

FINAL STATEMENT OF REASONS
FOR PROPOSED REGULATION SECTION 23334

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 section 11346.4 of the Government Code was mailed and published on June 21, 2002. 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 on August 5, 2002. No request for an oral hearing was received prior to that date, therefore no oral hearing was held. Two written comments related to this proposed regulation were received during the written comment period. The summary and response to those comments are in the rulemaking file.

As a result of the comments received during the written comment period, nonsubstantial and sufficiently related changes (within the meaning of section 11346.8 of the Government Code) were made to the proposed regulations, and a 15-day public notice was mailed on October 31, 2002. No written comments were received during the 15-day comment period, which ended on November 15, 2002.

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 the proposed amendments to the existing regulation.