

## Disclosure

State law requires City officials to disclose on their Form 700s gifts from a disclosable source cumulatively valued at **\$50** or more in a calendar year.

In addition, City law requires elected officials, agency heads, and members of City boards and commissions to disclose on Form 60 gifts from a restricted source that are cumulatively valued at **\$50** or more and given to them or their immediate family members.

### Common Reportable Gifts

- Tickets and passes to sporting or entertainment events.
- Tickets and passes to amusement parks.
- Food, beverages, and accommodations, including those provided in direct connection with your attendance at a convention, conference, or meeting.
- Wedding gifts.
- Forgiveness of a loan.
- Parking passes.
- Transportation and lodging.
- Attendance at an invitation-only social event.
- Discounts, rebates, and personal loans not offered to the public.

A gift's value is generally its fair market value. The easiest way to determine a gift's value is to ask the giver. State law also provides specific methods for determining the value of certain types of gifts.

In some limited cases, an item of value does not have to be reported because it is considered a gift to a public agency. The agency is responsible for disclosing the gift in that scenario.

## Recordkeeping

You are required to maintain records of the gifts you receive and the gifts that you donate, return, or reimburse. A record must be kept for four years after the date the gift is reported.

The Ethics Commission's web site has a **gift journal** that you can use to track gifts throughout the year.

Tracking the gifts that are offered to and received by you will help you avoid accepting a prohibited gift or a gift that would exceed the applicable gift limit. It will also help you accurately report gifts on your financial disclosure forms.

### Example

*Jane is a City Council member. A person who is registered to lobby the Bureau of Sanitation sent her a gift valued at \$45. Jane has several options. She may decline the gift, accept it and pay the full value within 30 days, or give it to a 501(c)(3) organization (in which neither she nor a member of her immediate family holds a position) within 30 days and without taking a tax deduction. Whichever option Jane chooses, she should keep records for herself showing her compliance with the law.*

## Compliance

It is a violation to solicit or accept a prohibited gift or a gift that exceeds the gift limit. It is also a violation to fail to properly report gifts that must be disclosed. Violations are subject to administrative penalties.



## los angeles city ETHICS COMMISSION

This is a brief overview of the gift laws. Please contact us for more information about how the laws apply to you or to report a possible violation.

### Address:

200 North Spring Street  
City Hall 24th Floor  
Los Angeles CA 90012

### Phone:

(213) 978-1960

### Whistleblower Hotline:

(800) 824-4825

### Fax:

(213) 978-1988

### Web:

[ethics.lacity.org](http://ethics.lacity.org)

los angeles city  
ETHICS COMMISSION

*...preserving the public trust.*

# Gifts



# Overview

To help ensure that City decisions are (and are perceived to be) fair and impartial, state and City laws regulate gifts to City officials. Even the most well-intentioned gift can create an

“gift”

Anything you receive that gives you a personal benefit for which you do not provide consideration of equal or greater value.

actual or apparent conflict. To help preserve the public trust, the law **limits** gifts to City officials and requires City officials to **disclose** certain gifts.

A City official is someone who holds a position identified in a City agency’s conflict of interests (COI) code and is required to file the state’s statement of economic interests (Form 700).

## Prohibited Gifts

Gifts that are **intended to influence** the decisions of City officials may never be given or **accepted**.

Gifts from City **lobbyists** and **lobbying firms** are also prohibited. For elected City officials, this prohibition applies to any lobbyist or lobbying firm that is required to register with the City. For all other City officials, the prohibition applies to lobbyists and lobbying firms that are required to register with the City and seek to influence the decisions of the City official’s agency.

In addition, prohibited lobbyists and lobbying firms may not offer a gift or act as an intermediary in the making of someone else’s gift to a City official.

Registered lobbyists and lobbying firms are identified on the Ethics Commission’s web site.

### Example

Mark is a council aide, and he runs into his friend at a coffee shop near City Hall. His friend is a registered lobbyist who has been trying to get a project approved by the City Council. His friend offers Mark two tickets to a baseball game. Mark should refuse the tickets, because he is prohibited from accepting anything of value from registered lobbyists seeking to influence his agency. His friend has improperly offered a gift.

## Restricted Source Gift Limit

City law also limits gifts from certain types of sources called restricted sources. A City official may not solicit a gift from a restricted source. In addition, a City official may not accept more than **\$100** in gifts in a calendar year from a restricted source. A restricted source is a person who does one or more of the following:

- 1) Has **entered into, performs under, or seeks a contract** with your agency (or if you are an elected official, any agency);
- 2) Has **attempted to influence** you in the past year in a City matter that would have a direct financial effect on the person; or
- 3) Has had a **license, permit, or other entitlement for use** pending in the last year before you or a body of which you are a voting member.

### Example

Sally is a City official with the Department of Cultural Affairs (DCA). A consultant who submitted a response to a request for proposals issued by DCA gives Sally a gift basket valued at \$120. Because the consultant is seeking a contract with DCA,

the consultant is a restricted source to Sally. Sally has several options. She may decline the gift. Assuming she has not received any other gifts from that consultant in the calendar year, she may accept the gift and pay \$20 (the difference between the gift limit and the value of the gift) within 30 days. Or she may give it to a 501(c)(3) organization (in which neither she nor a member of her immediate family holds a position) within 30 days and without taking a tax deduction. Whichever option Sally chooses, she should keep records for herself showing her compliance with the law.

## General Gift Limit

In general, a City official may not accept more than **\$500** in gifts per calendar year from a **single disclosable source**. Disclosable sources are identified for each position listed in a COI code. All COI codes are available on the Ethics Commission’s web site.

If you are one of the following types of City officials, the \$500 limit applies to any source:

- Elected official
- City treasurer
- City administrative officer
- Citywide planning commissioner
- Pension board member
- City employee or consultant who manages public investments

In some cases, a gift given to a City official’s family can be considered a gift to the official.

### Example

Tom is a City official with the Animal Services Department, and he receives a gift valued at \$370 from the owner of a veterinary clinic that is located in the City. The clinic does not do business with the City and is not otherwise a restricted source. The COI code for Animal Services identifies veterinary clinics as disclosable sources of income, including gifts, for

Tom. Assuming Tom has not already received more than \$130 in gifts from the clinic in that calendar year, he may accept the gift.

## Exceptions

The gift limits do not apply to certain types of gifts. For example, the following types of payments are not limited:

- Gifts from immediate family members.
- Gifts that are not used and, within 30 days, are:
  1. Returned or reimbursed to the donor;
  2. Donated to a 501(c)(3) organization in which neither the official nor a member of the official’s family holds a position, without being claimed as a charitable contribution for tax purposes; or
  3. Donated to a local, state, or federal government agency without being claimed as a deduction for tax purposes.
- Informational material, such as books, reports, pamphlets, seminars, or informational conferences, used exclusively for the performance of the official’s duties.
- Reciprocal exchanges between you and another individual (other than a lobbyist) where no single payment is \$470 or more.
- Two tickets for admission to a fundraiser for a 501(c)(3) organization when the tickets are provided to you by the 501(c)(3) organization, itself.
- Two tickets for admission to a political fundraiser when the tickets are provided to you by the candidate or committee holding the fundraiser.