

1 Amend 2 Cal. Code Regs., Section 18728.5 to read:

2 **18728.5. Reporting of Commission Income and Incentive Compensation.**

3 (a) A public official required to disclose income pursuant to this title must disclose
4 commission income, as defined in 2 Cal. Code Regs. section ~~18703.3(e)(1)~~ 18700.1(c)(1), and
5 incentive compensation, as defined in 2 Cal. Code Regs. section ~~18703.3(d)~~ 18700.1(d), as
6 described by this regulation.

7 (b) Disclosure of Commission Income. A public official shall report commission income
8 as follows: (1) The total amount of commission income received by the official during the period
9 covered by the statement shall be reported if it equals \$500 or more.

10 (A) The source of income shall be listed as the official if the official is self-employed or
11 is reporting as a business entity. For purposes of this subdivision, a public official who receives
12 commission income on a regular basis is a business entity.

13 (B) If the official conducts business through a firm or other business entity, the source of
14 income shall be listed as the firm or other business entity.

15 (2) If the official reports commission income as a business, in addition to the information
16 reported pursuant to subdivision (b)(1) of this regulation, the name of each source of gross
17 commission income shall be reported if the source provided commission income of \$10,000 or
18 more during the period covered by the statement.

19 (3) The full gross value of any commission income for a specific sale or similar
20 transaction shall be attributed to each source of income in that sale or transaction.

21 (c) Disclosure of Incentive Compensation.

22 (1) In addition to salary, reimbursement of expenses, and other income received from the
23 official's employer, a public official shall separately report the name of each person who

1 purchased products or services sold, marketed or represented by the public official if the official
2 received incentive compensation of five hundred dollars (\$500) or more attributable to the
3 purchaser during the period covered by the statement.

4 (2) If an official's incentive compensation is paid by the official's employer in a lump
5 sum, without allocation of amounts to specific customers, the official shall determine the amount
6 of the incentive compensation attributable to each of the official's customers. This may be based
7 on the volume of sales to or purchases made by those customers and the amount of incentive
8 compensation attributable to each customer according to the formula utilized by the official's
9 employer.

10 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82030,~~and~~ 87207,
11 and 87302, Government Code.