Amend 2 Cal. Code Regs., Section 18942 to read:

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

(a) For purposes of Sections 82028, 82030, and the gift regulations, except as otherwise indicated, 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) A payment that is not used and that, pursuant to Regulation 18941 is returned, donated, or for which reimbursement is paid. (Section 82028(b)(2).)

(3) A payment from: 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 paragraph. (Section 82028(b)(3).)

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

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

(6) A personalized plaque or trophy valued at less than $250. (Section 82028(b)(6).)

(7)(A) The cost of home hospitality, as defined in Regulation 18942.2, provided to an official by an individual in the individual's home when the individual is present, unless one of the following provisions applies:

(i) Any part of the cost of the hospitality provided by the host is paid directly or reimbursed by another person.
(ii) Any person deducts any part of the cost of such hospitality as a business expense on any government tax return.

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

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

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

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

(8)(A) Benefits commonly exchanged between an official and an individual who is not a lobbyist who is registered to lobby the official's agency, on a holiday, birthday, or other occasions, including reciprocal exchanges as identified in subparagraph (B) below where benefits are commonly exchanged, to the extent that the value of the benefits exchanged is not substantially disproportionate and includes food, entertainment, and nominal benefits provided to guests at an event, by an honoree or another individual, other than a lobbyist, hosting the event.

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

(9) Leave credits, including vacation, sick leave, or compensatory time off, donated to the
official in accordance with a bona fide catastrophic or similar emergency leave program
established by the official's employer and available to all employees in the same job
classification or position except for donations of cash.

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

(11) Admission, where paid admission is required, food, and nominal items provided as
part of the paid admission to those attending, to an official where the official makes a speech (as
defined in Regulation 18950 (b)(2)) is not a “payment” as defined in Section 82044 so long as
the admission is provided by the person who organizes the event. For purpose of this
subdivision, nominal means an insignificant item typically purchased in large volume and
provided for free as a means of advertisement at events, such as a pen, pencil, mouse pad, rubber
duck, stress ball, note pad, or similar item.

(12) Payments for campaign activities as specified in Regulation 18950.3.
(13) A ticket provided to an official and one guest of the official for his or her admission
to a facility, event, show, or performance for an entertainment, amusement, recreational, or
similar purpose at which the official performs a ceremonially role on behalf of his or her agency,
as defined in Regulation 18942.3, so long as the official's agency complies with the posting
provisions set forth in Regulation 18944.1, subdivision (f)(d). Any official who attends the event
as part of his or her job duties to assist the official who is performing the ceremonial role has not
received a gift or income by attending the event.

(14) A prize or award received in a manner not related to the official's status in a bona
fide contest, competition, or game of chance. A prize or award that is not reported as a gift shall
be reported as income unless the prize or award is received as a winning from the California
State Lottery.

(15) Benefits received as a guest attending a wedding or civil union so long as the
benefits are substantially the same as the benefits received by the other guests attending the
event.

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

(17) Acts of Neighborliness. A service performed, such as a loan of an item, an
occasional needed ride, personal assistance in making a repair, bringing in the mail or feeding
the cat while the official is away, and other similar acts of ordinary assistance consistent with
polite behavior in a civilized society that would not normally be part of an economic transaction
between like participants under similar circumstances.

(18)(A) Bona Fide Date or Dating Relationship. Personal benefits commonly exchanged
between people on a date or in a dating relationship, unless the individual providing the benefit
to the official is listed under (D)(i-iii) below. If the benefit is from an individual listed under
(D)(i-iii) the benefit is a gift that is not reportable or subject to limits but the aggregate value is
subject to the Act's conflict of interest provisions if the value meets the amount specified in
Regulation 18940.2.

(B) Acts of Human Compassion. Payments provided to an official, or an official's family
member, by an individual to offset family medical or living expenses that the official can no
longer meet without private assistance because of an accident, illness, employment loss, death in
the family, or other unexpected calamity; or to defray expenses associated with humanitarian
efforts such as the adoption of an orphaned child, so long as the source of the donation is an
individual who has a prior social relationship with the official of the type where it would be
common to provide such assistance (such as a relative, long-term friend, neighbor, co-worker or
former co-worker, member of the same local religious or other similar organization, etc.), or the
payment is made without regard to official status under other circumstances in which it would be
common to receive community outreach, unless the individual providing the benefit to the
official is listed under (D)(i-iii) below.

(C) A payment provided to an official by an individual with whom the official has a long
term, close personal friendship unrelated to the official's position with the agency, unless the
individual providing the benefit to the official is listed under (D)(i-iii) below.

(D) The limitations placed on the exceptions contained within this paragraph (18) apply
to the following persons:

(i) A lobbyist, lobbying firm, lobbyist employer, or other person required to file reports
under Chapter 6 (commencing with Section 86100) of the Act and who is registered to lobby the
official's agency.
(ii) A person who has, or may reasonably foreseeably have, a contract, license, permit, or other entitlement for use pending before the official's agency, and for 12 months following the date a contract is signed or a final decision is rendered in the proceeding, if the official makes or participates in making a governmental decision, as defined in the Act's conflict of interest regulations (Regulation 18702 et seq.) regarding the contract, license, permit, or other entitlement for use.

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

(19) Any other payment not identified above, that would otherwise meet the definition of gift, where the payment is made by an individual who is not a lobbyist registered to lobby the official's agency, where it is clear that the gift was made because of an existing personal or business relationship unrelated to the official's position and there is no evidence whatsoever at the time the gift is made that the official makes or participates in the type of governmental decisions that may have a reasonably foreseeable material financial effect on the individual who would otherwise be the source of the gift.

(b) The following gifts are exempt from the limitations on gifts described in Section 89503:

(1) Payments for transportation, lodging, and subsistence that are exempt from limits on gifts by Section 89506.

(2) Wedding gifts.