

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

§ 18932.1. Exceptions to "Honorarium": Bona Fide Business, Trade, or Profession.

(a) For purposes of Government Code Sections 89501 through 89506, a business is presumed to be "bona fide" if the owner of the business has maintained the following documents for the two calendar years immediately preceding the year in which the consideration for the payment was provided:

- (1) Books and records of accounting consistent with the operation of a business; and
- (2) Copies of tax returns filed in connection with the operation of the claimed business.

(b) For purposes of Government Code Sections 89501 through 89506, a business that has been in existence for less than two calendar years is presumed to be "bona fide" if:

(1) Its owner has maintained records of income and expenses, consistent with the operation of a business, from the date of inception of the claimed business; and,

(2) Any three of the following are maintained:

(A) Copies of tax returns filed in connection with the operation of the claimed business for one year;

(B) Records of bank accounts or lines of credit in the name of the business;

(C) Records of purchase, lease, or rental of equipment and supplies for use solely by the business;

(D) Records of expenditures for rent, wages, business or professional insurance, or other similar, customary costs of doing business;

(E) Records of efforts to market goods or services provided by the business; or

(F) Documentation of expertise by the business operator in connection with the service

provided or product sold by the business.

(c) For purposes of Government Code Sections 89501 through 89506, a trade or professional practice is presumed to be "bona fide" if either of the following applies:

(1) The tradesperson or professional practitioner possesses current licensure or certification which is issued by state or federal occupational licensing authority, the issuance of which requires a demonstration of skill and knowledge in connection with the relevant trade or profession.

(2) Where licensure or certification is not required by a governmental licensing authority, the practitioner is employed as a researcher or is a member of the faculty of a college or university.

(d) A business whose predominant activity is making speeches is not "bona fide" for purposes of Government Code Sections 89501 through 89506.

Note: Authority cited: Sections 83112 and 89502, Government Code. Reference: Sections 89501 through 89506, Government Code.

HISTORY

1. New section filed 7-1-92; operative 7-31-92 (Register 92, No. 28).
2. Change without regulatory effect relocating section filed 11-17-94 pursuant to section 100, title 1, California Code of Regulations (Register 94, No. 46).
3. Amendment of subsections (a), (b), (c), (d) and Note filed 7-25-95; operative 7-25-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 30).