Section 18706. Determining Whether Material Financial Effect Is Reasonably Foreseeable. [OPTION 1]

(a) A material financial effect on any of an official’s economic interests is reasonably foreseeable, if the material financial effect is a potential outcome of the decision. The material financial effect need not be considered likely to be reasonably foreseeable; however, it must be more than a mere, conceivable possibility.

(b) In determining whether such a material financial effect can be anticipated as a potential outcome of the decision, the following factors are relevant: (1) the extent to which the occurrence of the material financial effect is contingent upon intervening events, and (2) the probability that the intervening events will occur. For the purposes of this regulation, the term “intervening events” does not include future governmental decisions by the official’s agency, or any other agency appointed by or subject to the budgetary control of the official’s agency.

Section 18706. Determining Whether Material Financial Effect Is Reasonably Foreseeable. [OPTION 2]

(a) A material financial effect on any of an official’s economic interests is reasonably foreseeable, if the material financial effect is more likely than not to occur as a result of the decision.

(b) In determining whether a material financial effect is more likely than not to occur as a result of the decision, the following factors are relevant: (1) the extent to which the occurrence of the material financial effect is contingent upon intervening events, and (2) the probability that the intervening events will occur. For the purposes of this regulation, the term “intervening events” does not include future governmental decisions by the official’s agency, or any other agency appointed by or subject to the budgetary control of the official’s agency.

Section 18706.1 Reasonable Foreseeability; Real Estate and Professional Licenses

Possession of a real estate sales or brokerage license, or any other professional license, without regard to the official’s business activity or likely business activity, does not in itself result in a reasonably foreseeable material financial effect on the official’s economic interest.