

## TITLE 18. FRANCHISE TAX BOARD

The Franchise Tax Board ("Board") proposes to adopt regulations relating to elimination of public benefits to illegal immigrants.

### PUBLIC COMMENTS

As required by Section 11346.4 of the Government Code, this is notice that a public hearing has been scheduled to be held at 10:00 a.m., on June 4, 1998, at 450 N Street, Room 121, Sacramento, California 95814, to consider the adoption of Section 20561 in Title 18 of the California Code of Regulations pertaining to Homeowners and Renters Property Tax Assistance. The hearing will be conducted by an employee of the Board and a report will be made to the Board. Interested persons are invited to present comments, written or oral, concerning the proposed regulatory action. It is requested, but not required, that persons who make oral comments at the hearing also submit a written copy of their comments at the hearing.

### WRITTEN COMMENT PERIOD

Notice is also given that any interested person may present statements or arguments relevant to the proposed action by a written communication addressed to, and received by, the Board's contact person named below on or before 5 p.m., June 4, 1998. All relevant matters presented will be considered before the proposed regulatory action is taken.

### INFORMATIVE DIGEST

Under existing federal law, specifically, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("PRWORA") (P.L. 104-193, 8 U.S.C. Section 1621, et seq.), only specified aliens may receive public benefits, as defined, from an agency of a state. For purposes of PRWORA, public benefits include homeowners and renters property tax assistance.

On August 27, 1996, Governor Pete Wilson signed Executive Order W-135-96 directing all state agencies, departments, boards and commissions, to implement the relevant provisions of PRWORA to prohibit the granting of public benefits to individuals who are not eligible to receive these benefits under PRWORA.

In order to comply with Executive Order W-135-96, the Board adopted as an emergency regulation Section 20561 in Title 18, California Code of Regulations, which became operative on April 1, 1998.

In general, Section 20561 prohibits an individual from receiving homeowners or renters property tax assistance if that individual is not eligible to receive that public benefit under PRWORA, as specified.

In addition, Section 20561 requires individuals to provide a declaration of citizenship, alienage, and immigration status, as specified, when applying for homeowners and renters property tax assistance. The information specified in the declaration enables the Board to determine an applicant's eligibility for homeowners and renters property tax assistance pursuant to PRWORA.

This notice concerns the permanent adoption of Section 20561 in Title 18, California Code of Regulations, which contains the same provisions as the emergency regulation.

AVAILABILITY OF STATEMENT OF REASONS,  
TEXT OF PROPOSED REGULATIONS

The express terms of the proposed action may be obtained upon request from the Board's contact person identified below. Request HRA Verification Regulations. A statement of reasons for the proposed action containing all the information upon which the proposal is based is available from the contact person designated below. Request Statement of Reasons for Section 20561. As required by the Administrative Procedure Act, the Board maintains a rulemaking file containing all the information upon which the proposal is based. The rulemaking file is available for public inspection upon written request to the Board's contact person identified below.

ALTERNATIVES CONSIDERED

The Board must determine that no alternative considered by the agency would be more effective in carrying out the purpose for which the above action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

AUTHORITY & REFERENCE:

Section 19503 of the Revenue and Taxation Code authorizes the Board to prescribe regulations necessary for the enforcement of Part 10 (commencing with Section 17001), Part 10.2 (commencing with Section 18401), Part 10.7 (commencing with Section 21001) and Part 11 (commencing with Section 23001 of the Revenue and Taxation Code. Revenue and Taxation Code sections 20642 and 20645 are additional authority. The proposed regulatory action interprets, implements, and coordinates Section 411 of PRWORA, as amended by Division C, the Immigration Reform and Immigrant Responsibility Act of 1996, of the Omnibus Consolidated Appropriations Act, 1997 (Pub. L. 104-208) [8 U.S.C. §§ 1621, 1641 and 1642], with Section 20561 of the Revenue and Taxation Code. The use of regulations to implement PRWORA was approved in Carmen Doe v. Wilson (1997) 57 Cal.App.4<sup>th</sup> 296.

DISCLOSURES AND FISCAL IMPACT REGARDING  
THE PROPOSED REGULATORY ACTION:

The Board has determined the following with respect to the proposed regulatory action:

Mandate on local agencies and school districts: None.

Cost or savings to any state agency: None.

Direct or indirect costs or savings to the state or in federal funding: None.

Cost to any local agency or school district which must be reimbursed under Part 7 of the Government Code, commencing with Section 17500, Division 4: None.

Other non-discretionary cost or savings imposed upon local agencies: None.

Cost or savings in federal funding to the state: None.

Adverse economic impact on business, including the ability of California businesses to compete with businesses in other states: None.

Costs to directly affected private persons/businesses:  
Insignificant or none.

Significant effect on the creation or elimination of jobs in the state: None.

Significant effect on the creation of new businesses or elimination of existing businesses within the state: None.

Significant effect on the expansion of businesses currently doing business within the state: None.

Effect on small business: None. There is no effect anticipated with respect to small business as the property tax assistance is only available to individuals (without regard to their employment), not businesses, and only concerns residential housing, not commercial places of business.

Significant effect on housing costs: None.

#### CHANGE OR MODIFICATION OF ACTIONS:

The proposed regulatory action may be adopted after consideration of any comments received during the comment period.

The regulation may also be adopted with modifications if the changes are nonsubstantive or the resulting regulation is sufficiently related to the text made available to the public so that the public was adequately placed on notice that the regulation as modified could result from that originally proposed. The text of the regulation as modified will be made available to the public at least 15 days prior to the date on which the regulation is adopted. Requests for copies of any modified regulations should be sent to the attention of the agency officer named below.

#### ADDITIONAL COMMENTS:

If you plan on attending or making an oral presentation at the regulation hearing, please contact the agency officer named below.

The hearing room is accessible to persons with physical disabilities. Any person planning to attend the hearing who is in

need of a language interpreter, including sign language, should contact the officer named below at least two weeks prior to the hearing so that the services of an interpreter may be arranged.

CONTACT:

All inquiries concerning this notice or the hearing should be directed to Beverly Moore at (916) 845-3354 or by mail to the Legal Branch, Attn: BEVERLY MOORE, P.O. Box 1720, Rancho Cordova, California, 95741-1720.

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