

1 Amend 2 Cal. Code Regs. Section 18705.4.

2 **§ 18705.4 Materiality Standard: ~~Economic~~ Financial Interest in Source of Gift**

3 ~~(a) Directly involved sources of gift. Any reasonably foreseeable financial effect on a~~
4 ~~person who is a source of income to a public official, and which person is directly involved in a~~
5 ~~decision before the official's agency, is deemed material.~~

6 ~~(b) Indirectly involved sources of gift.~~

7 ~~(1) Sources of gifts which are indirectly involved business entities. If the source of gift is~~
8 ~~a business entity, apply the materiality standards stated in Title 2, Cal. Code Regs. section~~
9 ~~18705.1(e).~~

10 ~~(2) Sources of gifts which are indirectly involved non-profit entities or governmental~~
11 ~~agencies. If the source of gift is a nonprofit entity or government agency, apply the materiality~~
12 ~~standards stated in 2 Cal Code Regs. section 18705.3(b)(2).~~

13 ~~(3) Sources of gifts who are indirectly involved individuals. If the source of a gift is an~~
14 ~~individual, apply the materiality standards stated in 2 Cal. Code Regs. section 18705.3(b)(3).~~

15 The financial effect of a governmental decision on the source of a gift to a public official,
16 as identified in Section 87103(e), is material if:

17 (a) The source is a claimant, applicant, respondent, contracting party, or is otherwise
18 named or identified as the subject of the proceeding; or

19 (b) The source is an individual that will be financially affected under the standards
20 applied to an official in Regulation 18705.5, or the official knows or has reason to know that the
21 individual has an interest in a business entity or real property that will be financially affected
22 under the standards applied to a financial interest in Regulation 18705.1 or 18705.2, respectively;
23 or

24 (c) The source is a nonprofit that will receive a measurable financial benefit or loss, or
25 the official knows or has reason to know that the nonprofit has an interest in real property that
26 will be financially affected under the standards applied to a financial interest in Regulation
27 18705.2; or

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

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

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