

1 individual has an interest in a business entity or real property that will be financially affected
2 under the standards applied to a financial interest in Regulation 18705.1 or 18705.2, respectively;
3 or

4 (3) The source is a nonprofit that will receive a measurable financial benefit or loss, or
5 the official knows or has reason to know that the nonprofit has an interest in real property that
6 will be financially affected under the standards applied to a financial interest in Regulation
7 18705.2; or

8 (4) The source is a business entity that will be financially affected under the standards as
9 applied to a financial interest in Regulation 18705.1.

10 (b) Income from the Sale of Personal or Real Property: For income from the sale of
11 personal or real property belonging to the official, or the official's spouse if the property is
12 community property, the financial effect of the decision is material if the official knows or has
13 reason to know that the source of income is a claimant, applicant, respondent, contracting party,
14 or is otherwise named or identified as the subject of the proceeding, or has an interest in any
15 business entity or real property that will be financially affected under the standards applied to a
16 financial interest in Regulation 18705.1 or 18705.2, respectively.

17 (c) Nexus. Any reasonably foreseeable financial effect on a person who is a source of
18 income to a public official is deemed material if the public official receives or is promised the
19 income to achieve a goal or purpose which would be achieved, defeated, aided, or hindered by
20 the decision.

21 (d) Exception – Income from Retail Sales of a Business Entity: For purposes of applying
22 the exception under Section 87103.5, the retail customers of a business entity constitute a
23 significant segment of the public generally if the business is open to the public and the provides
24 goods or services to customers that comprise a broad base of persons representative of the
25 jurisdiction as a whole and not confined to any specialized interest occupation, profession or
26 business. Income from an individual customer is not distinguishable from the amount of income
27 received from other customers when the official is unable to recognize a significant monetary
28 difference between the business provided by the individual customer and