

Notice of Proposed Emergency Action and Finding of Emergency

The California Department of Tax and Fee Administration

Has Adopted California Code of Regulations, Title 18, Section 1808,

Tax Revenue Sharing Agreement Reporting and Publication

NOTICE IS HEREBY GIVEN that the California Department of Tax and Fee Administration (Department), pursuant to the authority vested in the Department pursuant to Revenue and Taxation Code (RTC) section 7213, has adopted California Code of Regulations, title 18, section (Regulation or Reg.) 1808, Tax Revenue Sharing Agreement Reporting and Publication, as an emergency regulation in accordance with the Administrative Procedure Act (APA) (Gov. Code (GC), § 11340 et seq.). Emergency Regulation 1808 clarifies the reporting and publication requirements imposed on local agencies and the Department by RTC section 7213 and the penalties that may be imposed on local agencies pursuant to RTC section 7213.

FINDING OF EMERGENCY

Section 48 Statement

Subdivision (a) of GC section 11346.1 requires that, at least five working days prior to submission of the proposed emergency action to the Office of Administrative Law (OAL), the Department provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the Department. After submission of the proposed emergency action to OAL, OAL shall allow interested persons five calendar days to submit comments on the proposed emergency regulation as set forth in subdivision (b) of GC section 11349.6.

Statement of Emergency

Subdivision (g) of RTC section 7213 provides that the Department may prescribe, adopt, and enforce regulations relating to the administration and enforcement of RTC section 7213. It also provides that until January 1, 2026, the Department may prescribe, adopt, and enforce any emergency regulations as necessary to implement, administer, and enforce its duties under RTC section 7213. Any emergency regulation prescribed, adopted, or enforced pursuant to RTC section 7213 shall be adopted in accordance with the APA, and, for purposes of the APA, including GC section 11349.6, the adoption and readoption of the regulation is an emergency and shall be considered by the OAL as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding any other law, the emergency regulations adopted by the Department may remain in effect for two years from adoption and may be readopted in accordance with subdivision (h) of GC section 11346.1.

AUTHORITY

RTC section 7213.

REFERENCE

RTC sections 6005 and 7213.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Summary of Existing Laws and Regulations

Local Sales and Use Tax

The Bradley-Burns Uniform Local Sales and Use Tax Law (Bradley-Burns) (commencing with RTC section 7200) authorizes counties and cities to impose local sales and use taxes with provisions generally in conformity with the Sales and Use Tax Law (commencing with RTC section 6001). Bradley-Burns local sales and use taxes (local sales and use taxes) are imposed in every city, county, and city and county in California at a uniform total combined rate of 1.25 percent. When state sales tax applies to a transaction, the 1.25 percent local sales tax also applies. When state use tax applies to a transaction, then the local use tax also applies. (Regulation 1803, Application of Tax). Local sales and use taxes are separate and distinct from district taxes imposed in accordance with the Transactions and Use Tax Law (commencing with RTC section 7251). Also, the administration of Bradley-Burns was transferred from the State Board of Equalization to the Department, operative July 1, 2017, by GC section 15570.22 and references to the State Board of Equalization in Bradley-Burns and the regulations implementing, interpreting, and making specific Bradley-Burns mean the Department pursuant to GC section 15570.24 and RTC section 20.

Section 29 of Article XIII of the California Constitution

Subdivision (a) of section 29 of article XIII of the California Constitution (Section 29) provides that the Legislature may authorize counties, cities and counties, and cities to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them that is collected for them by the State. Subdivision (b) of Section 29 provides that notwithstanding subdivision (a), counties, cities and counties, and cities may enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to Bradley-Burns, or any successor provisions, that is collected for them by the State, if the ordinance or resolution proposing each contract is approved by a two-thirds vote of the governing body of each jurisdiction that is a party to the contract.

GC section 53084.5

Subdivision (a) of GC section 53084.5 provides that, on or after January 1, 2016, a local agency shall not enter into any form of agreement that would result, directly or indirectly, in the payment, transfer, diversion, or rebate of any tax revenue resulting from the imposition of local sales and use taxes to any person for any purpose when both of the following apply:

1. The agreement results in a reduction in the amount of revenue under Bradley-Burns that, in absence of the agreement, would be received by another local agency.

2. The retailer continues to maintain a physical presence within the territorial jurisdiction of that other local agency.

Additionally, subdivisions (b)(1) of GC section 53084.5 provides that a local agency entering into an agreement that results in a reduction of the amount of revenue under Bradley-Burns that, in the absence of the agreement, would be received by another local agency shall post the proposed agreement on its internet website for at least 30 days prior to ratification or approval of that agreement by its governing body. Subdivision (b)(3) of GC section 53084.5 provides that a local agency shall post any agreement on its internet website it has entered into that results in a reduction of the amount of revenue under Bradley-Burns that, in the absence of the agreement, would be received by another local agency, including any agreements entered into prior to January 1, 2016, that are still in effect on and after that date. Subdivision (c)(1) of GC section 53084.5 also provides that “local agency” means a chartered or general law city, a chartered or general law county, or a city and county, of this state.

RTC section 7213

Assembly Bill No. (AB) 2854 (Stats. 2024, ch. 842) added RTC section 7213 to Bradley-Burns, effective January 1, 2025. RTC section 7213 imposes new reporting and publication requirements on local agencies as defined in GC section 53084.5 and the Department. It also provides penalties that may be imposed on a local agency that fails to comply with the reporting or publication requirements.

Subdivision (a)(2) of RTC section 7213 provides that “rebated sales and use tax revenues” means any direct or indirect payment, transfer, diversion, or rebate of any local sales and use tax revenue resulting from the imposition of a local tax to any person pursuant to an agreement (tax revenue sharing agreement). Subdivision (d) of RTC section 7012 provides that on or before April 30 of each year, for each agreement that resulted in rebated sales and use tax revenue during the immediately preceding fiscal year, a local agency shall report to the Department, in a form and manner prescribed by the Department, the following information:

1. The name or names of any parties to the agreement.
2. The total dollar amount of rebated sales and use tax revenues received by each party to the agreement on or after the date of the execution of the agreement through and including June 30 of the fiscal year immediately preceding the date of the report.
3. The total dollar amount of rebated sales and use tax revenues received by each party to the agreement during the fiscal year immediately preceding the date of the report.
4. The date on which the agreement was originally executed, and the date on which the agreement terminated or will terminate, absent any renewal.
5. The percentage of a retailer’s sales and use taxes, if any, used to calculate or otherwise determine the rebated sales and use tax revenues received by each party to the agreement.

6. The percentage of a retailer's sales and use taxes, if any, used to calculate or otherwise determine the rebated sales and use tax revenues received by any other person that is not a party to the agreement.

Subdivision (b) of RTC section 7213 provides that a local agency shall publish on its internet website, on or before April 30 of each year, the information submitted to the Department pursuant to subdivision (d). It provides that a hyperlink to an internet web page containing the information submitted to the Department pursuant to subdivision (d) shall be present and visible on the home page of the local agency's internet website at all times. It also provides that if a local agency maintains a web page containing information about the local agency's economic development subsidies, including, but not limited to, the information required pursuant to GC sections 53083 and 53083.1, the local agency may include the information submitted to the Department pursuant to subdivision (d) on that internet web page.

Subdivision (c) of RTC section 7213 provides that a local agency that has not directly or indirectly paid, transferred, diverted, or rebated any sales and use tax revenues pursuant to an agreement in the immediately preceding fiscal year shall, by April 30, report this fact to the Department in a form and manner prescribed by the Department and shall be exempt from the posting requirements outlined in subdivision (b) discussed above.

Subdivision (e)(1)(A) of RTC section 7213 provides that if a local agency fails to timely provide the information required pursuant to subdivisions (c) or (d), or fails to publish information on its website pursuant to subdivision (b), the Department shall notify the local agency by certified mail that it has 45 days from the mailing of the notice to provide or publish the required information or submit a statement to the Department, in the form and manner prescribed by the Department, explaining why it is unable to provide or publish the required information within the 45-day period. If a local agency provides such a statement, the Department may extend the 45-day period to provide or publish the required information by 30 days if the local agency demonstrates that the failure to comply timely with the applicable requirement was due to reasonable cause and circumstances beyond the local agency's control, occurred notwithstanding the exercise of ordinary care, and occurred in the absence of willful neglect. The Department shall not grant an extension for a local agency based on the local agency's claim that the information is confidential.

Subdivision (e)(1)(A) of RTC section 7213 further provides that if the Department grants an extension, the Department shall notify the local agency by certified mail that it has 30 days to provide or publish the required information commencing on the next business day following the expiration of the 45-day period discussed above. If the Department declines to grant an extension, the local agency shall provide or publish the required information within 10 days after the Department notifies the local agency by certified mail that it has denied the extension. The notice shall be addressed to the person authorized to receive confidential data at the local agency's address as it appears in the Department's records. The mailing of the notice shall be deemed complete at the time of deposit of the notice in the United States Post Office, or a mailbox, sub-post office, substation or mail chute, or other facility regularly maintained or provided by the United States Postal Service, without extension of time for any reason.

Subdivision (e)(1)(B) of RTC section 7213 provides that if a local agency fails to provide or publish the specified information within the applicable period determined as discussed above, the Department may impose a penalty for each day after expiration of the applicable period the local agency fails to provide or publish the information, up to 365 days after the expiration of the applicable period, as follows:

- For days one to 180, inclusive, one thousand dollars (\$1,000) per day.
- For days 181 to 365, inclusive, four thousand dollars (\$4,000) per day.

The provisions of chapter 4 of the Fee Collections Procedures Law (FCPL) (commencing with RTC section 55121) apply with respect to the collection of the penalties imposed.

Fiscal Year

GC section 13290 provides that the fiscal year shall commence on the first day of July. The Department of Finance Budget Analyst Guide's Glossary of Accounting and Budget Terms, further clarifies that in California state government, the fiscal year begins July 1 and ends the following June 30.

Effects, Objectives, and Benefits of Emergency Regulation 1808

Issues

The Department determined that there are issues regarding the reporting and publication requirements imposed by RTC section 7213 and the imposition of the penalties imposed by RTC section 7213. The Department also determined that it is reasonably necessary to adopt emergency Regulation 1808 to have the effect and accomplish the objective of addressing those issues prior to April 30, 2025, which is the first reporting and publication deadline under RTC section 7213.

Definitions

The Department determined that there are issues because the terms "department," "fiscal year," and "person" are used in RTC section 7213, but not defined in Bradley-Burns. Therefore, the Department determined that it is reasonably necessary for subdivision (a) of emergency Regulation 1808 to clarify that "Department" means the California Department of Tax and Fee Administration to have the effect and accomplish the objective of addressing the first issue. The Department determined that it is reasonably necessary for subdivision (a) of emergency Regulation 1808 to clarify that "fiscal year" means the 12-month period beginning on July 1 and ending on the following June 30 to have the effect and accomplish the objective of addressing the second issue because that is the state's fiscal year. The Department also determined that it is reasonably necessary for subdivision (a) of emergency Regulation 1808 to clarify that "person" has the same meaning as defined in RTC section 6005 to have the effect and accomplish the objective of addressing the third issue because Bradley-Burns requires local sales and use tax ordinances to include provisions identical to RTC section 6005.

The Department determined that there are issues because RTC section 7213 defines the term

“rebated sales and use tax revenues,” but does not clarify:

- When the payment, transfer, diversion, or rebate of money other than local sales and use tax revenue is an indirect payment, transfer, diversion, or rebate of local sales and use tax revenue; or
- Whether the definition includes the apportionment of any local sales and use tax revenue between local agencies pursuant to a contract between the local agencies that is authorized by Section 29 (apportionment of local sales and use tax revenue).

Based on AB 2854’s legislative history and the Department’s understanding of local sales and use tax, the Department determined that a payment, transfer, diversion, or rebate of any money other than local sales and use tax revenue is an indirect payment, transfer, diversion, or rebate of local sales and use tax revenue if it is based on a retailer’s anticipated, estimated, or actual sales, which are subject to local tax, or the anticipated, estimated, or actual local sales and use tax revenue from a retailer’s sales. The Department also determined that the Legislature did not intend for rebated sales and use tax revenue to include the apportionment of local sales and use tax revenue between local agencies pursuant to a contract between the local agencies that is authorized by Section 29 based on AB 2854’s legislative history. Therefore, the Department determined that it is reasonably necessary for subdivision (a) of emergency Regulation 1808 to incorporate the statutory definition of “rebated sales and use tax revenue;” clarify that the type of agreement referred to in that definition is a tax revenue sharing agreement; clarify when the payment, transfer, diversion, or rebate of money other than local sales and use tax revenue is an indirect payment, transfer, diversion, or rebate of local sales and use tax revenue; and clarify that rebated sales and use tax revenue does not include the apportionment of local sales and use tax revenue between local agencies pursuant to a contract between the local agencies that is authorized by Section 29 to have the effect and accomplish the objective of addressing those issues.

In addition, the Department determined that it is reasonably necessary for subdivision (a) of emergency Regulation 1808 to define “jurisdiction code number” because that term is used in subdivision (e) of the regulation. It is reasonably necessary for subdivision (a) to incorporate RTC section 7213’s definition of “local agency” for ease of reference. It is also reasonably necessary for subdivision (a) to define the term “local sales and use tax revenue” to mean tax revenue resulting from the imposition of a sales and use tax under Bradley-Burns, so that the shorter term could be used in place of the longer statutory phrase to make the regulation clearer.

Reporting and Publication Requirements

The Department determined that there are issues with RTC section 7213 because subdivisions (c) and (d) do not prescribe the form and manner that a local agency is required to report information to the Department for the immediately preceding fiscal year, and the publication requirements in subdivisions (b) and (f) are tied to the reporting requirements in subdivision (d). Therefore, the Department determined that it is reasonably necessary for subdivision (b) of emergency Regulation 1808 to incorporate and clarify the reporting and publication requirements in subdivision (b), (c), (d), and (f) of RTC section 7213 to have the effect and accomplish the objective of addressing those issues. The Department also determined that it is reasonably

necessary for subdivision (e) of emergency Regulation 1808 (discussed below) to prescribe the content of the tax revenue sharing agreement reporting form referred to and cross referenced in subdivision (b) to have the effect and accomplish the objective of addressing those issues.

The Department determined that it is reasonably necessary for subdivision (b)(1) of emergency Regulation 1808 to require every local agency to electronically complete and submit a tax revenue sharing agreement reporting form to the Department by April 30 of each year to report the information required to be reported by RTC section 7213 for the immediately preceding fiscal year. The Department also determined that it is reasonably necessary for subdivision (b)(1) to include an example to clarify that every local agency is required to complete and submit a tax revenue sharing agreement reporting form to the Department by April 30, 2025, to report the tax revenue sharing agreement information required for the fiscal year beginning on July 1, 2023, and ending on June 30, 2024.

The Department determined that it is reasonably necessary for subdivision (b)(2) of emergency Regulation 1808 to require every local agency to report the essential information required by subdivision (e)(1) on their tax revenue sharing agreement reporting form to determine whether they are subject to the reporting requirements in subdivision (c) or (d) of RTC section 7213. The Department determined that it is reasonably necessary for subdivision (b)(3) of emergency Regulation 1808 to incorporate and implement the provision of subdivision (c) of RTC section 7213 by clarifying that a local agency that has not rebated sales and use tax revenue pursuant to a tax revenue sharing agreement during the immediately preceding fiscal year is required to report that fact on their tax revenue sharing agreement reporting form as part of the information required by subdivision (e)(1) and shall be exempt from the additional reporting and publication requirements in subdivision (b)(4). The Department determined that it is reasonably necessary for subdivision (b)(4) of emergency Regulation 1808 to incorporate and implement the provision of subdivisions (b) and (d) of RTC section 7213 by clarifying that a local agency that has rebated sales and use tax revenue pursuant to a tax revenue sharing agreement during the immediately preceding fiscal year is also required to report the information required by subdivision (e)(2) on their tax revenue sharing agreement reporting form and publish the information required by subdivision (e)(2) on the local agency's website by April 30 of each year in the manner required by subdivision (b) of RTC section 7213. The Department determined that it is also reasonably necessary for subdivision (b)(5) of emergency Regulation 1808 to clarify that prior to April 30 of each year, the Department shall provide a link to the required tax revenue sharing agreement reporting form to the local agencies.

In addition, the Department determined that there are issues because the Department may not have the information required to be submitted pursuant to subdivision (d) of RTC section 7213 in time to publish that information on its internet website on or before June 1, 2025, as required by subdivision (f) of RTC section 7213, because of the extension provisions in subdivision (e) of RTC section 7213. Also, subdivision (f) of RTC section 7213 does not prescribe the annual publication date for subsequent years or clarify whether the Department may update the information publish on its internet website pursuant to that subdivision. Therefore, the Department determined that it is reasonably necessary for subdivision (b)(6) of emergency Regulation 1808 to clarify that on or before June 1, 2025, and annually on each June 1 thereafter, the Department will publish on its internet website at www.cdtfa.ca.gov the information local agencies reported to the Department for the immediately preceding fiscal year pursuant to

subdivision (b)(4), and that the Department may update the information published on its internet website to include information local agencies subsequently report to the Department pursuant to subdivision (b)(4) to have the effect and accomplish the objective of addressing those issues.

Extensions

The Department determined that there is an issue with RTC section 7213 because subdivision (e)(1)(A)(i) requires the Department's notices to provide that a local agency has 45 days from the mailing of the notice to provide or publish the required information or submit a statement to the Department explaining why it is unable to provide or publish the required information within the 45-day period, but it does not prescribe the form and manner for a local agency to submit such a statement to the Department. The Department determined that there is an issue with RTC section 7213 because subdivision (e)(1)(A)(ii)(I) gives the Department discretion to grant a local agency a 30-day extension if it provides such a statement and the local agency demonstrates that the failure to timely comply with the applicable requirement was due to reasonable cause and circumstances beyond the local agency's control, occurred notwithstanding the exercise of ordinary care, and occurred in the absence of willful neglect. However, it seems unreasonable for the Department to deny a 30-day extension when those requirements are met. The Department also determined that it is necessary for local agencies to submit the statements referred to in subdivision (e)(1)(A) of RTC section 7213 by email to the Department's Local Revenue Branch (LRB) so that LRB can process the statements and determine whether to grant extensions as quickly as possible. However, it is not necessary for the Department to prescribe a specific form for local agencies to use to submit the statements. Therefore, to have the effect and accomplish the object of addressing the issues with subdivision (e)(1)(A) of RTC section 7213, the Department determined that it is reasonably necessary for subdivision (c) of emergency Regulation 1808 to incorporate the provisions of subdivision (e)(1)(A) of RTC section 7213. It is reasonably necessary for subdivision (c) to clarify that the Department's notices will provide that a local agency has 45 days from the mailing of the notice to provide or publish the required information or submit a written statement to the Department requesting an extension and explaining why the local agency is unable to report or publish the required information within the 45-day period (extension request). It is reasonably necessary for subdivision (c) to clarify that an extension request must be submitted by email to LRB and that a local agency may use a form provided by the Department to submit an extension request. It is also reasonably necessary for subdivision (c) to clarify that the Department shall grant a 30-day extension when it determines that the statement in a local agency's extension request satisfies all the statutory requirements for an extension.

Penalties

The Department determined that there are issues with RTC section 7213 because subdivision (e)(1)(B) gives the Department discretion to impose penalties if a local agency fails to provide or publish information within the applicable period, as determined under subdivision (e)(1)(A). However, the Department is not aware of any reason why it would not impose such penalties when they are applicable and there may be some confusion as to when the penalties are in fact applicable because subdivision (e)(1)(A) provides three different periods. Therefore, the Department determined that it is reasonably necessary for subdivision (d) of emergency Regulation 1808 to incorporate the provisions of subdivision (e)(1)(B) of RTC section 7213,

clarify that the Department shall impose the penalties when they are applicable, and provide an example illustrating when the penalties will start to be imposed under each of the three different periods provided in subdivision (e)(1)(A) to have the effect and accomplish the objective of addressing both issues.

The Department determined that there are also issues with RTC section 7213 because subdivision (e)(2) does not clarify when the penalties imposed pursuant to that section are due and payable to the Department for purposes of collection under chapter 4 of the FCPL or specify the manner of payment. The Department also determined that it is necessary for any penalties imposed pursuant to RTC section 7213 to be paid by check because the Department's other systems are not equipped to receive electronic payments from local agencies at this time. Therefore, the Department determined that it is reasonably necessary for subdivision (d) of emergency Regulation 1808 to clarify that a penalty imposed on a local agency pursuant to subdivision (d) of the emergency regulation is due and payable to the Department by check 30 days after the Department notifies the local agency that the penalty was imposed.

Tax Revenue Sharing Agreement Reporting Form

The Department determined that it is reasonably necessary for subdivision (e) of emergency Regulation 1808 to prescribe the content of the tax revenue sharing agreement reporting form referred to and cross referenced in subdivision (b) of the regulation to have the effect and accomplish the objective of prescribing the form and manner in which a local agency is required to report information to the Department for the immediately preceding fiscal year pursuant to subdivision (c) or (d) of RTC section 7213. The Department determined that it is reasonably necessary for subdivision (e)(1) to require a local agency to report the following information so that the Department can determine whether the local agency is subject to the reporting requirements in subdivision (c) or (d) of RTC section 7213:

- The local agency's jurisdiction code number;
- The end date of the fiscal year (e.g., June 30, 2024) for which information is being reported;
- Whether the local agency rebated sales and use tax revenue pursuant to a tax revenue sharing agreement during the fiscal year for which information is being reported; and
- The name, title, and email address of the person completing the form and their statement that "I hereby certify that this report has been examined by me and to the best of my knowledge and belief is a true, correct, and complete report."

To implement subdivision (d) of RTC section 7213, the Department determined that it is reasonably necessary for subdivision (e)(2) of emergency Regulation 1808 to require a local agency that rebated sales and use tax revenue pursuant to one or more tax revenue sharing agreements during the fiscal year for which information is being reported to include the following information on their tax revenue sharing agreement reporting form for each agreement:

- The name or names of any parties to the agreement;

- The date the agreement was executed;
- The date the agreement terminated or will terminate, absent any renewal;
- The total dollar amount of rebated sales and use tax revenues received by each party to the agreement on or after the date of the execution of the agreement through and including June 30 of the fiscal year for which information is being reported;
- The total dollar amount of rebated sales and use tax revenues received by each party to the agreement during the fiscal year for which information is being reported;
- The percentage of a retailer's sales and use taxes, if any, used to calculate or otherwise determine the rebated sales and use tax revenues received by each party to the agreement; and
- The percentage of a retailer's sales and use taxes, if any, used to calculate or otherwise determine the rebated sales and use tax revenues received by any other person that is not a party to the agreement.

To ensure compliance with subdivision (b) of RTC section 7213, the Department determined that it is reasonably necessary for subdivision (e)(3) of emergency Regulation 1808 to clarify that if a local agency reports the information about tax revenue sharing agreements required by subdivision (e)(2) on its tax revenue sharing agreement reporting form, then the local agency must also state on their tax revenue sharing agreement reporting form whether the information reported about tax revenue sharing agreements is published on the local agency's website in the manner required by subdivision (b) of RTC section 7213.

Adoption of Emergency Regulation 1808

The Department adopted Regulation 1808, as an emergency regulation, because the Department determined that the adoption of Regulation 1808, as an emergency regulation, is reasonably necessary to have the effect and accomplish the objective of addressing the issues regarding the reporting and publication requirements imposed by RTC section 7213 and the imposition of the penalties imposed by RTC section 7213 (discussed above).

The Department anticipates that the adoption of emergency Regulation 1808 will benefit local agencies, the Department, and the public by clarifying the reporting and publication requirements imposed by RTC section 7213 and the imposition of the penalties imposed by RTC section 7213 and increasing openness and transparency in government.

The Department has performed an evaluation of whether emergency Regulation 1808 is inconsistent or incompatible with existing state regulations and determined that the emergency regulation is not inconsistent or incompatible with existing state regulations. This is because there are no other regulations that implement, interpret, or make specific the provisions of RTC section 7213. In addition, the Department has determined that there are no comparable federal regulations or statutes to emergency Regulation 1808.

DOCUMENTS RELIED UPON

The Department relied upon its staff's understanding of Bradley-Burns, including the provisions of RTC section 7213, in proposing to adopt emergency Regulation 1808. The Department did not rely upon any technical, theoretical, or empirical study, report, or similar document.

NO MANDATE ON LOCAL AGENCIES AND SCHOOL DISTRICTS

The Department has determined that the adoption of emergency Regulation 1808 will not impose a mandate on local agencies or school districts, including a mandate that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the GC.

ONE-TIME COST TO THE DEPARTMENT, BUT NO OTHER COST OR SAVINGS TO ANY STATE AGENCY, LOCAL AGENCY, OR SCHOOL DISTRICT

The Department has determined that the adoption of emergency Regulation 1808 will result in an absorbable \$484 one-time cost for the Department to update its website after the emergency rulemaking process is completed (assuming that average hourly compensation costs are \$60.55 per hour and that it will take approximately eight hours). The Department has determined that the adoption of emergency Regulation 1808 will result in no other direct or indirect cost or savings to any state agency, no cost to any local agency or school district that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the GC, no other non-discretionary cost or savings imposed on local agencies, and no cost or savings in federal funding to the State of California.

EFFECTIVE PERIOD

Subdivision (g) of RTC section 7213 provides that the emergency regulations adopted by the Department to implement, administer, and enforce that section may remain in effect for two years from adoption and may be readopted in accordance with subdivision (h) of GC section 11346.1. Therefore, emergency Regulation 1808 shall be effective immediately upon filing with the Secretary of State and shall remain in effect for two years from that date, unless the Department amends or repeals the regulation before the expiration of the two-year period.

CONTACT PERSON

Questions about emergency Regulation 1808 should be directed to Ms. Sarah Smith, Business Taxes Specialist II, by telephone at 916-309-5292 or by email at BTFD-BTC.InformationRequests@cdtfa.ca.gov.