

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

**§ 18700.2. Parent, Subsidiary, Otherwise Related Business Entity: Defined.**

(a) For purposes of Section 82034 and Section 87209, in determining if a business entity has an interest in real property or does business or plans to do business in the jurisdiction, or has done business in the jurisdiction at any time during the two years prior to the time any statement or any other action is required under the Act, the business entity includes a “parent,” “subsidiary,” or “otherwise related to” another business entity as those terms are defined in subdivision (b) below.

(b) Parent, Subsidiary, Otherwise Related Business Entity, defined.

(1) Parent - A business entity is a “parent” if it is a corporation that controls more than 50 percent of the voting stock of another corporation. The parent corporation is also a parent to any subsidiaries of the corporation that it controls.

(2) Subsidiary - A business entity is a “subsidiary” if it is a corporation whose voting stock is more than 50 percent controlled by another corporation. The subsidiary corporation is also a subsidiary to any corporation that controls its parent corporation.

(3) Otherwise related business entity. Business entities are otherwise related if:

(A) The same person or a majority of the same persons direct or control each business entity; or

(B) The same person or a majority of the same persons have a 50 percent or greater ownership interest in each business entity.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87102.5, 87102.6, 87102.8 and 87103, Government Code.

## HISTORY

1. Change without regulatory effect renumbering former section 18700.3 to new section 18700.2, including amendment of section heading, filed 4-27-2015. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 18).