

FINAL STATEMENT OF REASONS FOR THE AMENDMENT OF CALIFORNIA CODE OF REGULATIONS, TITLE 18, SECTION 25137-7, AND ADOPTION OF CALIFORNIA CODE OF REGULATIONS, TITLE 18, SECTION 25101.3

The proposed regulations do not impose any mandate on local agencies or school districts.

Update of Initial Statement of Reasons

The Notice required by section 11346.4 of the Government Code was mailed on October 27, 2009 to every person who either filed a request for notice of Franchise Tax Board regulatory actions or who the Franchise Tax Board believed was interested in the proposed action. The Notice was published in the California Regulatory Notice Register on October 16, 2009. The Notice was also posted on the Franchise Tax Board's website. The public hearing was held as scheduled January 13, 2010.

No comments, written or oral, were submitted to the Franchise Tax Board at the January 13, 2010 hearing. No comments, written or oral, were submitted to the Franchise Tax Board during the comment period ending January 13, 2010. Therefore, the contents of the Initial Statement of Reasons remain unchanged and are incorporated by reference.

Alternatives Determined

The Franchise Tax Board has determined that no alternative would be more effective in carrying out the purpose for which the amendments to the existing regulation and the adoption of the new regulation is proposed, or would be as effective and less burdensome to affected persons, than the proposed amendment to the existing regulation and the adoption of the new regulation.