

1 Repeal and Readopt 2 Cal. Code Regs. Section 18940 to read:

2 **§ 18940 Guide to Gift Regulations.**

3 ~~(a) Limits on Gifts—Government Code Section 89503~~

4 ~~(b) Gift Limit Amount—Section 18940.2~~

5 ~~(c) Definition of Gift—Government Code Section 82028(a)~~

6 ~~(1) Receipt, Promise and Acceptance of Gift—Section 18941~~

7 ~~(2) Payments for Food—Section 18941.1~~

8 ~~(d) Exclusions and Exceptions~~

9 ~~(1) Exception to “Gifts” and Exception to Gift Limits—Section 18942~~

10 ~~(2) Definition of “Informational Material”—Section 18942.1~~

11 ~~(e) Return, Donation or Reimbursement of a Gift—Section 18943~~

12 ~~(f) Recipient of the Gift~~

13 ~~(1) Valuation of Gifts to An Official and His or her Family—Section 18944~~

14 ~~(2) Passes and Tickets Given to an Agency—18944.1~~

15 ~~(3) Gifts to an Agency—18944.2~~

16 ~~(g) Source of Gifts—Section 18945~~

17 ~~(1) Cumulation of Gifts; “Single” Source—18945.1~~

18 ~~(2) Intermediary of a Gift—18945.3~~

19 ~~(3) A Gift from Multiple Donors—18945.4~~

20 ~~(h) Reporting and Valuation of Gifts: General Rule—Section 18946~~

21 ~~(1) Passes and Tickets—Section 18946.1~~

22 ~~(2) Testimonial Dinners and Events—Section 18946.2~~

23 ~~(3) Wedding Gifts—Section 18946.3~~

24 ~~(4) Tickets to Nonprofit and Political Fundraisers—Section 18946.4~~

1           ~~(5) Prizes and Awards From Bona Fide Competitions—Section 18946.5~~

2           ~~(i) Travel—Section 18950 through 18950.4~~

3           ~~Note: Authority cited: Section 83112, Government Code. Reference: Sections~~  
4           ~~82028, 82030, 87100, 87103, 87207, 87302, and 89501 through 89506 Government~~  
5           ~~Code.~~

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

1 **§ 18940 Guide to the Gift Regulations.**

2 (a) Basic Rule. A gift is a payment made by any person of any thing of value,  
3 whether tangible or intangible, real or personal property, a good or service that provides a  
4 personal benefit to an official when the official does not provide full consideration for the  
5 value of the benefit received. A gift includes a rebate or a discount in the price of  
6 anything of value unless the rebate or discount is offered in the ordinary course of  
7 business without regard to official status. (See Sections 82028, 82044, and 82047.) A gift  
8 may be reportable by the official under Section 87200, 87202, 87203, and 87204 or  
9 Sections 87300 and 87302; subject to limits under Sections 89503 and 86203 and  
10 Regulation 18940.2; result in a disqualifying conflict of interest for the official under  
11 Sections 87100 and 87103 and Regulation 18703.4; and/or require the filing of an activity  
12 expense report by a lobbyist, lobbying firm, or lobbyist employer, or person who directly  
13 or indirectly makes payments to influence legislative or administrative action of \$5,000  
14 or more in any calendar quarter as defined in Section 86111.

15 (b) Exceptions. Certain payments that otherwise meet the Act’s definition of gift,  
16 are excepted from the definition of gift as provided by statute and these regulations. (See  
17 Section 82028(b) and Regulation 18942.) These payments are neither a gift nor income.  
18 Certain payments that do not meet the Act’s definition of gift may be considered income.

19 (c) Valuation. Generally, the value of a gift is determined by its fair market value.  
20 (Regulation 18946, exceptions are provided in Regulations 18946.1 through 18946.6.) An  
21 official must report gifts received from a source subject to disclosure if the cumulative  
22 value is \$50 or more within a reporting period. (Section 87207(a)(1).) With certain  
23 exceptions (See Wedding Gifts, Regulation 18946.3; Travel Payments, Section 89506) if

1 a gift is reportable under the Act, it is prohibited if the value is *more than the amount*  
2 specified in the gift limits identified in Regulation 18940.2 (Section 89503(c) or Section  
3 86203.) Whether or not a gift is reportable, if an official receives any gift(s) from one  
4 source with a cumulative value that meets the amount specified in Regulation 18940.2  
5 within 12 months before the making or participating in the making of a governmental  
6 decision, the official has an economic interest in that source pursuant to Regulation  
7 18703.4, and the official may have a conflict of interest with respect to that source under  
8 the Act’s conflict of interest provisions (Sections 87100, 87103)(e.)

9 (d) Disclosure. For officials required to disclose under Section 87200 of the Act  
10 (“statutory filers”), any gift, or combination of gifts, received from any source is  
11 reportable by the official if the value of the gift, or the cumulative value of multiple gifts,  
12 received from the source in the reporting period is \$50 or more. For officials required to  
13 disclose under an agency conflict of interest code (“code filers”) the gift, or combination  
14 of gifts valued at \$50 or more is only reportable by the official if received from a source  
15 identified in the disclosure category under which the official files pursuant to the  
16 official’s agency conflict of interest code. For those making gifts required to be disclosed  
17 under Section 86113 (Lobbyists), 86114 (Lobbying Firms), and 86116 (Lobbyist  
18 Employers), and \$5,000 filers, any gift, or combination of gifts, of any amount must be  
19 disclosed by the donor to the extent required under Section 86111.

20 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
21 82030, 87100, 87103, 87207, 87302, and 89501 through 89506 Government Code.

22  
23

1 Adopt 2 Cal. Code Regs. Section 18940.1:

2 **§ 18940.1. General Definitions.**

3 In addition to the definition provided in the Act, for purposes of the gift  
4 regulations (Regulations 18940 through 18946.6), the following definitions apply:

5 (a)(1) Reportable Gift. A “gift” is reportable only if it is received from a source  
6 that the official is required to identify pursuant to the official’s filing obligations under  
7 the Act.

8 (b) Official. For purposes of these regulations, “official” means any individual who  
9 holds a position designated in Section 87200 or 87201, or a position that is involved in the  
10 making or participation in the making of governmental decisions that may foreseeably have a  
11 material effect on any of the official’s financial interests as provided in Section 87302, or  
12 who is otherwise required to file a statement of economic interests. “Official” includes a  
13 public official, agency official, candidate, judge, court commissioner, and state or local  
14 public employee who is designated, or is required to be designated under Section 87302, in  
15 the official’s agency’s conflict of interest code. (See Sections 82007 and 82048.)

16 (c) Official’s Filing Obligations. “Filing obligations” means the financial interest  
17 disclosure requirements imposed on an official by Sections 87200 and 87201 or the  
18 official’s conflict of interest code adopted pursuant to Article 3 of Chapter 7 of the Act  
19 beginning with Section 87300.

20 (d) Official Status/Official Position. “Official status” or “official position” means  
21 the official’s status or position as a public official, candidate, judge, court commissioner,  
22 or any position for which filing obligations are imposed.

1           (e) Consideration. “Consideration” means either a payment, or the value of  
2 services rendered, or goods provided in exchange for the payment that confers the  
3 personal benefit on the official under Section 82028.

4           (f) Rebate or Discount. A “rebate or discount” as set forth in Section 82028 is not  
5 “made in the regular course of business to members of the public without regard to  
6 official status” if the rebate or discount is made solely to the official or to a select group  
7 of specific officials, such as one agency or one department or unit within an agency. A  
8 group consisting of all state, all local officials without regard to jurisdiction, or all  
9 officials in a specified local jurisdiction or jurisdictions with more than 1,000 officials is  
10 not considered “a select group of specific officials” so long as the benefit is available to  
11 all officials in that jurisdiction or jurisdictions.

12           (g) Food. “Food” includes food and beverages.

13           (h) Specific definitions applicable to certain exceptions provided in Regulation  
14 18942 are listed in Regulation 18942.1, 18942.2, and 18942.3.

15 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
16 82048, 87200, 87300, and 87302 Government Code.

17 Amend 2 Cal. Code Regs. Section 18940.2 to read:

18  
19  
20  
21  
22  
23

1    **§ 18940.2. Gift Limit Amount.**

2           (a) For purposes of Section 89503, the adjusted annual gift ~~limitation~~ limit  
3 amount in effect for the period January 1, 2011, to December 31, 2012, is \$420.00.

4           ~~(b) The gift limitation of \$250 in Section 89503 shall be adjusted biennially by~~  
5 ~~the Commission to reflect changes in the Consumer Price Index and rounded to the~~  
6 ~~nearest \$10. The resulting figure shall be the adjusted gift limitation in effect until~~  
7 ~~January 1 of the next odd-numbered year.~~

8           ~~(c) The adjustment shall be based upon the September forecast of U.S. Bureau of~~  
9 ~~Labor Statistics California Consumer Price Index for All Urban Consumers for the~~  
10 ~~calendar year immediately preceding the year in which the adjustment is to take effect.~~

11           ~~(d) The adjusted gift limitation amount shall be calculated by the Commission as~~  
12 ~~follows:~~

13           ~~(1) The base dollar amount of \$250 shall be increased or decreased by the~~  
14 ~~cumulative percentage change in the annual average California Consumer Price Index~~  
15 ~~from 1990 to the end of the calendar year immediately preceding the year in which the~~  
16 ~~adjustment will take effect.~~

17           ~~(2) The dollar amount obtained by application of the calculation set forth in~~  
18 ~~subdivision (b) shall be rounded to the nearest \$10.<sup>1</sup>~~

19

---

<sup>1</sup> For example, the California Consumer Price Index for All Urban Consumers for 1990 is 135.0. In 1992, the California CPI increased to 145.6. Therefore, the adjusted gift limitation limit amount beginning in 1993 would be calculated as follows:

$$\frac{\$250 \times 145.6}{135.0} = \$269.63 \text{ } \$415.00 \text{ (} \$270 \text{ rounded to } \$420 \text{ the nearest } \$10.)$$

1 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections  
2 87103(e), 89503, and 89506, Government Code.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

Amend 2 Cal. Code Regulations Section 18941 to read:

**§ 18941. Receipt, Promise, ~~and Acceptance~~ and Return of Gifts a Gift.**

(a) Receipt or Acceptance of a Gift. Except as otherwise provided in ~~this section~~  
~~or in California Code of Regulation, Title 2, Section 18943 subdivision (c),~~ a gift is both  
“received” or ~~and~~ “accepted” when the ~~recipient knows that he or she has either~~ official,  
or the official’s family member pursuant to Regulation 18943, knowingly takes actual  
possession of the gift or is provided the benefit of the gift, or takes any action exercising  
direction or control over the gift.

~~(1) In the case of a~~ A gift of a rebate or discount ~~which based on Government Code~~  
~~Section 82028, would otherwise be a gift, the gift is~~ both “received” ~~or~~ and “accepted”  
under subdivision (a) when the recipient official knows that the rebate or discount given to  
the official is not made in the regular course of business to members of the public without  
regard to official status. An official who receives a rebate or discount has the burden of  
showing that the rebate or discount was made in the regular course of business to members  
of the public without regard to official status.

~~(2) Except for passes or tickets as set forth in California Code of Regulations,~~  
~~Title 2, Section 18946.1(a), discarding a gift does not negate receipt or acceptance of a~~  
~~gift.~~

~~(3) Turning a gift over to another person does not negate receipt or acceptance of~~  
~~a gift.~~

1           (b) ~~Disqualification:~~ Promise of a Gift. For purposes of Government Code  
2 Sections 87100 and 87103(e), a gift is “promised” ~~on the date an offer to give the gift is~~  
3 ~~made if the recipient knows that a gift has been offered and ultimately~~ on the date it is  
4 offered to the official provided he or she thereafter obtains actual possession of the gift or  
5 takes any action exercising direction or control over the gift or, with respect to family  
6 members under Regulation 18943, on the date the official becomes aware of a promise  
7 of a gift to a family member provided that the family member obtains actual possession  
8 of the gift or takes any action exercising direction or control over the gift.

9           (c) General Rule for Return, Donation, or Reimbursement of a Gift. A gift is  
10 neither accepted nor received if, within 30 days:

11           (1) The gift is returned to the donor, the donor’s agent, or the donor’s  
12 intermediary from whom the item was received, unused and without receiving anything  
13 of value in exchange for the returned payment or;

14           (2) The gift is donated, unused, to a 501(c)(3) charitable organization with which  
15 the official, or a member of the official’s immediate family, holds no position, or to a  
16 state, local, or federal government agency, without being claimed as a deduction for tax  
17 purposes or;

18           (3) The official reimburses the donor, donor’s agent, or the donor’s intermediary  
19 from whom the payment was received, in full, or for a portion thereof. If the donor is not  
20 reimbursed for the full value of the payment, the value of the gift the official has received  
21 is reduced by the amount of the reimbursement.

1           (d) Relief from Disqualification. In order to relieve the official of an otherwise  
2 disqualifying financial interest under Section 87100 the return, donation, or  
3 reimbursement of the gift pursuant to subdivision (c) above:

4           (1) Must occur within 30 days of receipt and before the date the official makes,  
5 participates in making, or uses his or her official position to influence the governmental  
6 decision in question; or

7           (2) If the return, donation, or reimbursement has not been made before the  
8 decision, and the gift would otherwise cause the official to be disqualified from  
9 participating in a governmental decision, the official must publicly disclose the receipt of  
10 the gift on the public record, disclose its value, and declare that the return, donation, or  
11 reimbursement will occur within two working days following the decision. The  
12 subsequent return, donation, or reimbursement of the gift must be made within two  
13 working days, and within 30 days after receipt or acceptance, and it must be documented  
14 in the public record.

15 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections  
16 82028(b)(2), 87100, 87103, 87207, 87302 and 89503, Government Code.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

Repeal 2 Cal. Code Regulations Section 18941.1 to read:

**§ 18941.1. Payments for Food.**

Except as provided in Government Code section 82028 and California Code of Regulations, Title 2, sections 18727.5, 18941, 18942, 18943, 18946.2, 18946.5, 18950.3, and 18950.4, a payment made to an elected officer or candidate for his or her food is a gift.

NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028, 87207 and 89501 through 89506, Government Code.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

Amend 2 Cal. Code Regulations Section 18942 to read:

**§ 18942. Exceptions to Gift and Exceptions to Gift Limits.**

(a) For purposes of Sections 82028, 82030, and the gift regulations, ~~none of the following is a gift and none is subject to any limitation on gifts;~~ the following payments that otherwise meet the definition of gift as provided in Section 82028, subdivision (a) are neither gifts nor income:

(1) Informational material as defined by Regulation 18942.1. (Section 82028(b)(1).)

(2) ~~Except for passes and tickets as provided in Regulation 18946.1, a~~ A gift payment that is not used and that, within 30 days after receipt, pursuant to Regulation 18941 is returned, or donated pursuant to Regulation 18943, or for which reimbursement is paid pursuant to said Regulation 18943. (Section 82028(b)(2).)

(3) ~~A gift payment from: an individual's~~ the official's spouse; or former spouse; child; or step-child; parent; grandparent; grandchild; brother; sister; current or former parent-in-law, brother-in-law, or sister-in-law; nephew; niece; aunt; or uncle; including grand nephew, grand niece, grand aunt, or grand uncle, or first cousin including first cousin once removed or the spouse, or former spouse, of any such person other than a former in-law, unless the donor is acting as an agent or intermediary for any person not identified in this subdivision ~~(a)(3)~~ paragraph. (Section 82028(b)(3).)

(4) A campaign contribution required to be reported under Chapter 4 of the Act (commencing with ~~Government Code section~~ Section 84100). (Section 82028(b)(4).)

(5) Any devise or inheritance. (Section 82028(b)(5).)

1 (6) A personalized plaque or trophy ~~with an individual value of~~ valued at less than  
2 \$250. (Section 82028(b)(6).)

3 (7)(A) The cost of home hospitality, as defined in Regulation 18942.2, ~~(including~~  
4 ~~food, beverages, or occasional lodging)~~ provided to an official by an individual in the  
5 individual's home when the individual is present, unless one of the following provisions  
6 applies:

7 (i) Any part of the cost of the hospitality provided by the host is paid directly or  
8 reimbursed by another person.

9 (ii) Any person deducts any part of the cost of such hospitality as a business  
10 expense on any government tax return.

11 (iii) There is an understanding between the individual extending the hospitality  
12 and another person that any amount of compensation the individual receives from that  
13 person includes a portion to be utilized to provide gifts of hospitality in the individual's  
14 home.

15 (B) In determining the applicability of subparagraph (A), the following apply:

16 (i) The cost of providing hospitality does not include any part of the value or  
17 rental cost of the home nor does it include any depreciation value on the home where the  
18 hospitality is extended.

19 (ii) An official may presume that the cost of home hospitality is paid by the host,  
20 unless the host discloses to the official, or it is clear from the surrounding circumstances  
21 at the time the hospitality is provided, that a person, other than the host, paid the cost of  
22 the hospitality.

1           (8)(A) ~~Gifts~~ Benefits commonly exchanged between an individual who is  
2 required to file a statement of economic interests and another individual, other than a  
3 lobbyist, official and an individual who is not a lobbyist required to register to lobby the  
4 official's agency, on ~~holidays~~ a holiday, birthday, or ~~similar~~ other occasions, including  
5 reciprocal exchanges as identified in subparagraph (B) below where benefits are  
6 commonly exchanged, to the extent that the ~~gifts~~ value of the ~~benefits~~ exchanged ~~are~~ is  
7 not substantially disproportionate ~~For purposes of this subdivision, and notwithstanding~~  
8 Regulation 18946.2(b), "gifts exchanged" includes and includes food, beverages,  
9 entertainment, and nominal benefits provided at the occasion to guests at an event, by the  
10 an honoree or another individual, other than a lobbyist, hosting the event.

11           (B) Reciprocal Exchanges made in a social relationship between an official and  
12 another individual [OPTION who is not a lobbyist required to register to lobby the  
13 official's agency], with whom the official participates in repeated social events or  
14 activities such as lunches, dinners, rounds of golf, attendance at entertainment or sporting  
15 events, where the parties typically rotate payments on a continuing basis so that, over  
16 time, each party pays for approximately his or her share of the costs of the continuing  
17 activities, so long as the total value of payments received by the official within the  
18 calendar year is not substantially disproportionate to the amount paid by the official. If  
19 the official receives a disproportionate amount relative to what the official paid, the  
20 official has received a gift for the excess amount. This reciprocal exchange payment  
21 provision does not apply to any single payment that is equal to or greater than the amount  
22 specified in Regulation 18940.2.

1 (9) Leave credits, including vacation, sick leave, or compensatory time off,  
2 donated to ~~an~~ the official in accordance with a bona fide catastrophic or similar  
3 emergency leave program established by the official's employer and available to all  
4 employees in the same job classification or position. ~~This shall not include~~ except for  
5 donations of cash.

6 (10) Payments received under a government agency program or a program  
7 established by a bona fide charitable organization exempt from taxation under ~~section~~  
8 Section 501(c)(3) of the Internal Revenue Code designed to provide disaster relief or  
9 food, shelter, or similar assistance to qualified recipients if ~~such~~ the payments are  
10 available to members of the public without regard to official status.

11 ~~(11) Free admission, and refreshments and similar non-cash nominal benefits~~  
12 ~~provided to a filer at an event at which the filer gives a speech, participates in a panel or~~  
13 ~~seminar, or provides a similar service, and transportation and any necessary lodging and~~  
14 ~~subsistence that is exempt under Regulation 18950.3. These items are not payments and~~  
15 ~~need not be reported by the filer.~~

16 (11) ~~The transportation, lodging, and subsistence specified by Regulation~~  
17 18950.4. Payments for campaign activities as specified in Regulation 18950.4.

18 (12) A ticket ~~or pass, provided to an official for his or her admission~~ that provides  
19 admission to a facility, event, show, or performance for an entertainment, amusement,  
20 recreational, or similar purpose ~~to an event~~ at which the official performs a ceremonial  
21 role ~~or function~~ on behalf of ~~the~~ his or her agency, as defined in Regulation 18942.3, so  
22 long as the ~~official~~ official's agency complies with the posting provisions set forth in  
23 ~~subdivision (e)~~ of Regulation 18944.1, subdivision (d).



1 Any official who attends the event as part of his or her job duties to assist the official who  
2 is performing the ceremonial role has not received a gift or income by attending the  
3 event.

4 (13) A prize or award received in a bona fide competition not related to the  
5 official's status.

6 (14) Benefits received as a guest attending a wedding or civil union so long as the  
7 benefits are substantially the same as the benefits received by the other guests attending  
8 the wedding.

9 (15) Bereavement offerings typically provided in memory of and concurrent with  
10 the passing of a spouse, parent, child, or sibling or other relative of the official.

11 (16) (A) Acts of Neighborliness. A service performed, such as a loan of an item,  
12 occasional transportation, or personal assistance in making a repair that is not normally  
13 part of an economic transaction between like participants in a similar transaction so long  
14 as the individual providing the benefit to the official is not an individual described under  
15 (E)(i-iii) below.

16 (B) Bona Fide Date or Dating Relationship. Personal benefits commonly  
17 exchanged between people on a date or in a dating relationship, so long as the individual  
18 providing the benefit to the official is not an individual described under (E)(i-iii) below.  
19 If the benefit is from an individual identified in under (E)(i-iii), the value of the  
20 aggregate benefits are not limited or reportable but are subject to the Act's conflict of  
21 interest provisions if the value meets the amount specified in Regulation 18940.2.

22 (C) Acts of Human Compassion. Donations, monetary or otherwise, provided to  
23 an official, or an official's family member, to offset family medical or living expenses

1 that the official can no longer meet without private assistance because of an accident,  
2 illness, employment loss, death in the family, or other unexpected calamity; or to defray  
3 expenses associated with humanitarian efforts such as the adoption of an orphaned child,  
4 so long as the source of the donation is an individual who has a prior social relationship  
5 with the official of the type where it would be common to provide such assistance (such  
6 as a relative, long-term friend, neighbor, co-worker or former co-worker, member of the  
7 same local religious or other similar organization, etc.), or the payment is made without  
8 regard to official status under other circumstances in which it would be common to  
9 receive community outreach, so long as the individual providing the benefit to the official  
10 is not an individual described under (E)(i-iii) below.

11 (D) A payment provided to an official by an individual with whom the official has  
12 had a long term, close personal relationship unrelated to the official's position with the  
13 agency, so long as the individual providing the benefit to the official is not an individual  
14 described under (E)(i-iii) below.

15 (E) The person providing the benefit to the official is none of the following:

16 (i) A lobbyist, lobbying firm, lobbyist employer, or other person required to file  
17 reports under Chapter 6 (commencing with Section 86100) of the Act and who is or  
18 should be registered to lobby the official's agency.

19 (ii) A person who has a contract with the official's agency or engages in the type  
20 of business that regularly has contracts with or comes before the agency for the purpose  
21 of receiving a license, (other than a professional license), permit, or other entitlement and  
22 the official makes or participates in a governmental decision, as defined in the Act's  
23 conflict of interest regulations (Regulation 18702 et seq.), of the type in which the person

1 may foreseeably engage, or has engaged, within 12 months of the time the gift is made.  
2 For purposes of this subparagraph, a person who “engages in the type of business that  
3 regularly has contracts with or comes before the agency” does not include any individual  
4 who has less than a ten percent interest in the business contracting with or appearing  
5 before the agency.

6 (iii) A person, or an agent of a person, involved in a licensing or enforcement  
7 proceeding before a regulatory agency that employs the official and in which the official  
8 may foreseeably engage, or has engaged, within 12 months of the time the gift is made.

9 (17) Any payment, that would otherwise meet the definition of gift, where the  
10 payment is made by an individual not identified above, who is not a lobbyist, where it is  
11 clear that the gift was made because of an existing personal or business relationship and  
12 there is no evidence whatsoever at the time the gift is made that the official engages in  
13 the type of governmental decisions that may have a reasonably foreseeable material  
14 financial effect on the individual who would otherwise be the source of the gift.

15 (18) Acts of a Good Samaritan. Any act performed by any individual that  
16 rescues someone in need or in harm’s way, such as a drowning person or a stranded  
17 person, or provides emergency medical assistance, including a ride to the hospital, in  
18 order to protect the individual’s safety or preclude the individual’s potential demise.

19 (b) ~~The following items, if they are otherwise gifts,~~ are exempt from the  
20 limitations on gifts described in Section 89503:

21 (1) Payments for transportation, lodging, and subsistence that are exempt from  
22 limits on gifts by Section 89506 ~~and Regulations 18950.3, et seq.~~

23 (2) Wedding gifts.

1 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
2 86113, 86203, 87100, 87103, 87207, 87302 and 89503, Government Code.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

1 Amend 2 Cal. Code Regulations Section 18942.1 to read:

2 **§ 18942.1. Definition of “Informational Material.”**

3 “Informational material” means any ~~item which~~ goods or service that serves  
4 primarily to convey information and ~~which that~~ is provided to the official for the purpose  
5 of assisting ~~the recipient~~ him or her in the performance of his or her official duties or the  
6 duties of the elective office he or she seeks. Informational material may include:

7 (a) Books, reports, pamphlets, calendars, periodicals, ~~videotapes,~~ photographs,  
8 audio and video recordings, flash drives, CD-ROMS, or DVD ROMS or other similar  
9 recordings, or free or discounted admission to informational conferences or seminars.

10 (b) Scale models, pictorial representations, maps, and other such items, provided  
11 that ~~where~~ when the item has a fair market value in excess of \$420 the gift limit amount  
12 specified in Regulation 18940.2, the burden shall be on the recipient to demonstrate that  
13 the item is informational material.

14 (c) ~~On-site demonstrations, tours, or inspections designed specifically for the~~  
15 ~~purpose of assisting the recipient public officials or candidates in the performance of~~  
16 ~~either their official duties or of the elective office they seek. No payment for~~  
17 ~~transportation to an inspection, tour, or demonstration site, nor reimbursement for any~~  
18 ~~expenses in connection therewith, shall be deemed “informational material” except~~  
19 ~~insofar as such transportation is not commercially obtainable.~~

20 On-site demonstrations, tours, or inspections. Transportation provided to or in  
21 connection with an on-site demonstration, tour, or inspection is also considered  
22 “informational material” when any of the following apply:

1           (1) The transportation substantially and directly assists in conveyance of the  
2 information.

3           (2) The transportation is to or from a site that is legally inaccessible to the public.

4           (3) The transportation is provided solely at the site of an on-site demonstration,  
5 tour, or inspection.

6           (4) The transportation is to or from a site when there is no reasonable, publicly-  
7 available commercial transportation within 50 miles of that site and the transportation  
8 provided is limited to the segment for which public transportation is not available.

9 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
10 87103(e), 87207 and 89503, Government Code.

11

12

13

14

15

16

17

18

19

20

21

22

23

1 Adopt 2 Cal. Code Regulations Section 18942.2 to read:

2 **§ 18942.2. Definition of Home Hospitality.**

3 Home Hospitality. “Home hospitality” means any benefit received by the official,  
4 and the official’s spouse and family members when accompanying the official, consisting  
5 of food, typical home entertainment, or occasional overnight lodging [OPTION: of up to  
6 one week] provided by an individual with whom the official has a relationship,  
7 connection, or association unrelated to the official’s position and the hospitality is  
8 provided as part of that relationship, connection, or association in the individual’s home  
9 when the individual is present. Home hospitality includes any food provided by other  
10 guests at the event and benefits received by the official when the official serves as the  
11 host. “Home” includes a vacation home owned, rented, or leased, by the individual for  
12 use as his or her residence, including a timeshare with deeded ownership or a continual  
13 right-to-use ownership benefit, and a motor home or boat owned, rented, or leased by the  
14 individual for use as his or her residence. Home also includes any facility in which the  
15 individual has a right-to-use benefit by his or her home residency, such as a community  
16 clubhouse. Any benefit received, other than the use of the premises, by any guests of the  
17 official other than the official’s spouse and children who are present at the request of the  
18 official or the official’s agent are gifts to the official.

19 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
20 87207 and 89503, Government Code.

21

22

23

1 Adopt 2 Cal. Code Regulations Section 18942.3 to read:

2 **§ 18942.3. Definition of Ceremonial Role.**

3 A “ceremonial role” is an act performed at an event by the official as a  
4 representative of the official’s agency at the request of the holder of the event or function  
5 where, for a period of time, the focus of the event is on the act performed by the official.  
6 Examples of a ceremonial role include: throwing out the first pitch at a baseball game,  
7 cutting a ribbon at an opening, making a presentation of a certificate, proclamation,  
8 award, or other item, such as the key to the city. The filing officer of a local jurisdiction  
9 may adopt specific policies under this definition that either limit or expand the  
10 permissible ceremonial roles for an official in the local jurisdiction. If the local  
11 jurisdiction's filing officer does not have policy-making authority, the legislative body  
12 may adopt a specific policy. If a separate agency policy is adopted, the policy shall be  
13 forwarded to the Commission for posting on the Commission’s website.

14 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
15 87207 and 89503, Government Code.

16  
17  
18  
19  
20  
21  
22  
23



1 Repeal 2 Cal. Code Regulations Section 18943 to read:

2 ~~§ 18943. Return, Donation, or Reimbursement of a Gift.~~

3 ~~(a) General Rule for Return, Donation, or Reimbursement of a Gift. A gift is~~  
4 ~~neither accepted nor received if it is returned, donated, or reimbursed in any manner set~~  
5 ~~forth below.~~

6 ~~(1) The gift is returned to the donor, or to the donor's agent or intermediary,~~  
7 ~~unused, within 30 days of receipt or acceptance. In such event, neither the recipient nor~~  
8 ~~the donor shall be required to disclose the receipt or making of a gift or activity expense;~~  
9 ~~or~~

10 ~~(2) The gift is donated, unused, to a charitable organization within 30 days of~~  
11 ~~receipt or acceptance, without being claimed as a charitable contribution for tax purposes.~~  
12 ~~In such event, neither the recipient, nor the donor shall be required to disclose the receipt~~  
13 ~~or making of a gift or activity expense; or~~

14 ~~(3) The gift is donated, unused, to a state, local, or federal government agency,~~  
15 ~~within 30 days of receipt or acceptance, without being claimed as a deduction for tax~~  
16 ~~purposes. In such event, neither the recipient, nor the donor shall be required to disclose~~  
17 ~~the receipt or making of a gift or activity expense; or~~

18 ~~(4) The recipient within 30 days of receipt or acceptance, reimburses the donor, or~~  
19 ~~the donor's agent or intermediary, for all or a portion of the gift. In such event the value~~  
20 ~~of the gift is reduced by the amount of the reimbursement, and the amount of any gift or~~  
21 ~~activity expense which must be disclosed is reduced by the amount of the reimbursement.~~

22 ~~(b) Relief from Disqualification by Return, Donation, or Reimbursement. In~~  
23 ~~order to relieve the recipient of an otherwise disqualifying financial interest based upon~~

1 ~~the receipt or acceptance of a gift valued at \$420 or more pursuant to Section 87100, the~~  
2 ~~return, donation, or reimbursement of the gift pursuant to subdivision (a), above:~~

3 ~~(1) Must occur within 30 days of receipt or acceptance and prior to the date the~~  
4 ~~recipient makes, participates in making, or uses his or her official position to influence~~  
5 ~~the governmental decision in question; or,~~

6 ~~(2) If the return, donation, or reimbursement has not been made prior to the~~  
7 ~~decision, the recipient must publicly disclose the receipt or acceptance of the gift on the~~  
8 ~~public record, disclose its value, and declare that the return, donation, or reimbursement~~  
9 ~~will occur within two working days following the decision. The subsequent return,~~  
10 ~~donation, or reimbursement must be made within two working days, and within 30 days~~  
11 ~~from receipt or acceptance, and must be documented in the public record.~~

12 ~~NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 87100,~~  
13 ~~87103, 87207, 87302 and 89503, Government Code.~~

14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Renumber and Amend 2 Cal. Code of Regulations Section 18944 to read:

2 **§ 18944 18943. Gifts Gift to Official Members of an Official's or Candidate's**

3 **Through Family Member.**

4 (a) Scope of Regulation. This regulation ~~applies when determining whether a gift~~  
5 determines when a payment to a public official's or candidate's family member also  
6 constitutes a gift to the public official or candidate for purposes of the Act will be treated  
7 as if it were a gift to the official even though the payment is made to the official's family  
8 member.

9 (b) ~~Definitions.~~ For purposes of this regulation, the ~~following definitions apply.~~  
10 term

11 (1) ~~“Official” means a public official as defined in Section 82048 or a candidate~~  
12 ~~as defined in Section 82007.~~

13 (2) ~~“Official's family” or “family member” includes~~ means any of the following  
14 individuals:

15 (A) (1) ~~An~~ The official's spouse as defined in Regulation 18229.

16 (B) (2) A “dependent child” of the official as defined in Regulation 18229.1.

17 (C) (3) ~~An~~ The official's child (including an adoptive child or stepchild) who

18 meets all of the following criteria:

19 (i) (A) Is at least 18 but no more than 23 years old and is a full-time or part-time  
20 student.

21 (ii) (B) Has the same principal place of residence as the official. For purposes of  
22 this provision, a place, located away from the official's residence, at which the child

1 resides for the purpose of attending school is not the child’s “principal place of  
2 residence.”

3 (iii) (C) Does not provide over one-half of his or her own support.

4 (c) ~~A single gift given to both an official and one or more members of the~~  
5 ~~official’s family is a gift to the official for the full value of the gift.~~

6 (d) ~~The following applies to a gift~~ Absent an exception under Regulation 18942,  
7 a payment given solely to provided to or for the use of a family member of an official’s  
8 family. is a gift to the official [OPTION 1] under either of the following conditions:  
9 [OPTION 2] if both the following apply:

10 (1) ~~A gift given solely to a member of an official’s family is a gift to the official~~  
11 There is no established working, social, or similar relationship between the donor and the  
12 family member that would suggest an association between the donor and the family  
13 member suitable or appropriate for making the type of payment provided to the family  
14 member.

15 (2) There is evidence to suggest the donor had a purpose to influence the official.  
16 ~~when the gift confers a clear personal benefit on the official. A gift to an official’s family~~  
17 ~~member confers a clear personal benefit on the official~~ Evidence to suggest the donor had  
18 a purpose to influence the official exists in any of the following circumstances:

19 (A) ~~It is reasonably foreseeable at the time the gift is made that the official will~~  
20 ~~enjoy a financial benefit from the gift. A “financial benefit” from a gift includes, but is~~  
21 ~~not limited to, a payment, other than occasional meals, lodging, or local transportation, to~~  
22 ~~fulfill a commitment, obligation, or expense of the type normally paid by a family for the~~  
23 ~~ordinary care and support of one of its members.~~

1           ~~(B) It is reasonably foreseeable at the time the gift is made that the official will~~  
2           ~~use the gift, except for a minimal use.~~

3           ~~(C) The official exercises discretion and control over who will use or dispose of~~  
4           ~~the gift. Exercising “discretion and control” includes, but is not limited to, when an~~  
5           ~~official, or his or her agent, requests a gift for, or to be used by, the official’s family~~  
6           ~~member.~~

7           ~~(2) A gift given solely to a member of an official’s family and not covered under~~  
8           ~~subdivision (1) is a gift to the official if the gift confers a presumed personal benefit on~~  
9           ~~the official. A gift to an official’s family member confers a presumed personal benefit on~~  
10          ~~the official in any of the following circumstances:~~

11           ~~(A) The gift payment is made to a family member of a state agency official ~~who~~~~  
12          ~~is subject to Section 87200 by a donor who is a lobbyist, lobbying firm, lobbyist~~  
13          ~~employer, or other person required to file reports under Chapter 6 (commencing with~~  
14          ~~Section 86100) of the Act and who is or should be registered to lobby the official’s~~  
15          ~~agency.~~

16           ~~(B) The gift payment is made to a family member of a state or local government~~  
17          ~~agency official ~~who is subject to Section 87200 by a donor, or the donor’s agent, who is~~~~  
18          ~~or has been directly involved in a governmental decision; if the donor is involved in an~~  
19          ~~action or decision before the official’s agency as defined in Regulation 18704.1(a), in~~  
20          ~~which the official will foreseeably participate, or an action in which he or she has~~  
21          ~~participated ~~in~~ within the prior 12-month period last 12 months.~~

22           ~~(C) The payment is made to a family member by a person who has a contract with~~  
23          ~~the official’s agency or by a person who engages in a business that regularly seeks~~

1 contracts with or comes before the agency for the purpose of receiving a license, permit,  
2 or other entitlement and the official may reasonably foreseeably make or participate in a  
3 governmental decision, as defined in the Act’s conflict of interest regulations (Regulation  
4 18702 et seq.), related to the person, or has participated in any decision related to the  
5 person within 12 months of the time the gift is made. For purposes of this subparagraph,  
6 a person who “has a contract with the official’s agency” or who “engages in a business  
7 that regularly seeks contracts with or comes before the agency” does not include any  
8 individual who has less than a ten percent interest in the business contracting with or  
9 appearing before the agency.

10 (3) ~~Exceptions~~

11 (A) ~~There is no gift to an official under paragraph (1) if both of the following~~  
12 ~~circumstances apply:~~

13 (i) ~~The official can show there is a established working, social, or similar~~  
14 ~~relationship between the donor and the official’s family member independent of the~~  
15 ~~relationship between the donor and the official.~~

16 (ii) ~~The person who made the gift is not a donor identified in paragraphs (2)(A)~~  
17 ~~or (2)(B).~~

18 (B) ~~The official can rebut the presumption in paragraph (2) if he or she can show~~  
19 ~~there is an established working, social, or similar relationship between the donor and the~~  
20 ~~official’s family member independent of the relationship between the donor and the~~  
21 ~~official.~~

22 (e) ~~This regulation does not apply to the type of gift that, under the Act or other~~  
23 ~~Commission regulations, would not be considered a gift if given directly to the official.~~

1 Note: Authority cited: Section 83112, Government Code. Reference: Section 82028,  
2 Government Code.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

1 Renumber 2 Cal. Code Reg. Section 18944.2 to 18944 and to read:

2 § ~~18944.2~~ 18944. **Gifts to an Agency.**

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23



1 Amend 2 Cal. Code Regs. Section 18944.1 to read:

2 **§ 18944.1. Gifts: Agency Provided Tickets or Passes to Events.**

3 For purposes of this regulation ~~“ticket or pass”~~ the terms “ticket” and “pass,” as  
4 defined in Regulation 18946, means apply solely to an admission to a facility, event,  
5 show, or performance for an entertainment, amusement, recreational, or similar purpose  
6 provided by an agency to, or at the behest of, an official of that agency, other than an  
7 admission provided to a school, college or university district official, coach, athletic  
8 director, or employee to attend an amateur event performed by students of that school,  
9 college, or university district or an admission identified in Regulation 18942 (a)(12).

10 (a) ~~Ticket or pass provided to official by official’s agency.~~

11 (1) ~~When an agency provides a ticket or pass to an official of that agency, the A~~  
12 ~~ticket or pass is not subject to the provisions of this regulation, provided that if~~  
13 ~~the official treats the ticket or pass as income consistent with applicable state and federal~~  
14 ~~income tax laws and the agency reports the distribution of the ticket or pass as income to~~  
15 ~~the official in ~~complying~~ compliance with the reporting provisions of subdivision (e) (d)~~  
16 ~~below.~~

17 (2) Any ticket or pass acquired by the agency under subdivision (b)(2) and  
18 distributed to an official, other than an elected official or member of the legislative or  
19 governing body of the agency, for the official’s personal use, to support general  
20 employee morale, retention, or to reward public service is deemed to serve a public  
21 purpose, and any tickets distributed to an official for such purpose shall be reported as  
22 described under subdivision (d)(3). For purposes of this paragraph, “personal use” means  
23 use by the official, his or her family, or no more than one guest.

1           ~~(2) (b) When an agency provides a ticket or pass to a public official that~~  
2 ~~otherwise meets the definition of gift under Section 82028 and is not exempt under~~  
3 ~~applicable Commission regulations, the~~ The official will meet the burden under Section  
4 82028 that equal or greater value has been provided in exchange ~~therefor, provided that~~  
5 for the ticket or pass if the official reimburses the agency for the ticket or if all of the  
6 following requirements are met:

7           ~~(A) (1) With respect to a~~ For a ticket or pass the agency receives from an outside  
8 source, other than as provided in subdivision (b)(2) provided to an official by the  
9 official's agency:

10           ~~(i) (A)~~ (A) The ticket or pass is not earmarked by the ~~original~~ outside source for use  
11 by the agency official who uses the ticket or pass;

12           ~~(ii) (B)~~ (B) The agency determines, in its sole discretion, ~~which official may use who~~  
13 uses the ticket or pass.

14           ~~(iii) (C)~~ (C) The distribution of the ticket or pass by the agency is made in accordance  
15 with a policy adopted by the agency ~~in accordance with that incorporates all of the~~  
16 provisions of subdivision ~~(b)~~ (c) below.

17           ~~(B) (2) With respect to a ticket or pass provided by the official's agency to an~~  
18 ~~agency official, which ticket or pass~~ For a ticket or pass the agency obtains (i) pursuant to  
19 the terms of a contract for use of public property, (ii) because the agency controls the  
20 event (such as a state or county fair), or (iii) ~~that is purchased by the agency by purchase~~  
21 at fair market value, the distribution of the ticket or pass is made in accordance with a  
22 policy adopted by the agency that incorporates all of the provisions of subdivision (c)  
23 below.

1           ~~(b)~~ (c) Agency Ticket/Pass Distribution Policy. Any distribution of ~~tickets or~~  
2 ~~passes~~ a ticket or pass under subdivision ~~(a)(2) by an agency~~ this regulation to, or at the  
3 behest of, ~~its officials~~ an agency official must be made pursuant to a written agency ticket  
4 distribution policy, duly adopted by the legislative or governing body of the agency or, if  
5 none, the agency head that ~~state the public purposes to be accomplished by the agency~~  
6 policy. ~~If the agency maintains a website, the written policy shall be posted on the~~  
7 ~~website in a prominent fashion. The written policy shall contain,~~ contains, at a minimum,  
8 all of the following:

9           (1) a A provision setting forth the public purposes of the agency ~~to be~~  
10 ~~accomplished by the distribution of~~ for which tickets or passes may be distributed.

11           (2) a A provision requiring that the distribution of any ticket or pass ~~by the agency~~  
12 to, or at the behest of, an agency official accomplish a stated public purpose of the  
13 agency; and

14           (3) a A provision prohibiting the transfer ~~by any official~~ of any ticket ~~or pass,~~  
15 ~~distributed to such official~~ received by an agency official pursuant to the agency  
16 distribution policy, ~~to any other person,~~ except to members of the official's ~~immediate~~  
17 family or no more than one guest solely for their personal use attendance at the event.

18           ~~(e)~~ (d) The distribution Public Posting. A record of a ticket or pass distributed  
19 pursuant to this regulation, ~~or Regulation 18942(a)(13) including a ticket or pass that is~~  
20 ~~provided to the official under subdivision (a)(1) above,~~ shall must be posted, completed,  
21 on a form provided by the Commission, ~~in a prominent fashion on the agency's website,~~  
22 ~~within 30 days after the distribution. If the agency does not maintain a website, the.~~ The

1 form ~~shall~~ must be maintained as a public record, be subject to inspection and copying  
2 under Section 81008(a), and be forwarded to the Commission for posting on its website.

3 (1) Except as provided in paragraphs (2) and (3) below, The posting the  
4 information ~~shall~~ must include the following:

5 (A) The name of the person receiving the ticket or pass, ~~except that if the ticket or~~  
6 ~~pass is distributed to an organization outside the agency, the agency may post the name,~~  
7 ~~address, description of the organization, and the number of tickets or passes provided to~~  
8 ~~the organization in lieu of posting the names of each individual from the organization;~~

9 ~~(2) (B) a~~ A description of the event;

10 ~~(3) (C) the~~ The date of the event;

11 ~~(4) (D) the~~ The face value of the ticket or pass;

12 ~~(5) (E) the~~ The number of tickets or passes provided to each person;

13 ~~(6) (F) if~~ If the ticket or pass is behested, the name of the official who behested  
14 the ticket ~~or~~ pass; and

15 ~~(7) (G) a~~ A description of the public purpose under which the distribution was  
16 made or, alternatively, that the ticket or pass was distributed as income to the official.

17 (2) If the ticket or pass is distributed to an organization outside the agency, the  
18 agency shall post the name, address, description of the organization, and the number of  
19 tickets or passes provided to the organization in lieu of posting the names of each  
20 individual from the organization as otherwise required in paragraph (1) above;

21 (3) If the ticket or pass is distributed pursuant to subdivision (b) the agency may  
22 post the name of the department or other unit of the agency and the number of tickets or

1 passes provided to the department or other unit in lieu of posting the name of the  
2 individual employee as otherwise required in paragraph (1) above;

3 ~~(d)~~ (e) The Commission recognizes the discretion of the legislative or governing  
4 body of an agency or, if none, the agency head to determine whether the distribution of a  
5 ticket or pass serves a legitimate public purpose of the agency, provided the  
6 determination is consistent with state law.

7 (e) (f) The provisions of ~~subdivision (b)~~ this regulation apply only to the benefits  
8 the official receives ~~by the admission and are not applicable to any other benefits the~~  
9 ~~official may receive that are not included~~ provided to all members of the public with the  
10 same class of ticket admission, such as food or beverages, or any other item presented to  
11 ~~the official at the event.~~

12 NOTE: Authority cited: Section 83112, Government Code. Reference: Section 82028,  
13 Government Code.

14

15

16

17

18

19

20

21

22

23

1 Amend2 Cal. Code Regulations Section 18944.3:

2 **§ 18944.3. Gifts from a Government Agency to Officials in that Agency.**

3 Except as provided in Regulations ~~18944.1 and 18944.2~~ 18944 and 18944.1, a  
4 payment by a government agency from that agency's assets that provides food, beverage,  
5 entertainment, goods, or services of more than a nominal value to an official in that  
6 agency is a gift to that official unless the payment is a lawful expenditure of public  
7 moneys.

8 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
9 Government Code.

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Renumber and Amend 2 Cal. Code Regs. Section 18944.4 to 18944.2 and to read:

2 **§ ~~18944.4~~ 18944.2. Agency Raffles and Gift Exchanges of Presents.**

3 (a) Applicability. This regulation identifies when a payment made by a state or  
4 local government agency ~~in the form~~ of an item awarded to an agency employee official  
5 in a raffle open to all employees of the agency, or the unit of the agency holding the  
6 raffle, or ~~in an agency gift exchange~~ received in an exchange of presents among agency  
7 employees, will be treated as a gift to the employee official.

8 (b) Agency Raffles.

9 (1) When an agency holds an employee raffle and the item awarded in the raffle  
10 has been received by the agency from a source other than an agency employee and the  
11 agency did not purchase the item from its funds, the ~~payment item~~ item is a gift ~~to the~~  
12 employee from the source who provided the item to the agency to the official who wins  
13 the item, and the agency is the intermediary of the gift. The value of the gift is the fair  
14 market value less any consideration ~~paid by the employee~~ that the official paid to  
15 participate in the raffle. If the value of the gift is \$50 or more ~~and the employee is~~  
16 ~~required to report the gift on his or her statement of economic interests~~, the agency and  
17 the employee official shall comply with Section 87210 or Section 87313 as if applicable.

18 (2) When an agency holds an employee raffle and the item awarded in the raffle  
19 has been obtained with agency funds or is otherwise an asset of the agency and not  
20 donated to the agency by a non-agency source, the provisions of Regulation 18944.3  
21 apply.

1 (3) When an agency holds an employee raffle and the item awarded in the raffle  
2 has been received by the agency from an agency employee who is not acting as an  
3 intermediary for another donor, the item is not a gift to the employee who wins the raffle.

4 (c) ~~Agency Gift Exchanges.~~ Exchanges of Presents Among Agency Employees.  
5 When an employee of an agency ~~participates in an employee gift exchange,~~ receives a  
6 present in an exchange of presents, where all participants in the exchange are agency  
7 employees, any ~~item~~ present received by the ~~employee~~ official in the ~~gift~~ exchange is not  
8 a gift so long as the ~~item~~ present received is provided by another employee of the agency  
9 and ~~the gifts are~~ is not substantially disproportionate in value from the item provided by  
10 the official.

11 (d) This regulation does not apply to ~~passes or tickets~~ a ticket or pass of the type  
12 described in Regulation 18944.1, which shall be governed by that regulation, if the ticket  
13 or pass is provided from a source other than an agency employee.

14 NOTE: Authority cited: Section 83112, Government Code. Reference: Section 82028,  
15 Government Code.



1 Amend 2 Cal. Code Regs. Section 18945 to read:

2 **§ 18945. Source of Gifts.**

3 ~~(a) General Rule. A person is the source of a gift if the person makes a gift to an~~  
4 ~~official and is not acting as an intermediary.~~

5 ~~(b) Gifts through an Intermediary.~~

6 ~~(1) A person is the source of a gift, and a third party is an intermediary of the gift~~  
7 ~~under Sections 87210 or 87313, if the person makes a payment to the third party and the~~  
8 ~~payment is used directly or indirectly by the third party to make a gift to an official under any~~  
9 ~~of the following conditions:~~

10 ~~(A) The person directs and controls the payment at the time it is used by the third~~  
11 ~~party to make a gift to the official.~~

12 ~~(B) The person and third party have agreed that the payment will be used by the third~~  
13 ~~party to make a gift to the official.~~

14 ~~(C) The person identifies the official to the third party as the intended beneficiary of~~  
15 ~~the payment prior to the third party making the payment to the official.~~

16 ~~(D) The third party identifies the official to the person as the intended beneficiary of~~  
17 ~~the payment prior to the person making the payment to the third party.~~

18 ~~(E) The person knows or has reason to know that the sole or primary purpose of the~~  
19 ~~payment is to make gifts to officials.~~

20 ~~(F) The official or the official's agent solicits the payment from the person to the third~~  
21 ~~party for the purpose of making a gift to the official.~~

1           ~~(2) For purposes of subdivisions (b)(1)(C) and (b)(1)(D), a person or third party~~  
2           ~~“identifies the official” if the person or third party identifies the official by name or any other~~  
3           ~~designation of the official from which it is clear the person or third party is referring to the~~  
4           ~~official, or if the person or third party identifies a group of officials from one or more specific~~  
5           ~~state or local government agencies and the official is part of that group.~~

6           (a) The person who makes the gift to the official(s) is the source of the gift unless  
7           that person is acting as an intermediary. The person is acting as an intermediary for the  
8           source of the gift when the gift to the official was provided under any of the following  
9           conditions:

10           (1) the person receives a payment from a source and the payment is made to the  
11           official after the source identifies the official as the intended recipient of the gift;

12           (2) the person receives a payment from a source after soliciting the payment with  
13           the understanding that the payment will be used for the sole or primary purpose of  
14           making a gift to an official; or

15           (3) the person receives a payment from a source after the payment was solicited  
16           by the official or the official’s agent for the purpose of making a gift to the official.

17           (b) Under any of the conditions identified in subdivision (a)(1)-(3), the source of  
18           the payment is the source of the gift.

19           ~~(c) A person who pays dues or similar payments for membership in a bona fide~~  
20           ~~association, including any federation, confederation, or trade, labor or membership~~  
21           ~~organization is not the source of gifts made by the association to an official unless the sole or~~  
22           ~~primary purpose of the dues or similar payments is to make gifts to officials.~~

1            (c) If a public official's pro-rata share of the cost of the benefit provided at an  
2 event constitutes a gift to the official, the person hosting the event, unless the admission  
3 to the event was provided by someone other than the host, shall be deemed the source of  
4 the gift so long as the event is widely attended by persons other than governmental  
5 officials.

6            (d) Presumption of Source by ~~Officials~~ Official. Notwithstanding subdivision (a), An  
7 an official may presume that the person delivering the gift or, if the gift is offered but has not  
8 been delivered, the person offering the gift to him or her is the source of the gift unless either  
9 of the following apply:

10            ~~(1) The person delivering or offering the gift discloses to the official the actual source~~  
11 ~~of the gift.~~

12            ~~(2) It~~ it is clear from the surrounding circumstances at the time the gift is delivered or  
13 offered that the person delivering or offering the gift is not the actual source of the gift.

14            ~~(3) The official solicits a payment pursuant to subdivision (b)(1)(F) and receives or is~~  
15 ~~offered a gift responsive to the solicitation within 12 months of making the solicitation.~~

16            (e) Presumption of Source by Intermediaries. ~~A third party otherwise qualifying~~  
17 person that qualifies as an intermediary as a result of a payment solicited from an official  
18 pursuant to subdivision ~~(b)(1)(F)~~ (a)(3) may presume that ~~he or she~~ he, she, or it is the source  
19 of the gift, ~~and is not required to disclose the actual source of the gift as required by~~  
20 ~~Regulation 18945.3, when both of the following apply:~~

21            ~~(1) The third party~~ unless the person does not know or have reason to know of the  
22 official's solicitation.

1           ~~(2) The third party does not qualify as an intermediary under subdivisions (b)(1)(A)-~~  
2           ~~(b)(1)(E).~~

3           Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
4           86111, 86201, 86203, 87100, 87103, 87207, 87210, 87302, 87313 and 89503,  
5           Government Code

6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Amend 2 Cal. Code Regs. Section 18945.1 to read:

2 **§ 18945.1. ~~Cumulation~~ Aggregation of Gifts; “Single” Source.**

3 For purposes of the ~~limitations~~ gift limits in ~~Government Code Sections 89501~~  
4 ~~through 89506~~ Sections 86203 and 89503, and the Act’s reporting requirements, two or  
5 ~~more~~ separate gifts from two or more sources are ~~cumulated~~ aggregated as being from a  
6 “single” single source ~~if~~ in any of the following circumstances ~~apply~~:

7 (a) ~~The Gifts~~ separate gifts are from an individual and an entity in which the  
8 individual has an ownership interest of more than 50 percent ~~shall be cumulated as being~~  
9 ~~from a “single” source~~ unless the individual did not direct and control the gift from the  
10 entity. An individual who has an ownership interest of more than 50 percent is presumed  
11 to direct and control the gift from the entity. This presumption may be rebutted if the  
12 payment is made by another individual who, in fact, directed and controlled the payment.

13 (b) ~~Except as provided in subdivision (a),~~ The separate gifts are from an  
14 individual and an entity ~~shall be cumulated as being gifts from a “single” source if~~ and  
15 the individual in fact ~~directs and controls~~ directed and controlled the decision of the entity  
16 to make the ~~gifts~~ gift.

17 (c) ~~If~~ The gifts are from two or more entities and the same person or a majority  
18 of the same persons ~~in fact directs and controls~~ directed and controlled the decisions of  
19 ~~two or more~~ the entities to make ~~gifts~~ the gifts to ~~one or more public officials or~~  
20 candidates, ~~gifts by those affiliated entities shall be cumulated as being gifts from a~~  
21 “single” source the official.

22 (d) Business entities in a parent-subsidary relationship, or business entities with  
23 the same controlling (more than 50 percent) owner, shall be considered a “single” single

1 source unless the business entities ~~are~~ acted independently in their decisions to make ~~gifts~~  
2 the gifts to one or more public officials or candidates. For purposes of this regulation, a  
3 parent-subsiary relationship exists when one business entity owns more than 50 percent  
4 of another business entity.

5 NOTE: Authority cited: Section 83112, Government Code. Reference: Section 89501  
6 through 89506 Government Code.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

1 Repeal 2 Cal. Code Regs. Section 18945.3:

2 ~~§ 18945.3 Intermediary of a Gift.~~

3 ~~(a) Intermediaries of Gifts to Persons Required to File Under Title 9, Chapter 7,~~  
4 ~~Article 2 of the Government Code — No person shall make a gift totaling fifty dollars~~  
5 ~~(\$50) or more in a calendar year to a person described in Article 2 on behalf of another,~~  
6 ~~or while acting as an intermediary or agent of another, without disclosing to the recipient~~  
7 ~~of the gift both his own full name, street address, and business activity, if any, and the~~  
8 ~~full name, street address, and business activity, if any, of the actual donor. The recipient~~  
9 ~~of the gift shall include in his Statement of Economic Interests the full name, street~~  
10 ~~address, and business activity, if any, of the intermediary or agent and the actual donor.~~

11 ~~(b) Intermediaries of Gifts to Persons Required to File Under Title 9, Chapter 7,~~  
12 ~~Article 3 of the Government Code — No person shall make a gift of fifty dollars (\$50) or~~  
13 ~~more in a calendar month on behalf of another, or while acting as an intermediary or~~  
14 ~~agent of another to a person whom he knows or has reason to know may be required to~~  
15 ~~disclose the gift pursuant to a conflict of interest code, without disclosing to the recipient~~  
16 ~~of the gift both his own full name, street address, and business activity, if any, and the~~  
17 ~~full name, street address, and business activity, if any, of the actual donor. The recipient~~  
18 ~~of the gift shall include in his Statement of Economic Interests the full name, street~~  
19 ~~address, and business activity, if any, of the intermediary or agent and the actual donor.~~

20 ~~(c) Notwithstanding subdivision (a) or (b) above, it shall be unlawful for a~~  
21 ~~lobbyist or lobbying firm to act as an intermediary in the making of any gift aggregating~~  
22 ~~more than \$10 per calendar month to a state candidate, elected state officer, legislative~~

1 ~~official or agency official of any agency required to be listed on the registration statement~~  
2 ~~of the lobbying firm or the lobbyist employer of the lobbyist.~~

3 ~~NOTE: Authority cited: Section 83112, Government Code.~~

4 ~~Reference: Sections 86203, 87210, and 87313, Government Code.~~

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23



1 Renumber and Amend 2 Cal. Code Regs. Section 18945.4 to read:

2 **§ ~~18945.4~~ 18945.2. A Gift from Multiple Donors Group Gifts.**

3 ~~A gift which is received from multiple donors must be reported if the gift's value~~  
4 ~~equals or exceeds \$50. The name of any donor whose share of the gift is less than \$50 in~~  
5 ~~value need not be separately reported; it is sufficient to describe in general terms those~~  
6 ~~who gave the gift. If, however, the share of any donor or his or her [agent or]~~  
7 ~~intermediary is \$50 or more in value, his or her name must be reported. If an official~~  
8 ~~receives a gift valued at \$50 or more from a group of persons, the official need only~~  
9 ~~report any source(s) of the gift who donates \$50 or more to the overall value of the gift.~~  
10 ~~In addition, any donation to the group gift made by any person for whom the official is~~  
11 ~~required to report a gift shall be aggregated with any other gift made by that person. A~~  
12 ~~gift from a single organization is not a group gift from the members of that organization.~~

13 Note: Authority cited Section 83112, Government Code. Reference: ~~Section~~ Sections  
14 82028, and 87207, Government Code.

15  
16  
17  
18  
19  
20  
21  
22  
23

1 Amend 2 Cal. Code Regulations Section 18946 to read:

2 **§ 18946. Reporting and Valuation of Gifts.**

3 (a) ~~Scope of Section General Gifts. Except as specified in 2 Cal. Code Regs.~~  
4 ~~sections 18946.1 through 18946.5, inclusive, subdivisions (b) and (c), gifts a gift shall be~~  
5 is valued at fair market value as of the date of receipt ~~or promise~~. Sections 18946.1  
6 through 18946.5 provide for the valuation of specific types of gifts in the following  
7 situations.

8 ~~Passes and Season Tickets~~ Ticketed Events — See Regulation 18946.1

9 ~~Testimonial Dinners and Events, Invitation-Only Events, and Ceremonial~~  
10 ~~Functions~~ — See Regulation 18946.2

11 Wedding Gifts — See Regulation 18946.3

12 Tickets to Nonprofit and Political Fundraisers — See Regulation 18946.4

13 ~~Prizes and Awards From Bona Fide Competitions~~ — Regulation 18946.5

14 Air Transportation — See Regulation 18946.5

15 (b) ~~General Rule for Valuation of Unique Gifts~~. Whenever the fair market value  
16 of a gift cannot readily be ~~ascertained~~ determined because the gift is unique or unusual,  
17 ~~the value shall be the cost to the donor, if known or ascertainable. If the cost to the donor~~  
18 ~~is unknown and unascertainable, the recipient official shall~~ must make a reasonable  
19 approximation. In making such an approximation, the ~~recipient shall~~ official must take  
20 into account the price of similar items. If similar items are not available as a guide, a  
21 good faith estimate shall be utilized.

22 (c) Except as specified in ~~2 Cal. Code Regs. sections 18943, 18944, and 18946.1,~~  
23 ~~a gift must be valued, for purposes of disclosure and disqualification,~~ Regulation

1 18946.1(a) and (b), the value of a gift is its full value even if unused, partially used,  
2 discarded, or given transferred to another person.

3 (d) Definitions: For purposes of this ~~section~~ regulation and ~~2 Cal. Code Regs.~~  
4 ~~sections~~ Regulations 18946.1, through 18946.5 and ~~section~~ Regulation 18640, the  
5 following definitions apply:

6 (1) “Face Value.” ~~The term “face value”~~ “Face value” means the price as offered  
7 for sale to the general public indicated on the ticket or pass, or if ~~no~~ that price is not  
8 indicated, the price at which the ticket or ~~similar~~ pass would otherwise be offered for sale  
9 to the general public by the operator of the venue or host of the event who offers the  
10 ticket for public sale.

11 (2) ~~“Ticket/Pass.”~~ “Ticket.” A “ticket” or ~~“pass”~~ means anything that is anything  
12 that provides an access, entry, or admission privilege to an a specific future event or  
13 function and for which similar tickets or passes are offered for sale sold to the public to  
14 view, listen to, or otherwise take advantage of the attraction or activity for which the  
15 ticket is sold and includes any benefits that the ticket provides.

16 (3) “Pass.” A “pass” is a ticket that provides repeated access, entry, or admission  
17 to a facility or series of events and for which similar passes are sold to the public.

18 ~~(3)~~ (4) “Invitation.” An ‘invitation’ means a request to attend an event or  
19 function by the host, sponsor, or organizer of the event or function, ~~that is not a ticket or~~  
20 ~~pass as defined above in subsection (d)(2) of this section and 2 Cal. Code Regs. section~~  
21 ~~18944.1, and~~ where admission to the event is provided by ~~such~~ the invitation only and not  
22 by a ticket or pass as defined above.

1           (5) “Invitation Only Event.” An “invitation only event” is a gathering of  
2 individuals, who attend by invitation and where costs are incurred to hold the event  
3 beyond the costs of providing food.

4           (4) (6) “Specific Item.” ~~The term “specific item”~~ “Specific item” means a  
5 tangible item ~~received by an official or candidate~~ the official receives at an event that is  
6 ~~not~~ included among the non-cash nominal items presented to all attendees at the event.

7 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
8 87207, ~~and~~ 87302, and 89503, Government Code.

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Amend 2 Cal. Code Regulations Section 18946.1 to read:

2 **§ 18946.1. Reporting and Exception — Valuation of Gifts: Passes and Tickets.**

3 (a) ~~A pass or~~ Unless otherwise indicated herein, the value of a ticket that provides  
4 ~~one-time admission or access to facilities, goods, services, or other incidental tangible or~~  
5 ~~intangible benefits (including a pass to motion picture theaters, amusement parks, parking~~  
6 ~~facilities, country clubs, and similar places or events, and also including a ticket for~~  
7 ~~theater, opera, sporting, or similar event, but not including travel and lodging)~~ shall be  
8 ~~valued at~~ is the face value of the ~~pass or ticket, provided that the face value is a price that~~  
9 ~~was, or otherwise would have been, offered to the general public. A pass or ticket has no~~  
10 reportable value unless it is ultimately used or transferred to another person.

11 (b) ~~A pass or ticket~~ The value of a pass that provides repeated admission or access  
12 ~~to facilities, goods, services, or other incidental tangible or intangible benefits (including~~  
13 ~~a pass to motion picture theaters, amusement parks, parking facilities, country clubs, and~~  
14 ~~similar places or events, and also including a season ticket for theater, opera, sporting, or~~  
15 ~~similar season events, but not including travel or lodging)~~ shall be ~~valued~~ is determined  
16 as follows:

17 (1) For purposes of disclosure and the gift limits, the value shall ~~be the fair~~  
18 ~~market value of the actual use of the pass or ticket by the recipient, including guests who~~  
19 ~~may accompany the recipient and who are admitted with the pass or ticket, plus the fair~~  
20 ~~market value of any possible use by any person or persons to whom the privilege of use~~  
21 ~~of the pass or ticket is transferred~~ of a pass is equal to the face value of an individual one-  
22 time admission multiplied by the actual use of the pass by the official and any other  
23 individuals who are admitted with the pass up to the face value of the pass.

1           (2) For purposes of disqualification, the value ~~shall be the actual use of the pass~~  
2 ~~or ticket by the official, including guests who may accompany the official and who are~~  
3 ~~admitted with the pass or ticket, plus the fair market value of any possible use by any~~  
4 ~~person or persons to whom the official transfers the privilege of use of the pass or ticket,~~  
5 ~~through the date of the governmental decision in question, plus the fair market value of~~  
6 ~~the maximum reasonable use following the date of the decision.~~ of a pass is the face  
7 value. If the official returns the pass ~~or any unused tickets prior to~~ before the decision,  
8 the value ~~shall be determined pursuant to subdivision (b)(1)~~ is the actual use of the pass  
9 made prior to the decision, as provided in subdivision (b)(1).

10           (3) A pass has no reportable value unless it is ultimately used or transferred to  
11 another person.

12 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
13 87207 and 87302, Government Code.

14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Amend 2 Cal. Code Regulations Section 18946.2 to read:

2 **§ 18946.2. ~~Reporting and Exception~~ — Valuation of Gifts: ~~Testimonial Dinners and~~**  
3 **Events, Attendance at Invitation-Only Events, and Ceremonial Functions.**

4 (a) ~~Testimonial Dinners. When an official or candidate is honored at a testimonial~~  
5 ~~dinner or similar event, at which campaign fundraising for the official or candidate does~~  
6 ~~not occur, the value received is the official's or candidate's pro rata share of the cost of the~~  
7 ~~event, plus the value of any specific item that is presented to the official or candidate at~~  
8 ~~the event.~~

9 (b) ~~Invitation-Only Events. Except as provided in subdivision subdivisions (d)~~  
10 ~~(c) through (f) (d) of this regulation, and in Regulation 18946.4, when an official or~~  
11 ~~candidate the admission value of the benefit received by an official who attends an~~  
12 ~~invitation-only event, such as a banquet, party, gala, celebration, or other similar~~  
13 ~~function, other than a nonprofit or political fundraiser as set forth in 2 Cal. Code Regs.~~  
14 ~~section 18946.4, the value received is the official's or candidate's pro rata share of the~~  
15 ~~cost of the event, plus the value of any specific item that is presented to the official or~~  
16 ~~candidate at the event is the official's pro-rata share of the cost of the food, catering~~  
17 ~~services, entertainment, and any item provided to the official that is available to all guests~~  
18 ~~attending the event. Any other specific benefit provided to the official at the event, such~~  
19 ~~as golf green fees, is valued at fair market value.~~

20 (c) (b) “Pro-rata share of the cost of the ~~event~~ food, catering services,  
21 entertainment, and any item provided to the official.” The term “pro-rata share of the  
22 cost of the ~~event~~ food, catering services, entertainment, and any item provided to the  
23 official” means the cost of all food, catering services, and beverages, rent of the facilities,

1 ~~decorations, entertainment, and any specific item presented to all attendees as part of the~~  
2 ~~event, and all other costs associated with the event,~~ divided by the number of acceptances  
3 or the number of attendees.

4 ~~(d) Official or Ceremonial Functions. When an official performs an official or~~  
5 ~~ceremonial function at an invitation-only event, as set forth in subdivision (b) of this~~  
6 ~~regulation, in which the official is invited to participate by the event's sponsor or~~  
7 ~~organizer to perform an official or ceremonial function, the value received is the cost of~~  
8 ~~any food or beverages provided to the official plus the value of any specific item that is~~  
9 ~~presented to the official at the event.~~

10 ~~(e) (c) Drop-In Visit. Except as provided in subdivision (f) (d) of this regulation,~~  
11 ~~if an official attends an invitation-only event referred to in subdivision (a) or (b) of this~~  
12 ~~regulation and does not stay for consume any meal or stay for any entertainment~~  
13 ~~otherwise provided at the event, and receives consumes only minimal appetizers and~~  
14 ~~drinks, the value of the gift received is the [OPTION 1] cost of the food and beverage~~  
15 ~~consumed by the official and guests accompanying the official, plus the value of any~~  
16 ~~specific item that is presented to the official at the event [OPTION 2] nominal value of~~  
17 ~~the benefit received and is not subject to the Act's reporting requirements. For purposes~~  
18 ~~of this subdivision, "entertainment" means a feature show or performance intended for an~~  
19 ~~audience, and does not include music provided for background ambiance.~~

20 ~~(f) (d) Lobbyists, Lobbying Firms, and Lobbyists Employers. Where When an~~  
21 ~~official attends an invitation-only event referred to in subdivision (a) or (b) of this~~  
22 ~~regulation, sponsored by any person required to file a periodic statement under Article 1~~



1 of Chapter 6 of ~~this title~~ the Act, the value of the gift is determined pursuant to the  
2 provisions of ~~2-Cal. Code Regs. section~~ Regulation 18640.

3 (f) (e) For purposes of this regulation, “entertainment” means a feature show or  
4 performance intended for an audience, and does not include music provided for  
5 background ambiance.

6 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
7 86201, 86203, 87103, 87207, 87302 and 89501 through 89506, Government Code.

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Amend 2 Cal. Code Regulations Section 18942 to read:

2 **§ 18946.3. ~~Reporting and~~ Exception — Valuation of Gifts: Wedding Gifts.**

3 Notwithstanding the provisions of ~~California Code of Regulations, Title 2,~~  
4 ~~Section 18944~~ Regulation 18943, the value to the official of a wedding gifts gift given to  
5 an official and his or her spouse or spouse-to-be ~~are considered as gifts to both spouses~~  
6 ~~equally, and the official is deemed to receive~~ is one-half of the gift's total value as  
7 ~~determined pursuant to California Code of Regulations, Title 2, Section 18946, unless the~~  
8 ~~gift is peculiarly adaptable to the personal use and enjoyment of one spouse or~~  
9 ~~specifically and unequivocally intended exclusively for use and enjoyment by one~~  
10 ~~spouse, in which event the full value of the gift is attributed to that spouse.~~

11 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
12 87207 and 87302, Government Code.

13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Amend 2 Cal. Code Regulations Section 18946.4 to read:

2 **§ 18946.4 Reporting and Exception — Valuation of Gifts: ~~Tickets~~ Attendance**  
3 **~~Provided by at Nonprofit and or Political Organizations~~ Organization for Their**  
4 **Fundraising Events.**

5 This regulation ~~applies to a single ticket~~ establishes the value of a ticket, or other  
6 admission privilege by invitation, to a specific fundraising event provided when the ticket  
7 or invitation to attend is to a public official by fundraising event for a nonprofit or  
8 political organization holding its own fundraiser and used solely by the public official.

9 (a) Nonprofit Fundraiser. Except as provided in subdivision (b), the value ~~of a~~  
10 ~~gift of a ticket or admission by invitation, pass, or other admission privilege to a~~  
11 fundraising event for a non-profit, tax exempt organization that is not a committee  
12 covered by subdivision (c) is determined as follows:

13 (1) ~~Where~~ When the ticket clearly states that a portion of the ticket price is a  
14 donation to the organization, or the organization provides information indicating the  
15 portion of the admission price that constitutes the donation, the value of the ~~gift~~ ticket is  
16 the face value of the ticket reduced by the amount of the donation nondeductible portion  
17 of the admission.

18 (2) If there is no ticket, or other official information provided by the organization,  
19 indicating a face the value of the nondeductible portion of the admission, or the ticket or  
20 other admission privilege has no stated price or no stated donation portion, the value of  
21 the ~~gift~~ the admission is the pro-rata share of the cost of any food, catering services, and  
22 beverages, plus any other specific item presented to the attendee at the event and  
23 entertainment as determined under Regulation 18946.2 for invitation-only events. Any

1 other specific benefit provided to the official at the event, such as golf green fees, is  
2 valued at fair market value.

3 (b) 501(c)(3) Organization Fundraiser. ~~Where~~ When the event is a fundraising  
4 event for an organization exempt from taxation under Section 501(c)(3) of the Internal  
5 Revenue Code, the organization may provide ~~one ticket~~ two tickets or invitations per  
6 event to an official ~~and that ticket~~ that shall be deemed to have no value, ~~so long as the~~  
7 ~~cumulative value of the nondeductible portion of the ticket(s), as provided in subdivision~~  
8 ~~(a), received by the official from the same organization during a calendar year, does not~~  
9 ~~exceed the gift limits imposed under Section 89503 and Regulation 18940.2.~~ Additional  
10 tickets or admissions by invitation provided to or controlled by the official and any  
11 tickets not provided directly by the 501(c)(3) organization to the official are valued under  
12 subdivision (a) above.

13 (c) Political Fundraiser. For a ~~gift of a ticket or invitation, pass, or other~~  
14 ~~admission privilege~~ to attend a fundraising event for a committee defined in Section  
15 82013(a), or a comparable committee regulated under federal law or the laws of another  
16 state holding an event in California, the committee or candidate may provide ~~one ticket~~  
17 two tickets or invitations per event to an official ~~and that ticket~~ that shall be deemed to  
18 have no value. Additional tickets or admissions by invitation provided to or controlled  
19 by the official and any tickets not provided directly by the committee or candidate to the  
20 official are valued under subdivision (a) above.

21 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
22 87207 and ~~87302~~ 89503, Government Code.

23

1 Repeal 2 Cal. Code Regs. Section 18946.5:

2 ~~§ 18946.5 Prizes and Awards From Bona Fide Competitions.~~

3 ~~A prize or award received shall be reported as a gift unless the prize or award is~~  
4 ~~received in a bona fide competition not related to the recipient's status as an official or~~  
5 ~~candidate. A prize or award which is not reported as a gift shall be reported as income.~~

6 ~~Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,~~  
7 ~~82030, 87207, and 87302, Government Code.~~

8 [Note: Moved to Regulation 18942]

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

1 Amend 2 Cal. Code Regs. Section 18946.6 to read:

2 **§ ~~18946.6~~ 18946.5 Reporting and Exception — Valuation of Gifts: Air**

3 **Transportation**

4 Air transportation ~~that is a gift to a public official shall be~~ is valued as follows:

5 (a) ~~For~~ The value of transportation on a "commercial aircraft flight," ~~the value of~~  
6 ~~the ticket or fare~~ is the price the carrier charges ~~to a member of the public for the same~~  
7 ~~transportation~~ class seat on the flight provided to the official. For purposes of this  
8 regulation, "commercial aircraft flight," means ~~an aircraft used to transport a flight where~~  
9 individual seats are sold to the general public for compensation or hire on a regular basis,  
10 and for which a fare is charged on a per passenger basis in the general course of business.

11 (b) ~~For~~ The value of all other air transportation is the price of a first class ticket  
12 for a commercial flight for the same trip or, the value of the normal and usual charter fare  
13 or rental charge for a comparable airplane of comparable size, divided by the number ~~of~~  
14 ~~all of the following persons that share the same flight:~~ of passengers aboard the flight.

15 (1) ~~"Designated employees" as defined in Section 82019.~~

16 (2) ~~Public officials specified in Section 87200.~~

17 (3) ~~Members of Congress, and officers and employees of the executive,~~

18 ~~legislative, or judicial branch of the United States government.~~

19 (c) ~~The actual cost or fair market value of any other personal benefits provided to~~  
20 ~~the official during the air transportation, including food, beverages, or entertainment,~~  
21 ~~shall be treated as a separate gift to the official unless the benefit is included as part of the~~  
22 ~~fare determined in subdivision (a) or (b).~~

1 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
2 87207, 87302, and 89501 — 89506 Government Code.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23