

AMENDED IN SENATE JULY 5, 2000
AMENDED IN ASSEMBLY MARCH 28, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1838

Introduced by Assembly Member Leonard
(Coauthors: Assembly Members Bates, Bock, Campbell,
Cardenas, Cox, Cunneen, Dickerson, Dutra, House, and
Longville)
(Coauthors: Senators Haynes and Johannessen)

February 3, 2000

An act to ~~amend Section 87103 of the Government Code,~~
relating to the Political Reform Act of 1974, and declaring the
urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1838, as amended, Leonard. Political Reform Act of 1974: financial interest.

(1) Existing law, the Political Reform Act of 1974, prohibits a Member of the Legislature or other public official from making, participating in making, or in any way attempting to use his or her official position to influence specified governmental decisions in which he or she knows or has reason to know he or she has a financial interest. A public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from the effect on the public generally, on the official, a member of his or her immediate family, or

specified monetary, property, or business interests of the official.

This bill would ~~make definitions provided in another specified section of the Government Code applicable to this provision~~ *express the intent of the Legislature that the Fair Political Practices Commission, as part of its Conflict of Interest Regulatory Improvement Project of 1999–2000, adopt regulations that would accomplish specified goals relative to the disqualification of public officials of local government agencies in governmental decisions that do not directly and materially affect an official’s economic interest.*

(2) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act’s purposes with a ²/₃ vote of each house and compliance with specified procedural requirements.

This bill, which would declare that it furthers the purposes of the act, would therefore require a ²/₃ vote.

(3) This bill would declare that it is to take effect immediately as an urgency measure.

Vote: ²/₃. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1.—Section 87103 of the Government Code~~
2 *SECTION 1. (a) The Legislature finds and declares*
3 *that it is necessary for the Fair Political Practices*
4 *Commission to periodically review and improve the*
5 *regulations that implement the Political Reform Act of*
6 *1974.*
7 *(b) It is the intent of the Legislature that, in order to*
8 *avoid confusion over terms of the act and to prevent an*
9 *unnecessary chilling of participation in the governmental*
10 *and regulatory process by public officials of local*
11 *government agencies, the Fair Political Practices*
12 *Commission, as part of its Conflict of Interest Regulatory*
13 *Improvement Project of 1999–2000, shall adopt*
14 *regulations with respect to those officials that would*
15 *accomplish all of the following:*



1 (1) Minimize the instances of disqualification
2 regarding governmental decisions that do not directly
3 and materially affect an official's economic interest
4 where it is reasonably foreseeable that the economic
5 impact of the decision will be distributed over a broad
6 segment of the official's jurisdiction.

7 (2) Clarify that the fact that holding a professional
8 license does not of itself give rise to a disqualifying conflict
9 of interest.

10 (3) Clarify that one, or more than one, industry, trade
11 or profession is not necessarily prohibited from
12 constituting a significant segment of the public for
13 purposes of analyzing whether the public official of a local
14 government agency is effected by a decision in the same
15 or similar manner as the "public generally."

16 is amended to read:

17 ~~87103. (a) A public official has a financial interest in~~
18 ~~a decision within the meaning of Section 87100 if it is~~
19 ~~reasonably foreseeable that the decision will have a~~
20 ~~material financial effect, distinguishable from its effect on~~
21 ~~the public generally, on the official, a member of his or~~
22 ~~her immediate family, or on any of the following:~~

23 (1) Any business entity in which the public official has
24 a direct or indirect investment worth one thousand
25 dollars (\$1,000) or more.

26 (2) Any real property in which the public official has
27 a direct or indirect interest worth one thousand dollars
28 (\$1,000) or more.

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

36 (4) Any business entity in which the public official is
37 a director, officer, partner, trustee, employee, or holds
38 any position of management.

39 (5) Any donor of, or any intermediary or agent for a
40 donor of, a gift or gifts aggregating two hundred fifty



1 dollars (\$250) or more in value provided to, received by,
 2 or promised to the public official within 12 months prior
 3 to the time when the decision is made. The amount of the
 4 value of gifts specified by this subdivision shall be adjusted
 5 biennially by the commission to equal the same amount
 6 determined by the commission pursuant to subdivision
 7 (f) of Section 89503.

8 (b) (1) For purposes of this section, indirect
 9 investment or interest means any investment or interest
 10 owned by the spouse or dependent child of a public
 11 official, by an agent on behalf of a public official, or by a
 12 business entity or trust in which the official or the official's
 13 agents, spouse, or dependent children own directly,
 14 indirectly, or beneficially a 10 percent interest or greater.

15 (2) The definitions provided in Section 87102.6 shall
 16 apply to terms used in this section.

17 SEC. 2. The Legislature finds and declares that the
 18 provisions of this act further the purposes of the Political
 19 Reform Act of 1974 within the meaning of ~~subdivision (b)~~
 20 ~~of Section 81012.6~~ *subdivision (a) of Section 81012* of the
 21 Government Code.

22 SEC. 3. This act is an urgency statute necessary for the
 23 immediate preservation of the public peace, health, or
 24 safety within the meaning of Article IV of the
 25 Constitution and shall go into immediate effect. The facts
 26 constituting the necessity are:

27 In order to further the purposes of the Political Reform
 28 Act of 1974 and to ensure that the broadest legitimate
 29 participation in the governmental process is available to
 30 citizens of all backgrounds, it is necessary that this act take
 31 effect immediately.

