regulations.

“RCAC supports reasonable, understandable and consistent regulations, and this bill will help legislators make informed decisions when considering regulatory proposals.

“SB 1204 provides a straightforward solution by requiring the OAL to report to the Legislature within 60 days the specific reasons for the disapproval of a regulation. This will enhance transparency in the regulatory process while ensuring that lawmakers receive timely information about regulatory decisions that may affect the implementation of state law.”