



CITY OF OXNARD

MEMORANDUM

December 4, 1973

City Council
Planning Commission
City Clerk, City Manager, City Treasurer
Planning Officers
Public Officers
To: Candidates for City Offices

From: City Attorney

SUBJECT: Conflicts of Interest Law

The following is a summary. You should consult the law for specific details. Consult your attorney or this office about any questions. The Legislature has enacted a Conflict of Interest Law, Sections 3600 et seq of the Government Code, to take effect January 1, 1974. A copy is attached. The highlights of this new law are as follows:

Prohibitions

- A. Every public officer is prohibited from having an economic interest which is in substantial conflict with the proper exercise of his official duties and powers.
- B. No official shall participate in or influence action relating to a matter within the responsibility of his agency in which he knows or has reason to know he has an economic interest.

An official has an economic interest in a matter if the action will have a material economic effect on:

- (1) a business entity in which he has a direct or indirect investment worth more than \$1,000. Investment does not mean a time or demand deposit, shares in a credit union, cash surrender value of life insurance or a debt instrument having a set yield unless it is convertible to an equity interest.
- (2) any real property in which the official has a direct or indirect interest worth more than \$1,000. Real property does not include the home or property used primarily for personal or recreational purposes.

- (3) any source of income, loans or gifts aggregating \$250 or more received or promised to the official within 12 months prior to the time the action is taken.
- (4) any business entity in which the official is an officer, director, partner, trustee, employee or holds any position of management.

An indirect investment means:

- (1) any interest owned by the official's spouse or dependent children.
- (2) by an agent of the public official.
- (3) by any business entity controlled by the official. Control is more than 50% ownership interest in the entity.
- (4) ownership by the official, his spouse or dependent children of a present or future interest in a trust.

B above does not apply with respect to any matter which could not legally be acted upon by his public agency without his participation. However, the officer must disclose his interest and not influence any other public official with respect to the matter.

Also B above does not apply if the action affects an economic interest of the official as a member of the public, a significant segment of it, or as a member of an industry, profession or occupation to no greater extent than any other such member.

A former official who receives compensation from a business entity having a contractual relationship with the public agency by which the official was employed shall not:

- (1) Except as a governmental employee or consultant, no former official shall influence for compensation the public agency by which he was employed within two years after termination of employment.
- (2) Receive compensation within two years after his employment from any person whose economic interests were affected by his actions, unless the action affected the public as a whole.

Disclosure

Mayors, Councilmen, Planning Commissioners, Planning Officers and City Managers, during April of each year, are required to file a

statement containing the following information:

- (1) Name, address and description of business activity in which he has, or during the year had, a direct or indirect investment worth more than \$1,000 and whether the investment was worth more than \$10,000.
- (2) A description of real property he has, or had during the year, worth more than \$1,000 and whether it is worth more than \$10,000. Place, book and page number where property is recorded shall be stated.
- (3) Each source of loans, income or gifts, aggregating more than \$250, received in the preceding 12 months, including name, address and general description of business activity of each source, a statement of consideration, if any, and whether the aggregate value received was worth more than \$1,000.
- (4) Any employment, position of management, or office, salaries or otherwise, held at the time of filing or at any time during the year by the official, and the name, address and description of the business activity.

Indirect investment has the same meaning for disclosure as for prohibited interest.

An interest need not be disclosed if it could not be affected materially by any action of the official within the scope of his duties. Real property, investment in a business entity or a position in a business entity doing business with the official's agency or a source of income within the jurisdiction of the official's agency are regarded as interests which can be affected materially by the official in his scope of duties.

Each non-incumbent candidate when he files his nomination papers or declaration of acceptance shall file the statement required for persons holding elective office. A person who is appointed to office shall file the statement 10 or more days before he assumes office.

Officials required to file a statement who cease to hold office shall file a statement within 30 days thereafter.

During April of each year every official, excepting those mentioned above, shall file a statement disclosing financial interests as may be required by rules of the public agency.

The statements are required to be filed with the County Clerk. The statements are to be verified under penalty of perjury. The statements are public records and are available to the public during reasonable hours, and can be copied at not more than 10 cents per page.

Enforcement

The District Attorney enforces violations of the law. The Attorney General may act if the District Attorney fails to act. Any citizen may sue to enforce or compel compliance with the law. The court may impose penalties for failure to disclose. Compensation shall not be paid to any public official who has failed to file the required statement. Violation of the law may lead to forfeiture of office or disqualification from holding office.

Joseph W. Hodges, Jr.
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JWH:def

Attachment