


The California State University  
Office of the Chancellor  
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(310) 985-2874

Date: July 29, 1994

Code: HR 94-20

To: Presidents

From: June M. Cooper   
Vice Chancellor  
Human Resources and Operations

Subject: TITLE 5 AMENDMENT: CONFLICT OF INTEREST

The California State University Conflict of Interest Code was amended to update designated positions and disclosure categories to conform to law and to changes that have occurred within the California State University since last amended in 1986. The procedural requisites have now been satisfied with the Fair Political Practices Commission, the Office of Administrative Law, and the Secretary of State, and the amendments proposed to the Board of Trustees in July 1993 have been approved.

Generally speaking, three changes to the Code were approved. The disclosure categories were amended to include "business positions" in business entities as a discloseable interest; this change was required by the Fair Political Practices Commission's standard code. A new disclosure category of "consultants" was also added as required by the Commission.

The designated positions on the various campuses and headquarters of the California State University were also amended. Some campuses deleted positions which no longer existed, or whose decision-making authority no longer required inclusion in the Code; some campuses altered job titles in light of current designations; some campuses added positions, which, in light of their decision-making authority, required inclusion in the Code. Finally, assignments to disclosure categories were amended in light of adjustments in the decision-making responsibility of the positions.

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<b>Distribution:</b>	Conflict of Interest Filing Officers	w/attachments
	Vice Presidents, Academic Affairs	w/o attachments
	Associate Vice Presidents/Deans, Faculty Affairs	" "
	Vice Presidents, Administration	" "
	Vice Presidents, Information Systems	" "
	Vice Presidents/Deans of Students	" "
	Business Managers	" "
	Personnel Officers	" "
	Payroll Supervisors	" "
	General Counsel	" "
	Chancellor's Office Staff	" "

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A filing will be required for any employee who currently occupies a newly added position, or a position that had a change in disclosure category. Filings will not be required for employees in positions where no change in disclosure category occurred, nor will filings be required for positions that had only a change in job title. Pursuant to Government Code Section 11346.2, employees in newly designated positions are required to file an initial statement within 30 days from Secretary of State's approval. In that regard, Conflict of Interest Filing Officers are requested to obtain completed statements from affected employees by **August 23, 1994**.

To complete this action, your campus Conflict of Interest Filing Officer is being provided with the following attachments:

- Attachment A: Your campus' amended Designated Position List.
- Attachment A-1: A detailed listing which identifies the positions that were added, deleted, or had a change in title or disclosure category at your campus
- Attachment B: Conflict of Interest Disclosure Categories
- Attachment C: Pertinent sections of Title 5 (Section 43810) and Title 2 (Sections 18730-18731) which comprise the California State University's Conflict of Interest Code.

A copy of the 1993-94 Statement of Economic Interests for Designated Employees Form 730 is also included in your Conflict of Interest Filing Officers' mailing, and should be locally reproduced for the newly designated employees at your campus. Please note that notification to Human Resources of Form 730 filings is no longer necessary.

Your cooperation is appreciated. This action satisfies the immediate filing process required when newly designated positions are incorporated into the Code. The annual reminder sent by the Office of the Chancellor for each April 1 filing will be distributed based upon the amended Code.

Please contact Theresa Hines at (310) 985-2674 if you have any questions or need additional information.

JMC/dth  
Attachments

CONTINUATION SHEET  
FOR FILING ADMINISTRATIVE REGULATIONS  
WITH THE SECRETARY OF STATE

(Pursuant to Government Code Section 11180.1)

ATTACHMENT C  
HR 94-28  
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REPEAL Sections 43,810 through 43,820; ADD Section 43,810 to read:

CONFLICT OF INTEREST CODE FOR  
CALIFORNIA STATE UNIVERSITY AND COLLEGES

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 Cal. Adm. Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the California State University and Colleges.

Pursuant to Section 4(A) of the standard Code, designated employees shall file statements of economic interests with their agencies. Upon receipt of the statements of the Trustees (except ex-officio members who serve as such due to their elected state offices and are excluded by Government Code Section 87302(b)), the agency shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission.

DO NOT WRITE IN THIS SPACE

(b) If the Board of Trustees or its designated committee votes on any new subject described above, the vote thereon by each member voting shall be disclosed by posting within twenty-four (24) hours.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89500, Education Code. Reference: Section 89500, Education Code.

#### HISTORY

1. Amendment filed 9-20-82; effective thirtieth day thereafter (Register 82, No. 39).

## Article 16.2. Bona Fide Associations

### § 43727. Definition.

For the purpose of this article, "bona fide association" means an organization of employees and/or former employees of the California State University which does not have as one of its purposes the representing of employees in their relations with the California State University or any entity of the State of California. A "bona fide association" may include affirmative action advocacy groups and professional organizations.

NOTE: Authority cited: Sections 89030 and 89500, Education Code; and Section 3566, Government Code. Reference: Sections 1150(d) and 3566, Government Code.

#### HISTORY

1. New Article 16.2 (Sections 43727-43729) filed 10-28-85; effective upon filing pursuant to Government Code Section 11346.2(d) (Register 85, No. 44).

### § 43728. Registration.

Each bona fide association shall submit to the Chancellor or designee an annual registration statement on or about July 1 of each calendar year in a form prescribed by the Chancellor or designee. The registration statement shall include the following information: name of the bona fide association, its headquarters address, telephone number, list of principal officers and their mailing addresses. The statement shall also include a written certification that the bona fide association is observing and has observed in the past year the following:

(a) The purpose of the association is not to represent California State University employees or any other State employees on matters within the scope of representation; and

(b) The association does not have an affiliation with an employee organization of the California State University or any other State entity; and

(c) The association is not acting as an employee organization by filing unfair labor practice charges or competing to be an exclusive bargaining agent in unit certification elections of the California State University or any other State entity.

The statement shall be accompanied by a copy of the association's by-laws and a statement of the organization's purpose.

NOTE: Authority cited: Sections 89030 and 89500, Education Code; and Section 3566, Government Code. Reference: Sections 1150(d) and 3566, Government Code.

### § 43729. Revocation of Registration.

The registration of a bona fide association may be removed by the Chancellor or designee for the following reasons:

(a) Determination by the Chancellor or designee that the bona fide association has represented an employee in his or her employer-employee relations with the California State University or an entity of the State of California, or is affiliated with an employee organization of the California State University or any other State entity.

(b) Failure of the bona fide association to provide the annual registration statement.

(c) Determination by the State Controller that the bona fide association has interfered or failed to cooperate in an employee's request to decline membership or payroll dues deduction.

NOTE: Authority cited: Sections 89030 and 89500, Education Code; and Section 3566, Government Code. Reference: Sections 1150(d) and 3566, Government Code.

## Article 17. Rules of Procedure for Grievance Proceedings for Academic Personnel

### § 43750. Delegation of Authority.

The Chancellor shall prescribe, and may from time to time revise Grievance Procedures for Academic Personnel which meet the requirements of Education Code Section 89542.5. The Chancellor shall consult as appropriate with respect to such procedures. The Chancellor shall report to the Board on procedures issued or revised pursuant to this section.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89500, Education Code. Reference: Section 89542.5, Education Code.

#### HISTORY

1. New Article 17 (Section 43750) filed 6-21-73; effective thirtieth day thereafter (Register 73, No. 25).
2. Amendment filed 7-28-76; effective thirtieth day thereafter (Register 76, No. 31).
3. Amendment of section and NOTE filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).
4. Amendment of NOTE filed 9-20-82; effective thirtieth day thereafter (Register 82, No. 39).

## Article 18. Rules of Procedure for Grievance Proceedings for Nonacademic and Administrative Personnel

### § 43775. Delegation of Authority.

The Chancellor shall prescribe and may from time to time revise grievance procedures for nonacademic and administrative personnel as defined in Section 42700(o) and (m) respectively. The Chancellor shall consult as appropriate with respect to such procedures. These procedures may be utilized for all nonacademic and administrative employees except nonacademic and administrative employees who are temporary employees and shall include nonacademic and administrative employees who are on full or partial leave of absence with or without pay. The Chancellor shall report to the Board on procedures issued or revised pursuant to this section and shall require their publication at the campuses in an appropriate manner.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89500, Education Code. Reference: Section 89500, Education Code.

#### HISTORY

1. New Article 18 (Section 43775) filed 12-30-76; effective thirtieth day thereafter (Register 77, No. 1).
2. Amendment of NOTE filed 9-20-82; effective thirtieth day thereafter (Register 82, No. 39).

## Article 19. Amendment

### § 43800. Amendment.

The Trustees retain authority, pursuant to law, to add, amend, or repeal any of their regulations including but not limited to those relating to tenure, layoff, dismissal, demotion, suspension or reinstatement of academic and administrative employees, in whole or in part, at such time as they may choose.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89500, Education Code. Reference: Section 89500, Education Code.

#### HISTORY

1. Amendment of NOTE filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18). For prior history, see Register 77, No. 1.
2. Amendment filed 9-20-82; effective thirtieth day thereafter (Register 82, No. 39).

## Article 20. California State University—Conflict of Interest Code

NOTE: It having been found, pursuant to Government Code Section 11409(a), that the printing of the regulations constituting the Califor-

nia State University Conflict of Interest Code is impractical and these regulations being of limited and particular application, these regulations are not published in full in the California Code of Regulations. The regulations are available to the public for review or purchase at cost at the following locations:

THE CALIFORNIA STATE UNIVERSITY  
400 GOLDEN SHORE—ROOM 350  
LONG BEACH, CALIFORNIA 90802

FAIR POLITICAL PRACTICES COMMISSION  
1100 K STREET  
SACRAMENTO, CALIFORNIA 95814

ARCHIVES  
SECRETARY OF STATE  
1020 "O" STREET  
SACRAMENTO, CALIFORNIA 95814

The California State University Conflict of Interest Code is designated as Article 20 of Subchapter 7, Chapter 1, Division 5 of Title 5 of the California Code of Regulations and consists of sections numbered and titled as follows:

**Article 20. California State University—Conflict of Interest Code**

Section 43810.	General Provisions Appendix
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NOTE: Authority cited: Sections 87300 and 87304 Government Code. Reference: Sections 87300, et. seq., Government Code.

**HISTORY**

1. New article 20 (sections 43810—43820, Exhibits A and B) filed 6-26-78; effective thirtieth day thereafter. Approved by Fair Political Practices Commission (Register 78, No. 26).
2. Repealer of article 20 (sections 43810—43820 and Exhibits A and B) and new article 20 (section 43810 and Appendix) filed 2-26-81; effective thirtieth day thereafter. Approved by Fair Political Practices Commission 12-1-80 (Register 81, No. 9).
3. Amendment of Appendix filed 12-19-84; effective thirtieth day thereafter. Approved by Fair Political Practices Commission 12-4-84 (Register 84, No. 51).
4. Amendment of Appendix filed 3-21-86; effective thirtieth day thereafter. Approved by Fair Political Practices Commission 2-4-86 (Register 86, No. 12).
5. Amendment of General Provisions and Appendix filed 6-23-94; operative 7-25-94. Submitted to OAL for printing only. Approved by Fair Political Practices Commission 2-17-94 (Register 94, No. 25).

**Article 21. Effect of Memorandum of Understanding on Subchapter**

**§ 43825. Memorandum of Understanding.**

Notwithstanding any other provision of this subchapter, if a Memorandum of Understanding entered into pursuant to the Higher Education Employer—Employee Relations Act is in conflict with provisions in this subchapter, the terms of the Memorandum of Understanding and not the provisions of this subchapter shall govern as to those employees covered by the Memorandum of Understanding.

NOTE: Authority cited: Sections 66600, 89030 and 89500, Education Code. Reference: Section 3560, et seq., Government Code.

**HISTORY**

1. New Article 21 (Section 43825) filed 8-11-82; effective thirtieth day thereafter (Register 82, No. 33).

**Subchapter 8. Environmental Quality**

**Article 1. General**

**§ 43850. Authority.**

The regulations adopted under this Subchapter implement the requirements of the California Environmental Quality Act of 1970, and the Statewide Guidelines issued by the Resources Agency, pursuant to Public Resources Code Section 21082.

NOTE: Authority cited: Sections 66600, 89030 and 89035, Education Code; and Section 21082, Public Resources Code. Reference: Section 21082, Public Resources Code.

**HISTORY**

1. New Subchapter 8 (Sections 43850—43854, 43860, 43861) filed 10-12-73; effective thirtieth day thereafter (Register 73, No. 41).
2. Repealer of Subchapter 8 (Sections 43850—43861, not consecutive) and new Subchapter 8 (Sections 43850—43861, not consecutive) filed 4-26-77; effective thirtieth day thereafter (Register 77, No. 18).
3. Amendment of NOTE filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).
4. Amendment of NOTE filed 9-20-82; effective thirtieth day thereafter (Register 82, No. 39).

**§ 43851. Definitions.**

(a) Environmental Documents. "Environmental Documents" means Draft and Final Environmental Impact Reports, Environmental Impact Statements, Initial Studies, Negative Declarations, Notices of Completion, Notices of Determination, and any other studies, reports, or documents required of the Trustees by environmental legislation or applicable administrative rules.

(b) Ministerial Projects. The term "Ministerial Projects" refers to projects in which the Trustees' actions involve only the use of fixed standards or objective measurements without personal judgment. Ministerial projects are not covered by the Environmental Quality Act of 1970; they therefore do not require an environmental study or the preparation of an Environmental Document.

(c) Project. (1) The term "Project" refers to the whole of an action, which has a potential for resulting in a physical impact on the environment, directly or ultimately, that is any of the following:

(A) An activity directly undertaken by the Trustees including but not limited to, public works construction or related activities, clearing or grading of land and improvements to existing public structures, which will result in a physical change in the environment and the adoption of a new campus Master Plan or substantial revisions thereof.

(B) An activity undertaken by a person which is supported in whole or in part through contracts, grants, subsidies, loans, or other forms of assistance from the Trustees which will result in a physical change in the environment.

(C) The issuance by the Trustees of a lease, permit, license, or other entitlement for use to a person which use will result in a physical change in the environment.

(2) The term "Project" refers to the activity which is being approved and which may be subject to several discretionary approvals by governmental agencies. The term "Project" does not mean each separate governmental approval.

(3) The term "Project" does not include:

(A) Anything specifically exempted by state law.

(B) Proposals for legislation to be enacted by the state Legislature other than Trustee requests for authorization of funding independently from the Budget Act.

(C) Continuing administrative or maintenance activities such as purchases for supplies, personnel-related actions, emergency repairs to public service facilities, academic and other general policy and procedures making (except as they are applied to specific instances covered above), feasibility or planning studies.

(D) The submittal of proposals to a vote of the people of the state or of a particular community.

(E) Personnel actions.

(F) Ministerial projects.

(d) Statewide Guidelines. The term "Statewide Guidelines" means the official regulations on environment applicable to all state agencies including the Trustees, as adopted by the Office of Planning and Research and the Secretary for the Resources Agency pursuant to Public Resources Code Section 21083. These regulations may be found in Chapter 3, Division 6 of Title 14, California Administrative Code, commencing with Section 15000.

(e) Trustees. As used in this subchapter, "Trustees" refers to the Board designated by Education Code Section 66600 and to the Board's authorized officers acting within the scope of their duties.

2. New subsection (e) filed 6-26-90; operative 7-26-90 (Register 90, No. 35).  
 3. Renumbering of former section 18726.7 to new section 18944.1 filed 6-22-94; operative 6-22-94 (Register 94, No. 25).

**§ 18726.8. Valuation of Gift Tickets to Charitable and Political Fundraisers.**

NOTE: Authority cited: Section 83112, Government Code. Reference: Section 82028, Government Code.

**HISTORY**

1. New section filed 5-26-87; operative 6-25-87 (Register 87, No. 26).  
 2. Renumbering of section 18726.8 to section 18946.4 filed 1-25-93; operative 1-25-93 (Register 93, No. 5).

**§ 18727. Gifts to Officials: Section 87207(a).**

NOTE: Authority cited: Section 83112, Government Code. Reference: Section 87207(a), Government Code.

**HISTORY**

1. Amendment filed 10-11-78; designated effective 1-1-79 (Register 78, No. 41).  
 2. Repealer filed 1-25-93; operative 1-25-93 (Register 93, No. 5).

**§ 18727.5. Travel Costs and Other Payments from Campaign Committees.**

(a) Travel costs and reimbursements therefor paid by a "committee" as defined by Government Code Section 82013(a), including a "controlled committee," shall be valued as follows:

(1) A reimbursement, advance, or other payment for actual travel expenses (including meals and lodging) or for other actual and legitimate campaign expenses made by such a committee or controlled committee is neither income nor a gift to an official and need not be disclosed on the official's Statement of Economic Interests if the expenditures are reported by the committee in accordance with the provisions of Government Code Sections 84100, et seq.

(2) A reimbursement, advance, or other payment for personal travel expenses not covered by subsection (1) shall be reported by the recipient pursuant to Government Code Sections 87207 or 87302.

(b) Any other payment not covered by subsection (a), including a payment for personal services, such as salary, consulting fees, honoraria, etc., from a committee is income or a gift (except as provided in Section 18728) and reported by the recipient pursuant to Government Code Section 87207 or 87302.

NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028 and 82030, Government Code.

**HISTORY**

1. New section filed 1-8-86; effective thirtieth day thereafter (Register 86, No. 2).

**§ 18728. Reporting of Income and Gifts; Honoraria and Awards (87207).**

COMMENT: For free admission, food, beverages, transportation, lodging, and subsistence provided to an official, or state candidate in connection with a speech, panel, seminar, or similar service, see California Code of Regulations, Title 2, Section 18950.3.

NOTE: Authority cited: Section 83112, Government Code. Reference: Section 87207, Government Code.

**HISTORY**

1. New section filed 10-24-75; effective thirtieth day thereafter (Register 75, No. 43).  
 2. Repealer and new section filed 6-17-76 as an emergency; effective upon filing. Certificate of Compliance included (Register 76, No. 25).  
 3. Amendment of subsection (b) filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).  
 4. Repealer and new COMMENT filed 1-27-93; operative 2-26-93 (Register 93, No. 5).

**§ 18729. Leasehold Interests—Value, Disclosure.**

(a) When an official is required to disclose a leasehold interest as defined in Government Code Section 82033, the official shall:

- (1) Identify the interest as a leasehold interest.  
 (2) Disclose the number of years remaining on the lease.  
 (3) Provide the address or other precise location of the leased property.

(4) Provide the date upon which the lease became effective or terminated if either such date occurred during the period covered by the statement.

(5) Disclose the value of the leasehold interest in the manner required by Government Code Section 87206(d).

(b) The value of a leasehold interest is the amount of rent owed during a 12-month period. For purposes of disclosure on a Statement of Economic Interests, the value of a leasehold interest is the amount of rent owed during a 12-month period. The 12-month period shall be computed as follows:

(1) In the case of an annual or leaving office statement, the first day of the 12-month period is the first day of the reporting period or the first day of the lease, which occurs later.

(2) In the case of an assuming office or candidate's statement, the first day of the 12-month period is the date the statement is due.

(c) If the value of an official's leasehold interest is less than \$1,000 when the rent owed is computed under subsection (b), but the official knows that the actual fair market value of the leasehold during the 12-month period exceeds \$1,000, the value of the leasehold is the actual fair market value, rather than the rent owed, during the 12-month period.

NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82033 and 87206, Government Code.

**HISTORY**

1. New section filed 1-8-86; effective thirtieth day thereafter (Register 86, No. 2). For history of former section see Registers 85, No. 25 and 76, No. 40.

**§ 18730. Provisions of Conflict of Interest Codes.**

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87307 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18100, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their financial interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under Article 2 of Chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies.<sup>1</sup>

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of financial interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those financial interests he or she has

which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the financial interests set forth in a designated employee's disclosure categories are the kinds of financial interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with

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the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.<sup>2</sup>

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property<sup>3</sup> is required to be reported,<sup>4</sup> the statement shall contain the following:

1. A statement of the nature of the investment or interest;

2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;

3. The address or other precise location of the real property;

4. A statement whether the fair market value of the investment or interest in real property exceeds one thousand dollars (\$1,000), exceeds ten thousand dollars (\$10,000), or exceeds one hundred thousand dollars (\$100,000).

(B) Personal Income Disclosure. When personal income is required to be reported,<sup>5</sup> the statement shall contain:

1. The name and address of each source of income aggregating two hundred fifty dollars (\$250) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source.

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), or greater than ten thousand dollars (\$10,000);

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,<sup>6</sup> the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. State Agency Prohibition on Receipt of Honoraria.

No member of a state board or commission, and no designated employee of a state agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (b), (c), (d), and (e) of Government Code Section 89502 shall apply to the prohibitions in this section.

(8.1) Section 8.1. State Agency Prohibition on Receipt of Gifts of \$250 or More.

No member of a state board or commission, and no designated employee of a state agency, shall accept gifts with a total value of more than

two hundred fifty dollars (\$250) in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subsections (b), (c), (d), and (e) of Government Code Section 89504 shall apply to the prohibitions in this section.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth one thousand dollars (\$1,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth one thousand dollars (\$1,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$250 or more in value provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one thousand dollars (\$1,000) or more.

(10) Section 10. Manner of Disqualification.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act must be accompanied by disclosure of the disqualifying interest. In the case of a voting body, this determination and disclosure shall be made part of the agency's official record; in the case of a designated employee who is the head of an agency, this determination and disclosure shall be made in writing to his or her appointing authority; and in the case of other designated employees, this determination and disclosure shall be made in writing to the designated employee's supervisor.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act. Government Code sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 87300-87302, 89503 and 89504, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of NOTE filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding HISTORY 11 and 12 and deleting duplicate section number (Register 94, No. 17).

<sup>1</sup> Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004.

<sup>2</sup> See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

<sup>3</sup> For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

<sup>4</sup> Investments and interests in real property which have a fair market value of less than \$1,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

<sup>5</sup> A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

<sup>6</sup> Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.