



FAIR POLITICAL PRACTICES COMMISSION

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May 11, 2010

Mr. Steven Beazley
President & CEO
32nd District Agricultural Association
✓ d/b/a OC Fair & Event Center

REDACTED

Re: FPPC Case No. 09/587; Orange County Fair Board

Dear Mr. Beazley:

The Fair Political Practices Commission ("Commission") enforces the provisions of the Political Reform Act (the "Act")¹. As you may be aware, the Commission received a complaint against the Orange County Fair Board ("Board") alleging violations of the gift limitation provisions of the Act. Specifically, our office investigated allegations that the Board provided gifts of tickets to Board members at its concert events, and that during the fair, Board members hold a nightly free dinner for themselves, their families, management staff, and others in the community; and that these tickets and dinners are gifts valued in excess of the gift limits imposed by the Act in Section 89503. The Commission has decided to close this case without further action.

Under the Act, "no elected state officer, elected officer of a local government agency, or other individual specified in Section 87200 shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty dollars." (Section 89503.) The \$250 gift limit amount is adjusted biennially to reflect changes in the Consumer Price Index pursuant to Section 89503, subdivision (f). The gift amount limit for 2009 is \$420 from a single source in a calendar year. Section 82028 defines a gift as any payment that confers a personal benefit on the recipient, to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

Tickets

Regulation 18944.1(b) also provides a method by which certain types of tickets or passes provided to an official by his or her agency will not be considered gifts because the official will meet the burden, under the Act's definition of gift, that equal or greater value has been provided in exchange therefore, as discussed below. However, this regulation applies only to tickets or passes provided to the official by his or her agency to an event or facility "for an entertainment, amusement, recreational, or similar purpose."

Any distribution of tickets by an agency to its officials must be made pursuant to a written policy of the agency that states the public purposes to be accomplished by the agency. The written policy shall be posted on the agency website in a prominent fashion.

Tickets distributed to officials under this policy must be disclosed, on a form provided by the Commission, and posted on the agency's website, within 30 days after the distribution. This disclosure must include the name of the person receiving the ticket; a description of the event; the date of the event; the face value of the ticket or pass; the number of tickets or passes provided to each person; if the ticket or pass is behested, the name of the official who behested the ticket or pass; and a description of the public purpose under which the distribution was made or, alternatively, that the ticket or pass was distributed as income to the official. The Commission recognizes the discretion of the legislative or governing body of an agency to determine whether the distribution of a ticket or pass serves a legitimate public purpose of the agency, provided the determination is consistent with state law.

The Orange County Fair Board has a policy which conforms to these requirements, and it is available on the fair's website, along with the required ticket distribution disclosures. Under this policy, Board members may request, for themselves, spouses, and dependent children, up to six tickets for events held at the Pacific Amphitheater. Records of ticket distributions maintained by the fair showed that none of the Board members received more than the allotted maximum of six tickets for any event and that all other required details were provided on the forms.

Accordingly, the tickets provided to Board members do not qualify as gifts, because consideration of equal or greater value has been made by the Board member in connection with the public purpose effectuated through providing the ticket.

Dinners

Except as provided in Regulation 18944.1 and 18944.2, a payment by a government agency that provides food, beverage, entertainment, goods, or services of more than a nominal value to an official in that agency is a gift to that official unless the payment is a lawful expenditure of public moneys. (Regulation 18944.3.)

Under Section 4.8 of the Fair Board Governing Policy, No. 3D and 3E, the board has allocated up to \$71,000 for Board-hosted ownership linkage/outreach events and up to \$11,000 for Board meeting and retreat costs. This policy also states that "outreach mechanisms will be used as needed to ensure the Board understands the viewpoints and values of the people of

Orange County as they pertain to the Fair.” The expenditure of Orange County Fair funds for these dinners is consistent with these provisions of the Fair Board Governing Policy, and as such, these dinners are neither a gift nor are they prohibited under the Act.

Thus, we have determined that there was no violation of the Act and are closing this case without further action.

If you have any questions regarding this matter, please feel free to contact me at 916-322-5660.

Sincerely,

REDACTED

Zachary W. Norton
Commission Counsel
Enforcement Division