

Memorandum

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To: CHAIR AND COMMISSIONERS

CTC Meeting: March 26, 2015

Reference No.: 4.7
Action

From: WILL KEMPTON
Executive Director

Subject: **APPROVAL OF AMENDMENT TO THE COMMISSION'S CONFLICT OF INTEREST CODE**

ISSUE:

Should the Commission approve the proposed amendments to the Commission's Conflict of Interest Code?

Amendments to the Commission's Conflict of Interest Code are proposed to add positions that involve the making, or participation in the making, of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of Section 87302 of the Government Code. The proposed amendment, statement of reasons for the amendment, and notice of intention to amend the existing conflict of interest code have been published in the Office of Administrative Law's Notice of Publication, and are set forth in Attachments 1, 2 and 3 respectively. The proposed amendment:

- Newly designates the positions of Principal Transportation Engineer, Supervising Transportation Engineer, Supervising Transportation Planner, and Members of the Technical Advisory Committee on Aeronautics as subject to the Commission's Conflict of Interest disclosure requirements.
- Creates a new category of reportable interests.
- Adds clarifying language and makes other technical changes to reflect the current organizational structure of the Commission.

RECOMMENDATION:

Staff recommends the Commission:

- 1) Approve the proposed amendments to the Commission's Conflict of Interest Code for processing as specified in California Code of Regulations, Title 2, Division 6, and
- 2) Authorize staff to finalize the proposed amendments and convey them to the Fair Political Practices Commission.

BACKGROUND:

Under the Political Reform Act (the "Act"), all public agencies are required to adopt a Conflict of Interest Code. A Conflict of Interest Code designates positions required to file Statements of Economic Interests (Form 700), and assigns disclosure categories specifying the types of interests to be reported. The Form 700 is a public document intended to alert public officials and members of the public to the types of financial interests that may create conflicts of interests.

The Commission's Conflict of Interest Code requires amendment to include positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in Government Code Section 87302 (a) which states "*Specific enumeration of the positions within the agency, other than those specified in Section 87200, which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest and for each such enumerated position, the specific types of investments, business positions, interests in real property, and sources of income which are reportable. An investment, business position, interest in real property, or source of income shall be made reportable by the Conflict of Interest Code if the business entity in which the investment or business position is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of his or her position.*"

California Code of Regulations, Title 2, Division 6 Section 18750 (c) requires that every agency which proposes to amend its existing conflict of interest code shall (1) conduct a public hearing or establish a written comment period; (2) prepare an initial proposed amendment; (3) prepare a Notice of Intention (notice) to amend an existing code that meets specific requirements; (4) file a copy of the notice with the Office of Administrative Law for publication in the California Notice Register at least 60 days before the public hearing or close of the comment period; (5) file a copy of the notice (endorsed by the Office of Administrative Law) with the FPPC at least 45 days before the public hearing or close of the written comment period; (6) provide notice to each employee of the agency affected by the proposed amendment at least 45 days before the hearing or the close of the comment period; (7) make the exact terms of the proposed code or amendment available for inspection and copying to interested persons for at least 45 days prior to the public hearing or the close of the comment period; (8) accept written comments from interested persons through the conclusion of the public hearing or close of the comment period; (9) conduct a public hearing if at least 15 days prior to the close of the comment period a public hearing is requested.

The code reviewing body for state agencies is the Fair Political Practices Commission (FPPC). The Commission has been in contact with FPPC staff regarding these amendments. Once the required amendment process described above is complete, the amendment must be filed with the FPPC for approval.

Attachments

1. Proposed Amendment to the California Transportation Commission's Conflict of Interest Code
2. Explanation of Reasons for Amendments to the California Transportation Commission's Conflict of Interest Code
3. Notice of Intention to Amend the Conflict-Of-Interest Code of the California Transportation Commission