

**ITEM 6**  
**ADOPTION OF COMMISSION ORDER TO ADOPT PROPOSED  
REGULATORY ACTION**  
**AMENDMENTS TO CONFLICT OF INTEREST CODE**

PROPOSED AMENDMENTS TO  
CALIFORNIA CODE OF REGULATIONS, TITLE 2, DIVISION 2, CHAPTER 2.5  
ARTICLE 9  
SECTION 1189.10

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**EXECUTIVE SUMMARY**

**Background**

The purpose of this rulemaking is to update the Commission’s conflict of interest code to: (1) add, delete, and revise designated positions and specify disclosure categories for those positions in order to reflect changes to the Commission’s workforce and assigned duties; (2) clarify the statement of economic interest (Form 700) filing obligations of Commission members and designees; and (3) add a new disclosure category (Category 4), which lists the economic interests in any source which contracts with the Commission for the provision of goods and which must be reported by any designated position subject to this category.

At its regular meeting on March 25, 2022, the Commission adopted Order No. 22-01 to initiate rulemaking proceedings in accordance with Government Code sections 11346.2, 11346.4, 11346.8, and 11346.9.

The rulemaking package, which consists of the Order to Initiate Rulemaking Proceedings, Notice of Intention to Amend Conflict of Interest Code, Initial Statement of Reasons, and the Proposed Text, was posted on the Commission’s website and served on the regulatory mailing list on March 28, 2022 and on March 30, 2022.<sup>1</sup>

The Notice of Intention to Amend Conflict of Interest Code was published in the California Regulatory Notice Register 2022, Number 14-Z on April 8, 2022 and was available to the public through May 23, 2022, for the 45-day comment period. There was no request to hold a public hearing and no comments were filed on the proposed amendments.

The Proposed Action on Regulations was published in the California Regulatory Notice Register 2022, Number 17-Z on April 29, 2022 by the Fair Political Practices Commission (FPPC), and was available to the public through June 13, 2022, for the 45-day comment period. There was no

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<sup>1</sup> The rulemaking package was reissued on March 30, 2022, following minor revisions to the Notice of Intention to Amend Conflict of Interest Code.

request to the FPPC to hold a public hearing and no comments were filed on the proposed amendments.

Pursuant to Government Code section 11346.9(a)(4), staff finds that no alternative would be more effective in carrying out the purpose for which the regulations are proposed, would be as effective as and less burdensome to affected private persons than the proposed regulations, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Staff therefore recommends that the Commission adopt the regulations as originally proposed to be amended in the Commission's Order No. 22-01 to initiate rulemaking proceedings, adopted on March 25, 2022 and issued on March 28, 2022 and March 30, 2022.

### **Staff Recommendation**

Staff recommends that the Commission:

- Find that no alternative would be more effective in carrying out the purpose for which the regulations are proposed, would be as effective as and less burdensome to affected private persons than the proposed regulations, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.
- Adopt the proposed amendments, as originally noticed, to California Code of Regulations, Title 2, Division 2, Chapter 2.5, Article 9 (Proposed Text, Exhibit B).
- Authorize staff to issue the Order to Adopt Proposed Rulemaking, Commission Order, Rulemaking No. 22-01 (Exhibit E), and make any non-substantive, technical corrections to the proposed regulatory text requested by the Office of Administrative Law or Barclays Official California Code of Regulations prior to publication.