

1 Amend 2 Cal. Code Regs. Section 18438.5 as follows:

2 **§ 18438.5. Aggregated Contributions Under Government Code Section 84308.**

3 For purposes of Section 84308:

4 ~~(a) To determine whether a contribution of more than \$250 has been made by any party to~~
5 ~~a proceeding, contributions made by a party's parent, subsidiary, or otherwise related business~~
6 ~~entity, (as those relationships are defined in subdivision (b) below), shall be aggregated and~~
7 ~~treated as if received from the party for purposes of the limitations and disclosure provisions of~~
8 ~~Section 84308.~~

9 (a) To determine whether a contribution of more than \$250 has been made by a party or
10 participant during a 12-month period, the following shall be aggregated:

11 (1) All contributions made by the party or participant;

12 (2) All contributions made by an agent of the party or participant, as that term is defined
13 in Regulation 18438.3, during the shorter of:

14 (A) The previous 12-month period; or

15 (B) The period beginning on the date the party or principal first employed the agent as
16 either a paid employee, contractor, or consultant.

17 (3) All contributions made by a party or participant's parent or subsidiary entity,
18 otherwise-related business entity, or an individual who directs and controls the entity or the
19 entity's contributions, or their agents, other than an uncompensated officer or other volunteer of a
20 nonprofit organization.

21 (b) Parent, Subsidiary, Otherwise Related Business entity, defined.

22 (1) Parent-subsidiary. A parent-subsidiary relationship exists when one corporation has
23 50 percent of the voting power of another corporation.

24 (2) Otherwise-related business entity. Business entities, including corporations,

1 partnerships, joint ventures and any other organizations and enterprises operated for profit, which
2 do not have a parent subsidiary relationship are otherwise-related if any one of the following
3 three tests is met:

4 (A) One business entity has a controlling ownership interest in the other business entity.

5 (B) There is shared management and control between the entities. In determining whether
6 there is shared management and control, consideration should be given to the following factors:

7 (i) The same person or substantially the same person owns and manages the two entities;

8 (ii) There are common or commingled funds or as sets;

9 (iii) The business entities share the use of the same offices or employees, or otherwise
10 share activities, resources or personnel on a regular basis;

11 (iv) There is otherwise a regular and close working relationship between the entities; or

12 (C) A controlling owner (50% or greater interest as a shareholder or as a general partner)
13 in one entity also is a controlling owner in the other entity.

14 Note: Authority cited: Section 83112, Government Code. Reference: Section 84308, Government
15 Code.