

**AMEND SECTION 3200 TO READ:**

**3200. General Provisions  
Appendix**

**CONFLICT OF INTEREST CODE FOR THE  
DEPARTMENT OF REAL ESTATE**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Sec. 18730, which contains the terms of standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 Cal. Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the Department of Real Estate.

~~Designated employees shall file their statements with the DEPARTMENT OF REAL ESTATE who will make the statements available for public inspection and reproduction (Gov. Code Section 81008). Upon receipt of the statements of the Commissioner and Chief Deputy Commissioner, the agency shall make and retain a copy and forward the originals to the Fair Political Practices Commission.~~

The Commissioner and Chief Deputy Commissioner must file their statement of economic interest electronically with the Fair Political Practices Commission. All other individuals holding designated positions must file their statements with the Department of Real Estate. All statements must be made available for public inspection and reproduction under Government Code Section 81008.

**PROHIBITION OF HONORARIA**

~~Designated employees of this agency are prohibited from accepting any honorarium from any source which the designated employee would be required to report as a source of income, loans, or gifts on his or her statement of economic interests.~~

~~“Honorarium” means, except as provided below, any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering.~~

~~“Honorarium” does not include earned income for personal services which are customarily provided in connection with the practice of a bona fide business, trade, or profession, such as teaching, practicing law, medicine, insurance, real estate, banking,~~

~~or building contracting, unless the sole or predominant activity of the business, trade, or profession is making speeches.~~

LIMIT ON GIFTS

~~Designated employees of this agency are prohibited from receiving gifts with a total value of more than the amount provided in 2 Cal. Code of Regulations Section 18730 in a calendar year from any single source which the designated employee is required to report as a source of income, loans or gifts on his or her statement of economic interests.~~

The limit on gifts does not apply to the following:

- ~~(1) — Payments, advances, or reimbursements for travel and related lodging and subsistence permitted by Government Code Section 89506;~~
- ~~(2) — Wedding gifts and gifts exchanged between individuals on birthdays, holidays, and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value; and~~
- ~~(3) — The general exceptions provided in Government Code Section 82028(b).~~

APPENDIX

<u>Designated Position</u>	<u>Disclosure Category</u>
<u>Administration Positions</u>	
Real Estate Commissioner	I
Chief Deputy Real Estate Commissioner	I
Constitutionally Exempt Employees of the Department of Real Estate	II
All Career Executive Assignment Levels <del>1</del> <u>A</u> and above	II
<u>Enforcement Positions (including Cite &amp; Fine and Mortgage Loan Activities)</u>	
Managing Deputy Commissioner IV	III
Supervising Special Investigators I and II	IV

<u>Managing Deputy Commissioners</u> <u>I, II and III</u>	IV
<u>Senior Deputy Commissioners</u>	IV

Licensing Positions

<u>Supervising Special Investigators I and II</u>	IV
<u>Staff Services Manager I, II and III</u>	IV

Audits Positions

Supervising Auditors I and II	III
General Auditor III	III
All Appraiser Positions	III

Legal Positions

Assistant Chief Counsel	III
All Real Estate Counsel Positions	III
<del>Managing Deputy Commissioners</del> <del>I, II and III</del>	<del>IV</del>
<del>Senior Deputy Commissioners</del>	<del>IV</del>
<del>All Data Processing Managers</del>	<del>V</del>
<del>All Staff and Senior Information Systems Analyst and</del> <del>All Staff and Senior Programmer Analyst Positions</del>	<del>V</del>
<del>All Systems Software Specialist I, II, III positions</del>	<del>V</del>

Subdivisions Positions

<u>Supervising Special Investigators I and II</u>	III
<u>Staff Services Manager I, II and III</u>	III
<u>Managing Deputy Commissioner I and II</u>	III

Associate Governmental Program Analysts IV

Deputy Commissioners IV

Special Investigators IV

Information Technology Positions

All Information Technology Managers, Supervisors, and Specialists V

Human Resources Positions

Staff Services Managers I, II and III V

Fiscal Positions

Staff Services Managers I, II and III V

Business Services Positions

All Business Services Officer positions V

Staff Services Managers I, II and III V

Consultants as Defined in 2 Cal. and New Positions \*  
Code of Regs. Section 18700

DISCLOSURE CATEGORIES

Category I: All investments, business positions and interests in real property, and income.

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\* Consultants/New positions shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Commissioner may determine in writing that a particular consultant or new position, although a "designated ~~position~~, position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Commissioner's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Section 81008.)

Category II: (1) Any investment and business position in a business entity:

(a) which requires a license, permit, public report or other entitlement to be issued by the Department; or

(b) of the type that provides goods or services to the Department of Real Estate; or

(c) which is a state chartered bank, savings and loan, or credit union, state licensed personal property brokerage, industrial loan company, consumer finance lender, commercial finance lender, escrow company, insurance company, title company, structural pest control company or mobile home dealership; or

(d) which includes negotiations with any state entity concerning the purchase, sale or lease of all or part of said investment.

(2) Any interest in real property;

(3) Income from any source:

(a) provided that the income was furnished by or on behalf of a person who is a licensee, permittee or the recipient of a public report or permit issued by the Department or was an applicant for such; or

(b) which income is from any business which is of the type that provides goods or services to the Department; or

(c) which income [notwithstanding Government Code Section 82030(b)(4)] is derived from a state chartered bank, savings and loan, or credit union; state licensed personal property brokerage firm, industrial loan company, structural pest control company or mobilehome dealership; or

(d) which derives from negotiations with any state entity concerning the purchase, sale or lease of real property.

Category III: (1) Investments and business positions in any business entity engaged in any activity requiring a license, permit, public report or other entitlement to be issued by the Department.

Also, any investments and business positions in any business entity which, within the last two years, has contracted or in the future foreseeably may contract with the Department to provide services, materials or equipment to the Department.

- (2) Interests in real property provided that the interest:
- (a) when acquired was a first sale in a subdivision requiring the issuance of a public report;
  - (b) was acquired by a joint venture, partnership, cotenancy or other entity in which the designated employee was a participant with one or more licensees, permittees or recipients of a public report issued by the Department or with one or more applicants for such a license, permit or public report;
  - (c) is a security the purchase of which was made from or through a licensed real estate broker and/or under a permit issued by the Department authorizing the sale of the security.

(3) Income from any source, provided that the income was furnished by, or on behalf of, any person who is a ~~licensee~~, ~~licensee~~, permittee, or the recipient of a public report or other entitlement issued by the Department, or who is an applicant for such a license, permit, public report or other entitlement.

Also, any income from any source which, within the last two years, has contracted or in the future foreseeably may contract with the Department to provide services, materials or equipment to the Department.

~~Category IV: Any investment, interest in real property, business position and income in or from any business entity or source which is subject to regulation, review, license, permit, public report or other entitlement dealt with by the particular subdivision to which the employee is assigned.~~

Any investment and business position in, and income from, any business entity or source which is subject to regulation, review, license, permit, public report or other entitlement dealt with by the particular section or unit to which the employee is assigned.

Also, any interest in real property which is subject to regulation, review, license, permit, public report or other entitlement dealt with by the particular section or unit to which the employee is assigned.

Category V: Any investment and business position in business entities and sources of income which provide services, supplies, materials, machinery or equipment of the type utilized by the Department.

NOTE: Authority cited: Sections 87300 and 87304, Government Code. Reference: Sections 87300, 87302, 87306, 89503 and 89505 Government Code.

Given the limited and particular application of this regulation, it has been determined that this regulation shall not be set forth in full in the California Code of Regulations, but that appropriate reference be made therein pursuant to Gov. Code Section 11344.

This regulation is available to the public for review or purchase at cost at the following locations.

DEPARTMENT OF REAL ESTATE

~~2201 Broadway~~  
~~P. O. Box 187000~~  
~~Sacramento, CA 95818-7000~~  
1651 Exposition Boulevard  
P.O. Box 187000  
Sacramento, CA 95813-7000

FAIR POLITICAL PRACTICES COMMISSION

~~428 J Street~~  
~~Sacramento, CA 95814-2331~~  
1102 Q St. #3000  
Sacramento, CA 95811

SECRETARY OF STATE

Archives  
1020 O Street  
Sacramento, CA 95814-5704