



State of California  
Office of Tax Appeals

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May 11, 2023

To Interested Parties:

**NOTICE OF PROPOSED REGULATORY ACTION**

**The Office of Tax Appeals Proposes to Adopt Amendments to**

**California Code of Regulations, Title 18, Division 4.1,**

***Office of Tax Appeals' Rules for Tax Appeals.***

NOTICE IS HEREBY GIVEN that the Office of Tax Appeals (OTA) proposes to adopt amendments to California Code of Regulations, title 18, division 4.1, *Office of Tax Appeals' Rules for Tax Appeals*, which is authorized pursuant to Government Code sections 15679 and 15679.5. OTA's Rules for Tax Appeals implement, interpret, and make specific the statutory provisions of the Taxpayer Transparency and Fairness Act of 2017, (Stats. 2017, Ch. 16) regarding the rules for appeals before OTA. The proposed amendments provide necessary guidance and implement recent statutory changes, including the following:

- Senate Bill 92 (Stats. 2019, Ch. 34) added Section 15676.2 of the Government Code to establish a process for taxpayers to appear before a single administrative law judge (hereinafter referred to as the "Small Case Program"). This proposed regulatory action provides further guidance on, and makes technical changes to, the Small Case Program.
- Assembly Bill 1578 (Stats. 2021, Ch. 401) made various changes to the Administrative Procedure Act. The proposed regulatory action would make technical changes to reflect these changes.
- Assembly Bill 473 (Stats. 2021, Ch. 614) added Article 3 to Chapter 3.5 of Division 7 of Title 1 of the Government Code to recodify the California Public Records Act. The proposed regulatory action would make technical changes and update references using the new statutes.
- Senate Bill 189 (Stats. 2022, Ch. 48) amended Section 15670 of the Government Code to require OTA to adopt ethics standards, including rules governing conflicts of interest and ex parte communication, and to permit certain non-attorney employee classifications to

be OTA panel members. The proposed regulatory action would provide ethics standards as required by recent statutory changes.

OTA intends the proposed regulatory action to become effective on filing with the California Secretary of State.

### **COMMENT PERIOD**

An initial comment period was established, and comments were received from interested parties through March 20, 2023. OTA made changes in response to comments received and those changes are summarized in the Final Statement of Reasons (posted on OTA's website).

The amended proposed final text to OTA's Regulations is posted on OTA's website. **Any person may submit a written comment on or before May 26, 2023, concerning the proposed final text of OTA's Rules for Tax Appeals.** The written comment period closes at 5:00 p.m. on May 26, 2023.

### **JURISDICTION**

Based on stakeholder comments received, OTA will review the proposed language regarding jurisdiction, and will address in a separate rulemaking.

### **PUBLIC HEARING**

OTA held a public hearing on March 20, 2023. During the public hearing, interested parties requested a second public hearing in connection with certain proposed changes to OTA Regulation 30104, which have since been deleted. OTA will hold an additional interested parties' meeting and comment period to address potential changes to OTA Regulation 30104, in a later rulemaking (Date TBD).

**Any person may submit a written comment on or before May 26, 2023, to the proposed final text of OTA's Rules for Tax Appeals.** If requested, OTA will hold a second hearing if it receives a written request for a public hearing from any interested person, or their authorized representative, no later than 15 days from the date of this Notice. OTA will not address any additional comments concerning the formerly proposed amendments to OTA Regulation 30104 which were deleted, in the current rulemaking.

### **JURISDICTION**

OTA will hold another interested parties' meeting, at a later date, to address potential changes to OTA Regulation 30104, Limitations on Jurisdiction.

### **CONTACT PERSONS**

Written comments for OTA's consideration, requests, and any other inquiries concerning the proposed regulatory action should be directed as follows:

- Email (preferred): [regulations@ota.ca.gov](mailto:regulations@ota.ca.gov)
- Fax: (916) 492-2089
- OTA's Comment Line: (916) 206-4355
- Mail: Office of Tax Appeals, Attn: Regulations  
P.O. Box 989880  
West Sacramento, CA 95798-9880.