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CITY COUNCIL MEETING  
JANUARY 16, 1985

RESOLUTION  
AMENDING LIST  
OF DESIGNATED  
EMPLOYEES  
REQUIRED TO  
FILE A CONFLICT  
OF INTEREST  
FILING

Following introduction of the matter by City Clerk Reimche, Council, on motion of Council Member Pinkerton, Hinchman second, adopted Resolution No. 85-13 amending the list of designated employees within the City of Lodi, required to file a Conflict of Interest Filing, to include Junior Planner and Associate Planner and Administrative Assistant (City Manager's Office).

RES. NO. 85-13

# COUNCIL COMMUNICATION

TO: THE CITY COUNCIL	DATE	NO.
FROM: THE CITY MANAGER'S OFFICE Alice Reimche, City Clerk	January 11, 1985	
SUBJECT: Amendment to existing Resolution setting forth "designated employees" for the purpose of filing Conflict of Interest filing.		

RECOMMENDED ACTION: Council is hereby requested to amend the existing resolution which sets forth "designated employees" for the purpose of filing Conflict of Interest filings to include the position of Administrative Assistant in the City Manager's Office.

In reviewing the provision of the code setting forth the responsibilities of employees who must be deemed as "designated employees" for the purpose of filing Conflict of Interest filings, it has been determined that the City of Lodi's list of such employees should be amended to include the Administrative Assistant position in the City Manager's office.

EXHIBIT "B"

DISCLOSURE CATEGORIES

An investment, interest in real property, or income is reportable if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of the employee's position.

Designated employees in Group "1" must report:

(a) Interests in real property, other than your residence, which is located in whole or in part either within the boundaries of the City, or within two miles of the boundaries of the City, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is greater than \$1,000.00. (Interests in real property of an individual include the share or interest in real property of a business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly, or beneficially, a ten per cent interest or greater.)

(b) Investments in or income from persons or business entities engaged in the business of acquisition or disposal of real property within the City.

Designated employees in Group "2" must report:

(a) Investments in any business entity which, within the last two years, has contracted, or in the future foreseeably may contract with the City of Lodi to provide services, supplies, materials, machinery or equipment to the City of Lodi.

(b) Income from any source which, within the last two years, has contracted, or in the future foreseeably may contract with the City of Lodi to provide services, supplies, materials, machinery or equipment to the City of Lodi.

(c) His or her status as a director, officer, sole owner, partner, trustee, employee, or holder of a position of management in any business entity which, within the last two years, has contracted or in the future foreseeably may contract with the City of Lodi to provide services, supplies, materials, machinery or equipment to the City of Lodi.

Investments and income otherwise reportable under Paragraphs (a) and (b) of Category "2" above, shall not be reported unless the total amount of all contracts by the business entity to provide services, supplies, materials, machinery or equipment to the City of Lodi was more than \$1,000.00 in the prior calendar year, or unless the total amount of all foreseeable contracts by the business entity to provide services, supplies, materials, machinery or equipment to the City of Lodi will be more than \$1,000.00 in the next calendar year.

Designated employees in Group "3" must report:

(a) Investments in any business entity which within the last calendar year has been regulated by the City of Lodi or foreseeably may be regulated by the City of Lodi in the next calendar year.

(b) Each source of income, provided that the income was furnished by or on behalf of any business entity which within the last calendar year has been regulated by the City of Lodi, or foreseeably may be regulated by the City of Lodi in the next calendar year.

(c) His or her status as a director, officer, sole owner, partner, trustee, employee or any position of management in any business entity which within the last calendar year has been regulated by the City of Lodi, or foreseeably may be regulated by the City of Lodi in the next calendar year.

18730. Provisions of Conflict of Interest Codes  
(Gov. Code Sections 87300 - 87302)

(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. Adm. Code 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.<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

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<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.

the Appendix specify which kinds of financial interests are reportable. Each 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 required to file statements of economic interests pursuant to this Conflict of Interest Code to file in accordance with one of the following procedures:<sup>2/</sup>

(A) All designated employees shall file statements of economic interests with the agency. Upon receipt of the statements of economic interests of the head of the agency and members of boards or commissions not under a department of state or local government, the agency shall make and retain a copy of each and forward the originals of these statements to the code reviewing body, which shall be the

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<sup>2/</sup> See Government Code Section 81010 and 2 Cal. Adm. Code 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.

filing officer with respect to these statements. Such statements shall be forwarded to the code reviewing body within five days after the filing deadline or five days after receipt in the case of statements filed late.

(B) All designated employees shall file statements of economic interests with the agency, which shall make and retain a copy and forward the originals to the code reviewing body, which shall be the filing officer.

(C) All designated employees shall file statements of economic interests with the code reviewing body.

(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 thirty 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 thirty days after the effective date of the amendment.

(B) Assuming Office Statements.

(i) All persons assuming designated positions after the effective date of this Code which are civil service or merit system positions shall file statements within thirty days after assuming the designated positions.

or transferred to designated positions after the effective date of the Code shall file statements within ten days after assuming office, or if subject to State Senate confirmation, ten 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 thirty days after leaving office.

(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.

(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.

(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:

- (i) A statement of the nature of the investment or interest;

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<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.

(ii) 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;

(iii) The address or other precise location of the real property;

(iv) 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:

(i) The name and address of each source of income aggregating two hundred fifty dollars (\$250) or more in value, or twenty-five dollars (\$25) or more in value if the income was a gift, and a general description of the business activity, if any, of each source.

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<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.

(ii) 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);

(iii) A description of the consideration, if any, for which the income was received;

(iv) 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.

(v) 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:

(i) The name, address, and a general description of the business activity of the business entity;

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<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.

business entity received payment, 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. Disqualification.

No designated employee shall make, participate in making, or use his or her official positions to influence the making of any governmental decision which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on:

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

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

(C) Any source of income, 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 twelve months prior to the time when the decision is made; or

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

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) Section 9. Manner of Disqualification.

When a designated employee determines that he or she should not make a governmental decision because he or she has a financial interest in it, the determination not to act must be accompanied by disclosure of the financial 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.

(10) Section 10. 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.

(11) Section 11. 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 has occurred may be set aside as void pursuant to Government Code Section 91003.

RESOLUTION NO. 85-13

RESOLUTION AMENDING CITY OF LODI CONFLICT OF  
INTEREST CODE TO INCORPORATE BY REFERENCE THE  
FAIR POLITICAL PRACTICES COMMISSION'S STANDARD  
MODEL CONFLICT OF INTEREST CODE AND ADDING  
DESIGNATED POSITIONS OR DESIGNATED EMPLOYEES

WHEREAS, amendments to the Political Reform Act, Government Code Sections 81000, et seq., have in the past and foreseeably will in the future require conforming amendments to be made in Conflict of Interest Codes adopted and promulgated pursuant to its provisions; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard model Conflict of Interest Code, which can be incorporated by reference, and which will be amended to conform to amendments in the Political Reform Act after public notice and hearings conducted by the Fair Political Practices Commission pursuant to the Administrative Procedure Act, Government Code Section 11370, et seq.; and

WHEREAS, incorporation by reference of the terms of the aforementioned regulation and amendments to it in Conflict of Interest Codes will save this body time and money by minimizing the actions required of this body to keep the Codes in conformity with the Political Reform Act;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. All previously adopted resolutions approving various separate Conflict of Interest Codes are hereby rescinded.

2. 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 Appendices in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Codes for the following departments and agencies:

ADMINISTRATIVE DEPARTMENT  
PUBLIC WORKS DEPARTMENT  
CITY ATTORNEY'S OFFICE  
CITY CLERK'S OFFICE  
FINANCE DEPARTMENT  
POLICE DEPARTMENT  
FIRE DEPARTMENT  
COMMUNITY DEVELOPMENT DEPARTMENT  
RECREATION COMMISSION  
UTILITY DEPARTMENT  
PARKS AND RECREATION DEPARTMENT  
PLANNING COMMISSION  
SITE PLAN AND ARCHITECTURAL REVIEW COMMITTEE

3. Persons holding designated positions shall file statements of economic interest pursuant to Section 4(C) of the Conflict of Interest Code. Pursuant to Section 4(C) of the Code, all designated employees shall file their statements with the City Clerk to whom the City Council hereby delegates the authority to carry out the duties of filing officer.

4. Resolution No. 84-087 is hereby rescinded.

Dated: January 16, 1985

I hereby certify that Resolution No. 85-13 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 16, 1985 by the following vote:

Ayes: Councilmen - Hinchman, Pinkerton, Reid,  
Olson & Snider (Mayor)

Noes: Councilmen - None

Absent: Councilmen - None

*Alice M. Reimche*  
ALICE M. REIMCHE  
City Clerk

EXHIBIT "A"  
DESIGNATED POSITIONS  
OR  
DESIGNATED EMPLOYEES

<u>Designated Positions or Designated Employees</u>	<u>Disclosure Category</u>
Public Works Director	1, 2, & 3
Assistant City Engineer	1, 2, & 3
Chief Civil Engineer	2 & 3
Equipment & Building Maintenance Superintendent	2 & 3
Street Superintendent	2 & 3
Water and Wastewater Superintendent	2 & 3
City Attorney	1, 2, & 3
Assistant City Attorney	1, 2, & 3
Administrative Assistant (City Manager's Office)	1, 2, & 3
City Clerk	1, 2, & 3
Finance Director	1, 2, & 3
Assistant Finance Director	2 & 3
Accountant II	2 & 3
Police Chief	2
Fire Chief	2
Fire Administrative Officer	2 & 3
Assistant City Manager	1, 2, & 3
Community Development Director	1, 2, & 3
Assistant Planner	1, 2, & 3
Junior Planner	1, 2, & 3
Associate Planner	1, 2, & 3
Chief Building Inspector	1, 2, & 3
Building Inspector	1, 2, & 3

Exhibit "A" Continued

<u>Designated Positions or Designated Employees</u>	<u>Disclosure Category</u>
Utility Director	1, 2, & 3
Assistant Utility Director	1, 2, & 3
Electrical Engineer	2 & 3
Director of Parks and Recreation	1, 2, & 3
Park Superintendent	2 & 3
Members of the Lodi City Planning Commission	1, 2, & 3
Members of the Recreation Commission	1, 2, & 3
Members of the Site Plan and Architectural Review Committee	1, 2, & 3
Members of the Library Board of Trustees	1, 2, & 3

(c) His or her status as a director, officer, sole owner, partner, trustee, employee, or holder of a position of management in any business entity which, within the last two years, has contracted or in the future foreseeably may contract with the City of Lodi to provide services, supplies, materials, machinery or equipment to the City of Lodi.

Investments and income otherwise reportable under Paragraphs (a) and (b) of Category "2" above, shall not be reported unless the total amount of all contracts by the business entity to provide services, supplies, materials, machinery or equipment to the City of Lodi was more than \$1,000.00 in the prior calendar year, or unless the total amount of all foreseeable contracts by the business entity to provide services, supplies, materials, machinery or equipment to the City of Lodi will be more than \$1,000.00 in the next calendar year.

Designated employees in Group "3" must report:

(a) Investments in any business entity which within the last calendar year has been regulated by the City of Lodi or foreseeably may be regulated by the City of Lodi in the next calendar year.

(b) Each source of income, provided that the income was furnished by or on behalf of any business entity which within the last calendar year has been regulated by the City of Lodi, or foreseeably may be regulated by the City of Lodi in the next calendar year.

(c) His or her status as a director, officer, sole owner, partner, trustee, employee or any position of management in any business entity which within the last calendar year has been regulated by the City of Lodi, or foreseeably may be regulated by the City of Lodi in the next calendar year.

EXHIBIT "B"

DISCLOSURE CATEGORIES

An investment, interest in real property, or income is reportable if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of the employee's position.

Designated employees in Group "1" must report:

- (a) Interests in real property, other than your residence, which is located in whole or in part either within the boundaries of the City, or within two miles of the boundaries of the City, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is greater than \$1,000.00. (Interests in real property of an individual include the share or interest in real property of a business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly, or beneficially, a ten per cent interest or greater.)
- (b) Investments in or income from persons or business entities engaged in the business of acquisition or disposal of real property within the City.

Designated employees in Group "2" must report:

- (a) Investments in any business entity which, within the last two years, has contracted, or in the future foreseeably may contract with the City of Lodi to provide services, supplies, materials, machinery or equipment to the City of Lodi.
- (b) Income from any source which, within the last two years, has contracted, or in the future foreseeably may contract with the City of Lodi to provide services, supplies, materials, machinery or equipment to the City of Lodi.

18730. Provisions of Conflict of Interest Codes  
(Gov. Code Sections 87300 - 87302)

(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. Adm. Code 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.<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

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<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.

the Appendix specify which kinds of financial interests are reportable. Each 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 required to file statements of economic interests pursuant to this Conflict of Interest Code to file in accordance with one of the following procedures:<sup>2/</sup>

(A) All designated employees shall file statements of economic interests with the agency. Upon receipt of the statements of economic interests of the head of the agency and members of boards or commissions not under a department of state or local government, the agency shall make and retain a copy of each and forward the originals of these statements to the code reviewing body, which shall be the

<sup>2/</sup> See Government Code Section 81010 and 2 Cal. Adm. Code 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.

filing officer with respect to these statements. Such statements shall be forwarded to the code reviewing body within five days after the filing deadline or five days after receipt in the case of statements filed late.

(B) All designated employees shall file statements of economic interests with the agency, which shall make and retain a copy and forward the originals to the code reviewing body, which shall be the filing officer.

(C) All designated employees shall file statements of economic interests with the code reviewing body.

(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 thirty 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 thirty days after the effective date of the amendment.

(B) Assuming Office Statements.

(i) All persons assuming designated positions after the effective date of this Code which are civil service or merit system positions shall file statements within thirty days after assuming the designated positions.

or transferred to designated positions after the effective date of the Code shall file statements within ten days after assuming office, or if subject to State Senate confirmation, ten 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 thirty days after leaving office.

(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.

(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.

(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:

- (i) A statement of the nature of the investment or interest;

<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.

(ii) 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;

(iii) The address or other precise location of the real property;

(iv) 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:

(i) The name and address of each source of income aggregating two hundred fifty dollars (\$250) or more in value, or twenty-five dollars (\$25) or more in value if the income was a gift, and a general description of the business activity, if any, of each source.

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<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.

(ii) 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);

(iii) A description of the consideration, if any, for which the income was received;

(iv) 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

(v) 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:

(i) The name, address, and a general description of the business activity of the business entity;

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<sup>5/</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.

business entity received payment 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. Disqualification.

No designated employee shall make, participate in making, or use his or her official positions to influence the making of any governmental decision which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on:

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

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

(C) Any source of income, 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 twelve months prior to the time when the decision is made; or

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

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) Section 9. Manner of Disqualification.

When a designated employee determines that he or she should not make a governmental decision because he or she has a financial interest in it, the determination not to act must be accompanied by disclosure of the financial 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.

(10) Section 10. 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.

(11) Section 11. 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 has occurred may be set aside as void pursuant to Government Code Section 91003.