

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 a proprietary item created, in full or part, by the individual.

15 (A) Applicability. This time period applies where the business, trade, or profession has
16 been in existence for at least 12 months prior to the individual being subject to the requirements
17 of Section 89502 as evidenced by business accounting records, tax returns, proof of licensure,
18 certification, or employment.

19 (B) The proprietary item may be tangible or intangible.

20 (C) The proprietary item must be protected by patent or copyright against free
21 competition as to name, product, composition, or process of manufacture (such as a published
22 book or licensed computer software), or the individual must otherwise have an exclusive right or
23 share an exclusive right to manufacture or sell the item.

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

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

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

6 Note: Authority cited: Section 83112, Government Code. Reference: Sections 89501 through
7 89506, Government Code.