

FINAL STATEMENT OF REASONS
FOR PROPOSED REGULATION SECTION 19513

The proposed amendments to the existing regulation do not impose any mandate on local agencies or school districts.

Update of Initial Statement of Reasons

The public notice required by Government Code section 11346.4 was mailed and published on August 3, 2001. The original notice specified that no oral hearing would be held unless a request was made at least 15 days before the close of the written comment period of September 21, 2001. Since no request for an oral hearing was received prior to that date, no oral hearing was held. One written comment was received during the public comment period and the written response to that comment is contained in the regulation file.

No changes were made to the proposed amendments to the existing regulation.

The only comment received made two alternative recommendations. The first recommendation sought to exclude assets distributable to tax exempt charitable organizations from the calculation of both the total assets of the estate and the assets distributable to nonresident beneficiaries. The second recommendation sought to exclude tax exempt charitable organizations from the definition of nonresident beneficiaries. These two recommendations have been taken under advisement, but were not incorporated into the proposed amendments to the existing regulation because they do not directly relate to the substantive change being proposed in this regulation and require more research to determine whether they would produce an appropriate result.

Alternatives Determined

The Franchise Tax Board has not received any proposed alternatives that would lessen the adverse economic impact that the proposed amendments to the existing regulation would have on small businesses. The Franchise Tax Board has determined that no alternative would be more effective in carrying out the purpose of the proposed amendments or would be as effective and less burdensome to affected private persons than these proposed amendments to the existing regulation.