West's

Annotated California Codes

common

GOVERNMENT CODE

Sections 86100 to End

Official California Government Code Classification



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Chapter 7, proposed by Initiative Measure, was approved by the electors at the primary election held June 4, 1974, eff. Jan. 7, 1975.

Cross References

California State University, semiannual ethics courses, see Education Code § 89500.7. "Income defined, see Government Code § 82030.

Injunctive relief for conflicts of interest, see Government Code § 91003.

Insurance regulation, conflict-of-interest and financial disclosure requirements, Conservation and Liquidation Office officers and employees, see Insurance Code § 1035.2

"Interest in real property" defined, see Government Code § 82033.

"Investment" defined, see Government Code § 82034.
University of California, semiannual ethics courses, see Education Code § 92611.7. Violations, see Government Code § 91000.

Law Review and Journal Commentaries

Appearance of fairness doctrine: Closing a loophole in California's Political Reform Act. 17 Cal.W.L.Rev. 75 (1980).

California's Governmental Conflict of Interests Act: Public Interest vs. right to privacy. Burt Pines and Daniel U. Smith (June 1974) 49 Los Angeles B, Bull. 321.

Campaign spending and ballot propositions: Recent experience, public choice theory and the first amendment. Daniel H. Lowenstein 29 UCLA L. Rev. 505 (1982).

Corporate "termination bonus" for executives entering public service: Proper government recruiting aid or conflict of interest? 49 S.Cal. L.Rev. 827 (1976).

Financial disclosure by public officials and public employees—intrusion into right of privacy. 18 UCLA L.Rev. 534 (1971).

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Is California's mutual benefit corporation law the appropriate domicile for community associations? Curtis C. Sproul 18 U.S.F.L.Rev. 695 (1984),

Regulation of campaign contributions: Maintaining the integrity of the political process through an appearance of fairness. 56 S.Cal. L.Rev. 669 (1983).

Review of selected 1990 California legislation. 22 Pac.L.J. 542 (1991).

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87105. Conflicts of interest for public officials with financial interests in decisions; duties; application of section.

87106. Rejected.

Article 1, proposed by Initiative Measure, was approved by the electors at the primary election held June 4, 1974, eff. Jan. 7, 1975.

Cross References

Interested persons, defined with reference to this article, see Public Resources Code § 30323.

Regulation of public utilities, hearings and judicial review, conflicts of interest, see Public Utilities

Code § 1701.1.

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Political Reform Act: Greater access to initiative process. Roger Jon Diamond, Peter R. di

Donato, Patrick J. Marley and Patricia V. Tubert. 7 Sw.U.L.Rev. 453 (1975).

Proposition 9. Joanne Garvey and Vigo Nielsen, Jr. (1976) 51 Cal. St. B.J. 198.

Ties that bind. Conflicts of interest in university-industry links. 17 U.C.Davis L.Rev. 895 (1984).

§ 87100. Public officials; state and local; financial interest

No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.

(Added by Initiative Measure approved by the electors June 4, 1974, eff. Jan. 7, 1975.)

Cross References

Commercial salmon fishing review board, limited exemption from this section, see Fish and Game Code § 8247.5.

Integrated Waste Management Board, conflicts of interest, restrictions on board members, see Public Resources Code § 40411.

Liability for civil action for employees realizing economic benefits in violation of this section, see Government Code § 91005.

Los Angeles County Metropolitan Transportation Authority, members as subject to this section, see Public Utilities Code § 130051.5.

Pasadena Metro Blue Line Construction Authority, code of conduct, see Public Utilities. Code

§ 132410.

Powers and duties of the Exposition Metro Line Construction Authority, see Public Utilities Code

§ 132610.
Piblic official defined for purposes of this title, see Government Code § 82048.

State Air Resources Board, scientific review panel members, financial disclosure statements, see Health and Safety Code § 39670.

significant financial impact on the lobbyist employer specified in subparagraph (1).

"(3) The officer knows or has reason to know that the action or decision before the agency in which the state elected officer serves will have a direct and significant financial impact on any person, distinguishable from its impact on the

public generally or a significant segment of the public, from whom the officer has received any compensation within the preceding 12 months for the purpose of appearing, agreeing to appear, or taking any other action on behalf of that person, before any local board or agency."

Cross References

"Earned income" defined for purposes of this title, see Government Code § 82039.5. Elected state officer defined for purposes of this title, see Government Code § 82021. Lobbyist employer defined for purposes of this title, see Government Code § 82039.5. Person defined for purposes of this title, see Government Code § 82047.

Çode of Regulations References

Fair Political Practices Commission, conflicts of interest, determining whether directly or indirectly involved in a government decision,

In general, see 2 Cal. Code of Regs. § 18704.1.
Business entities, sources of income, sources of gifts, see 2 Cal. Code of Regs. § 18704.1.

Economic interest in personal finances, see 2 Cal. Code of Regs. § 18704.5.

Interest in real property, see 2 Cal. Code of Regs. § 18704.2.

Pair Political Practices Commission, conflicts of interest, economic interest,

Business entities, defined, see 2 Cal. Code of Regs. § 18703.1. Real property, defined, see 2 Cal. Code of Regs. § 18/103.2. Source of gifts, defined, see 2 Cal. Code of Regs. § 18703.4. Source of income, defined, see 2 Cal. Code of Regs. § 18703.3.

Fair Political Practices Commission, conflicts of interest, materiality standard,

In general, see 2 Cal. Code of Regs. § 18705.3

Economic interest in personal finances, see 2 Cal. Code of Regs. § 18705.5. Economic interests in business entities, see 2 Cal. Code of Regs. § 18705.1.

Economic interests in persons who are sources of gifts, see 2 Cal. Code of Regs. § 18705.4. Economic interests in persons who are sources of income, see 2 Cal. Code of Regs. § 18705.3.

Economic interests in real property, see 2 Cal. Code of Regs. § 18705.2.

Salary and reimbursement for expenses or per diem received from a state, local, or federal government agency, see 2 Cal. Code of Regs. § 18232.

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States \$\infty 72. Westlaw Topic No. 360 C.J.S. States § 123.

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CA Jur. 3d Administrative Law § 54, Conflict-Of-Interest Rules.

CA Jur. 3d Public Officers and Employees § 213, Proscriptions Against Financial Conflicts of Interest.

CA Mr. 3d Zoning and Other Land Controls 221, Are Economic Interests Involved? A Jur. 3d Zoning and Other Land Controls § 222, Direct Involvement.

CA Jur. 3d Zoning and Other Land Controls § 224, Real Property, Redevelopment, Public Streets and Utilities.

CA Jur. 3d Zoning and Other Land Controls § 231, Material Effect on Persons Who Are Sources of Gifts to Public Official.

CA Jur. 3d Zoning and Other Land Controls § 233, Material Effect on Personal Ed nomic Interests of Public Official.

§ 87103. Financial interest in decision by public official

A public official has a financial interest in a decision within the meaning of Section 87100 if it is reasonably foreseeable that the decision will have a

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material financial ef on the official, a/m fdllowing:

(a) Any business investment worth tw

(b) Any real prop interest worth two tl

(d) Any source of institution made in public without rega: or more in value r within 12 months pr

(d) \Any business partner, trustee, em

(e) Any donor of, aggregating two hi received by, or pro time when the decis this subdivision sha same alingunt deter Section 89503.

For purposes of investment or inter official, by an agent in which the officia directly, indirectly, (Added by Initiative) Amended by Stats.197 c. 931, § 4; Stats 198 455 (S.B.94d), § 2, eft

The 1979 amendment inserting "on terms avai out regard to official sta course of business", and to," preceding 'receive

The 1980 amendment graph by substituting "o trust in which the offic: spouse, and dependent indirectly, or beneficial or breater for "by any b by the public official or has a substantial interes oud and third sentence which had read: "Abus by a public official if agents, spouse and de more than 50 percent o in the entity. A public

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material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, or on any of the following:

- (a) Any business entity in which the public official has a direct or indirect investment worth two thousand dollars (\$2,000) or more.
- (b) Any real property in which the public official has a direct or indirect interest worth two thousand dollars (\$2,000) or more.
- (c) Any source of income, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided or promised to, received by , the public official within 12 months prior to the time when the decision is made.
- (d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.
- (e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made. The amount of the value of gifts specified by this subdivision shall be adjusted biennially by the commission to equal the same amount determined by the commission pursuant to subdivision (f) of Section 89503.

For purposes of this section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.

(Added by Initiative Measure approved by the electors June 4, 1974, eff. Jan. 7, 1975. Amended by Stats.1979, c. 686, p. 2152, § 2; Stats.1980, c. 183, p. 405, § 2; Stats.1984, c. 931, § 4; Stats.1985, c. 611, § 1.5; Stats.1994, c. 386 (S.B.1602), § 1; Stats.1997, c. 455 (S.B.946), § 2, eff. Sept. 24, 1997; Stats.2000, c. 130 (A.B.974), § 7.)

Historical and Statutory Notes

The 1979 amendment amended subd. (c) by inserting "on terms available to the public without regard to official status;" following "regular course of business", and by inserting "provided to," preceding "received by or promised to".

The 1980 amendment changed the last paragraph by substituting "or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater for "by any business entity counciled by the public official or by a trust in which he has a substantial interest"; and deleted the second and third sentences of the last paragraph which had read: "A business entity is controlled by a public official if the public official, his agents, spouse and dependent children hold more than 50 percent of the ownership interest in the entity. A public official has a substantial

interest in a trust when the official, his spouse and dependent children have a present or future interest worth more than one thousand dollars (\$1,000)."

The 1984 amendment substituted the reference to investments of "\$1000 or more" for "more than \$1000" in subds. (a) and (b); provided for gifts in subd. (c); and inserted subd.

The 1985 amendment inserted, in the introductory paragraph, "on the official or a member of his or her immediate family or" following "effect on the public generally,".

The 1994 amendment, at the beginning of the introductory paragraph, substituted "A public official" for "An official", and at the end of that paragraph substituted ", or on any of the following" for "or on"; in subd. (e), added the second