

1 Adopt 2 Cal. Code Regs., Section 18932.3 to read:

2 **§ 18932.3. Definition of “Predominant Activity.”**

3 (a) For purposes of Government Code Sections 89501 through 89506, the predominant
4 activity of an individual’s business, trade, or profession is making speeches where more than 50
5 percent of the individual’s business, trade, or profession hours or gross income is related to the
6 delivery of speeches.

7 (b) The predominant activity of the business, trade, or profession is determined prior to
8 each speechmaking opportunity. The period for making the determination is:

9 (1) The 12-month period prior to and including the date of the speech for a business,
10 trade, or profession in existence for one year or more,

11 (2) The 30 days prior to and including the date of the speech for a business, trade, or
12 profession in existence less than one year.

13 (3) The 36-month period prior to and including the date of the speech for a business,
14 trade, or profession that involves proprietary work created by the individual. This time period is
15 applicable only if the business, trade, or profession has been in existence for at least 12 months
16 prior to the individual being subject to the requirements of Section 89502 as evidenced by
17 business accounting records, tax returns, proof of licensure, certification or employment.

18 (c) For purposes of this regulation, the following apply:

19 (1) The “delivery of speeches” includes the preparation of a speech.

20 (2) The hours and gross income for the applicable period include any anticipated,
21 promised, or received income and any hours spent or anticipated to be spent for the particular
22 speechmaking opportunity.

1 (3) “Proprietary work” for purposes of this regulation is defined as a tangible or
2 intangible item made or sold by one having the exclusive right to manufacture and sell, such as a
3 published book or licensed computer software.

4 Note: Authority cited: Section 83112, Government Code. Reference: Sections 89501 through
5 89506, Government Code.