

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 the
6 official's financial interest is not unique compared to the effect on the significant
7 segment.

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

9 (1) At least 25 percent of:

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

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

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

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

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

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

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

23 (3) The official's interests in business entities or real properties resulting from

1 the cumulative effect of the official's multiple interests in similar entities or properties
2 that is substantially greater than the effect on a single interest.

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

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

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

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

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

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

1 subject to the assessment, tax, or fee, have already been made.

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

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

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

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

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

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

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

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

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

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

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

16 (8) Governmental Entities that Manage Airports or Harbors. The decision is made
17 by a governmental entity primarily responsible for the management of an airport or harbor
18 and both of the following criteria are met:

19 (A) The decision affects in a similar manner those permits, licenses or other use
20 entitlements granted by the governmental entity that are broadly available to all others
21 similarly situated and are provided on substantially the same terms as for any other
22 recipient.

23 (B) The only interests affected by the decision relate to the official's permit, license

1 or other use entitlement from the government entity.

2 Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87102.5,

3 87102.6, 87102.8 and 87103, Government Code.