

Admin.

January 25, 2001

## Memorandum 2001-1

### Conflict of Interest Code

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At its December 2000 meeting, the Commission approved the proposed amendment of its Conflict of Interest Code. Approval of the Fair Political Practices Commission is also required before the Conflict of Interest Code amendment can become effective. Gov't Code § 87303. The Fair Political Practices Commission indicates that it will approve the amendment, but is proposing a nonsubstantive change. A draft of the proposed change, with strikeout and underscore to show changes from the version approved by the Commission, is attached.

Acceptance of the change proposed by the Fair Political Practices Commission is probably not required. However, the proposed change is reasonable and nonsubstantive. **The staff recommends** that the change be accepted.

#### DESCRIPTION OF PROPOSED CHANGE

Under the current Conflict of Interest Code, there are three disclosure categories. Roughly speaking:

- Category 1 requires disclosure of economic interests affected by Commission studies.
- Category 2 requires disclosure of economic interests in entities that provide leased space or consulting services to the Commission.
- Category 3 requires disclosure of economic interests in entities that provide equipment, materials, supplies, or services (other than consulting services) to the Commission.

Under the revised Code, Category 1 is expanded to require disclosure of all economic interests, limited only by the scope of the disclosure required under the Political Reform Act. Thus, Categories 2 & 3 will be redundant for anyone subject to Category 1. Only one person subject to the Code is not subject to Category 1 — the administrative assistant. Given that the administrative assistant is subject to both Categories 2 and 3, there is no longer any reason to distinguish between

Categories 2 and 3. Therefore, the Fair Political Practices Commission proposes that they be combined.

Respectfully submitted,

Brian Hebert  
Staff Counsel

REVISION PROPOSED BY FAIR POLITICAL PRACTICES COMMISSION

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. Code of Regs. 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. Code of Regs. 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.

Designated employees shall file statements of economic interests with their agency. 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. The agency will make all statements available for public inspection and reproduction. (Gov't Code § 81008.)

APPENDIX  
DESIGNATED EMPLOYEES

<i>Designated Employees</i>	<i>Disclosure Categories</i>
Commission Member (appointed by Governor) .....	1,2
Legislative Counsel .....	1,2
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.
3. Personal income.
4. Business entity income.
5. Business positions.

### CATEGORY 2

A designated employee in this category must disclose business entities in which he or she has an investment or holds a business position 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, equipment, materials, supplies, or services ~~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 or holds a business position 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.~~

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