

## CONFLICT OF INTEREST PROCEDURES

### ***BACKGROUND***

The Newport Beach City Council and some Boards, Commissions, and Committees are subject to laws pertaining to conflicts of interest. The Political Reform Act (PRA) prohibits public officials from participating in decisions that may have a financial affect on a source of income to, or the assets of the official. The City Charter and State statutes prohibit public officials from having a financial interest in any transaction to which the City is a party. The courts have ruled that public officials may be prohibited from participating in decisions based on the common law. In some cases, public officials may participate in decisions if their interests are minor and made public.

### ***PURPOSE***

The conflict of interest laws and regulations are complex and in many cases the advice of the City Attorney will not protect the official from civil or criminal sanctions. The City Council has adopted this policy to help officials comply with conflict of interest laws and obtain prompt advice from agencies responsible for enforcement.

### ***POLICY***

- A. Notice. Every City official shall promptly notify the City Attorney when he/she becomes aware of facts that suggest his/her participation in a decision could give rise to a conflict of interest. The City Attorney will discuss the matter with the official and determine if the potential conflict of interest relates to the PRA, the City Charter or State statute.
- B. Procedure. The City Attorney shall assist the official in requesting guidance from the Fair Political Practices Commission (FPPC) if the potential conflict relates to the PRA. The City Attorney shall promptly prepare a legal opinion advising the official if the potential conflict relates to the City Charter and shall assist the official in obtaining appropriate advice if the conflict involves State law.
- C. Disqualification. When a member of the City Council, Board, Commission, or Committee has, or reasonably believes he/she has, a conflict of interest, the official shall abstain from any participation in the decision. The member shall disclose the reason for the abstaining prior to the vote on the matter that involves the conflict of interest. In cases where the official has a remote interest that does

not require disqualification, the official shall disclose the interest at the meeting. The official shall abstain from participation and disclose the interest in those cases where disclosure is a condition to action by the legislative body. In all cases, disclosure of the interest or conflict shall be made a part of the public record.

- D. Participation. Public officials shall participate in decisions unless he/she has reasonable belief that participation in a decision could give rise to a conflict of interest.

**Adopted - August 8, 2017**  
**Formerly City Council Policy A-16**