



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: May 1, 2012
To: Honorable Mayor & City Council
From: Lolly Enriquez, Assistant City Attorney
Subject: Gift regulations and recent revisions

INTRODUCTION

The City Attorney's office will provide a presentation on the gift rules, as well as recent changes made by the Fair Political Practices Commission ("FPPC") to the gift regulations.

DISCUSSION

Public agency actions should always promote the public's interest, as opposed to narrow personal or political interests. The goal underlying California's gift rules is to prevent either the perception or the reality that gifts influence public officials' actions.

The Political Reform Act (contained in the Government Code) provides that no elected officer of a local government agency, mayor, city councilmember, city manager, planning commissioner, city attorney, city treasurer, chief administrative officer or other public official who manages public investments, or candidates for any of these offices at any election shall accept gifts from any single source in any calendar year with a total value of more than \$420. In addition, the Political Reform Act provides that no employee of a local agency who is designated in the agency's conflict of interest code shall accept gifts from any single source in any calendar year with a total value of more than \$420 if the employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interest (Form 700). Every two years there is an inflationary adjustment to the gift limit, with the next adjustment occurring on January 1, 2013.

Gifts include any payment or other benefit provided to an official that confers a personal benefit for which the official did not provide payment or services of equal or greater value. This would include the forgiveness of a debt or obligation and a rebate or discount in the price of anything of value unless the rebate or discount is offered in the regular course of business to members of the public.

There are certain exceptions to the gift rule such as family gifts, inherited money, an award or trophy with a value of less than \$250 and home hospitality. However, unless it qualifies as an exception, gifts over \$50 must be reported on an official's Form 700 and the \$420 gift limit must be adhered to.

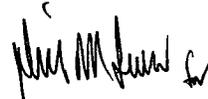
The FPPC has recently adopted changes to the gift regulations governing the acceptance of gifts by local public officials. The goals of the overhaul were to clarify the regulations, ensure consistency between regulations, close certain loopholes, and codify some exceptions which had already been created by FPPC opinions or advice letters. This presentation will provide a brief overview of the gift rules, as well as a summary of the recent changes to the gift regulations.

FISCAL IMPACT

No financial impact.

RECOMMENDATION

This report is for informational purposes.



Laurence S. Wiener, City Attorney

Approved By