



City of Santa Clara

Meeting Agenda

Governance and Ethics Committee

Special Meeting

Thursday, October 30, 2025

10:00 AM

City Hall – Council Chambers
1500 Warburton Avenue
Santa Clara, CA 95050

The City of Santa Clara is conducting Governance and Ethics Committee meetings in-person and continues to have methods for the public to participate remotely or in-person.

- Via Zoom: <https://santaclaraca.zoom.us/j/98559951444>
- Webinar ID: 985 5995 1444
- By phone: +1 669 444 9171

To submit written public comment before meeting:

Send email to mayorandcouncil@santaclaraca.gov by 10 a.m. one day before the date of the meeting. Emails will be forwarded to Committee members and will be uploaded as supplemental meeting material.

Note: Emails received as public comment will not be read aloud during the meeting.

CALL TO ORDER AND ROLL CALL

CONSENT CALENDAR

1. 25-1544 [Approval of the September 8, 2025 Governance and Ethics Committee Meeting Minutes](#)

Recommendation: Approve the minutes of the September 8, 2025
Governance and Ethics Committee Meeting

PUBLIC PRESENTATIONS

[This item is reserved for persons to address the body on any matter not on the agenda that is within the subject matter jurisdiction of the body. The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The governing body, or staff, may briefly respond to statements made or questions posed, and appropriate body may request staff to report back at a subsequent meeting.]

GENERAL BUSINESS

2. 25-1543 [Consideration and Possible Action on a Proposed New Council Policy for Ticket Distribution to City Officials](#)

Recommendation: Approve for presentation to the City Council the proposed Council Policy for Ticket Distribution to City Officials, in the form presented, with such modifications as the Committee may authorize or direct.

3. 25-1576 [Discussion on Council Policy 050 \[Gifts to Elected and Appointed Officials\]](#)

Recommendation: Provide input to staff on the existing Gift Policy and direct staff to return with specific proposed changes consistent with this direction for Committee review and consideration

STAFF REPORT

COMMITTEE MEMBER REPORTS/ FUTURE REFERRALS FOR CONSIDERATION

ADJOURNMENT

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the City of Santa Clara will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The City of Santa Clara will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the City's programs, services, and activities. The City of Santa Clara will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.

Agendas and other written materials distributed during a public meeting that are public record will be made available by the City in an appropriate alternative format. Contact the City Clerk's Office at 1 408-615-2220 with your request for an alternative format copy of the agenda or other written materials.

Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the City of Santa Clara, should contact the City's ADA Coordinator at 408-615-3000 as soon as possible but no later than 48 hours before the scheduled event.



City of Santa Clara

1500 Warburton Avenue
Santa Clara, CA 95050
santaclaraca.gov
[@SantaClaraCity](https://twitter.com/SantaClaraCity)

Agenda Report

25-1544

Agenda Date: 10/30/2025

REPORT TO GOVERNANCE AND ETHICS COMMITTEE

SUBJECT

Approval of the September 8, 2025 Governance and Ethics Committee Meeting Minutes

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no fiscal impact to the City other than administrative staff time.

PUBLIC CONTACT

Public contact was made by posting the Committee agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve the minutes of the September 8, 2025 Governance and Ethics Committee Meeting

Reviewed by: Maria Le, Assistant to the City Manager, City Manager’s Office

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. September 8, 2025 Governance and Ethics Committee Meeting Minutes Draft



City of Santa Clara

Meeting Minutes

Governance and Ethics Committee

09/08/2025

10:00 AM

City Hall – Council Chambers
1500 Warburton Avenue
Santa Clara, CA 95050

The City of Santa Clara is conducting Governance and Ethics Committee meetings in-person and continues to have methods for the public to participate remotely or in-person.

- Via Zoom: <https://santaclaraca.zoom.us/j/98559951444>
- Webinar ID: 985 5995 1444
- By phone: +1 669 444 9171

CALL TO ORDER AND ROLL CALL

Present 3 - Chair Raj Chahal, Member Suds Jain, and Member Kevin Park

Committee Chair Suds Jain called the meeting to order at 10:05 a.m.

CONSENT CALENDAR

1. [25-1006](#) Approval of the June 2, 2025 Governance and Ethics Committee Meeting Minutes

Recommendation: Approve the minutes of the June 2, 2025 Governance and Ethics Committee Meeting

A motion was made by Committee Member Chahal, seconded by Committee Member Park to approve the staff recommendation to approve the meeting minutes of the June 2, 2025 Governance and Ethics Committee meeting.

Aye: 3 - Chair Chahal, Member Jain, and Member Park

PUBLIC PRESENTATIONS

Member of the public **Wanda Buck** stated she sent an email to the Committee which included a link of information to different types of Ethics Commissions and Committees. She added at a minimum, an Ethics Task Force could be formed which would have more time than the Governance and Ethics Committee.

GENERAL BUSINESS

2. [25-4450](#) Review and Approval of Amendments to Council Policy 043 ("Official Travel by Elected Officials")

Recommendation: Approve the proposed amendments to Council Policy 043 ("Official Travel by Elected Officials") to be retitled Council Policy 043 ("Official Travel by the City Council") and present the proposed changes, to the full City Council for consideration and approval.

Committee Member Park motioned to approve the staff recommendations to amend Council Policy 043 with the following amendments: 1) Remove the 75% GSA from first and last day of travel and allow for reimbursement on all days of travel at 100% GSA rate; 2) Provide an itemized receipt and receive up to the GSA reimbursed amount for meals; and specify overnight lodging.

Aye: 3 - Chair Chahal, Member Jain, and Member Park

3. [25-610](#) Review and Approval of Proposed Amendments to Council Policy 006 ("Guidelines for Commissioners Attendance at Conferences and Training Events") to be retitled Council Policy 006 ("Guidelines for City Commissions, Boards and Commissions for Attendance at Conferences and Training Events")

Recommendation: Approve proposed amendments to Proposed Council Policy 006 ("Guidelines for City Commissions, Boards and Commissions for Attendance at Conferences and Training Events") and authorize presentation to the full City Council for consideration and approval.

Assistant City Manager Aracely Azevedo presented on proposed amendments for Council Policy 006 ("Guidelines for City Commissions, Boards and Commissions for Attendance at Conferences and Training Events"). The proposed amendments presented included clearer direction on procedures and reimbursements for official travel by City Commissioners and boardmembers.

The Committee discussed the proposed changes, including ensuring budget is available for training, City staff liaisons should promote and encourage trainings and conferences for members to further improve on skills and background on issues they may work on. In addition, the Committee requested the first and last day of travel, the maximum GSA rate be available for meals.

Committee Member Chahal motioned to approve the staff recommendations to amend Council Policy 006 ("Guidelines for City Commissions, Boards and Commissions for Attendance at Conferences and Training Events") with the change of the first and last day of travel to amend from 75% to the full daily GSA rate. The motion was seconded by Committee Member Park and approved.

Aye: 3 - Chair Chahal, Member Jain, and Member Park

STAFF REPORT

None.

COMMITTEE MEMBER REPORTS / FUTURE REFERRALS FOR CONSIDERATION

Committee Member Kevin Park stated we have a few past requests which still require a staff report including: 1) Review of Ethics documents Ethics Commission, 2) The request for Mayor and Council emails to be automatically forwarded to full Council without a filter, 3) Discussion on State of the City 2024 and potential Councilmanic interference, 4) City webpage which addresses misinformation in media and this should apply to misinformation about elected officials.

Staff responded they would return with a status on the requested updates.

ADJOURNMENT

Committee Chair Suds Jain adjourned the meeting at 12:20 p.m.



Agenda Report

25-1543

Agenda Date: 10/30/2025

REPORT TO GOVERNANCE AND ETHICS COMMITTEE

SUBJECT

Consideration and Possible Action on a Proposed New Council Policy for Ticket Distribution to City Officials

BACKGROUND

As part of the Governance and Ethics Committee workplan, the Committee reviews City Council policies identified for review. In addition, consistent with the Committee's annual workplan process, City staff may also recommend policies for review and consideration. This item is being brought forward by City staff for review and consideration.

Currently, the City of Santa Clara does not have an official ticket distribution policy. As the City of Santa Clara prepares for upcoming events in 2026 and beyond, staff identified the need to establish formal procedures for the acceptance and distribution of tickets or passes provided to the City. The proposed policy would ensure tickets received or purchased by the City of Santa Clara whether for community, cultural or ceremonial events are distributed in a transparent, equitable and legally compliant manner.

The City proposes an official Ticket Distribution Policy to comply with the California Fair Political Practices Commission (FPPC) regulations and state law governing the use and reporting of tickets received by public agencies. FPPC Regulation 18944.1 specifically mandates that agencies adopt a written policy if tickets or passes are to be distributed to officials and employees.

This proposed "Ticket Distribution Policy" establishes guidelines for the acceptance and distribution of event tickets or passes received by the City for use by City officials, including Councilmembers, other elected officials, and designated employees as designated by the City Manager, in compliance with the FPPC regulations. This proposed policy establishes clear guidelines and accountability to ensure that all ticket distributions are made for legitimate City-related public purposes, documented appropriately, and when appropriate, disclosed to the public through the FPPC Form 802 reporting process.

DISCUSSION

City staff reviewed ticket distribution policies from several cities, including San Jose, Mountain View, Oakland, Los Angeles, and Ventura.

The City of Santa Clara may be offered tickets or passes through the following scenarios which would be reviewed against the proposed policy guidelines for acceptance and distribution:

1. A request to the City to purchase tickets or table as a sponsor at a public event (e.g. Triton Museum Anniversary Gala event)

2. Complimentary tickets or passes received as part of sponsorship agreements or partnerships with event organizers (e.g. passes to Santa Clara Art & Wine VIP Hospitality booth)
3. Tickets to concerts, festivals, and community celebrations held at City-owned or regional venues.
4. Passes to cultural, educational, or sporting events such as collegiate games, community theater, or regional tournaments.
5. Admission to events recognizing civic achievements, business milestones, or volunteer service.
6. Tickets received as part of sponsorship agreements or partnerships with event organizers.
7. Passes provided through contracts for use of City venues, such as Levi's Stadium (excluding NFL games), the Santa Clara Convention Center, or other public facilities.
8. Invitations to regional intergovernmental or ceremonial functions hosted by partner agencies.

The proposed Ticket Distribution Policy outlines procedures for the receipt, allocation, and reporting of tickets or passes that provide admission to an entertainment, recreational, or similar event (Tickets) that are:

- a. Donated to the City by an outside source;
- b. Acquired by the City by purchase or by sponsorship;
- c. Received as consideration pursuant to a contract for City venue use; or
- d. Obtained and distributed by the City through any other means.

The policy provides Definitions to clarify the references in the policy:

1. City Official: An elected official or City employee required to file a Statement of Economic Interests (Form 700).
2. FPPC: The California Fair Political Practices Commission.
3. Ticket: Any tickets or pass providing admission to a facility, event, or performance for entertainment, amusement, recreational, or similar purpose (defined in FPPC Regulations 18944.1 and 18946(d)).
4. Ticket Administrator: The City Manager or their designee responsible for implementing this policy.
5. Immediate Family: Spouse, registered domestic partner, or dependent children.
6. Designated Employee: Any employee authorized by the Ticket Administrator to receive tickets under this policy.

General Provisions:

All Tickets received by the City shall be subject to the following provisions:

1. The use of City distributed Tickets is a privilege, not a right.
2. Tickets not accepted by a City official may be reassigned at the discretion of the Ticket Administrator, with priority to City officials; family members may receive tickets if appropriate.
3. Individual Tickets recipients shall not sell, barter, exchange or transfer in any way Tickets received for any form of payment, reimbursement or other consideration.
4. City officials may only use the benefits included with the distributed Ticket. Any benefits offered within a venue that are not entitlements associated with the Ticket provided (e.g., other items such as food, drinks, souvenirs, VIP areas, or parking are not covered by this policy and

may require separate Form 700 reporting by the receiving official.

5. Outside sources providing Tickets may not earmark such Tickets for distribution to specific individuals.
6. The City shall not accept, and this policy explicitly excludes tickets received from the San Francisco 49ers for NFL games. Should any individual officials choose to accept such tickets, they shall comply with all applicable laws and FPPC regulations. Complimentary tickets to special events or to the 49ers Museum at Levi's Stadium are permissible and may be accepted and distributed for a public purpose.
7. All ticket distributions must comply with FPPC regulations and applicable laws.

Public Purpose:

Tickets shall only be distributed for legitimate City-related public purposes, including but not limited to:

1. Attendance at ceremonial occasions.
2. Official welcoming of visiting foreign officials and dignitaries.
3. Promotion of intergovernmental relations and/or coordination of resources with other governmental agencies, including but not limited to, attendance at an event with or by elected, appointed officials from other jurisdictions, their staff members, and their guests.
4. Economic Development outreach or planning.
5. Recognition of participation in City-sponsored or supported projects, community programs, and events.
6. Promotion of cultural, educational, recreational, and community events.
7. Recognition of volunteer, academic, athletic, or public service achievements by students, residents or businesses.
8. Redistribution to the public and City staff.

The following tickets are not covered by this Policy:

- a. A ticket(s) provided by someone other than the City to a City official for admission to an event (Note: This policy only covers tickets provided to the City)
- b. If the City official reimburses the City: Payment or reimbursement for the face value of the Ticket shall be made within thirty (30) days that the Ticket is distributed to the City official.

Distribution and Administration:

The City Manager or their designee shall manage the receipt and distribution of all tickets subject to this policy by:

- a. Ensuring that Tickets distributed by the City under this Policy serve a City-related public purpose.
- b. Ensuring Tickets distributed pursuant to this Policy are disclosed on the FPPC Form 802 (Attachment 2). The disclosure form shall include the following information:
 - i. The name(s) of the recipient of the Tickets.

- ii. A description of the event for which Tickets were distributed.
 - iii. The face value of the Ticket.
- If the Tickets do not have a face value stated or state something to the effect of “complimentary” or “promotional,” the Ticket Administrator will determine the value of the tickets or passes based on the reasonable cost for attendance at such an event.
- iv. The number of Tickets provided to each person.
 - v. A description of the public purpose furthered by the Ticket distribution.
 - vi. An authorized signature verifying that the distribution of Tickets was made in accordance with the provisions of FPPC Regulations 18944.1 and 18942.

Disclosure and Reporting Requirements:

The City Manager or designee shall submit completed FPPC Form 802 to the City Clerk for posting on the City website within required timeframes established by FPPC regulations following the date of each ticketed event.

Next Steps:

If the Governance and Ethics Committee approves the proposed policy with any amendments, staff will prepare the Council policy and present it to the full City Council for consideration and approval.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no fiscal impact associated with the approval of the recommendation.

COORDINATION

This report was coordinated by the City Manager’s Office and the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Committee agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve for presentation to the City Council the proposed Council Policy for Ticket Distribution to City Officials, in the form presented, with such modifications as the Committee may authorize or direct.

Reviewed by: Maria Le, Assistant to the City Manager, City Manager’s Office

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Proposed Council Policy ("Ticket Distribution for City Officials")
2. Form 802 Agency Report of Ceremonial Role Events and Ticket /Pass Distributions

Agency Report of:
Ceremonial Role Events and Ticket/Pass Distributions

A Public Document

1. Agency Name

Date Stamp

California
Form **802**

For Official Use Only

Division, Department, or Region (if applicable)

Designated Agency Contact (Name, Title)

Area Code/Phone Number

E-mail

Amendment (Must Provide Explanation in Part 3.)

Date of Original Filing: _____
(month, day, year)

2. Function or Event Information

Does the agency have a ticket policy? Yes No Face Value of Each Ticket/Pass \$ _____

Event Description: _____ Date(s) _____
Provide Title/ Explanation

Ticket(s)/Pass(es) provided by agency? Yes No If no: _____
Name of Source

Was ticket distribution made at the behest of agency official? Yes No If yes: _____
Official's Name (Last, First)

3. Recipients

• Use Section A to identify the agency's department or unit. • Use Section B to identify an individual. • Use Section C to identify an outside organization.

A.	Name of Agency, Department or Unit	Number of Ticket(s)/ Passes	Describe the public purpose made pursuant to the agency's policy
B.	Name of Individual (Last, First)	Number of Ticket(s)/ Passes	Identify one of the following:
			Ceremonial Role Other Income <i>If checking "Ceremonial Role" or "Other" describe below:</i>
			Ceremonial Role Other Income <i>If checking "Ceremonial Role" or "Other" describe below:</i>
C.	Name of Outside Organization (include address and description)	Number of Ticket(s)/ Passes	Describe the public purpose made pursuant to the agency's policy

4. Verification

I have read and understand FPPC Regulations 18944.1 and 18942. I have verified that the distribution set forth above, is in accordance with the requirements.

Signature of Agency Head or Designee

Print Name

Title

(month, day, year)

Comment: _____

Agency Report of: Ceremonial Role Events and Ticket/Pass Distributions

California **802**
Form

A Public Document

This form is for use by all state and local government agencies. The form identifies persons that receive admission tickets and passes and describes the public purpose for the distribution. This form was prepared by the Fair Political Practices Commission (FPPC) and is available at www.fppc.ca.gov.

General Information

FPPC Regulation 18944.1 sets out the circumstances under which an agency's distribution of tickets to entertainment events, sporting events, and like occasions would not result in a gift to individuals that attend the function. In general, the agency must adopt a policy which identifies the public purpose served in distributing the admissions. The Form 802 serves to detail each event and the public purpose of each ticket distribution. FPPC Regulation 18942 lists exceptions to reportable gifts, including ceremonial events, when listed on this form.

When the regulation procedures are followed, persons, organizations, or agencies who receive admissions are listed on a Form 802. Agency officials do not report the admissions on the official's Statement of Economic Interests, Form 700, and the value of the admission is not subject to the gift limit.

The Form 802 also informs the public as to whether the admissions were made at the behest of an agency official and whether the behested tickets were provided to an organization or to specific individuals.

Exception

FPPC This form is not required for admission provided to a school or university district official, coach, athletic director, or employee to attend an amateur event performed by students of that school or university.

Reporting and Public Posting

Ticket Distribution Policies: An agency must post its ticket policy on its website within 30 days of adoption or amendment and e-mail a link of the website location to FPPC at form802@fppc.ca.gov.

Form 802: The use of the ticket or pass under the policy must be reported on Form 802 and posted on the agency's website within 45 days of distribution. A link to the website location of the forms must be e-mailed to FPPC at form802@fppc.ca.gov.

The FPPC will post on its website the link to each agency's policy and completed forms. It is not necessary to send an e-mail each time a new Form 802 is posted. It is only necessary to submit the link if the posting location changes.

This form must be maintained as a public document.

Privacy Information Notice

Information requested by the FPPC is used to administer and enforce the Political Reform Act. Failure to provide information may be a violation subject to administrative, criminal, or civil penalties. All reports are public records available for inspection and reproduction. Direct questions to FPPC's General Counsel.

Instructions

Part 1. Agency Identification:

List the agency's name. Provide a designated agency contact person, their phone number, and e-mail address. Mark the amendment box if changing any information on a previously filed form and include the date of the original filing.

Part 2. Function or Event Information:

Confirm that your agency has a policy for ticket distribution. Unless the ceremonial role or income box in Part 3, Section B, is marked, this form is only applicable if your agency has a policy.

Complete all of the other required fields that identify the ticket value, description of event, date(s) and whether the ticket was provided by the agency or an outside source. If an agency official behests the tickets, the official's name is also required. Use the comment field or an attachment to explain in full.

Part 3. Ticket Recipients:

This part identifies who uses the tickets. The identification requirements vary depending upon who received the tickets and are categorized into three sections. Each section must list the number of tickets received. Use the comment field or an attachment to explain in full.

Section A. Report tickets distributed to agency staff, other than an elected official or governing board member, pursuant to the agency's policy. It is not necessary to list each employee's name, but identify the unit/department for which the employee works. The agency must describe the public purpose associated with the ticket distribution. A reference to the policy is permissible.

Section B. Report: 1) any agency official who performs a ceremonial role; 2) any agency official who reports the value as income; or 3) tickets used by elected officials and governing board members (including those distributed pursuant to the agency's policy).

Section C. Report tickets provided to an organization. The organization's name, an address (website url is permissible), and a brief description of the public purpose are required.

**Agency Report of:
Ceremonial Role Events and Ticket/Pass Distributions
Continuation Sheet**

Agency Name

3. Recipients

•Use Section A to identify the agency's department or unit. •Use Section B to identify an individual. •Use Section C to identify an outside organization.

A.	Name of Agency, Department or Unit	Number of Ticket(s)/ Passes	Describe the public purpose made pursuant to the agency's policy

B.	Name of Individual (Last, First)	Number of Ticket(s)/ Passes	Identify one of the following:
			Ceremonial Role Other Income <i>If checking "Ceremonial Role" or "Other" describe below:</i>
			Ceremonial Role Other Income <i>If checking "Ceremonial Role" or "Other" describe below:</i>
			Ceremonial Role Other Income <i>If checking "Ceremonial Role" or "Other" describe below:</i>
			Ceremonial Role Other Income <i>If checking "Ceremonial Role" or "Other" describe below:</i>

C.	Name of Outside Organization (include address and description)	Number of Ticket(s)/ Passes	Describe the public purpose made pursuant to the agency's policy



TICKET DISTRIBUTION POLICY FOR CITY OFFICIALS

Purpose:

This policy establishes guidelines for the acceptance and distribution of tickets or passes received by the City for use by City officials, including Councilmembers, other elected officials, and designated employees as designated by the City Manager, in compliance with the FPPC regulations. This policy ensures that all ticket distributions are made for legitimate City-related public purposes, documented appropriately, and when appropriate, disclosed to the public through the FPPC Form 802 reporting process.

Applicability:

This policy outlines procedures for the receipt, allocation, and reporting of tickets or passes that provide admission to an entertainment, recreational, or similar event (Tickets) that are:

- a. Donated to the City by an outside source;
- b. Acquired by the City by purchase or by sponsorship;
- c. Received as consideration pursuant to a contract for City venue use; or
- d. Obtained and distributed by the City through any other means.

Definitions:

1. **City Official:** An elected official or City employee required to file a Statement of Economic Interests (Form 700).
2. **FPPC:** The California Fair Political Practices Commission.
3. **Ticket:** Any tickets or pass providing admission to a facility, event, or performance for entertainment, amusement, recreational, or similar purpose (defined in FPPC Regulations 18944.1 and 18946(d)).
4. **Ticket Administrator:** The City Manager or their designee responsible for implementing this policy.
5. **Immediate Family:** Spouse, registered domestic partner, or dependent children.
6. **Designated Employee:** Any employee authorized by the Ticket Administrator to receive tickets under this policy.

General Provisions:

All Tickets received by the City shall be subject to the following provisions:

1. The use of City distributed Tickets is a privilege, not a right.
2. Tickets not accepted by a City official may be reassigned at the discretion of the Ticket Administrator, with priority to City officials; family members may receive tickets if appropriate.



TICKET DISTRIBUTION POLICY FOR CITY OFFICIALS

3. Individual Tickets recipients shall not sell, barter, exchange or transfer in any way Tickets received for any form of payment, reimbursement or other consideration.
4. City officials may only use the benefits included with the distributed Ticket. Any benefits offered within a venue that are not entitlements associated with the Ticket provided (e.g., other items such as food, drinks, souvenirs, VIP areas, or parking are not covered by this policy and may require separate Form 700 reporting by the receiving official.
5. Outside sources providing Tickets may not earmark such Tickets for distribution to specific individuals.
6. The City shall not accept, and this policy explicitly excludes tickets received from the San Francisco 49ers for NFL games. Should any individual officials choose to accept such tickets, they shall comply with all applicable laws and FPPC regulations. Complimentary tickets to special events or to the 49ers Museum at Levi's Stadium are permissible and may be accepted and distributed for a public purpose.
7. All ticket distributions must comply with FPPC regulations and applicable laws.

Public Purpose:

Tickets shall only be distributed for legitimate City-related public purposes, including but not limited to:

1. Attendance at ceremonial occasions.
2. Official welcoming of visiting foreign officials and dignitaries.
3. Promotion of intergovernmental relations and/or coordination of resources with other governmental agencies, including but not limited to, attendance at an event with or by elected, appointed officials from other jurisdictions, their staff members, and their guests.
4. Economic Development outreach or planning.
5. Recognition of participation in City-sponsored or supported projects, community programs, and events.
6. Promotion of cultural, educational, recreational, and community events.
7. Recognition of volunteer, academic, athletic, or public service achievements by students, residents or businesses.
8. Redistribution to the public and City staff.

The following tickets are not covered by this Policy:

- a. A ticket(s) provided by someone other than the City to a City official for admission to an event (Note: This policy only covers tickets provided to the City)



TICKET DISTRIBUTION POLICY FOR CITY OFFICIALS

- b. If the City official reimburses the City: Payment or reimbursement for the face value of the Ticket shall be made within thirty (30) days that the Ticket is distributed to the City official.

Distribution and Administration:

The City Manager or their designee shall manage the receipt and distribution of all tickets subject to this policy by:

- a. Ensuring that Tickets distributed by the City under this Policy serve a City-related public purpose.
- b. Ensuring Tickets distributed pursuant to this Policy are disclosed on the FPPC Form 802 (Attachment 2). The disclosure form shall include the following information:
 - i. The name(s) of the recipient of the Tickets.
 - ii. A description of the event for which Tickets were distributed.
 - iii. The face value of the Ticket.
If the Tickets do not have a face value stated or state something to the effect of “complimentary” or “promotional,” the Ticket Administrator will determine the value of the tickets or passes based on the reasonable cost for attendance at such an event.
 - iv. The number of Tickets provided to each person.
 - v. A description of the public purpose furthered by the Ticket distribution.
 - vi. An authorized signature verifying that the distribution of Tickets was made in accordance with the provisions of FPPC Regulations 18944.1 and 18942.

Disclosure and Reporting Requirements:

The City Manager or designee shall submit completed FPPC Form 802 to the City Clerk for posting on the City website within required timeframes established by FPPC regulations following the date of each ticketed event.

Ensuring Tickets distributed pursuant to this Policy are disclosed on the FPPC Form 802 (Attachment 2). The disclosure form shall include the following information:

- i. The name(s) of the recipient of the Tickets.
- ii. A description of the event for which Tickets were distributed.
- iii. The face value of the Ticket.
If the Tickets do not have a face value stated or state something to the



TICKET DISTRIBUTION POLICY FOR CITY OFFICIALS

effect of “complimentary” or “promotional,” the Ticket Administrator will determine the value of the tickets or passes based on the reasonable cost for attendance at such an event.

- iv. The number of Tickets provided to each person.
- v. A description of the public purpose furthered by the Ticket distribution.
- vi. An authorized signature verifying that the distribution of Tickets was made in accordance with the provisions of FPPC Regulations 18944.1 and 18942.

The City Manager or designee shall submit completed FPPC Form 802 to the City Clerk for posting on the City website within required timeframes established by FPPC regulations following the date of each ticketed event.

References

1. Form 802 Agency Report of Ceremonial Role Events and Ticket /Pass Distributions



Agenda Report

25-1576

Agenda Date: 10/30/2025

REPORT TO GOVERNANCE AND ETHICS COMMITTEE

SUBJECT

Discussion on Council Policy 050 [Gifts to Elected and Appointed Officials]

BACKGROUND

As part of the Governance and Ethics Committee workplan, Council Policy Council Policy 050 [Gifts to Elected and Appointed Officials] ("Gift Policy") was identified for review and possible revision.

The current Gift Policy was updated by the City Council in 2018. Key updates included: (1) focusing the policy on direct donations to officials (as opposed to the City itself); (2) the addition of a list of factors to be considered by City officials in deciding whether to accept gifts; (3) prohibition on gifts from lobbyists; and (4) the requirement that any gift accepted of less than \$50 be disclosed at a public meeting.

The expressed purpose of the current Gift Policy is to establish guidelines for the acceptance of gifts applicable to elected and appointed City officials, including Board, Commission, and Committee members, in their official capacity. The Gift Policy states that it is intended to supplement applicable state law, including the provisions of the Political Reform Act ("PRA"). This policy does not apply to tickets to events.

DISCUSSION

This item presents the City's existing Gift Policy for Committee initial review and input. Issues for Committee consideration include:

1. Does the City need its own local Gift Policy for elected and appointed officials or should it instead refer to applicable state laws and other local policies?

Most of the terms of the existing Gift Policy are restatements of applicable state law. Other provisions are covered by existing ethics policies. Many other jurisdictions choose to refer to state law rather than create additional rules in this area.

2. If the City is to retain its own Gift Policy, a number of clarifications are warranted. These include:
 - a. Does the policy apply to the City Manager and the City Attorney? Should it?
 - b. Clarify that where Gift Policy provisions are intended to refer to state law, these provisions change as state law changes. The Committee may also consider giving City staff the authority to update the policy as needed to reflect state law.

In addition, a FPPC fact sheet for local officials on Limitations and Restrictions on Gifts, Honoraria,

Travel, and Loans is attached as a reference to this report.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no fiscal impact associated with the approval of the recommendation.

COORDINATION

This report was coordinated by the City Manager’s Office and the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Committee agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Provide input to staff on the existing Gift Policy and direct staff to return with specific proposed changes consistent with this direction for Committee review and consideration

Reviewed by: Maria Le, Assistant to the City Manager, City Manager’s Office

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Council Policy 050 ("Gifts to Elected and Appointed Officials")
2. FPPC Fact Sheet for Local Officials: Limitations and Restrictions on Gifts, Honoraria, Travel and Loans



GIFTS TO ELECTED AND APPOINTED OFFICIALS

PURPOSE

To establish the process and provide guidance for accepting gifts directly to elected and appointed City officials, including Board, Commission, and Committee members, in their official capacity.

This Policy is intended to supplement applicable state law including the provisions of the Political Reform Act. This policy does not apply to tickets to events.

POLICY

Elected and appointed City officials shall not accept any money or favors for the performance of an act which they would be required or expected to perform in the regular course of their duties for City official business; nor shall such persons accept any gifts, gratuities, or favors of any kind which might be perceived or interpreted as an attempt to influence actions of the City Council or City Administration. Acceptance of all gifts must comply with this policy.

For the purposes of this policy, the term “gift” is used to include any monetary, discounted price, in-lieu contributions, volunteer services, or exchange of property use or services.

Gifts may be tangible or intangible. A service or a goodwill gesture rendered free or below cost may be considered a gift to the City. If the City official knows, or has reason to believe, that the donor may be coming before the body on which the official serves (or the elected employee’s department, as applicable) for action or a decision, the gift should not be accepted regardless of the value of the gift.

If a gift valued at less than the California Fair Political Practices Commission (FPPC) reporting threshold is accepted by an official in his or her official capacity, then the official shall promptly disclose such acceptance at a public meeting of a body on which official serves.

This policy must comply with Santa Clara City Code Chapter 2.155, Regulation of Lobbying Activities, Section 2.155.130, entitled, “Gifts” which clearly forbids any lobbyist to deliver or cause to be delivered any gift to any City official, and for any City official to accept any gift from a lobbyist.

PROCEDURE

1. When a gift has been offered, the elected or appointed City official shall consider whether:

GIFTS TO ELECTED AND APPOINTED OFFICIALS (cont.)

- a) The gift was provided by an individual who has interests that may be affected by the performance or nonperformance of the elected or appointed City official's official duties;
- b) The acceptance of the gift creates an appearance of impropriety;
- c) The timing of the gift creates the appearance that the gift-giver is seeking to influence an official action or obtain favorable treatment;
- d) The acceptance of the gift would give the gift-giver disproportionate access to the elected or appointed City official;
- e) The acceptance of the gift is compliant with the regulations set by the FPPC.

The gift limit is adjusted for inflation every odd-numbered year; updated FPPC regulations are available online at www.fppc.ca.gov.

2. Elected and appointed officials are required to report gifts worth \$50 or more on their annual Statement of Economic Interests (Form 700) with the FPPC. If a gift valued at less than \$50 is accepted, the elected or appointed official shall promptly disclose such acceptance either at a public meeting of a body on which official serves during the Reports of Members portion of the Agenda or, for elected department heads, in a written Report to Council.

3. Elected and appointed officials shall not accept gifts from any single source aggregating to \$470 or more in a calendar year.

If a gift or series of gifts aggregating to \$470 or more is accepted from a single source during any 12-month period preceding the officials' involvement in a decision affecting the gift-giver, the elected or appointed official may be required to disqualify him or herself from participating in that decision-making process.

4. Elected and appointed officials may not accept any gift from a lobbyist.
5. For received gifts, elected or appointed officials have the option to return the unused gift to the gift-giver; reimburse the gift-giver for the value of the gift; or donate the gift to a nonprofit group, within 30 days of receipt.



Limitations and Restrictions on Gifts, Honoraria, Travel and Loans

A Fact Sheet For

- Local Elected Officers and Candidates for Local Elective Offices
- Local Officials Specified in Government Code Section 87200
- Judicial Candidates
- Designated Employees of Local Government Agencies

California Fair Political Practices Commission

Toll-free advice line: 1 (866) ASK-FPPC

Email advice: advice@fppc.ca.gov

Web site: www.fppc.ca.gov

November 2024

Introduction

The Political Reform Act¹ (the “Act”) imposes limits on gifts, prohibits honoraria payments, and imposes limits and other restrictions on the receipt of travel payments received by:

- Local elected officers and other local officials specified in Government Code Section 87200,² excluding judges;³
- Designated employees of local government agencies (i.e., individuals required to file statements of economic interests under a local agency’s conflict of interest code); and
- Candidates⁴ for any of these offices or positions and judicial candidates. (Sections 89502 and 89503.)

The Act also imposes limits and other restrictions on personal loans received by certain local officials.

The gift limit increased to \$630 for calendar years 2025 and 2026. The gift limit in 2024 was \$590.

This fact sheet summarizes the major provisions of the Act concerning gifts, honoraria, travel, and loans. It contains highlights of the law, but does not carry the weight of law. For more information, contact the Fair Political Practices Commission at (866) 275-3772 or advice@fppc.ca.gov or visit our website at www.fppc.ca.gov. Commission advice letters are available on our website. Public officials may also be subject to local restrictions on gifts, honoraria, or travel.

Enforcement

Failure to comply with the laws related to gifts, honoraria, loans, and travel payments may, depending on the violation, result in criminal prosecution and substantial fines, or in administrative or civil monetary penalties for as much as \$5,000 per violation or three times the amount illegally obtained. (See Sections 83116, 89520, 89521, 91000, 91004 and 91005.5.)

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

² Local officials specified in Government Code Section 87200 include: members of boards of supervisors and city councils, mayors, city/county planning commissioners, city/county chief administrative officers, city/county treasurers, district attorneys, county counsels, city managers, city attorneys, court commissioners and public officials who manage public investments.

³ The gift limits and honoraria ban in the Political Reform Act do not apply to a person in their capacity as judge. However, candidates for judicial offices are subject to the restrictions contained in the Political Reform Act. (Sections 89502 and 89503.)

⁴ For purposes of the gift limit and honoraria prohibition, an individual becomes a “candidate” when they file a statement of organization (Form 410) as a controlled committee for the purpose of seeking elective office, a candidate intention statement (Form 501), or a declaration of candidacy, whichever occurs first. If an individual is an unsuccessful candidate, they will no longer be subject to the gift limit and honoraria prohibition when they have terminated their campaign filing obligations, or after certification of election results, whichever is earlier. (Sections 89502(b) and 89503(b).)

Gifts

Limitations

Local elected officers, candidates for local elective office, local officials specified in Government Code Section 87200, and judicial candidates, may not accept gifts from any single source totaling more than \$630 in a calendar year. (Section 89503.)⁵

Employees of a local government agency who are designated in the agency's conflict of interest code may not accept gifts from any single source totaling more than \$630 in a calendar year if the employee is required to report receiving income or gifts from that source on their statement of economic interests (Form 700). (Section 89503(c).)

What is a "Gift"?

A "gift" is any payment or other benefit that confers a *personal* benefit for which a public official does not provide payment or services of equal or greater value. A gift includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public. (Section 82028.) (See Regulation 18946 for valuation guidelines.)

Except as discussed below, a public official has "received" or "accepted" a gift when they have actual possession of the gift or when they take any action exercising direction or control over the gift, including discarding the gift or turning it over to another person. This includes gifts that are accepted by someone else on the official's behalf and gifts made to others at the direction of the official. (Regulation 18941.)

Gifts to Family Members

Under certain circumstances, a gift to an official's family member* is considered a gift to the official. (Regulation 18943.) When something of value is given to a family member it is presumed to be a gift to the official if: (1) there is no established relationship between the donor and the family member where it would generally be considered appropriate for the family member to receive the gift or; (2) the donor is someone who lobbies the official's agency, is involved in an action before the official's agency in which the official may foreseeably participate, or engage in business with the agency in which the official will foreseeably participate. (Wedding gifts are treated differently, see below.)

*For purposes of this rule, an official's "family member" includes the official's spouse; registered domestic partner; any minor child of the official who the official can claim as a dependent for federal tax purposes; and a child of the official who is aged 18 to 23 years old, attends school, resides with the official when not attending school, and provides less than one-half of their own support.

⁵ The gift limit is adjusted biennially to reflect changes in the Consumer Price Index. For 2025-2026, the gift limit is \$630. (Section 89503; Regulation 18940.2.) Gifts from a single source aggregating to \$50 or more must be disclosed, and gifts aggregating to \$630 or more during any 12-month period may subject an official to disqualification with respect to the source. (Section 87103(e).) Designated employees should obtain a copy of their conflict of interest code from their agency. Some conflict of interest codes require very limited disclosure of income and gifts. Gifts from sources that are not required to be disclosed on the Form 700 are not subject to the \$630 gift limit but still may subject the public official to disqualification.

Source of Gift

Under most circumstances, it is clear who the source of a gift is, but if the circumstances indicate that the gift is being provided by an intermediary, the public official must determine both the donor and the intermediary in reporting the gift. Regulation 18945 provides the rules for determining the source of the gift.

Gifts from Multiple Sources

In determining the cumulative value of any reportable gifts, separate gifts from an individual and an entity that the individual controls must be aggregated as one source to comply with the reporting and limit requirements. For example, separate gifts from the owner of a company and from the company itself would be treated as if from one source if the owner has more than a 50 percent interest in the company, unless the making of the gift was determined by someone else in the company. In that case, the gift from the company would be aggregated with any gifts made by that determining individual. (Regulation 18945.1.)

Group gifts, where a public official receives a single gift from multiple donors (such as a retirement gift from coworkers), need not be reported unless any person contributes \$50 or more to the total cost of the gift. In that case, the public official would only report a gift from each of those persons. (Regulation 18945.2.)

Valuing Gifts

The general rule for determining the value of a gift is to apply the fair market value at the time the gift is received. Fair market value can be determined by finding any local or internet advertisement for the item. Special exceptions to the fair market value rule are contained in Regulations 18946.1 through 18946.5 which covers admission to ticketed and invitation-only events, wedding gifts, attendance at nonprofit and political fundraisers, and air travel. (Regulation 18946.) For example, for ticketed events, the value is the face value of the ticket.

General Gift Exceptions

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$630 Gift Limit
No	No	No	No

The following payments are exceptions to the definition of gift and are not considered gifts or income.

- 1. Return or Reimbursement of Gift.** Items that are returned (unused) to the donor, or for which the public official reimburse the donor, within 30 days of receipt. (Section 82028(b)(2); Regulation 18941.)
- 2. Donation of Gift to Nonprofit Group.** Items that are donated (unused) to a non-profit, tax-exempt (501(c)(3)) organization in which the official (or immediate family member) does not hold a position, or to a government agency, within 30 days of receipt without claiming a deduction for tax purposes. (Section 82028(b)(2); Regulation 18941.)
- 3. Gifts from Family.** Gifts from the public official's spouse (or former spouse), child, parent, grandparent, grandchild, brother, sister, current or former parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin or the spouse of any such person, unless they are acting as an agent or intermediary for another person who is the true source of the gift. (Section 82028(b)(3); Regulation 18942(a)(3).) This exception includes great grandparents, great uncles and aunts, great nieces and nephews, and first cousins once removed.
- 4. Informational Material.** Informational material provided to assist the public official in the performance of their official duties, including books, reports, pamphlets, calendars, periodicals, videotapes, or free admission or discounts to informational conferences or seminars.

“Informational material” may also include scale models, pictorial representations, maps, and other such items. However, if the item’s fair market value is more than \$630, the public official has the burden of demonstrating that the item is informational. In addition, on-site demonstrations, tours, or inspections, including air flights over an area that is the subject of the information and designed specifically for public officials, are considered informational material. However, this exception does not apply to meals or lodging. Furthermore, the exception generally does not apply to transportation to the site, except for any portion of the transportation that is not commercially available. (Section 82028(b)(1); Regulations 18942(a)(1) and 18942.1.)

5. **Inheritance.** A devise or inheritance. (Section 82028(b)(5); Regulation 18942(a)(5).)

6. **Campaign Contributions.** Campaign contributions to an official, including rebates or discounts received in connection with campaign activities (Section 82028(b)(4); Regulations 18942(a)(4), 18950(a) and 18950.3(a)) and permissible expenditures of campaign funds for campaign-related expenses, including payments for transportation, lodging or food (Regulations 18950(a) and 18950.3(b)), provided they comply and are properly reported in accordance with applicable campaign finance laws.

7. **Plaques.** Personalized plaques and trophies with an individual value of less than \$250. (Section 82028(b)(6); Regulation 18942(a)(6).)

8. **Ceremonial Role.** Free admission to a ticketed event (including any benefits included in the price of the ticket such as a free meal) for the official and one guest at an event where the official performs a ceremonial role, such as throwing out the first pitch at a Dodgers’ game, so long as the official’s agency complies with the posting provisions set forth in Regulation 18944.1(d). (Regulation 18942(a)(13); Regulation 18942.3; also see discussion of Form 802 below under “Gifts Exceptions Requiring Alternate Reporting.”)

9. **Event Where Official Makes a Speech.** Free admission, and food and nominal items (such as a pen, pencil, mouse pad, note pad or similar item) available to all attendees, at the event at which the official makes a speech (as defined in Regulation 18950(b)(2)), so long as the admission is provided by the person who organizes the event. (Regulation 18942(a)(11).)

10. **Attending Wedding Reception.** Benefits received as a guest attending a wedding reception where the benefits are the same as those received by the other guests at the reception. (Regulation 18942(a)(15).)

11. **Bereavement Offerings.** Bereavement offerings, such as flowers at a funeral received in memory of a close family member. (Regulation 18942(a)(16).)

12. **Acts of Neighborliness.** Benefits received as an act of neighborliness such as the loan of an item, an occasional ride, or help with a repair where the act is consistent with polite behavior in a civilized society and would not normally be part of an economic transaction between like participants under similar circumstances. (Regulation 18942(a)(17).)

13. **Campaign or Nonprofit Fundraiser.** Two tickets for admission, for use by only the official and one guest, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket(s) must be received from the organization or committee holding the fundraiser. (Regulation 18946.4.)

14. **Unused Passes or Tickets.** Passes or tickets that provide admission or access to facilities, goods, services, or other benefits (either on a one-time or repeated basis) that the public official does not use and do not give to another person. (Regulation 18946.1.)

15. **Items Provided to Government Agency.** Subject to certain conditions, items provided to a government agency and used by public officials in the agency for agency business. This may include

passes or tickets to (see Regulation 18944.1) or payments for other types of items or activities (see Regulation 18944). An agency must disclose specified payments on a form provided by the FPPC and post the form on its website. (See discussion of Forms 801 and 802 below under “Gift Exceptions Requiring Alternate Reporting.”) Contact the FPPC for detailed information.

16. Emergency Leave Credits. Leave credits (e.g., sick leave or vacation credits) received under a bona fide catastrophic or emergency leave program established by the public official's employer and available to all employees in the same job classification or position. Donations of cash are gifts and are subject to limits and disclosure. (Regulation 18942(a)(9).)

17. Disaster Relief. Food, shelter, or similar assistance received in connection with a disaster relief program. The benefits must be received from a governmental agency or charity and must be available to the general public. (Regulation 18942(a)(10).)

18. Agency Raffle. Items awarded in an agency raffle received by the agency from an employee who is not acting as an intermediary for another donor. This exception applies when an agency holds an employee raffle and the item awarded in the raffle has been obtained with agency funds, or is otherwise an asset of the agency and not donated to the agency by a non-agency source. This exception does not apply to passes or tickets of the type described in Regulation 18944.1. (Regulation 18944.2(a) and (b).)

19. Employee Gift Exchange. Items received by an employee during an employee gift exchange, so long as the items received are provided by another employee of the agency and the gifts are not substantially disproportionate in value. (Regulation 18944.2(c).)

Limited Gift Exceptions

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$630 Gift Limit
No	No	No	No

1. Home Hospitality. Gifts of hospitality including food, drink or occasional lodging that an official receives in an individual's home when the individual or a member of their family is present. (Regulation 18942(a)(7).) For this exception to apply, the official must have a relationship, connection or association with the individual providing the in-home hospitality that is unrelated to the official's position and the hospitality must be provided as part of that relationship. Generally, this means functions like children's birthday parties, soccer team parties, neighborhood barbeques, etc., where other guests attend who are not part of the lobbying process. (Regulation 18942.2.)

2. Reciprocal Holiday Gifts. Gifts commonly exchanged between an official and another individual on holidays, birthdays, or similar occasions to the extent that the gifts exchanged are not substantially disproportionate in value. (Regulation 18942(a)(8)(A).)

3. Reciprocal Exchanges. Reciprocal exchanges between an official and another individual that occur on an ongoing basis so long as the total value of payments received by the official within the calendar year is not substantially disproportionate to the amount paid by the official and no single payment is \$630 or more. For example, if two people get together regularly for lunches and rotate picking up the lunch tab so that each pays approximately half the total value over the course of the calendar year, no gift need be reported. (Regulation 18942(a)(8)(B).)

4. Dating Relationship. Personal benefits commonly received from a dating partner. These gifts are not disclosable or limited but are subject to disqualification under the conflict of interest laws if the dating partner has certain business before the official as set forth in Regulation 18942(a)(18)(D). (Regulation 18942(a)(18)(A).)

5. Acts of Human Compassion. Assistance, financial or otherwise, to offset family medical or living expenses that the official can no longer meet without private assistance because of an accident, illness, employment loss, death in the family, or other unexpected calamity; or to defray expenses associated with humanitarian efforts such as the adoption of an orphaned child, so long as the source of the donation is an individual who has a prior social relationship with the official of the type where it would be common to provide such assistance, or the payment is made without regard to official status under other circumstances in which it would be common to receive community outreach. (Regulation 18942(a)(18)(B).) This exception does not apply if the person providing the benefit to the official is an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D).

6. Long-Time Friend. Benefits received from a long-time personal friend where the gift is unrelated to the official's duties. The exception does not apply if the individual providing the benefit to the official is involved in some manner with business before the official. (Regulation 18942(a)(18)(C).) This exception does not apply if the person providing the benefit to the official is an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D).

7. Existing Personal Relationship. Benefits received from an individual where it is clear that the gift was made because of an existing personal or business relationship unrelated to the official's position and there is no evidence whatsoever at the time the gift is made that the official makes or participates in the type of governmental decisions that may have a reasonably foreseeable material financial effect on the individual who would otherwise be the source of the gift. (Regulation 18942(a)(19).)

Very Limited Gift Exception

Reporting	C/I § 87100	Honoraria Ban	\$630 Gift Limit
Yes - ½ value as gift	Yes	No	No

Wedding Gifts. Wedding gifts are not subject to the \$630 gift limit. However, wedding gifts are reportable, but for purposes of valuing wedding gifts, one-half of the value of each gift is attributable to each spouse. (Regulation 18946.3.)

Gift Exceptions Requiring Alternate Reporting

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$630 Gift Limit
Yes - As Income	Yes	No	No

Prize or Award. A prize or award received in a bona fide contest or competition, or game of chance. **Note: Unlike the other exceptions, payments that fall into this exception must be reported as income if valued at \$500 or more.** To qualify for this exception the contest or competition must be unrelated to the official's duties. (Regulation 18942(a)(14).)

Agency Reports

Reporting	C/I § 87100	Honoraria Ban	\$630 Gift Limit
Yes - On 801 or 802	No	No	No

The following exceptions are also applicable to payments made to a government agency that are used by officials in the agency under certain conditions to conduct agency business. These types of payments are not treated as gifts or income to the officials who use them, so long as the payments meet certain conditions and they are reported by the officials' agency. These reports must appear on either a Form 801 or Form 802, instead of the official reporting the items on a statement of economic interests (Form 700).

Form 801 – Payment to Agency Report: This form covers gifts or donations made to an agency and used by one or more officials in the agency for agency business. This may include travel payments, reimbursements, or other uses by an official, but does not cover tickets or passes providing admission to an entertainment or sporting event, which are reported on the Form 802 (discussed below). If the payment meets the requirements of Regulations 18944 or 18950.1, the agency must report it on a Form 801 and the item is not reported on the individual’s statement of economic interests (Form 700). (Regulations 18944 and 18950.1.)

Form 802 – Agency Report of Ceremonial Role Events and Ticket/Pass Distributions: This form covers gifts or donations made to an agency that provide tickets or passes to an agency official for admission to an entertainment or sporting event. For the ticket or pass to be exempt from reporting on the individual’s statement of economic interests (Form 700), the agency must have a written policy stating the public purpose for distribution of the tickets. The ticket or pass cannot be earmarked by the original source for use by a particular agency official and the agency must determine, in its sole discretion, which official may use the ticket or pass. (Regulation 18944.1.) The Form 802 is also used to report tickets provided for officials who perform a ceremonial role on behalf of the agency.

Behested Payments Reports

Reporting	C/I § 87100	Honoraria Ban	\$630 Gift Limit
Yes - Form 803 Behested Payment	No*	No	No*

Behested Payments. Generally, payments made at the behest of an official that do not confer a personal benefit on an official, such as those made by a third party to co-sponsor an event, or that are principally legislative, governmental, or charitable in nature, are not gifts. However, when a local elected officer is making the behest, in some cases these payments may be considered “behested payments” under Section 82004.5 and require disclosure by that elected officer.

***Note:** when a behested payment *does confer a personal benefit on the official*, the gift limit and conflict of interest rules apply, and the official may have a reportable gift or income in addition to a behested payment reporting duty.

Form 803 – Behested Payment Report

- Behested payments are reportable if made principally for legislative, governmental, or charitable purposes. These payments are not for campaign purposes and any personal benefit may constitute a gift to the official subject to the applicable gift limit. For example, a local elected official may ask a third party to contribute funds to a school in her district, or to a job fair or health fair. A gift to the official may occur, for example, where the official attends the event and receives a meal without charge.
- Generally, a donation will be “made at the behest” if it is requested, solicited, or suggested by the elected officer or member of the Public Utilities Commission, or otherwise made to a person in cooperation, consultation, coordination with, or at the consent of, the elected officer or PUC member. This includes payments behested on behalf of the official by their agent or employee.
- A behested payment does not include payments to an official from a local, state, or federal government agency for use by the official to conduct agency business. For example, free parking provided by a governmental entity to an official for agency business is not a behested payment and is not subject to reporting.
- Behested payments totaling \$5,000 or more from a single source in a calendar year must be disclosed by the official on a Form 803, which is filed with the official’s agency within 30 days of the date of the payment(s). (Section 84224; see Regulations 18424-18424.3.)

Honoraria

What is an “Honorarium”?

An “honorarium” is 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. An honorarium includes gift cards or any gift of more than nominal benefit provided in connection with an activity described above. An honorarium does not include items of nominal value such as a pen, pencil, note pad, or similar item. (Section 89501; Regulation 18932.4(e).)

A “speech given” means a public address, oration, or other form of oral presentation, including participation in a panel, seminar, or debate. (Regulation 18931.1.)

An “article published” means a nonfictional written work: 1) that is produced in connection with any activity other than the practice of a bona fide business, trade, or profession; and 2) that is published in a periodical, journal, newspaper, newsletter, magazine, pamphlet, or similar publication. (Regulation 18931.2.)

“Attendance” means being present during, making an appearance at, or serving as host or master of ceremonies for any public or private conference, convention, meeting, social event, meal, or like gathering. (Regulation 18931.3.)

The Act and Commission regulations provide certain exceptions to the prohibition on honoraria. (Section 89501(b); Regulations 18932 –18933.).

The Prohibition

Local officials specified in Section 87200 (see page 2) are prohibited from receiving any honoraria payments. Officials and employees of local agencies who file statements of economic interests (Form 700) under the agency’s conflict of interest code (“designated employees”) may not receive honoraria payments from any source if the employee would be required to report income or gifts from that source on the Form 700, as outlined in the “disclosure category” portion of the conflict of interest code. (Section 89502.)

Honoraria Exceptions that also apply to gifts and income

1. **Returned.** An honorarium that the public official returns (unused) to the donor or the donor’s agent or intermediary within 30 days. (Section 89501(b); Regulation 18933.)
2. **Donated to General Fund.** An honorarium that is delivered to the official’s local agency within 30 days for donation to the agency’s general fund and for which the public official does not claim a deduction for income tax purposes. (Section 89501(b); Regulation 18933.)
3. **Made to Nonprofit Organization.** A payment that is not delivered to the public official but is made directly to a bona fide charitable, educational, civic, religious, or similar tax-exempt, non-profit organization. However:
 - The official may not make the donation a condition for their speech, article, or attendance;
 - The official may not claim the donation as a deduction for income tax purposes.
 - The official may not be identified to the non-profit organization in connection with the donation; and
 - The donation may have no reasonably foreseeable financial effect on the public official or on any member of their immediate family. (Regulation 18932.5.)

4. Payment from Family Member. A payment received from the public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person. However, a payment that would be considered an honorarium is prohibited if one of these persons is acting as an agent or intermediary for someone else. (Regulation 18932.4(b).)

5. Payment for Performance or Book. Payments received for a comedic, dramatic, musical, or other similar artistic performance, and payments received for the publication of books, plays, or screenplays. (Regulations 18931.1 and 18931.2.)

6. Reimbursement for Travel Where Official Provides Consideration. Reimbursements for reasonable travel expenses provided to the public official by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which the public official provides equal or greater consideration. The payment would also be exempt from the definition of income under Section 82030(b)(2). (See discussion under "Travel Payments" below.)

Honoraria Exceptions where the payment may still be considered income (or a gift, if consideration of equal or greater value is not provided by the official)

1. Admission to Event Where Official Gives Speech. Free admission, and refreshments and similar non-cash nominal benefits, provided to an official during the entire event at which they give a speech, participates in a panel or provides a similar service, and in-California transportation and necessary lodging and subsistence provided directly in connection with the speech, panel or service, including meals and beverages on the day of the activity. (Regulation 18932.4(e).)

2. Earned Income from a Business. Income earned and payments for travel made in connection with personal services rendered by the official if the services are provided in connection with a bona fide business, trade, or profession — such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting — and the services are customarily provided in connection with the business, trade, or profession. (Section 89506(d)(3) and Regulations 18950(a) and 18950.2.)

This exception does not apply if the sole or predominant activity of the business, trade, or profession is making speeches. In addition, the public official must meet certain criteria to establish that they are conducting or in a bona fide business, trade, or profession (such as maintenance of business records, licensure, proof of teaching position) before a payment received for personal services which may meet the definition of honorarium would be considered earned income and not an honorarium. (Section 89501(b); Regulations 18932 – 18932.3.) Earned income is required to be reported. Contact the FPPC for detailed information.

3. Travel from a Government Agency. Travel payments provided to the public official by their government agency or by any state, local, or federal government agency which would be considered income and not a gift. (Section 89506(d)(2).) See discussion under "Travel Payments" below.

Travel Payments Exceptions

Generally, when an official receives a payment (including reimbursement) for their travel, that payment is a reportable gift or income under the Act. The term “travel payment” includes payments, advances, or reimbursements for travel, including actual transportation, parking and related lodging and subsistence. (Section 89506(a).)

If the payment is a gift, it is also normally subject to the Act’s \$630 gift limit. If the payment is income, it may, in some cases, be an honorarium. Whether a payment is a gift or income, the official may be required to disqualify themselves from any decision that will have a foreseeable materially financial effect on the source.

Certain Travel Payments are not a Gift, Income or Honorarium

Reporting	C/I § 87100	Honoraria Ban	\$630 Gift Limit
No	No	No	No

The following travel payments are not a gift, income or honorarium under the Act and Commission regulations and are thus not reportable, potentially disqualifying, or subject to any of the Act’s gift limits or the honorarium ban.

- 1. Travel from a Non-Reportable Source.** A payment for travel from a source that is not reportable on the official’s statement of economic interests (Form 700) based on the provisions of the conflict of interest code of the official’s agency.
- 2. Travel from Government Agency for Training.** A payment for travel from another local, state, or federal government agency and related per diem expenses when the travel is for education, training or other inter-agency programs or purposes. (Regulation 18950(a) and (c)(2).)
- 3. Sharing a Ride with Another Official.** A payment for travel provided to the official in a vehicle or aircraft owned by another official or agency when each official is traveling to or from the same location for an event as a representative of their respective offices. (Regulation 18950(a) and (c)(3).)
- 4. Certain Travel from a Government Agency or 501(c)(3).** Travel payments provided to the official by any state, local, or federal government agency as part of the official’s employment with that agency or provided to the official by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which the official provides equal or greater consideration. (Section 82030(b)(2).) Any person who claims to have provided consideration has the burden of proving that the consideration received is of equal or greater value.
- 5. Travel for Official Agency Business.** Certain payments made to an agency to cover the travel expenses of an employee who travels in the course of carrying out agency business are not gifts to the official because these payments do not provide a “personal benefit” to the official. For this exception to apply, the agency must report the payment on a Form 801 and the amount and purpose for using the payments are restricted by the provisions set forth in Regulation 18950.1.
- 6. Campaign Contribution.** A payment for travel that constitutes a campaign contribution to an official (Sections 82015, 82028(b)(4); Regulations 18215, 18942(a)(4), 18950(a) and 18950.3(a)), and permissible expenditures of campaign funds for campaign-related travel (Regulations 18950(a) and 18950.3(b)), provided they comply and are properly reported in accordance with applicable campaign finance laws.

7. Travel Payments Fulfilling Terms of Contract. Payments made to a governmental entity for travel expenses that are required to fulfill the terms of a contract. Neither the governmental entity nor the public official has a reporting obligation because consideration has been provided. (Section 82028; *Ratto* Advice Letter, No. I-14-057.)

Certain Travel Payments are Reportable and may Subject the Official to Possible Conflicts of Interest, but are not Subject to the \$630 Gift Limit or Honoraria Ban of the Act.

Reporting	C/I § 87100	Honoraria Ban	\$630 Gift Limit
Yes	Yes	No	No

Travel for a Public Purpose Under Section 89506(a). Any payments for actual transportation expenses and related lodging and subsistence that are made for a purpose reasonably related to: (1) A legislative or governmental purpose, or (2) An issue of state, national, or international policy so long as the travel is either:

(a) *Travel for Speech.* In connection with a speech given by the official and the lodging and subsistence expenses are limited to the day immediately proceeding, the day of, and the day immediately following the speech and the travel is within the United States, or

(b) *Travel paid for by government agency or 501(c)(3) organization.* Provided by a government agency or authority, (including a foreign government), a bona fide public or private educational institution as defined in Section 203 of the Revenue and Taxation Code, or a nonprofit organization that qualifies under Section 501(c)(3) of the Internal Revenue Code or a foreign organization that substantially satisfies the criteria of that section.

These payments are still reportable on the Form 700 and may create a conflict of interest issue for the official.

Payments for Travel in Connection with a Business

Reporting	C/I § 87100	Honoraria Ban	\$630 Gift Limit
Yes - as Income	Yes	No	No

Payments for travel made in connection with personal services rendered by the official if the services are provided in connection with a bona fide business, trade, or profession — such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting — and the services are customarily provided in connection with the business, trade, or profession. (Section 89506(d)(3) and Regulations 18950(a) and 18950.2.)

Loans

Personal loans received by certain local officials are subject to limits and other restrictions, and in some circumstances, a personal loan that is not being repaid or is being repaid below certain amounts may become a gift to the official who received it.

Limitations on Loans from Agency Officials, Consultants, and Contractors

Officials Must Not Receive Loans from Agency Staff. If the public official is a local elected officer or an official specified in Section 87200 (see page 2), they may not receive a personal loan that exceeds \$250 at any given time from an officer, employee, member, or consultant of their government agency or an agency over which their agency exercises direction and control. (Section 87460(a) and (b).)

Officials Must Not Receive Loans from Agency Contractors. In addition, the public official may not receive a personal loan that exceeds \$250 at any given time from any individual or entity that has a contract with their government agency or an agency over which their agency exercises direction and control. This limitation does not apply to loans received from banks or other financial institutions, and retail or credit card transactions, made in the normal course of business on terms available to members of the public without regard to their official status. (Section 87460(c) and (d).)

Loans to Elected Officials Must be in Writing

In addition to the limitations above, if the public official is elected, they may not receive a personal loan of \$500 or more unless the loan is made in writing and clearly states the terms of the loan. The loan document must include the names of the parties to the loan agreement, as well as the date, amount, interest rate, and term of the loan. The loan document must also include the date or dates when payments are due and the amount of the payments. (Section 87461.)

The following loans are not subject to these limits and documentation requirements:

1. **Campaign Loans.** Loans received by an elected officer's or candidate's campaign committee.
2. **Loans from Family Members.** Loans received from the public official's spouse, child, parent, grandparent, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person unless they are acting as an agent or intermediary for another person not covered by this exemption.

Loans as Gifts

Under the following circumstances, a personal loan received by **any** public official (elected and other officials specified in Section 87200, as well as any other local official or employee required to file statements of economic interests) may become a gift and subject to gift reporting and limitations:

1. If the loan has a defined date or dates for repayment and has not been repaid, the loan will become a gift when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, the loan will become a gift if it remains unpaid when one year has elapsed from the later of:
 - The date the loan was made;
 - The date the last payment of \$100 or more was made on the loan; or
 - The date upon which the public official has made payments aggregating to less than \$250 during the previous 12 months. (Section 87462.)

The following loans will not become gifts:

- A loan made to an elected officer's or candidate's campaign committee. This loan would, however, be a campaign contribution and must be reported accordingly.
- A loan described above on which the creditor has taken reasonable action to collect the balance due.
- A loan described above on which the creditor, based on reasonable business considerations, has not undertaken collection action. (However, except in a criminal action, the creditor has the burden of proving that the decision not to take collection action was based on reasonable business considerations.)
- A loan made to an official who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.