

INITIAL STATEMENT OF REASONS

RULE 1497. CONFIDENTIALITY OF APPLICATIONS RULE 1548. RULINGS BY THE STEWARDS

SPECIFIC PURPOSE OF THE REGULATION

The Board proposes to amend Board Rule 1497, Confidentiality of Applications, to address unforeseen conflicts with disclosure statements contained in the Board's occupational license application. "Section A: General Information" of the Board's Application for License, CHRB-4, states that all information in that section is considered public record and may be disclosed pursuant to a Public Records Act request. Within Section A, applicants must list an address of record, which may be a P.O. Box, mail service box, business address, or address of their choosing. There is also a separate area of the Application for License which is designated so that any information listed below will be kept as confidential. This is where an applicant must list a personal/physical address if a P.O. Box or mail service box was listed in Section A. The section marked as confidential also asks for phone number, social security number or employer identification number, and driver's license number.

The Board frequently receives Public Records Act requests for licensee information. Questions often arise about the treatment of a personal address or phone number that is listed on the public portion of the application (Section A) as opposed to a P.O. Box or other non-personal address. Technically, disclosure of that information would conflict with Board Rule 1497, which states that personal addresses and phone numbers are confidential and shall not be disclosed to the public. The proposed amendment would remove from Rule 1497 the blanket prohibition that personal addresses and phone numbers shall not be disclosed to the public and instead state that information marked or otherwise identified as confidential on the application will not be disclosed. This amendment is meant to preserve the confidentiality of personal addresses and phone numbers when an applicant wishes to keep such information private but allow for that confidentiality to be waived if a personal address and/or phone number is listed in Section A, the public portion of the application. Other non-substantive, technical edits to the rule would also be made.

The Board proposes to amend Board Rule 1548, Rulings by the Stewards, to remove the requirement in subsection (a)(2) that rulings and orders issued by the stewards must include a licensee's social security number. Stewards' rulings and orders are public documents and social security numbers must be redacted pursuant to the Information Practices Act before they can be released or posted on the Board's website. The inclusion of the licensee's social security number in rulings or orders is unnecessary, and for the protection of the licensee's information, the Board would prefer to remove the requirement that it be included altogether. The amendments would also change the wording of subsection (a)(2) to be consistent with the other subsections. The proposed amendment would reword subsection (a)(3) for clarity by requiring the ruling or order to include the

rule or regulation violated, rather than the offense charged. Other non-substantive, technical edits would also be made.

PROBLEM

The Information Practices Act of 1977 (IPA), Civil Code section 1798 et seq., protects privacy of individuals by providing limits on the collection, management, and dissemination of personal information by state agencies. Section 1798.61(a) of the IPA does not prohibit the release of names and addresses of licensees. Currently, Board Rule 1497 conflicts with the IPA and information provided on the application form. Board Rule 1548 includes the collection of social security numbers. Therefore, the proposed regulatory action would align Board Rules 1497 and 1548 with current practices and the IPA to ensure confidentiality of private information.

NECESSITY

Subsections (a) and (b) of Board Rule 1497 will be removed and replaced with language consistent with the IPA. The current subsection designations will be removed to accommodate the new structure of the rule.

Subsection (b)(1) of Board Rule 1497 will be removed for consistency with the IPA.

Subsections (b)(2), (b)(3), and (b)(4) of Board Rule 1497 will be renumbered to subsections (a), (b), and (c), respectively, to accommodate the new structure of the rule. "The information includes" was added to each subsection for consistency with the language in the revised section above. Non-substantive, technical edits (i.e., capitalization, replacing periods with semi-colons, and addition of "or") were made for proper punctuation and improved readability.

Subsection (d) will be added to Board Rule 1497 for consistency with language on the application designating confidential information.

Subsection (a)(2) of Board Rule 1548 will be amended for consistency with language in the previous subsection. The requirement to include the social security number in a ruling or order will be removed for consistency with current practices.

Subsection (a)(3) of Board Rule 1548 will be amended for clarity by requiring the ruling or order to include the rule or regulation violated, rather than the offense charged. The amended language more accurately reflects the information being indicated.

BENEFITS ANTICIPATED FROM THE REGULATORY ACTION

The proposed regulatory action would align Board Rules 1497 and 1548 with current practices and the IPA to ensure confidentiality of private information. The proposed changes to Board Rule 1497 would also help prevent confusion among applicants regarding the information provided on their applications that is confidential.

TECHNICAL, THEORETICAL, OR EMPIRICAL STUDIES, REPORTS, OR OTHER DOCUMENTS

The Board relied on the texts of The Information Practices Act of 1977, Civil Code section 1798 et seq., in proposing this regulatory action.

RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The results of the Board's Economic Impact Assessment as required by Government Code section 11346.3(b) are as follows:

- The proposed regulation will not affect the creation or elimination of jobs within the state.
- The proposed regulation will not affect the creation of new businesses or the elimination of existing businesses within the state.
- The proposed regulation will not affect the expansion of businesses currently doing business within the state.
- The proposed regulation will not benefit the health and welfare of California residents, worker safety, or the state's environment.

The Board has made an initial determination that the proposed regulatory action 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 proposed regulatory action would align Board Rules 1497 and 1548 with current practices and the IPA to ensure confidentiality of private information.

CREATION OR ELIMINATION OF JOBS WITHIN THE STATE OF CALIFORNIA

The proposed regulatory action would align Board Rules 1497 and 1548 with current practices and the IPA to ensure confidentiality of private information. As such, the proposed regulatory action will not result in the creation or elimination of jobs within the state.

CREATION OF NEW BUSINESSES OR THE ELIMINATION OF EXISTING BUSINESSES WITHIN THE STATE OF CALIFORNIA

The proposed regulatory action would align Board Rules 1497 and 1548 with current practices and the IPA to ensure confidentiality of private information. As such, the proposed regulatory action will not result in the creation of new businesses or the elimination of existing businesses within the state.

EXPANSION OF BUSINESSES CURRENTLY DOING BUSINESS WITHIN THE STATE OF CALIFORNIA

The proposed regulatory action would align Board Rules 1497 and 1548 with current practices and the IPA to ensure confidentiality of private information. As such, the proposed regulatory action will not result in the expansion of businesses currently doing business within the state.

BENEFITS OF THE REGULATIONS TO THE HEALTH AND WELFARE OF CALIFORNIA RESIDENTS, WORKER SAFETY, AND THE STATE'S ENVIRONMENT

The proposed regulatory action would align Board Rules 1497 and 1548 with current practices and the IPA to ensure confidentiality of private information. As such, the proposed regulatory action will not benefit the health and welfare of California residents, workers safety, or the state's environment.

ALTERNATIVES TO THE PROPOSED REGULATION THAT WOULD LESSEN ANY ADVERSE IMPACT ON AFFECTED PRIVATE PERSONS OR BUSINESSES

The Board has determined that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to 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.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATION

The proposed regulatory action was discussed at the August 15, 2024 Board meeting. No alternatives to the regulation were proposed by the Board or by any other individual or entity at the meeting. No subsequent alternative recommendations were made prior to the notice. The Board invites any interested party to submit comments that offer any alternative proposal.

CALIFORNIA HORSE RACING BOARD
October 25, 2024