

1 Adopt 2 Cal. Code Regs. Section 18700.3 to read:

2 **§ 18700.3. Parent-Subsidiary, Otherwise Related Business Entity: Defined.**

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

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

10 (1) Parent -- A business entity is a “parent” if it is a corporation that controls more than  
11 50 percent of the voting stock of another corporation. The parent corporation is also a parent to  
12 any subsidiaries of the corporation that it controls.

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

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

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

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

21 Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87102.5,  
22 87102.6, 87102.8 and 87103, Government Code.

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