

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

§ 18235. Reporting Interests in a Blind Trust (82030, 82033 and 82034).

(a) Notwithstanding the provisions of 2 Cal. Adm. Code Section 18234(c), a filer who has a direct, indirect or beneficial interest in a blind trust which meets the standards set forth in subsection (b) is not required to disclose the pro rata share of the trust's interests in real property or investments, or income deriving from any such interests or investments, if those interests or investments are acquired by the trustee after the trust complies with subsection (b).

However, nothing in this section relieves the filer from the obligation (1) to disclose the pro rata share of the trust's interests in real property or investments, or income deriving from any such interests or investments, if the interests or investments were originally transferred into the trust, and (2) to not take part in decisions which may have a foreseeable and material effect on financial interests which are reportable under this regulation.

(b) A blind trust must comply with the following conditions:

(1) the trustee must be a disinterested party other than the filer's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, or first cousin or the spouse of any such person;

(2) the trustee must be given complete discretion to manage the trust including, but not limited to, the power to dispose of and acquire trust assets without consulting or notifying the filer;

(3) the trustee must be required to notify the filer of the date of disposition and value at disposition of any original investments or interests in real property so that information can be reported on the filer's next Statement of Economic Interests;

(4) the trustee must be prohibited from disclosing to the filer any information concerning the replacement assets except for information required under this subsection or the minimum tax information which lists only the totals of taxable items from the trust and does not describe the source of any individual item of income; and

(5) if the trust is revoked while the filer is a public official, or if the filer learns of any replacement assets of the trust, the filer must file an amendment to the most recent Statement of Economic Interests disclosing the date of revocation and the previously unreported pro rata share of the trust's interests in real property or investments or income deriving from any such interests in real property or investments and not take part in the decisions under the Act's conflict of interest provisions, as necessary. For purposes of this regulation, any replacement assets of which the filer learns shall thereafter be treated as though they were original assets of the trust.

(c) If a filer has an interest in a blind trust which meets the requirements of subsection (b), the filer shall indicate the existence of the blind trust, its date of creation and the name of the trustee on the Statement of Economic Interests and attach a copy of a statement signed by the trustee, under penalty of perjury, that the trustee has not revealed any information to the filer, except what is required under subsections (b)(3) and (4), and that the trust is in conformance with subsection (b).

Note: Authority cited: Section 83112, Government Code. Reference: Sections 82030-82034, Government Code.

HISTORY

1. New section filed 5-22-78; effective thirtieth day thereafter (Register 78, No. 21).
2. Amendment of subsection (a) filed 8-25-78; effective thirtieth day thereafter (Register 78, No. 34).

3. Amendment of subsections (a), (b)(5) and (c) filed 5-12-2021; operative 6-11-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 20).