

1 Amend 2 Cal. Code Regs. Section 18703 to read:

2 **§ 18703 ~~Economic Interests, Defined~~ Public Generally.**

3 ~~For purposes of Title 2, Division 6, Chapter 7 of the California Code of Regulations, the~~  
4 ~~term "economic interest" includes the interests defined in Title 2, California Code of~~  
5 ~~Regulations, sections 18703.1 through 18703.5, inclusive.~~

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

8 (a) For purposes of Section 87103, a governmental decision’s financial effect on a public  
9 official’s financial interest is “distinguishable from its effect on the public generally” if:

10 (1) The decision affects a distinct or recognizable group or person separate from the  
11 public generally and the official’s financial interest is either included in the group or is the only  
12 person affected, and

13 (2) The financial effect on the group or person is noticeably disproportionate to its effect  
14 on the public generally.

15 (b) The scope of “public generally” is determined by the official’s financial interest at  
16 issue:

17 (1) For a business entity, all business entities within the jurisdiction and any financially  
18 affected business entities outside the jurisdiction.

19 (2) For real property, all real property within the jurisdiction and any financially affected  
20 real property outside the jurisdiction. If the financial effect is limited to a specific type or types  
21 of real property, such as residential, commercial or agricultural, the public generally is limited to  
22 property of that type.

23 (3) For any other financial interest, all individuals residing in the jurisdiction and any  
24 financially affected individuals residing outside the jurisdiction.

25 (c) “Jurisdiction” means the jurisdiction of the state or local government agency as  
26 defined in Section 82035, or other geographical area the official was elected to represent, or the  
27 area to which the official’s authority and duties are limited if not elected.

28 ///

1           (d) Exceptions: Notwithstanding the above provisions, the financial effect of a  
2 governmental decision on a public official’s financial interest is indistinguishable from that of  
3 the public generally in any of the following cases:

4           (1) Required Representative Interest: The decision is made by a board or commission  
5 where the law that creates the board or commission requires that certain appointees have a  
6 representative interest in a particular industry, trade, or profession and the public official is an  
7 appointed member representing that particular industry, trade, or profession. This exception is  
8 limited to the financial effects on that represented industry, trade or profession as a whole and  
9 does not apply to a financial effect on a member’s financial interest distinguishable from the  
10 financial effect on the rest of the industry, trade, or profession the member represents.

11           (2) State of Emergency: The governmental decision is made pursuant to an official  
12 proclamation of a state of emergency, the governmental decision is required to mitigate against  
13 the effects directly arising out of the emergency, and the financial effect of the governmental  
14 decision on the official’s financial interest is proportional to the damages for which relief is  
15 available subject to the provisions of the state of emergency.

16           (3) Residential Rental Properties: The financial effect results from a decision of general  
17 application limited to tenants and owners of residential rental property in the jurisdiction, or a  
18 division or district within the jurisdiction, and the official owns three or fewer residential rental  
19 units.

20           (4) Limited Neighborhood Effects: The financial effect is on residential real property  
21 resulting from a decision limited to a specific location to establish, amend, eliminate, or  
22 otherwise provide rules that restrict on-street parking, impose traffic controls, deter vagrancy, or  
23 take any action related to the reduction of nuisance type activities, or the improvement of safety  
24 in a limited neighborhood, provided the body considering the decision conducts appropriate  
25 studies that support the need for the action in the specific location.

26           (5) General Use or Licensing Fees: The financial effect is on the official's personal  
27 finances as a result or an increase or decrease to a general fee or charge, such as parking rates,

28 ///

1 permits, license fees, application fees, or any general fee that applies to the community as a  
2 whole.

3 ///

4 ///

5 ///

6 ///

7 ///

8 ///

9 ///

10 ///

11 ///

12 ///

13 ///

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 //