

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
4 financial interest is indistinguishable from its effect on the public generally if the official
5 establishes that a significant segment of the public is affected and the effect on ~~his or her~~ the
6 official's financial interest is not unique compared to the effect on the significant segment.

7 (b) A significant segment of the public is ~~at least 25 percent of~~:

8 (1) At least 25 percent of:

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

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

12 ~~(3)~~ (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
14 only 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
16 effect on:

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

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

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

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

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

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

7 (d) "Jurisdiction" means the jurisdiction of the state or local government agency as
8 defined in Section 82035, or the designated geographical area the official was elected to
9 represent, or the 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
11 financial interest is deemed indistinguishable from that of the public generally where there is no
12 unique effect on the official's interest if the official establishes:

13 (1) Public Services and Utilities. The decision ~~sets~~ establishes or adjusts the amount of an
14 assessments, taxes, fees, or rates for water, utility, or other broadly provided similar public
15 services that are is applied equally, proportionally, or by the same percentage to the official's
16 interest and all businesses, properties, or individuals subject to the assessment, tax, fee, or rate.

17 This exception does not apply if the decision would impose the assessment, tax or fee, or
18 determine the boundaries of a property, or who is subject to the assessment, tax, or fee. **Under**
19 **this exception,** an official is only permitted to take part in setting or adjusting the assessment,
20 tax, or fee amount, once the decisions to implement, and determine the property or persons
21 subject to the assessment, tax, or fee have already been made.

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

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

10 (4) Rental Properties. ~~The decision affects all renters of residential property within the~~
11 ~~official's jurisdiction and only interests resulting from the official's leasehold interest in his or~~
12 ~~her residence are affected.~~ The decision is limited to establishing, eliminating, amending, or
13 otherwise affecting the respective rights or liabilities of tenants and owners of residential rental
14 property, including a decision regarding a rent control ordinance or tenant protection measures,
15 provided all of the following criteria are met:

16 (A) The decision is applicable to all residential rental properties within the official's
17 jurisdiction other than those excepted by the Costa-Hawkins Rental Housing Act (Civil Code
18 Sections 1954.50, et seq.).

19 (B) The official owns three or fewer residential rental units.

20 (C) Only interests resulting from the official's leasehold interest as a lessee of residential
21 real property and the lessor or owner of the official's primary residence are affected by the
22 decision.

1 (5) Required Representative Interest. The decision is made by a board or commission and
2 the law that establishes the board or commission requires certain appointees have a
3 representative interest in a particular industry, trade, or profession or other identified interest, and
4 the public official is an appointed member representing that interest. This provision applies only
5 if the effect is on the industry, trade, or profession or other identified interest represented ~~and~~
6 ~~there is no unique effect on the official's interest.~~

7 (6) State of Emergency. The decision is made pursuant to an official proclamation of a
8 state of emergency when required to mitigate against the effects directly arising out of the
9 emergency ~~and there is no unique effect on the official's interest.~~

10 (7) Governmental Entities. The decision affects a federal, state, or local governmental
11 entity in which the official has an interest ~~and there is no unique effect on the official's interest.~~

12 Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87102.5,
13 87102.6, 87102.8 and 87103, Government Code.