

CALIFORNIA HORSE RACING BOARD
TITLE 4, DIVISION 4, CALIFORNIA CODE OF REGULATIONS
NOTICE OF PROPOSAL TO AMEND
RULE 1481, OCCUPATIONAL LICENSES AND FEES
RULE 2071, LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING BY A
CALIFORNIA APPLICANT
RULE 2072, APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING BY AN
OUT-OF-STATE APPLICANT

The California Horse Racing Board (Board/CHRB) proposes to amend the regulation described below after considering all comments, objections or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1481, Occupational Licenses and Fees; Rule 2071, License to Conduct Advance Deposit Wagering by a California Applicant; and Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant. The proposed amendment to Rule 1481 will modify subsection 1481(b)(2) to add officers, directors, partners and any individuals who hold five percent or more of the outstanding shares of advance deposit wagering (ADW) providers, mini-satellite or exchange wagering providers as persons who must obtain a license issued by the Board. In addition, the proposed amendment will change subsection 1481(b)(6) to require ADW, mini-satellite wagering and exchange wagering managerial personnel who exercise control over other licensees to obtain an occupational license. The proposed amendment to Rule 2071 will modify subsection 2071(b) to state that the term of license shall be up to two years. The proposed amendment will change the form Application for License to Conduct Advance Deposit Wagering, CHRB-132 (Rev. 02/19) (CHRB-132). Rule 2071 incorporates by reference the form CHRB-132. The CHRB-132 will be amended to collect specific information regarding the individuals required to be licensed under the amended Rule 1481. Additional changes to the CHRB-132 deal with the submission of financial information and profit and loss statements by applicant. The proposed amendment to Rule 2072 will modify subsection 2072(b) to state the term of license shall be up to two years. The proposed amendment will change the form Application for Approval to Conduct Advance Deposit Wagering, CHRB-133 (Rev. 02/19) (CHRB-133). The form CHRB-133 is incorporated by reference into Rule 2072. The CHRB-133 will be amended to collect specific information regarding the individuals required to be licensed under the amended Rule 1481. Additional changes to the CHRB-133 deal with the submission of financial information and profit and loss statements by applicant. All other changes to the regulation texts and the forms CHRB-132 and CHRB-133 are for the purposes of consistency and clarity.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, April 18, 2019**, or as soon after that as business before the Board will permit, at the **Santa Anita Park Race Track, 285 Huntington Drive, Arcadia, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It

is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m., on April 15, 2019**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 263-6026
Fax: (916) 263-6022
E-mail: HaroldC@chrb.ca.gov

AUTHORITY AND REFERENCE

Authority cited: Sections 19440, 19510, 19520, 19590, 19604 and 19704. Business and Professions Code. Reference: Sections 19460, 19604, 19510, 19520 and 19704. Business and Professions Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing pari-mutuel wagering. Business and Professions Code 19510 provides every steward and racing official not required to be licensed under Article 4 (commencing with section 19480) shall be licensed by the Board pursuant to this article. Business and Professions Code 19520 provides that every person not required to be licensed under Article 4 (commencing with Section 19480) who participates in the racing of horses and every employee of a pari-mutuel department shall be licensed by the Board pursuant to rules and regulations that the board may adopt, and upon the payment of a license fee fixed and determined by the Board. Business and Professions Code 19590 states the Board shall adopt rules governing, permitting and regulating pari-mutuel wagering on horse races under the system known as the pari-mutuel method of wagering. Parimutuel wagering shall be conducted only by a person or persons licensed under this chapter to conduct a horse racing meeting or authorized by the Board to conduct advance deposit wagering. Business and Professions Code section 19460 provides that all licenses are subject to all rules, regulations, and conditions prescribed by the Board. Business and Professions Code section 19604 states the Board may authorize any racing association, racing fair, betting system, or multijurisdictional wagering hub to conduct advance deposit wagering (ADW) in accordance with this section. Business and Professions Code section 19704 provides the Board shall issue a license for owners, trainers, jockeys and other participants in mule racing.

The Board proposes to amend subsection 1481(b)(2) to provide clarity with regards to the licensing of officers, directors, partners, or individuals who hold five percent or more of the outstanding shares of pari-mutuel entities licensed by the Board. The proposed amendment adds ADW, mini-satellite wagering and exchange wagering providers to subsection 1481(b)(2) so there will be no question that such persons must be licensed. Rule 1481 lists the various classes of occupational licenses issued by the Board. Requiring licensure of officers, directors, partners and persons with significant ownership in ADW, mini-satellite wagering and exchange wagering providers is necessary to enhance the Board's ability to determine who actually owns or operates the businesses. An applicant for an occupational license must provide the Board with two or more complete sets of fingerprints which are used to conduct a criminal background check. Licensing persons with significant ownership, and executive management personnel, will help ensure that no person who is found to be unfit to hold a license has an ownership interest in, or operates an entity that provides pari-mutuel wagering opportunities in California.

Board Rules 2071 and 2072 provide that every applicant that intends to conduct ADW must file a completed application with the Board at least 90 days prior to the provider's scheduled start date of operation. The application CHRB-132 is incorporated by reference in Rule 2071, and the CHRB-133 is incorporated by reference in Rule 2072; therefore, any revisions to the applications would necessitate an amendment to the rules. The proposed amendment of the CHRB-132 will modify section 1.C. of the form to require the applicant to enter the license number of identified management personnel. The change is meant to clarify the existing practice that requires management personnel of a California ADW hub to be licensed by the CHRB. The amendment to section 1.C. is consistent with the proposed amendment of Rule 1481, which will add ADW managers to subsection 1481(b)(6). The changes to section 1.C. of the CHRB-132 and subsection 1481(b)(6) will ensure that ADW managers identified by the applicant hold valid CHRB-issued licenses. The proposed amendment of the CHRB-133 will modify section 1.B. of the form to require applicants to identify management personnel responsible for California operations. The section currently asks in which jurisdiction the managers are licensed, as an out-of-state hub may be subject to other states' licensing requirements. However, the practice has been to require that managers responsible for California ADW operations also hold a California issued license. The proposed amendment provides clarity regarding the licensing requirement and is consistent with the proposed amendment to Rule 1481. ADW providers offer advance deposit pari-mutuel wagering opportunities. Under the proposed amendment to Rule 1481(b)(6), ADW managers who exercise control over pari-mutuel wagering must hold a CHRB issued occupational license. The proposed modifications to the forms CHRB-132 and CHRB-133 are necessary to provide the Board with the ability to determine the fitness for licensing of persons who manage the ADW provider's California operations. Such knowledge allows the Board to more thoroughly vet the ADW application prior to granting a license or approval to conduct ADW in this state.

In addition to licensing requirements for management personnel, the proposed modifications of the forms CHRB-132 and CHRB-133 will change subsection 3.B.4. of each form to require that applicants enter the CHRB license number of all officers and directors of the ADW provider. The proposed amendment to subsection 3.B.4. will clarify the requirement that officers and directors of an ADW provider be licensed. The change is consistent with the proposed amendment of Board Rule 1481, subsection (b)(2), which has been modified to require CHRB licensing of officers, directors and partners of ADW providers. The change is consistent with

current practice regarding the officers, directors and partners listed on the ADW provider's application for license or approval.

Subsection 3.B.5. of the CHRB-132 and CHRB-133 has been amended to require the ADW applicant to provide the CHRB license number of all persons who hold five percent or more of the outstanding shares in the ADW provider. The proposed change will provide clarity regarding the Board's licensing requirements for ADW providers. It is also consistent with the proposed amendment of Board Rule 1481, subsection (b)(2), which has been modified to require CHRB licensing of persons who hold five percent or more of the outstanding shares. The change is consistent with current practice regarding such persons listed on the ADW provider's application. Licensing persons with significant ownership will help to ensure that no person who is found to be unfit to hold a license has an ownership interest in an entity that provides pari-mutuel wagering opportunities in California.

The CHRB-132 and CHRB-133 currently require applicant ADW providers to submit their most recent annual financial statement, including balance sheets and profit and loss statements, and all reports made in the preceding 12 months to shareholders, the Securities and Exchange Commission and the California Corporations Commission. The Board proposes to amend the forms to change subsections 3.B.10. and 3.C.8., and add a new subsection 3.D.3. The proposed amendment will require that ADW applicants attach the prior year's annual financial statement, and a copy of all reports issued during the preceding 12 months to shareholders, the Securities and Exchange Commission and the California Corporations Commission. The Board has found that the applicants "most recent" annual financial statement may not have been generated in the preceding year. The Board has determined it is necessary to amend subsections 3.B.10. and 3.C.8., and add a new subsection 3.D.3. to ensure the financial statement submitted by an ADW applicant does, in fact, address the prior year. An overview of the ADW applicant's financial statements and reports informs the Board about the entity's financial health; whether the applicant is able to meet its financial obligations and has the assets to maintain its business. The Board believes the proposed amendment is necessary, as it has an obligation to assess the applicant's financial viability prior to approving the provider to conduct ADW.

The CHRB-132 and CHRB-133 currently do not require an applicant for renewal of an ADW license/approval to differentiate between its in-state and out-of-state ADW operations when submitting profit and loss statements. This means the Board may not have an accurate understanding of the applicant's California operations. The proposed amendment will add sections 3.B.11., 3.C.9. and 3.D.4. to the CHRB-132 and the CHRB-133 to require an applicant for renewal of license/approval to submit the prior year's profit and loss statement for the applicant's California operations only. The applicant must also include the methodology used to determine the cost allocation for the profit and loss statement. The requirement would not apply to applicants that have not previously been licensed or approved to conduct ADW in California. The proposed amendment is necessary to collect each applicant's financial information specific to California ADW, which will help the Board assess the applicant's financial sustainability in California. Requiring the prior year's annual profit and loss statement for California ADW is necessary to give the Board a means to determine if an applicant is maintaining its California business. The Board receives a direct view of how an applicant's ADW business is performing in California. Cost allocation is the process of identifying and assigning costs to different cost

objects, which in this case would be California ADW. If costs are not accurately calculated, a business might not know if a specific service is profitable, or if resources are being wasted on an unprofitable service. There are numerous cost allocation methods that may be followed by an entity to produce financial information such as the profit and loss statement. The entity must determine the methodology that most accurately reflects its business operations. Requiring the ADW applicant to describe the methodology it used to determine the cost allocation is necessary for auditing purposes. An auditor must know how the entity allocated costs in order to make certain the entity followed generally accepted accounting principles and the costs are attributable to the service.

The proposed changes to forms CHRB-132 and CHRB-133 are as follows:

Proposed changes to form CHRB-132 include:

Section 1. C.: The section has been modified to capture information regarding management personnel directly involved in the management of ADW operations. The applicant must provide the name, title and license number of management personnel. The section will help staff ensure California ADW managers have current occupational licenses.

(Note: The following Section 3.B. references apply to ADW applicants with a corporate business structure.)

Section 3.B.4.: The section has been modified to collect the CHRB occupational license number of the ADW provider's officers and directors.

Section 3.B.5.: The section has been modified to require that the ADW provider include the CHRB occupational license number of any persons holding five percent or more of outstanding shares of the entity.

Section 3. B. 10: The section has been modified to require the applicant to provide the prior year's annual financial statement. The amendment will give the Board an insight into the applicant's operations to help assess its financial viability.

Section 3. B. 11: The new subsection requires an applicant that has previously been licensed by the Board to conduct ADW to attach the prior year's annual profit and loss statement for the applicant's California ADW operations only. The addition will help the Board determine the applicant's financial sustainability in California. Requiring an annual profit and loss statement for California ADW is necessary to give the Board a means to determine if an applicant is maintaining its California business. The addition will require applicants to include the methodology used to determine the cost allocation for the profit and loss statement, which is necessary for auditing purposes.

(Note: The following Section 3.C. references apply to ADW applicants with an LLC business structure.)

Section 3.C.4.: The section has been modified to collect the CHRB occupational license number of the ADW provider's officers and directors.

Section 3.C.5.: The section has been modified to require that the ADW provider include the CHRB occupational license number of any persons holding five percent or more of outstanding shares of the entity.

Section 3. C. 8: The section has been modified to require the applicant to provide the prior year's annual financial statement. The amendment will give the Board a fiscal view of the applicant's operations to help assess its financial viability.

Section 3. C. 9: The new subsection requires an applicant that has previously been licensed by the Board to conduct ADW to attach the prior year's annual profit and loss statement for the applicant's California ADW operations only. The addition will help the Board determine the applicant's financial sustainability in California. Requiring an annual profit and loss statement for California ADW is necessary to give the Board a means to help assess if an applicant is maintaining its California business. The addition will require applicants to include the methodology used to determine the cost allocation for the profit and loss statement, which is necessary for auditing purposes.

(Note: The following Section 3.D. references apply to ADW applicants with a business structure other than a corporation or an LLC.)

Section 3. D. 3: This new subsection requires an applicant with any business structure other than a corporation or LLC to attach the prior year's annual financial statement. This addition will give the Board a fiscal view of the entity to determine its financial viability. The new subsection will provide consistency by ensuring that all ADW applicants will be required to submit the same financial information.

Section 3. D. 4: The new subsection requires an applicant with a business structure other than a corporation or LLC that has previously been licensed by the Board to conduct ADW, to attach the prior year's annual profit and loss statement for the entity's California ADW operations only. The addition will aid the Board in understanding the applicant's financial sustainability in California. Requiring an annual profit and loss statement for California ADW is necessary to determine if an applicant is maintaining its California business. The amendment will require applicants to include the methodology used to establish the cost allocation for the profit and loss statement, which is necessary for auditing purposes.

Proposed changes to form CHRB-133 include:

Section 1. B.: The section has been amended to require that the applicant identify which of its management personnel are responsible for California operations. The applicant must indicate the jurisdiction in which its management personnel are licensed, and whether the managers are responsible for California operations. The amendment will ensure the ADW provider's management staff responsible for California operations have current CHRB-issued occupational licenses.

(Note: The following Section 3.B. references apply to ADW applicants with a corporate business structure.)

Section 3.B.4.: The section has been modified to collect the CHRB occupational license number of the ADW provider's officers and directors.

Section 3.B.5.: The section has been modified to require that the ADW provider include the CHRB occupational license number of any persons holding five percent or more of outstanding shares of the entity.

Section 3. B. 10: The section has been modified to require the applicant to provide the prior year's annual financial statement. The amendment will give the Board a fiscal view of the applicant's operations to determine its financial viability.

Section 3. B. 11: The new subsection requires an applicant that has previously been licensed by the Board to conduct ADW to attach the prior year's annual profit and loss statement for the applicant's California ADW operations only. The addition will help the Board make a judgement regarding the applicant's financial sustainability in California. Requiring an annual profit and loss statement for California ADW is necessary to give the Board a means to determine if an applicant is maintaining its California business. The addition will require applicants to include the methodology used to determine the cost allocation for the profit and loss statement, which is necessary for auditing purposes.

(Note: The following Section 3.C. references apply to ADW applicants with an LLC business structure.)

Section 3.C.4.: The section has been modified to collect the CHRB occupational license number of the ADW provider's officers and directors.

Section 3.C.5.: The section has been modified to require that the ADW provider include the CHRB occupational license number of any persons holding five percent or more of outstanding shares of the entity.

Section 3. C. 8: The section has been modified to capture the prior year's annual financial statement information from an applicant with a LLC business structure. This amendment will give the Board a broader fiscal view of the entity to determine its financial viability prior to approving the provider to conduct ADW.

Section 3. C. 9: The new subsection requires an applicant with a LLC business structure that has previously been licensed by the Board to conduct ADW to attach the prior year's annual profit and loss statement for the entity's California ADW operations only. This addition will help the Board make a judgement regarding the applicant's financial sustainability in California. Requiring an annual profit and loss statement for California ADW is necessary to give the Board a means of determining if an applicant is maintaining its California business. The applicant must include the methodology used to determine the profit and loss statement cost allocation, which is necessary for auditing purposes.

(Note: The following Section 3.D. references apply to ADW applicants with a business structure other than a corporation or an LLC.)

Section 3. D. 3: The new subsection requires an applicant with any business structure other than a corporation or LLC to attach the prior year's annual financial statement. The addition will give the Board a fiscal view of an entity to determine its viability prior to approving the ADW application. The new subsection will provide consistency by ensuring that all ADW applicants will be required to submit the same financial information.

Section 3. D. 4: The new subsection requires an applicant with a business structure other than a corporation or LLC that has previously been licensed by the Board to conduct ADW, to attach the prior year's annual profit and loss statement for the entity's California ADW operations only. The addition will help the Board make a judgement regarding the applicant's financial sustainability in California. Requiring an annual profit and loss statement for California ADW is necessary to give the Board a means to determine if an applicant is maintaining its California business. The new section will require applicants to include the methodology used to determine the cost allocation for the profit and loss statement, which is necessary for auditing purposes.

All other changes to the CHRB-132 and CHRB-133 forms are for the purposes of consistency and renumbering.

POLICY STATEMENT OVERVIEW OF ANTICIPATED BENEFITS OF PROPOSAL

The proposed amendment will revise Rule 1481 to state licensing requirements for pari-mutuel wagering entities' managerial personnel and for persons who are officers, directors, and partners of such entities. The proposed amendment to Rule 1481 will create consistency with regards to the occupational licensing requirements for entities offering pari-mutuel wagering opportunities. Persons who manage the entities' California operations, and persons who are officers, directors, and partners of such entities will hold CHRB occupational licenses. The requirements are beneficial to California's horse racing industry, and will protect the public's interest in the integrity of horse racing, as they will help to ensure that persons who are unfit to hold a license are not involved in the operation of an entity offering pari-mutuel wagering opportunities. The proposed amendment to Rule 2071 will modify the form CHRB-132. The proposed amendment to Rule 2072 will modify the form CHRB-133. The CHRB-132 and CHRB-133 will be amended to collect specific information regarding the individuals required to be licensed under the amended Rule 1481. Additional changes to the forms CHRB-132 and CHRB-133 deal with the submission of financial information and profit and loss statements by applicants. The proposed amendments to the CHRB-132 and the CHRB-133 will have the benefit of ensuring ADW managers, officers, directors and partners procure the proper occupational license, and undergo a background check. The licensing requirement will provide a safeguard to make certain that no person who is unqualified to hold a CHRB occupational license manages, or holds an ownership interest in a pari-mutuel wagering provider. The proposed amendment also modified the CHRB-132 and CHRB-133 to require the applicant submit the prior year's annual financial statement, including a profit and loss statement for the entity's California operations only. A comprehensive overview of the ADW applicant's financial statements and reports gives the Board a broader view of the entity's financial health; whether the applicant is able to meet its financial obligations

and has the assets to maintain its business. The Board believes the proposed amendment is necessary, as it has an obligation to determine the applicant's financial viability prior to approving the provider to conduct ADW. Ensuring managers of California ADW operations, and officers, directors and partners procure the proper occupational license, helps to ensure transparency in the operation of California ADW providers. The applicant must name such persons on the ADW application. The ADW applications are public documents available for viewing on the Board's website. The proposed amendment to Rule 1481, Rule 2071 and 2072 is a benefit to the health and safety of California residents as it will protect the public's interest in the integrity of horse racing and will help to ensure that persons who are unfit to hold a license are not involved in the operation of an entity offering pari-mutuel wagering opportunities. The proposed amendment will not protect worker safety or the environment, the prevention of discrimination or the promotion of social equity.

CONSISTENCY EVALUATION

During the process of developing these regulations and amendments, the California Horse Racing Board conducted a search of any similar regulations on this topic and concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

FORMS INCORPORATED BY REFERENCE

A. Rule 2071:

Application for License to Conduct Advance Deposit Wagering, CHRB-132 (Rev. 02/19)

B. Rule 2072:

Application for Approval to Conduct Advance Deposit Wagering, CHRB-133 (Rev. 02/19)

The CHRB-132 and CHRB-133 are incorporated by reference into Rule 2071 and 2072, respectively, as it would be cumbersome, unduly expensive or otherwise impractical to publish the documents in the California Code of Regulations.

DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

Cost to any local agency or school district that must be reimbursed in accordance with Government Code Sections 17500 through 17630: none.

Other non-discretionary costs or savings imposed upon local agencies: none.

Cost or savings in federal funding to the State: none.

The Board has made an initial determination that the proposed amendment to Rule 1481, Rule 2071 and Rule 2072 will not have a significant statewide adverse economic impact directly

affecting business including the ability of California businesses to compete with businesses in other states.

The following studies/relevant data were relied upon in making the above determination: none.

Cost impact on representative private persons or businesses: The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant effect on housing costs: none.

RESULTS OF ECONOMIC IMPACT ASSESSMENT

The adoption of the proposed amendment of Rule 1481, Rule 2071 and Rule 2072 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California. The proposed amendment to Rule 1481, Rule 2071 and 2072 is a benefit to the health and welfare of California residents because it will protect the public's interest in the integrity of horse racing, and will help to ensure that persons who are unfit to hold a license are not involved in the operation of an entity offering pari-mutuel wagering opportunities. The proposed amendment to Rule 1481, Rule 2071 and Rule 2072 will require management staff, officers, directors, partners, or persons with five percent or more of outstanding shares of an entity licensed by the Board to obtain an occupational license. It will also require applicants to conduct advance deposit wagering to identify managerial staff directly involved with California ADW operations, attach the two most recent financial statement including balance sheets and profit and loss statements, and a copy of all reports issued during the preceding 24 months to shareholders in the company, the Securities and Exchange Commission, or the corresponding state where the ADW provider is registered to the CHRB-132 or CHRB-133, regardless of business structure. The applicant must also provide two prior year's profit and loss statements specific to California ADW operations with the methodology used to determine the cost allocation for the profit and loss statements. The adoption of the proposed amendment of Rule 1481, Rule 2071 and Rule 2072 will not benefit worker safety or the environment.

Effect on small businesses: none. The proposal to amendment of Rule 2071 and Rule 2072 does not affect small businesses because horse racing is not a small business under Government Code Section 11342.610.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5, subdivision (a)(13), the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome on affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

CONTACT PERSON

Inquiries concerning the substance of the proposed action and requests for copies of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, and other information upon which the rulemaking is based should be directed to:

Harold Coburn, Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 274-6026
Fax: (916) 263-6022
E-mail: HaroldC@chr.ca.gov

If the person named above is not available, interested parties may contact:

Andrea Ogden, Manager, Policy and Regulations
Telephone: (916) 263-6033
E-mail: AndreaO@chr.ca.gov

AVAILABILITY OF FINAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its offices at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the initial statement of reasons and all available information of which this proposal is based on. Copies may be obtained by contacting Harold Coburn, or the alternative contact person at the address, phone number or e-mail address listed above.

AVAILABILITY OF MODIFIED TEXT

After holding a hearing and considering all timely and relevant comments received, the Board may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly marked, shall be made available to the public for at least 15 days prior to the date on which the Board adopts the regulation. Requests for copies of any modified regulations should be sent to the attention of Harold Coburn at the address stated above. The Board will accept written comments on the modified regulation for 15 days after the date on which it is made available.

AVAILABILITY OF FINAL STATEMENT OF REASONS:

Requests for copies of the final statement of reasons, which will be made available after the Board has adopted the proposed regulation in its current or modified form, should be sent to the attention of Harold Coburn at the address stated above.

BOARD WEB ACCESS

The Board will have the entire rulemaking file available for inspection throughout the rulemaking process at its web site. The rulemaking file consists of the notice, the proposed text of the regulation and the initial statement of reasons. The Board's web site address is: www.chrb.ca.gov.