

1 Amend 2 Cal. Code Regs. Section 18705.5 to read:

2 **§ 18705.5. Materiality Standard: Economic Financial Interest in Personal Finances.**

3 ~~(a) A reasonably foreseeable financial effect on a public official's or his or her~~  
4 ~~immediate family's personal finances is material if it is at least \$250 in any 12-month period.~~  
5 ~~When determining whether a governmental decision has a material financial effect on a public~~  
6 ~~official's economic interest in his or her personal finances, neither a financial effect on the value~~  
7 ~~of real property owned directly or indirectly by the official, nor a financial effect on the gross~~  
8 ~~revenues, expenses, or value of assets and liabilities of a business entity in which the official has~~  
9 ~~a direct or indirect investment interest shall be considered.~~

10 ~~(b) The financial effects of a decision which affects only the salary, per diem, or~~  
11 ~~reimbursement for expenses the public official or a member of his or her immediate family~~  
12 ~~receives from a federal, state, or local government agency shall not be deemed material, unless~~  
13 ~~the decision is to appoint, hire, fire, promote, demote, suspend without pay or otherwise take~~  
14 ~~disciplinary action with financial sanction against the official or a member of his or her~~  
15 ~~immediate family, or to set a salary for the official or a member of his or her immediate family~~  
16 ~~which is different from salaries paid to other employees of the government agency in the same~~  
17 ~~job classification or position, or when the member of the public official's immediate family~~  
18 ~~member is the only person in the job classification or position.~~

19 ~~(c) Notwithstanding subsection (b), pursuant to Section 82030(b)(2) and Regulation~~  
20 ~~18232, a public official may make, participate in making, or use his or her official position to~~  
21 ~~influence a governmental decision where all of the following conditions are satisfied:~~

22 ~~(1) The decision is on his or her appointment as an officer of the body of which he or she~~  
23 ~~is a member (e.g. mayor or deputy mayor), or to a committee, board, or commission of a public~~  
24 ~~agency, a special district, a joint powers agency or authority, a joint powers insurance agency or~~  
25 ~~authority, or a metropolitan planning organization.~~

26 ~~(2) The appointment is to a standing or ad hoc committee of the public agency of which~~  
27 ~~the public official is a member or one required to be made by the body of which the official is a~~  
28 ~~member pursuant to either state law, local law, or a joint powers agreement.~~

1           ~~(3) The body making the appointment referred to in paragraph (1) adopts and posts on its~~  
2 ~~website, on a form provided by the Commission, a list that sets forth each appointed position for~~  
3 ~~which compensation is paid, the salary or stipend for each appointed position, the name of the~~  
4 ~~public official who has been appointed to the position and the name of the public official, if any,~~  
5 ~~who has been appointed as an alternate, and the term of the position.~~

6 ~~COMMENT: Cross references: For the definition of “immediate family,” see Section 82029.~~

7           (a) Except as provided in subdivision (b), the financial effect of a governmental decision  
8 on the personal finances of a public official or his or her immediate family is material if the  
9 decision involves an action that is particular to the official or the official’s immediate family  
10 member, and the official or the official’s immediate family member will receive a financial  
11 benefit or loss from the decision.

12           (b) The following financial effects are not considered personal finances under Section  
13 87103:

14           (1) Any establishment of or change to benefits provided under an employment or  
15 retirement policy for employees or retirees if the financial effect of the decision applies equally  
16 to all employees in the same bargaining unit or other representative group.

17           (2) Payment of any travel expenses, to the extent allowed by law, incurred while  
18 attending meetings as an authorized representative of an agency.

19           (3) Stipends received for attendance at meetings of any group or body created by law or  
20 formed by the official’s agency for a special purpose, so long as the selecting body posts on its  
21 website on a form provided by the Commission, a list that sets forth each appointed position for  
22 which the stipend is paid, the amount of the stipend for each appointed position, the name of the  
23 public official who has been appointed to the position, the name of the public official, if any,  
24 who has been appointed as an alternate, and the term of the position.

25           (4) The use of any government property, such as automobiles or other modes of  
26 transportation, mobile communication devices, or other agency provided equipment for carrying  
27 out the official duties of a position, including any nominal, incidental, negligible, or  
28 inconsequential personal use while on duty.

1           (5) Any personal reward received by the official when using a personal charge card or  
2 membership rewards program, so long as the reward is no different from the reward offered to  
3 the public and is limited to charges made solely for the official's approved travel expenses.

4           (c) If the governmental decision affects a business entity or real property in which the  
5 official has a financial interest, this regulation does not apply and materiality is determined under  
6 Regulation 18705.1 or 18705.2.

7 Note: Authority cited: Section 83112, Government Code. Reference: Section 87100, 87102.5,  
8 87102.6, 87102.8 and 87103, Government Code.

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