

## TITLE 2. DEPARTMENT OF CANNABIS CONTROL

### NOTICE OF INTENTION TO ADOPT THE CONFLICT OF INTEREST CODE OF THE DEPARTMENT OF CANNABIS CONTROL

NOTICE IS HEREBY GIVEN that the Department of Cannabis Control, pursuant to the authority vested in it by section 87300 of the Government Code, proposes adoption of its conflict of interest code. A comment period has been established commencing on January 28, 2022 and closing on March 15, 2022. All inquiries should be directed to the Department contact listed below.

The Department of Cannabis Control (“Department”) proposes to adopt its conflict of interest code to include employee 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 adoption carries out the purposes of the law and no other alternative would do so and be less burdensome to affected persons.

The conflict of interest code includes:

- Incorporation by reference of the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission;
- Provisions requiring the Director of the Department of Cannabis Control to file their statements of economic interests electronically with the Fair Political Practices Commission;
- Provisions requiring all other designated positions to file their statements of economic interests directly with the Department;
- Provisions identifying designated positions within the Department and corresponding disclosure categories, as specified; and
- Incorporation of Appendix A, which establishes three disclosure categories:
  - Category 1, which requires reporting of all investments, real property, business positions, and sources of income (including gifts, loans, and travel payments);
  - Category 2, which requires reporting of investments, business positions, and sources of income (including gifts, loans, and travel payments) if the business entity or source provides any goods or services of the type used by the Department; and
  - Category 3, which requires reporting of (a) real property within a local jurisdiction in which entities subject to the licensing or other regulatory jurisdiction of the Department may lawfully operate, as well as (b) investments, business positions, and sources of income (including gifts, loans, and travel payments) if the business entity or source is either (1) an entity subject to the licensing or other regulatory jurisdiction of the Department or (2) an officer, employee, or owner (as defined in California Code of Regulations, title 4, section 15003, or any successor regulation) of, or any holder of a financial interest (as defined in California Code of Regulations, title 4, section 15004, or any successor regulation) in, such an entity.

The proposed conflict of interest code and explanation of the reasons can be obtained from the Department contact listed below.

Any interested person may submit written comments relating to the proposed adoption by submitting them no later than March 15, 2022, or at the conclusion of the public hearing, if requested, whichever comes later. At this time, no public hearing is scheduled. A person may request a hearing no later than February 28, 2022.

The Department of Cannabis Control has determined that the proposed adoption:

1. Imposes no mandate on local agencies or school districts.
2. Imposes no costs or savings on any state agency.
3. Imposes no costs on any local agency or school district that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.
4. Will not result in any nondiscretionary costs or savings to local agencies.
5. Will not result in any costs or savings in federal funding to the state.
6. Will not have any potential cost impact on private persons, businesses or small businesses.

All inquiries concerning this proposed adoption and any communication required by this notice should be directed to:

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Legal Affairs Division  
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