

12/8/81

Memorandum 82-1

Subject: Conflict of Interest Code

Two technical amendments need to be made in the Commission's Conflict of Interest Code. A copy of the Code showing the proposed changes is attached to this memorandum.

The change in the second paragraph requires the financial statement of the Executive Secretary to be filed with the Fair Political Practices Commission. This is required by Government Code Section 87500(j) but was omitted when the FPPC processed the Commission's Code.

The second change adds the Legislative Counsel to the list of designated employees in the Appendix to the Code. This change is made necessary by the enactment of Chapter 1106 of the Statutes of 1981 which makes the Legislative Counsel a voting member of the Commission. When the Code was proposed and approved, the Legislative Counsel was excused on the grounds that he was a nonvoting member. Although the Legislative Counsel is subject to the Conflict of Interest Code of the Legislative Counsel's office, the scope of disclosure under the Commission's Code is broader in one respect since it requires disclosure of certain business positions.

The consideration of this matter has been noticed for 10:00 a.m. on Friday, January 22, at the Commission's January meeting at the Offices of Procopio, Cory, Hargreaves, and Savitch, 530 "B" St., Suite 1900, San Diego, CA 92101. If approved, the amended Code will be forwarded to the FPPC for approval.

Respectfully submitted,

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STAFF DRAFT OF AMENDMENTS TO CONFLICT OF INTEREST CODE

CONFLICT OF INTEREST CODE FOR
THE CALIFORNIA LAW REVISION COMMISSION

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 Law Revision Commission.

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 Commissioners and the Executive Secretary, the agency shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission.

A P P E N D I X

DESIGNATED EMPLOYEES

<u>Designated Employees</u>	<u>Disclosure Categories</u>
Commission Member (appointed by Governor)	1, 2
<u>Legislative Counsel</u>	<u>1, 2</u>
Executive Secretary	1, 2, 3
Assistant Executive Secretary	1, 2, 3
Staff attorneys	1
Administrative Assistant	2, 3

DISCLOSURE CATEGORIES

Category 1

A designated employee in this category must disclose the following:

1. Interests in real property.
2. Investments in business entities listed below.
3. Personal income from entities or persons listed below.
4. Business entity income from entities or persons listed below.
5. Business positions in entities listed below.

The following entities, in the jurisdiction of California, constitute the financial interests which foreseeably may be materially affected by a Law Revision Commission decision:

1. Banks, savings and loan institutions, credit unions, and other financial institutions.
2. Mortgage brokers.
3. Collection agencies.
4. Any entities or persons whose primary activity in California is the making of secured or unsecured loans.
5. Any entities or persons whose primary activity in California is the leasing or development of real estate.
6. Any entities or persons whose primary activity in California is the leasing of personal property.
7. Insurance companies.
8. Public entities, so long as the income is not excluded by Government Code Section 82030(b)(2).
9. Title insurance companies.
10. Newspaper companies.
11. Corporate sureties.
12. Adoption agencies.
13. Persons engaging in private placing for adoption of more than one child per year.

14. Privately owned public utilities.

15. Law firms.

Category 2

A designated employee in this category must disclose business entities in which he or she has an investment and sources of income if the business entities or sources of income are of the type which within the previous two years contracted with the Law Revision Commission to provide leased space or consulting services to or on behalf of the Law Revision Commission.

Category 3

A designated employee in this category must disclose business entities in which he or she has an investment and sources of income if the business entities or sources of income are of the type which within the previous two years contracted with the Law Revision Commission to provide equipment, materials, supplies, or services (other than consulting services) to or on behalf of the Law Revision Commission.