



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: April 6, 2010
To: Honorable Mayor & City Council
From: Roxanne Diaz, Chief Assistant City Attorney
Subject: Discussion of Complimentary Ticket Policy Pursuant to FFPC Regulation 18944.1
Attachments: FPPC Form 802

INTRODUCTION

The Fair Political practices Commission (FPPC) has amended its regulation that applies to complimentary event tickets or passes distributed to government officials by their agency. The new regulation requires the City Council to adopt a written policy governing the distribution of "complimentary tickets or passes," defined as admission to a facility, event, show or performance for entertainment, amusement, recreational or similar purpose.

The City Manager requested that we present this information to the City Council for discussion and direction.

BACKGROUND

The Fair Political Practices Commission (FPPC) has amended its regulation that applies to complimentary event tickets or passes distributed to government officials by their agency. The new regulation requires the City Council to adopt a written policy governing the distribution of "complimentary tickets or passes," defined as admission to a facility, event, show or performance for entertainment, amusement, recreational or similar purpose.

Revised FPPC Regulation 18944.1 ("Regulation 18944.1") provides that when a state or local agency distributes a ticket or pass to an official of that agency and said official uses the ticket or pass, such ticket or pass does not have to be reported as a gift and is not

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subject to the annual gift limit (currently \$420 a year) if one or more of the following exemptions apply:

1. A ticket or pass is not considered a gift if it is provided to the official for an event at which the official performs a ceremonial role or function.
2. If the ticket or pass is given gratuitously to an agency and is then distributed to an official or employee for his or her use, it is not a gift so long as all of the following apply:
 - a) The original source of the ticket or pass has not earmarked it for use by particular agency officials;
 - b) The agency determines in its sole discretion who may use the ticket or pass; and
 - c) The distribution of the ticket or pass by the agency furthers a specific governmental or public purpose in addition to any private benefit the official or employee may receive.
3. A ticket or pass that the agency (i) obtains pursuant to the terms of a contract for use of public property; (ii) obtains because the agency controls the event or venue; or (iii) purchases at fair market value and distributes to an official for his or her use is not a gift by the agency to the official if such distribution accomplishes a specific governmental or public purpose in addition to any private benefit the official may receive.

While the distribution of a complimentary ticket or pass to an official is not a gift to the official, other benefits, such as food or beverage or gifts received by the official "that are not included with the admission," may be subject to the annual gift limit and reporting requirements.

The regulation requires that any distribution of complimentary tickets or passes be made pursuant to a written policy approved by the governing body of the agency and prominently posted on the agency's website.

In addition, the regulation further requires that the agency document the distribution and use of complimentary tickets on FPPC Form 802 (Tickets Provided by Agency Report). Among other things, Form 802 requires identifying information regarding the agency, the organization distributing the tickets or passes, a description of the event, the officials and/or organizations or individuals receiving the complimentary tickets or passes, the number of tickets received, the face value of each ticket or pass, and the specific governmental or public purpose for which the distribution was made. The agency must complete and post Form 802 on its website within thirty (30) days of distributing the ticket or pass.

DISCUSSION

There are a number of cities that have adopted a policy pursuant to Regulation 18944.1. The cities of Pasadena, Anaheim and Newport Beach, among many others, have adopted their own policy. It is important to note that any policy the City of Beverly Hills adopts applies not only to City Council members but also to members of the City's staff that file a Form 700 (such as the executive management team). There may be times

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when certain City officials are required to attend City or other community events that may meet the definition of "ticket or pass" under this regulation and attending that event serves a public purpose such as promoting the City, encouraging the retention of businesses or promoting economic development. Under this regulation and if a policy is adopted, the City will receive the ticket or pass and will distribute it in accordance with the policy.

In reviewing other agencies policies and in discussing the issue with the City Attorney's office of Pasadena and Anaheim (who worked with the FPPC to develop this regulation), the types of tickets and passes distributed include, but are not limited to, attending the Pasadena Symphony, the Rose Parade, the Newport Beach Film Festival and the Boys and Girls Club Golf Tournament. What is different about Beverly Hills and most cities from cities like Pasadena, Anaheim and San Jose, is that those cities have large venues for sporting events and concerts and their policy includes distribution of tickets to those venues to public officials.

Because any distribution of tickets requires that the City fill out a Form 802 and post it on the City's website within 30 days of the distribution, this ensures that there is transparency in the process. Form 802 requires that the City provide information as to the organization distributing the tickets or passes, a description of the event, the officials and/or organizations or individuals receiving the complimentary tickets or passes, the number of tickets received, the face value of each ticket or pass, and the specific governmental or public purpose for which the distribution was made.

FISCAL IMPACT

No fiscal impact other than the posting of the forms on the City's website.

RECOMMENDATION

Staff recommends that the City Council discuss this regulation and provide direction to the City Attorney's Office as to whether to bring back a policy for City Council review and adoption.

Tickets Provided by Agency Report

A Public Document

TICKETS PROVIDED BY AGENCY REPORT

1. Agency Name		Date Stamp	California Form 802 For Official Use Only
Division, Department, or Region <i>(if applicable)</i>			
Street Address			
Area Code/Phone Number	E-mail	<input type="checkbox"/> Amendment <i>(Must explain in Part 5.)</i> Date of Original Filing: _____ <i>(month, day, year)</i>	
Agency Contact <i>(name and title)</i>			

2. Event For Which Tickets Were Distributed

Date(s) of Event: ____/____/____ Description of Event: _____
 ____/____/____ Face Value of Ticket: \$ _____

Agency Event Yes No *(Identify source of tickets below.)*

Name of Outside Source of Ticket(s) Provided to Agency: _____

Number of Tickets Received: _____ Ticket(s) Provided to Agency: Gratuitously Pursuant to Contract

3. Agency Official(s) Receiving Ticket(s) *(use a continuation sheet for additional names)*

Name of Official <i>(Last, First)</i>	Number of Tickets	State Whether the Distribution is Income to the Official or Describe the Public Purpose for the Distribution

4. Individual or Organization Receiving Ticket(s) *(Provided at the behest of an agency official.)*

Name of Behesting Agency Official: _____

Name of Individual or Organization: _____ Number of Tickets: _____

Description of Organization: _____

Address of Organization: _____
Number and Street City State Zip Code

Purpose for Distribution: *(Describe the public purpose for the distribution to the organization.)*

5. Verification

I have determined that the distribution of tickets set forth above is in accordance with the provisions of FPPC Regulation 18944.1.

Signature of Agency Head or Designee Print Name Title (month, day, year)

Comment: *(Use this space or an attachment for any additional information including amendment explanation.)*

Tickets Provided by Agency Report

California
Form **802**

A Public Document

This form is for use by all state and local government agencies to disclose the distribution of tickets or passes that allow admission to facilities, events, shows, or performances for entertainment, amusement, recreational, or similar purposes. The agency must complete Form 802 identifying agency officials who receive tickets or passes from the agency as well as other individuals and organizations that receive tickets or passes at the behest of agency officials. Form 802 must be posted in a prominent fashion on the agency's website.

Gifts of Tickets or Passes to Public Officials

FPPC Regulation 18944.1 sets out the circumstances under which an agency's distribution of tickets or passes to or at the behest of an official in the agency does not result in a gift to the official. (Regulation 18944.1 is available on the FPPC website at www.fppc.ca.gov.) Even though the distribution of tickets or passes to a public official under the regulation is not a gift to the official, the agency must disclose the distribution on Form 802. The official does not have to disclose tickets or passes received or distributed under the regulation on his or her Statement of Economic Interests (Form 700), but tickets or passes received or distributed by the official that do not fall under the regulation may be subject to disclosure on the official's Form 700 and subject to gift limits.

Posting Form 802

The Form 802 must be posted on the agency's website within 30 days after the distribution. If the agency does not maintain a website, the form must be maintained by the agency as a public record, be available for public inspection and copying, and be forwarded to the FPPC for posting on its website.

Part 1. Agency Identification

List the agency's name, address and the name of an agency contact. Mark the amendment box if changing any information on a previously filed form and include the date of the original filing.

Part 2. Event For Which Tickets Were Distributed

Provide the date(s) of the event, a description of the event, and the face value (i.e. the cost to the public) of the ticket or pass. Check the box indicating whether the event was an "agency event" (such as a county fair, or an event for which the agency purchased tickets). If the agency received the tickets from an outside source, identify the source, the number of tickets received, and check the box to identify whether the tickets or passes were provided to the agency:

- Gratuitously; or
- Pursuant to a contract.

Part 3. Agency Official(s) Receiving Ticket(s)

Disclose the name of each agency official that received a ticket or pass and the number of tickets or passes the official received. Also state whether the distribution is income to the official or describe the public purpose for which the official received the tickets or passes.

Part 4. Individual or Organization Receiving Ticket(s)

If tickets or passes were distributed to an individual or organization outside the agency, at the behest of an official of the agency, provide the name of the official. Disclose the name(s) of the individual(s) who received the tickets or passes and the number of tickets or passes provided. If the tickets or passes were provided to an organization, the agency may post the name, address, a description of the organization, and the number of tickets or passes provided to the organization in lieu of posting the name of each individual that received a ticket or pass. Also, describe the public purpose for the distribution to the individual or organization.

Part 5. Verification

The agency head or his or her designee must sign the form.

Privacy Information Notice

Information requested on all FPPC forms is used by the FPPC to administer and enforce the Political Reform Act (Government Code Sections 81000-91014 and California Code of Regulations Sections 18109-18997). All information required by these forms is mandated by the Political Reform Act. Failure to provide all of the information required by the Act is a violation subject to administrative, criminal, or civil prosecution. All reports and statements provided are public records open for public inspection and reproduction.

If you have any questions regarding this Privacy Act Notice, please contact the FPPC.

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