

1 Amend 2 Cal. Code Regs. Section 18705.

2 **§ 18705 Standards for Determining Whether a Financial Effect on an Economic Interest is**
3 **Material Materiality Standards:**

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

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

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

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

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

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

18 (b) ~~General Rule: Whenever the specific provisions of 2-Cal. Code Regs. sections~~
19 ~~18705.1 through 18705.5, inclusive, cannot be applied, the following general rule shall apply:~~
20 ~~The financial effect of a governmental decision is material if the decision will have a significant~~
21 ~~effect on the official or a member of the official's immediate family, or on the source of income,~~
22 ~~the source of gifts, the business entity, or the real property, which is an economic interest of the~~
23 ~~official.~~

24 (eb) ~~Special Rules: Notwithstanding 2-Cal. Code Regs. sections~~ Regulations 18705.1
25 ~~through 18705.5, inclusive, an official does not have to disqualify himself or herself from a~~
26 ~~governmental decision if: Although a conflict of interest would otherwise exist under 2-Cal.~~
27 ~~Code Regs. sections 18705.1 through 18705.5, inclusive, and 18706, the decision will have no~~
28 ~~financial effect on the person or business entity who appears before the official, or on the real~~

1 ~~property in which the official holds a direct or indirect interest, or on the personal finances of the~~
2 ~~official and/or his immediate family~~ the financial effect of a governmental decision is not
3 material if it is nominal, inconsequential, insignificant, or immeasurable.

4 Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87102.5,
5 87102.6, 87102.8 and 87103, Government Code.

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