

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 official's  
6 financial interest is not 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  
11 official's 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  
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) 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) 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 is  
23 substantially greater than the effect on a single interest.

24 (4) The official's interest in a business entity or real property resulting from the official's

1 substantially greater business volume or larger real property size when a decision affects all  
2 interests by the same or similar rate or percentage.

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

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

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

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

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

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

24 (3) Limited Neighborhood Effects. The decision affects residential real property limited

1 to a specific location, encompassing more than 50, or five percent of the residential real  
2 properties in the official's jurisdiction, and the decision establishes, amends, or eliminates  
3 ordinances that restrict on-street parking, impose traffic controls, deter vagrancy, reduce  
4 nuisance or improve public safety, provided the body making the decision gathers sufficient  
5 evidence to support the need for the action at the specific location.

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

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

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

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

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

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

21 (5) Required Representative Interest. The decision is made by a board or commission and  
22 the law that establishes the board or commission requires certain appointees have a  
23 representative interest in a particular industry, trade, or profession or other identified interest, and  
24 the public official is an appointed member representing that interest. This provision applies only

1 if the effect is on the industry, trade, or profession or other identified interest represented.

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

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

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

10 (A) The decision affects broadly available permits, licenses or other use entitlements  
11 granted by the governmental entity in a similar manner.

12 (B) The only interests affected by the decision relate to, or operate under or as a  
13 result of, the official's permit, license or other use entitlement from the government entity.

14 Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87102.5,  
15 87102.6, 87102.8 and 87103, Government Code.