

FINAL STATEMENT OF REASONS
FOR THE PROPOSED AMENDMENT OF REGULATION SECTION 17951-4
AND THE PROPOSED ADOPTION OF REGULATION SECTION 17951-6

The proposed amendments and adoption of these regulations do not impose any mandate on local agencies or school districts.

Update of Initial Statement of Reasons

The public notice required by section 11346.4 of the Government Code was mailed and published on December 1, 2000. The hearing was held, as scheduled, on January 19, 2001. Both oral and written comments were received during the comment period.

Minor changes were made to the proposed regulation as a result of the comments received, all of which constitute "nonsubstantive" or "sufficiently related" changes within the meaning of section 11346.8 of the Government Code. The comments and Franchise Tax Board staff's analysis of the comments and responses thereto are contained in the rulemaking file.

The proposed regulation with the above mentioned changes was presented to the three-member Franchise Tax Board (Board) at its May 2, 2001, meeting. The Board approved the proposed regulations with the aforementioned changes and directed staff to proceed with the necessary steps for adoption.

The "nonsubstantial" and "sufficiently related" changes were reflected in a 15 day public notice mailed and published on August 10, 2001. Written comments were received during the comment period. No changes were necessary as a result of the comments. The comments and staff's analysis of the comments and responses thereto are contained in the rulemaking file.

Alternatives Considered

The Franchise Tax Board has determined that no alternative would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed regulation.