
§ 18705 Standards for Determining Whether a Financial Effect on an Economic Interest is Material

Materiality Standards:

(a) In order to determine if a governmental decision’s reasonably foreseeable financial effect on a given economic financial interest is material, for a governmental decision that affects:

(1) For governmental decisions which affect economic financial interests in a business entities entity, — apply 2 Cal. Code Regs. section Regulation 18705.1;

(2) For governmental decisions which affect economic financial interests in real property, — apply 2 Cal. Code Regs. section Regulation 18705.2;

(3) For governmental decisions which affect economic financial interests in a sources of income, — apply 2 Cal. Code Regs. section Regulation 18705.3;

(4) For governmental decisions which affect economic financial interests in a sources of gifts, — apply 2 Cal. Code Regs. section Regulation 18705.4;

(5) For governmental decisions which affect The public official’s personal expenses, income assets or liabilities of the public official or his immediate family (personal financial effect) finances, or those of a member of his or her immediate family, — apply 2 Cal. Code Regs. section Regulation 18705.5;

(b) General Rule: Whenever the specific provisions of 2 Cal. Code Regs. sections 18705.1 through 18705.5, inclusive, cannot be applied, the following general rule shall apply: The financial effect of a governmental decision is material if the decision will have a significant effect on the official or a member of the official’s immediate family, or on the source of income, the source of gifts, the business entity, or the real property, which is an economic interest of the official.

(c) Special Rules: Notwithstanding 2 Cal. Code Regs. sections Regulations 18705.1 through 18705.5, inclusive, an official does not have to disqualify himself or herself from a governmental decision if: Although a conflict of interest would otherwise exist under 2 Cal. Code Regs. sections 18705.1 through 18705.5, inclusive, and 18706, the decision will have no financial effect on the person or business entity who appears before the official, or on the real
property in which the official holds a direct or indirect interest, or on the personal finances of the official and/or his immediate family the financial effect of a governmental decision is not material if it is nominal, inconsequential, insignificant, or immeasurable.