



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
1102 Q Street • Suite 3000 • Sacramento, CA 95811  
(916) 322-5660 • Fax (916) 322-0886

May 9, 2019

Paul Joiner  
1221 Hillwood Loop  
Lincoln, CA 95648

Re: Your Request for Advice  
**Our File No. A-19-062**

Dear Mr. Joiner:

This letter responds to your request for advice regarding statement of economic interests reporting provisions of the Political Reform Act (the "Act").<sup>1</sup>

Please note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

### QUESTION

Are you required to report loans received from your parents on you Statement of Economic Interests (Form 700)?

### CONCLUSION

No. You are not required to report loans received from your parents on you Statement of Economic Interests because personal loans received from an individual's parent are specifically exempt from the Act's definition of "income" under Section 82030(b)(9).

### FACTS AS PRESENTED BY REQUESTER

You are a council member in the city of Lincoln. You have received personal loans from your parents, written on checks from their personal trust. You reported these loans on your statement of economic interests in the year that you received them. You have asked whether you are required to continue reporting these loans on subsequent statements of economic interests.

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<sup>1</sup> 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.

## ANALYSIS

### *Reporting of Loans*

The primary purpose for the conflict of interest provisions of the Act is to ensure that public officials, whether elected or appointed, perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them. (Section 81001(b).) In furtherance of this goal, Section 87302(b) of the Act requires that each designated employee file statements disclosing reportable income. "Income" means:

[A] payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in the income of a spouse. Income also includes an outstanding loan. (Section 82030(a).)

However, income does *not* include any loan from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt, or first cousin, or the spouse of any such person, provided that a loan or loan payment received from any such person shall be considered income if he or she is acting as an agent or intermediary for any person not listed above. (Section 82030(b)(9).)

As a result, loans received from individuals who are listed in Section 82030(b)(9) would not be considered income for purposes of the Act. You would not need to report loans received from your parents on your Statement of Economic Interests because they would not be considered "income" under the Act.

If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Dave Bainbridge  
General Counsel



By: Zachary W. Norton  
Senior Counsel, Legal Division

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