
SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION

Senator Susan Rubio

Chair

2025 - 2026 Regular

Bill No:	SB 986	Hearing Date:	4/14/2026
Author:	Seyarto, et al.		
Version:	3/26/2026 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Brian Duke		

SUBJECT: Major regulations

DIGEST: This bill, among other things, prohibits a major regulation from taking effect until the Legislature enacts a law to approve the regulation, as specified,

ANALYSIS:

Existing law:

- 1) Governs, pursuant to the Administrative Procedures Act (APA), the procedures for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law (OAL).
- 2) Requires, pursuant to the APA, a state agency proposing to adopt, amend, or repeal an administrative regulation to, among other things, assess the potential for adverse economic impact on California business enterprises and individuals, and requires a state agency proposing to adopt, amend, or repeal a major regulation to prepare and submit to the Department of Finance (DOF) for review, a standardized regulatory impact analysis (SRIA), as specified.
- 3) Defines “major regulation,” for purposes of the APA, to mean any proposed adoption, amendment, or repeal of a regulation subject to review by OAL that will have an economic impact on California business enterprises and individuals in an amount exceeding \$50,000,000, as specified.
- 4) Provides, pursuant to the APA, exceptions for emergency regulations in the case of a situation that calls for immediate action to avoid serious harm to the public peace, health, safety, or general welfare.

- 5) Requires, pursuant to the APA, every state agency to prepare, submit to the OAL, and make available to the public upon request, specified information, including an initial statement of reasons for proposing the adoption, amendment, or repeal of a regulation.
- 6) Requires, pursuant to the APA, a state agency proposing to adopt, amend, or repeal a major regulation to satisfy additional requirements, including by requiring the state agency to prepare a SRIA in the manner prescribed by the DOF, as specified.
- 7) Requires the OAL to review all regulations adopted, amended, or repealed and submitted to it for public in the California Code of Regulations Supplement and for transmittal to the Secretary of the State and make determinations using all of the specified standards, including necessity.
- 8) Defines “agency,” for the purposes of the APA, to mean a board, bureau, commission, department, division, office, officer, or other administrative unit, including the agency head, and one or more members of the agency head or agency employees or other persons directly or indirectly purporting to act on behalf of or under the authority of the agency head. To the extent it purports to exercise authority pursuant to the APA, an administrative unit otherwise qualifying as an agency shall be treated as a separate agency even if the unit is located within or subordinate to another agency.

This bill:

- 1) Requires a state agency considering the adoption, amendment, or repeal of regulations to submit to each house of the Legislature a notice of the proposed action, as specified.
- 2) Prohibits a major regulation from taking effect until the Legislature enacts a law to approve the specific regulation. If the Legislature fails to enact a law to approve the regulation or does not vote on the regulation within 60 days of receiving the regulation from the OAL, the regulation shall be deemed disapproved.
- 3) Provides that if the Governor determines that it is in the best interests of the state for a major regulation to take effect during a time when the Legislature is not in session, it is the intent of the Legislature that the Governor can cause the Legislature to assemble in special session for the sole purpose of voting to approve or disapprove the proposed major regulation, as specified. In such

case, the Legislature shall work in good faith to schedule the vote promptly as the situation requires.

- 4) Requires each state agency proposing to adopt, amend, or repeal a major regulation to prepare a SRIA additionally addressing all of the following:
 - a) The estimated effect on state revenue, including the increase or decrease of investment in the state.
 - b) The estimated cost savings or financial benefits to society.
 - c) The estimated compliance costs for regulated entities, including secondary or indirect costs.
 - d) The estimated effect on state expenditures, including estimated administrative expenses.
 - e) The estimated opportunity cost, including the cost of compliance as a result of the removal of private capital from the market.
 - f) The sources consulted, key assumptions, and sources of uncertainty.
- 5) Requires the notice of proposed adoption, amendment, or repeal of a regulation to additionally include a determination of whether the regulation is a major regulation, including an explanation of why it presumptively is or is not a major regulation, as specified.
- 6) Requires the OAL to – in addition to the necessity, authority, clarity, consistency, reference, and nonduplication – review all regulations adopted, amended, or repealed to consider the economic impact.
- 7) Requires the OAL, when reviewing a regulation, as specified, to additionally make an independent determination as to whether the proposed regulation is a major regulation that requires legislative approval before it can take effect. OAL’s determination that a proposed regulation is a major regulation shall be made public to provide notice that the regulation might not be in effect without legislative approval.
- 8) Requires the OAL, for each major regulation, to produce an independent regulatory impact analysis conducted in the same manner and including the same considerations as the regulatory impact analysis required by the APA, as specified.
- 9) Provides that, if the OAL determines that regulation is not a major regulation, the OAL shall either approve a regulation submitted to it for review, as specified.

- 10) Provides that if the OAL determines that a regulation is a major regulation, the OAL shall submit the major regulation to the Legislature for approval or disapproval, as specified, and its independent regulatory impact analysis, as specified.

Background

Author Statement. According to the author's office, "[o]ver time, regulations have expanded in scope and complexity and now play a significant role in shaping statewide policies across broad economic sectors that impact all Californians, including energy, transportation, housing, and consumer products. Major Regulations issued by agencies such as the California Air Resources Board (CARB), the California Public Utilities Commission (CPUC), and the California Energy Commission (CEC) affect vehicle standards, electricity and energy programs, utility rates, and much more."

Further, "Californians are increasingly impacted by major statewide policies created by unelected boards and commissions. When sweeping regulations can reshape entire industries, drive up costs, and change how people live and work without a vote of the Legislature, it raises serious concerns about transparency and accountability. Major policy decisions that impact affordability deserve public debate and a recorded vote so our citizens know who is responsible for the outcomes, and elected officials should be required to stand behind those decisions. This bill puts responsibility for major decisions back where it belongs, with the people's elected representatives."

The California Administrative Procedures Act. The APA, originally established by SB 705 (DeLap, Chapter 867, Statutes of 1945), predates the federal version and is a set of laws and regulations that governs how state agencies in California must conduct administrative rulemaking and adjudicative proceedings. The APA was established in response to concerns that the number of administrative regulations had grown significantly, and that many regulations were written in an unclear and unnecessarily complex manner. The APA aims to ensure that regulations are written in a comprehensible manner, are authorized by statute, and are consistent with other law.

To achieve these goals, the APA established the OAL as a central office within state government charged with the orderly review of adopted regulations. The OAL is responsible for reviewing regulations to ensure that they are written in a comprehensible manner, are authorized by statute, and are consistent with other law. The OAL is also tasked with reducing the number of administrative regulations and improving the quality of those regulations that are adopted.

State agencies must actively seek to reduce the unnecessary regulatory burden on private individuals and entities by substituting performance standards for prescriptive standards wherever performance standards can be reasonably expected to be as effective and less burdensome, and that this substitution shall be considered during the course of the agency rulemaking process. The APA requires that state agencies must give the OAL ready access to their records and full information and reasonable assistance in any matter of research requiring recourse to them or to data within their knowledge or control.

Furthermore, any interested person may petition a state agency requesting the adoption, amendment, or repeal of a regulation as provided in Article 5 of the APA. The state agency must notify the petitioner in writing of the receipt and must within 30 days deny the petition indicating why the agency has reached its decision on the merits of the petition in writing or schedule the matter for public hearing in accordance with the notice and hearing requirements of that article.

The APA was designed to promote transparency, fairness, and public participation in the administrative process. Its main objectives are to ensure that regulations are written in a comprehensible manner, are authorized by statute, and are consistent with other law. The APA established the OAL to review and improve the quality of adopted regulations, and state agencies must actively seek to reduce the unnecessary regulatory burden on private individuals and entities.

Standardized Regulatory Impact Analysis. An SRIA is an evaluation conducted by a state agency proposing to adopt, amend, or repeal a major regulation. The purpose of this analysis is to assess the potential economic, social, and environmental impacts of the proposed regulation on businesses, consumers, and other stakeholders. SB 617 (Calderon, Chapter 496, Statutes of 2011) requires state agencies to conduct an SRIA when it estimates that a proposed regulation has an economic impact exceeding \$50 million.

In California, DOF oversees the standardized regulatory impact analysis process and provides guidance to state agencies. The analysis typically includes information on the problem the regulation aims to address, the objectives of the regulation, alternative options considered, and the potential benefits and costs associated with the proposed regulation.

The goal of a standardized regulatory impact analysis is to ensure that the potential impacts of regulations are thoroughly assessed and weighed against alternative solutions, and to promote transparency and informed decision-making in the rulemaking process. Existing law requires each state agency proposing to adopt, amend, or repeal a major regulation to prepare a SRIA. For purposes of the APA,

“major regulation” generally means the proposed adoption, amendment, or repeal of a regulation that would have an economic impact on California business enterprises and individuals in an amount exceeding \$50 million, as estimated by the agency.

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.

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 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.

The Legislature Enacts Statutes. The People of the State may also enact statutes and constitutional provisions. Administrative agencies adopt, amend, and repeal regulations under the authority granted to them by either constitutional provisions or legislative statute. Unless the Legislature has created an exemption, agencies must follow the procedures in the APA when adopting, amending or repealing regulations.

Generally, OAL has 30 working days to approve or disapprove a regulation after it has been submitted to OAL for review (Government Code section 11349.3). Weekends and state holidays are excluded from counting this 30 working day time period. OAL only has 10 calendar days to approve or disapprove an emergency regulation after it has been submitted to OAL for review (Government Code section 11349.6).

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)).

The Department of Finance has adopted regulations for state agencies to follow when conducting a SRIA for major regulations. Finance is required to review the completed SRIA submitted by agencies and provide comment(s) to the agency on the extent to which the assessment adheres to the regulations adopted by Finance. Any questions regarding these regulations or completing a SRIA should be directed to the Economic Research Unit.

On October 29, 2013, Finance's regulations on major regulations and Standardized Regulatory Impact Assessments were approved by the Office of Administrative Law and filed with the Secretary of State. These became effective on November 1, 2013. Some minor modifications were approved by the Office of Administrative Law and filed with the Secretary of State on November 21, 2013. The effective date of these regulations is December 1, 2013. Proposed and previously completed major regulation SRIAs and the regulatory calendar can be found at [DOF's internet website](#). The 2025 major regulation SRIA calendar included three major regulations, there are currently two listed in 2026.

Policy Considerations. This bill requires the Legislature to pass a law, and for the Governor to sign, each major regulation before it can be adopted. This new requirement would likely significantly slow the implementation of regulations which currently are experiencing a significant backlog. Since the enactment of SB 617 (Calderon, Chapter 496, Statutes of 2011), all proposed major regulations and corresponding SRIAs can be found on DOF's internet website.

Rulemaking is often a years-long process guided by technical analysis and a robust public process that extends to members of the Legislature. Often, Senators and Assemblymembers are on agency boards and have further insight into the actions of a particular regulatory body throughout the rule development process. Should regulations be further subjected to the Legislative process, the already lengthy rulemaking process will be exacerbated, with the potential to cause further delays.

Of course, the Legislature already can pass legislation that can further prescribe or direct an agency on how to draft regulations, or to outright repeal any statute authorizing such a regulation. This is currently available any time the Legislature feels that a regulation has been finalized that is not shaped with the intent originally envisioned by lawmakers. Should the Legislature wish to dismantle any regulation in its entirety, any member may introduce a bill as such.

Rather than a required approval process as contemplated in this bill, the Committee may wish to consider amending the bill to allow the Legislature a window of time for disapproval of a major regulation, following a policy committee informational hearing. This approach provides the Legislature with a preverbal "second bite at

the apple” for major regulations and the opportunity to review those in a formal and public setting. As such, the Committee may wish to amend this bill as follows:

Amendment #1: Strike Sections 4, 5, and 6

Amendment #2: Insert Section 4

Section 11346.10 is added to the Government Code, to read:

11346.10. (a) For purposes of this section, “major regulation” has the same meaning as that term is defined in Section 11342.548.

(b) Notwithstanding any other law, a state agency that adopts a major regulation shall, within five calendar days of approval by the Office of Administrative Law, submit the final approved regulation to the Legislature in compliance with Section 9795.

(1) A state agency shall notify the Legislature of the major regulation at least 15 days prior to submission pursuant to this subdivision.

(2) Notwithstanding subdivision (a) of Section 11349.3, a major regulation submitted to the Legislature pursuant to this subdivision shall not become effective until the expiration of the review period described in subdivision (c).

(c) The Legislature shall have 60 business days from the date of receipt of the major regulation to review the regulation and may, by concurrent resolution, reject the regulation. The period of review shall be tolled for days when the Legislature is not in session and for days when the Legislature is in recess.

(1) The Legislature shall hold an informational hearing on a major regulation submitted pursuant to subdivision (b) before the expiration of the period specified in this subdivision.

(2) A concurrent resolution rejecting a major regulation pursuant to this subdivision shall include a statement with an explanation for the rejection.

(d) If the Legislature adopts a concurrent resolution rejecting the major regulation within the period specified in subdivision (c), all of the following shall apply:

(1) The regulation shall not become effective.

(2) The regulation shall be returned to the adopting state agency for further consideration.

(3) The adopting state agency may revise and resubmit the regulation in accordance with the Administrative Procedure Act.

(e) If the Legislature does not adopt a concurrent resolution rejecting the major regulation within the period specified in subdivision (c), the regulation shall become effective as provided by law.

(i) This section shall not apply to emergency regulations adopted pursuant to Section 11346.1.

(j) The review process established by this section is intended to provide legislative oversight and shall not be construed to impair the authority of the Office of Administrative Law to review regulations for compliance with this chapter.

Prior/Related Legislation

SB 885 (Strickland, 2026) the Restoring Accountability Act, among other things, prohibits a state agency from taking final action to adopt a major regulation until certain requirements are met, including that a state agency submit 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 1123 (Wiener, 2026) requires a state agency, when estimating the economic impact of adopting, amending, or repealing a major regulation, to calculate any offsetting benefits, impacts, or savings that might result directly or indirectly from that adoption, amendment, or repeal and factor that into its economic impact estimate. (Pending in the Senate Governmental Organization Committee)

AB 2366 (Ávila Farías, 2026) among other things, would include among the requirements for assessing the potential for adverse economic impact the consideration of the proposal's cost-of-living impacts on the residents of the state, as specified. (Pending in the Assembly Economic Development, Growth, and Household Committee)

SB 688 (Niello, 2025) would have established the Office of Regulatory Counsel, as specified, and would have tasked the office with drafting and assisting in the preparation, consideration, amendment, and repeal of regulations for a state agency, before the state agency submits a proposed action regarding that regulation to the OAL, as specified. (Held on the Senate Appropriations Committee Suspense File)

SB 617 (Calderon, Chapter 496, Statutes of 2011) established additional regulatory impact assessment standards for major regulations, as specified.

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

SUPPORT:

California Taxpayers Association
Southwest California Legislative Council

OPPOSITION:

Center for Environmental Health
Clean Water Action
CleanEarth4Kids.org
Coalition for Clean Air
Consumer Protection Policy Center/USD School of Law
Environmental Defense Fund
Environmental Working Group
Facts Families Advocating for Chemical and Toxics Safety
Friends of the River
Mono Lake Committee
Pesticide Action and Agroecology Network
San Francisco Bay Area Physicians for Social Responsibility
San Francisco Baykeeper
Union of Concerned Scientists
350 Humboldt
7th Generation Advisors

ARGUMENTS IN SUPPORT: In support of the bill, the California Taxpayers Association writes that, “[this bill] would build upon the [APA], which establishes procedures for state agencies to adopt, amend, or repeal regulations. Regulations with significant economic impacts affect Californian taxpayers, businesses, and the state’s broader economy, and it is important that they receive direct legislative approval to ensure that they comply with the laws approved by lawmakers.”

ARGUMENTS IN OPPOSITION: In opposition to the bill, the above list coalition write that, “[w]e anticipate serious consequences in creating these regulatory limitations, including increasing political influences into rulemaking and disregarding established public processes and robust technical analysis from agency experts, despite proponent’s arguments that this bill increases accountability. State statutes task regulatory bodies with specific oversight of various sectors and are the branch through which the state is able to implement the many policies it sets to serve all residents of California. Rulemaking is also strictly governed by the Administrative Procedures Act to ensure that policies are expertly researched by qualified professionals, and that the public and effected industries have opportunities to review and comment on proposed rules. Regulations are also subject to judicial review in instances where they may be unconstitutional or outside of existing agency authority.”

Further, “[g]iven the extensive processes agencies must adhere to, SB 986 is simply not necessary. Rulemaking is often a years-long process guided by

technical analysis and a robust public process that extends to members of the Legislature. Often, Assemblymembers and Senators are on agency boards and have further insight into the actions of a particular regulatory body throughout the rule development process. Should regulations be subject to waiting times and Legislative approval before adoption, as proposed by this bill, the already lengthy rulemaking process will only be exacerbated. With regulations of a critical nature, such as policy surrounding vital issues like health care, insurance coverage, pollution regulation, or housing development, further delays could be detrimental to the health and safety of both people and the environment, not to mention the impact uncertainty of a regulation's stability could have on affected industry."

And finally, "[t]he legislative body also already has a major tool at its disposal should a regulation be finalized that is not shaped with the intent envisioned by lawmakers. The legislature can pass legislation with further prescription and direction to effect change for any particular rule. Rather than an approval or disapproval process, for which, in the latter case, the entire regulation would be disapproved, updated legislation to edit aspects of a regulation would be a far more constructive means by which to effect change. And should the legislature wish to dismantle a regulation in its entirety, this bill is not needed for the body to do so—legislation can already be passed to that effect. SB 986 only creates uncertainty in our regulatory process which will have negative impacts for the state."

DUAL REFERRAL: Senate Governmental Organization Committee and Senate Judiciary Committee