

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

2 **§ 18438.5. Aggregated Contributions Under 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, as those terms are defined in
12 Section 84308 and subdivision (b) of this Regulation, during the 12-month period; and

13 (2) All contributions made by an agent of the party or participant, as that term is defined
14 in Regulation 18438.3 and subdivision (b) of this Regulation, during the 12-month period or
15 subsequent to the date on which the agent was first employed by the party or participant,
16 whichever is shorter.

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

18 (b) A "party," "participant," or "agent" includes any parent or subsidiary entity,
19 otherwise-related business entity, or individual who direct or controls the entity or the entity's
20 contributions. All contributions by these entities and individuals during the applicable period
21 shall be aggregated with the party's, participant's, or agent's other contributions when
22 determining the total contribution pursuant to subdivision (a).

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

1 (2) Otherwise-related business entity. Business entities, including corporations,
2 partnerships, joint ventures and any other organizations and enterprises operated for profit, which
3 do not have a parent-subsidary relationship are otherwise-related if any one of the following
4 three tests is met:

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

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

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

9 (ii) There are common or commingled funds or assets;

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

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

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

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

16 Government Code.