

**ITEM 7**  
**ADOPTION OF COMMISSION ORDER TO INITIATE RULEMAKING**  
**AMENDMENT TO CONFLICT OF INTEREST CODE**

PROPOSED AMENDMENTS TO  
CALIFORNIA CODE OF REGULATIONS, TITLE 2, DIVISION 2, CHAPTER 2.5

ARTICLE 9

SECTION 1189.10 GENERAL PROVISIONS AND APPENDIX

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**EXECUTIVE SUMMARY**

Section 1188.1(a) of the Commission on State Mandates' (Commission's) regulations authorizes the Commission to adopt an order to initiate rulemaking. Following adoption of the order, staff will publish a notice of hearing and notice and rulemaking package to all interested persons for public comment.

The purpose of this rulemaking is to update the Commission's Conflict-of-Interest Code to add two positions to the list of designated positions and a new disclosure category. Specifically, the proposed regulation amends the Appendix to section 1189.10 of the Conflict-of-Interest Code by: (1) adding the Attorney IV and Office Technician positions to the list of designated positions and assigning disclosure categories to these positions; and (2) adding Category 4 to the disclosure categories. Category 4, which requires disclosure of economic interests in any source which contracts with the Commission for the provision of goods and does not require disclosure of economic interests in sources that provide services to the Commission or interests in real property, applies to the Office Technician position because the Office Technician participates in making procurement decisions pertaining to goods only.

These changes are discussed in detail in the attached Initial Statement of Reasons.<sup>1</sup>

**I. Exhibits**

The proposed regulatory text is attached as Exhibit B. The proposed text is in strikeout and underline to show proposed changes to current regulatory language. Before filing with OAL, staff may make technical corrections, as required.

The Notice of Intent to Amend Conflict of Interest Code is attached as Exhibit C and the Initial Statement of Reasons is attached as Exhibit D.

**II. Timetable**

If the order is adopted at the January 22, 2021 hearing of the Commission, staff will proceed pursuant to the following timetable:

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<sup>1</sup> Exhibit D.

January 26, 2021	Notice of Rulemaking, Initial Statement of Reasons, and Proposed Text will be filed with the Office of Administrative Law for publication.
February 5, 2021	Notice of Intent to Amend Conflict of Interest Code will be issued and published. Comment period opens.
March 8, 2021	Last day to request public hearing.
March 22, 2021	End of public comment period.
March 26, 2021	Public Hearing, if requested.
May 28, 2021	Adopt proposed rulemaking package.
July 19, 2021	File Adopted Regulations with the Office of Administrative Law.
August 31, 2021	Office of Administrative Law files Adopted Regulations with the Secretary of State.
October 1, 2021	Effective date of adopted regulations.

**Staff Recommendation**

Staff recommends the Commission adopt Proposed Order 21-01.