



California Fair Political Practices Commission

February 9, 1995

Ms. Lisa Dominguez
Legislative Assistant
Office of Assemblyman Sal Cannella
State Capitol
Post Office Box 942849
Sacramento, California 94249-0001

Re: Your Request for Advice
Our File No. A-95-032

Dear Ms. Dominguez:

You have asked for confirmation of telephone advice regarding Assemblyman Sal Cannella's upcoming travel to a trade association conference.

You and Ms. Cori Ayala of your office stated that Assemblyman Cannella has been asked to participate as keynote speaker at the California Warehouse Association Convention which will take place from March 11 through March 15 in Maui, Hawaii. The conference is titled "Passport to the Pacific" and will focus on developing Pacific Rim markets for agricultural products. Assemblyman Cannella is a member of the Assembly Agriculture Committee. He is scheduled to speak on Tuesday, March 14 at 9:00 a.m., and will not receive any payment for speaking.

The California Warehouse Association (the "sponsor") has offered to pay the airfare (approximately \$500), lodging, and conference fee (\$235) toward Assemblyman Cannella's attendance at the event. You asked what the sponsor can pay for under the Political Reform Act's¹ gift and conflict-of-interest provisions.

This will confirm advice provided to you with respect to airfare. Since Assemblyman Cannella's travel is within the United States, is reasonably related to a legislative or governmental purpose, and he is giving a speech at the event, the sponsor's payment of the airfare would not be subject to the \$280 gift limit. However, it is reportable on Mr. Cannella's statement of

¹ Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations, Sections 18000-18954. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

However, it is reportable on Mr. Cannella's statement of economic interests and could subject him to disqualification under the Act's conflict-of-interest provisions. You were advised that if the sponsor paid for Assemblyman Cannella's airfare he would have to disqualify himself from any decision that would have a foreseeable and material financial effect on the sponsor for 12 months after receiving the gift.

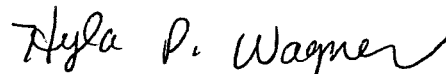
You then asked whether Assemblyman Cannella may reimburse the sponsor for part of the airfare so that he is not subject to disqualification. Mr. Cannella may reimburse the sponsor for a portion of the airfare to keep the sponsor's gift below the disqualification threshold of \$280. He must reimburse the sponsor within 30 days of his receipt or acceptance of the gift and prior to participating in any government decision affecting the sponsor. If Mr. Cannella reimburses the sponsor, the value of the gift and the amount which Mr. Cannella must disclose will be reduced by the amount of the reimbursement. (Regulation 18943(a)(4) and (b).) Note that for purposes of the Act's conflict-of-interest provisions, all gifts received from a single source in a 12-month period before a governmental decision affecting that source are cumulated. (Section 87103(e).) In order to avoid disqualification, Assemblyman Cannella should not accept any additional reportable gifts from the sponsor during the upcoming conference or for a period of 12 months afterwards.

As we discussed, Assemblyman Cannella's free admission to the conference at which he is giving a speech and refreshments provided to him during the conference are not subject to gift limits and not reportable. (Regulation 18950.3.) Necessary lodging and subsistence provided to the Assemblyman directly in connection with the conference at which he is speaking are also not subject to gift limits and not reportable. (Regulation 18950.3.) Under this regulation, the exclusion for meals and beverages is limited to the day of the speech only, whereas lodging would include the day of the speech, and the day immediately before and after the speech.

If you have any other questions regarding this matter, please contact me at 916/322-5901.

Sincerely,

Steven G. Churchwell
General Counsel



By: Hyla P. Wagner
Counsel, Legal Division