

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

2 **§ 18703. Public Generally.**

3 (a) General Rule. A governmental decision's financial effect on a public official's financial
4 interest is indistinguishable from its effect on the public generally if the official establishes that a
5 significant segment of the public is affected and the effect on the official's financial interest is not
6 unique compared to the effect on the significant segment.

7 (b) A significant segment of the public is:

8 (1) At least 25 percent of:

9 (A) All businesses or non-profit entities within the official's jurisdiction;

10 (B) All real property, commercial real property, or residential real property within the official's
11 jurisdiction; or

12 (C) All individuals within the official's jurisdiction.

13 (2) At least 15 percent of residential real property within the official's jurisdiction if the only
14 interest an official has in the governmental decision is the official's primary residence.

15 (c) A unique effect on a public official's financial interest includes a disproportionate effect on:

16 (1) The development potential or use of the official's real property or on the income producing
17 potential of the official's real property or business entity.

18 (2) The official's business entity or real property resulting from the proximity of a project that is
19 the subject of a decision.

20 (3) The official's interests in business entities or real properties resulting from the cumulative
21 effect of the official's multiple interests in similar entities or properties that is substantially
22 greater than the effect on a single interest.

1 (4) The official's interest in a business entity or real property resulting from the official's
2 substantially greater business volume or larger real property size when a decision affects all
3 interests by the same or similar rate or percentage.

4 (5) A person's income, investments, assets or liabilities, or real property if the person is a source
5 of income or gifts to the official.

6 (6) The official's personal finances or those of ~~his or her~~ the official's immediate family.

7 (d) "Jurisdiction" means the jurisdiction of the state or local government agency as defined in
8 Section 82035, or the designated geographical area the official was elected to represent, or the
9 area to which the official's authority and duties are limited if not elected.

10 (e) Specific Rules for Special Circumstances. The financial effect on a public official's financial
11 interest is deemed indistinguishable from that of the public generally where there is no unique
12 effect on the official's interest if the official establishes:

13 (1) Public Services and Utilities. The decision sets or adjusts the amount of an assessment, tax,
14 fee, or rate for water, utility, or other broadly provided public services that is applied equally,
15 proportionally, or by the same percentage to the official's interest and all businesses, properties,
16 or individuals subject to the assessment, tax, fee, or rate. This exception does not apply if the
17 decision would impose the assessment, tax or fee, or determine the boundaries of a property, or
18 who is subject to the assessment, tax, or fee. Under this exception, an official is only permitted to
19 take part in setting or adjusting the amount of the assessment, tax, or fee, once the decisions to
20 implement, and determine the property or persons subject to the assessment, tax, or fee, have
21 already been made.

1 (2) General Use or Licensing Fees. The decision affects the official's personal finances as a result
2 of an increase or decrease to a general fee or charge, such as parking rates, permits, license fees,
3 application fees, or any general fee that applies to the entire jurisdiction.

4 (3) Limited Neighborhood Effects. The decision affects residential real property limited to a
5 specific location, encompassing more than 50, or five percent of the residential real properties in
6 the official's jurisdiction, and the decision establishes, amends, or eliminates ordinances that
7 restrict on-street parking, impose traffic controls, deter vagrancy, reduce nuisance or improve
8 public safety, provided the body making the decision gathers sufficient evidence to support the
9 need for the action at the specific location.

10 (4) Rental Properties. The decision is limited to establishing, eliminating, amending, or otherwise
11 affecting the respective rights or liabilities of tenants and owners of residential rental property,
12 including a decision regarding a rent control ordinance or tenant protection measures, provided
13 all of the following criteria are met:

14 (A) The decision is applicable to all residential rental properties within the official's jurisdiction
15 other than those excepted by the Costa-Hawkins Rental Housing Act (Civil Code Sections
16 1954.40, et seq.).

17 (B) The official owns three or fewer residential rental units. For purposes of this regulation, a
18 residential rental unit is each individual unit consisting of a single-family household.

19 (C) The only interests affected by the decision are:

20 (i) Interests resulting from the official's lease of residential real property, as the lessor of the
21 property.

22 (ii) An interest in the official's primary residence as either a lessee or owner of the property.

1 (5) Required Representative Interest. The decision is made by a board or commission and the law
2 that establishes the board or commission requires certain appointees have a representative
3 interest in a particular industry, trade, or profession or other identified interest, and the public
4 official is an appointed member representing that interest. This provision applies only if the
5 effect is on the industry, trade, or profession or other identified interest represented.

6 (6) State of Emergency. The decision is made pursuant to an official proclamation of a state of
7 emergency when required to mitigate against the effects directly arising out of the emergency.

8 (7) Governmental Entities. The decision affects a federal, state, or local governmental entity in
9 which the official has an interest.

10 Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87102.5,
11 87102.6, 87102.8 and 87103, Government Code.