



FAIR POLITICAL PRACTICES COMMISSION

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November 4, 2009

Teri Murrison
Supervisor, Tuolumne County

REDACTED

RE: Advisory Letter
FPPC Case No. 090738; Teri Murrison

Dear Ms. Murrison:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"),¹ found in Government Code section 81000, et seq. This letter is a result of a pro-active investigation begun against you by the FPPC that alleged a possible violation of the Act's gift limits by accepting a payment for travel.

The facts appear to be that you were invited to speak at a property rights conference to be held in Denver on November 5-7, 2009, and hosted by the American Stewards of Liberty, an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. On the American Stewards of Liberty's website, the conference is described as intending to "gather local leaders from across the nation who are regaining local control through the 'coordination strategy'" in order to teach them "how to implement these unique and powerful strategies in your community."

According to discussions between our staff and staff of the Tuolumne County Counsel's office, the County of Tuolumne intends to pay for your travel to Denver with the understanding that the American Stewards of Liberty will reimburse the County. The FPPC has consistently advised that such reimbursement of a public official's travel expenses by a third party is a payment from the third party to the official rather than a payment from the official's agency. (See, for example, *Rood Advice Letter*, No. A-02-261.)

The Act requires that elected officers report gifts, defined as payments to the extent that consideration of equal or greater value is not received, on their statements of

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.

economic interests and limits gifts to \$420 per calendar year from a single source. (Sections 82028, 87200, 87202-87205, 87207, and 89503.) Absent an exception, the value of a trip provided to a public official is generally considered a reportable gift to the official subject to the gift limit. (Section 82028.) This would include payments by a third party for a public official's transportation, lodging, and subsistence² in connection with delivering a speech or participating in a panel or seminar. However, under some circumstances, certain travel payments may be exempt from the definition of gift or, if not exempt from being a gift, may be exempt from the gift limits.

Necessary Lodging and Subsistence: Regulation 18950.3 exempts some payments from the definition of "gift" for all purposes. The exception applies to free admission, refreshments, and similar non-cash nominal benefits provided during the entire event at which a public official gives a speech, participates in a panel or seminar, provides a similar service, and, any necessary lodging and subsistence provided directly in connection with the event. (Regulation 18950.3.)

What constitutes "necessary accommodations" within this exception is generally limited to the day of the speech, and possibly the day before and after if necessary due to travel time. Any accommodations outside these parameters would be a gift. (See, e.g., *Nishite* Advice Letter, No. A-91-568.) Generally, we have advised that under this regulation, the exclusion for meals and beverages is limited to the day of the speech only for travel out of state whereas lodging would include the day of the speech, and the day immediately before and after the speech. (*Dominguez* Advice Letter, No. A-95-032.)

Travel: Transportation to events outside California is fully disclosable and could be subject to the gift limits of the Act absent an exception. Certain payments for travel, however, are not subject to the gift limit so long as the travel is reasonably related to a legislative or governmental purpose or to an issue of state, national, or international public policy and the travel is paid or reimbursed by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. This exception would apply here because the donor, American Stewards of Liberty, is a 501(c)(3) organization and there is a governmental purpose in educating local leaders in property rights issues.

Presuming the travel payments meet exceptions to the gift limit, the FPPC will be closing its case against you. However, the fact that payments are made by a third party to the County to pay for your travel costs does not relieve you of your reporting obligations or the gift limits, absent the exceptions discussed above.

The FPPC publishes forms and manuals to facilitate compliance with the Act. If you need forms or a manual, or guidance regarding your obligations, please call the FPPC's Toll-Free Advice Line at 1-866-275-3772. Please also visit our website at www.fppc.gov.

² Unless an exception applies, a payment for food to a public official is a reportable gift. (Regulation 18941.1.)

If you have questions regarding this matter, please contact me at (916) 322-8241.

Sincerely

REDACTED

Adrienne Korchmaros
Political Reform Consultant
Enforcement Division

cc: Carlyn M. Drivdahl
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