

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 during the shorter of:

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

14 (B) The period beginning on the date the party or participant first hired the agent as either  
15 a paid employee, contractor, or consultant.

16 (3) All contributions made by an individual, other than an uncompensated officer of a  
17 nonprofit organization, or entity required to be aggregated with the party or participant and any  
18 agent of the party or participant under Section 82015.5.

19 (b) An officer has no reason to know a contribution from an individual or entity is  
20 required to be aggregated with a contribution from the party or participant and any agent of the  
21 party or participant, and does not violate Section 84308 as a result of the contribution from the  
22 individual or entity if, at the time of the potential violation, both the following criteria are met:

23 (1) The party, participant, or agent has not disclosed the contribution on the record of the  
24 proceeding; and

1           ~~(2) The officer does not otherwise know facts establishing that the contribution must be~~  
2 ~~aggregated pursuant to Section 82015.5 and this regulation.~~

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

4           ~~(1) Parent subsidiary. A parent subsidiary relationship exists when one corporation has~~  
5 ~~50 percent of the voting power of another corporation.~~

6           ~~(2) Otherwise related business entity. Business entities, including corporations,~~  
7 ~~partnerships, joint ventures and any other organizations and enterprises operated for profit, which~~  
8 ~~do not have a parent subsidiary relationship are otherwise related if any one of the following~~  
9 ~~three tests is met:~~

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

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

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

14           ~~(ii) There are common or commingled funds or assets;~~

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

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

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

20 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82015.5, 84308,

21 Government Code.