CHARLES PARKIN City Attorney

MICHAEL J. MAIS Assistant City Attorney

July 2, 2019

HONORABLE MAYOR AND CITY COUNCIL City of Long Beach California

RECOMMENDATION:

Adopt Resolution Amending the City's Policy Regarding Event Tickets and Passes. (Citywide)

DISCUSSION

Consistent with the regulations of the Fair Political Practices Commission ("FPPC"), in 2008 the City Council adopted a policy governing the use of event tickets and passes, covering such events as the Grand Prix and attractions like the Aquarium of the Pacific. Adoption of the policy provided an exception to the usual rule requiring "gifts" to public officials to be reported on their annual statement of economic interests (the "Form 700"). If followed, the policy results in the tickets not qualifying as gifts under the regulations, so that the official may accept the ticket where there is a public purpose achieved through that official's use of the ticket.

As required by FPPC regulations, the City's policy currently provides:

- The use of the ticket must further a governmental or public purpose;
- The City Council must adopt a distribution policy that contains provisions set forth in the regulations;
- The City must complete a form for each distribution that must be maintained as a public record subject to inspection and copying; and
- The form for each distribution must be forwarded to the FPPC for posting.

Tickets distributed under the policy, including tickets distributed at the behest of a public official, must be identified on FPPC Form 802 and posted on the City's website to comply with this regulation. The form must be completed within 30 days of

PRINCIPAL DEPUTORS

Gary J. Anderson Charles M. Gale Anne C. Lattime Howard D. Russell

STRUTTER

David R. Albers
C. Geoffrey Altred
Taylor M. Anderson
Richard F. Anthony
William R. Baerg
Sarah E. Green
Monica J. Kilaita
Nicholas J. Masero
Dawn A. McIntosh
Lauren E. Misajon
Matthew M. Peters
Katrina R. Pickett
Arturo D. Sanchez

Todd Vigus Linda T. Vu Amy R. Webber

Chelsea N. Trotter

Erin Weesner-McKinley Theodore B. Zinger distribution of a ticket or pass. Where the distribution is made pursuant to the public purpose exception, that purpose must also be described on the form. The City Manager's office acts as the ticket administrator under the policy.

Recently, the FPPC revised Regulations 18944.1, 18946, 18946.1, and 18942 in response to allegations of misuse in another city made in a Grand Jury report. The alleged misuse occurred in two ways: a disproportionate number of tickets were consistently used by certain staff and officials, and some staff and officials claimed the public purpose of their attendance at such events as NBA playoff games was to perform "facility inspections."

The attached policy, provided in redlined form to highlight the revisions, addresses these two primary policy changes by prohibiting the disproportionate use of tickets by City officials and staff (see Section III.D) as determined by the City ticket administrator, and by requiring that an official who uses tickets for the purpose of oversight or inspection of facilities must promptly provide a written report of findings and recommendations (see Section V.C.2). Some additional revisions were made to clarify definitions.

SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

CHARLES PARKIN, City Attorney

By

AMY R. WEBBER Deputy City Attorney

ARW:bg A19-03163 01035708.docx Attachments

CITY OF LONG BEACH POLICY REGARDING THE USE AND DISTRIBUTION OF TICKETS AND PASSES PROVIDED TO THE CITY FOR ENTERTAINMENT PURPOSES

I. APPLICATION OF POLICY

- A. Consistent with Fair Political Practices Commission ("FPPC")
 Regulation 18944.1, this policy is intended to establish a procedure for the City to provide tickets and passes to City Officials which will result in the tickets and passes not qualifying as gifts under the Political Reform Act (California Government Code section 81000 et seq.).
- B. This policy applies to all departments of the City.
- A.C. This policy applies to tickets and passes which provide admission to any facility or event for an entertainment, amusement, recreational or similar purpose and are either:
 - 1. gratuitously provided to the City by any outside source; or
 - 2. acquired by the City; or
 - 3. acquired by the City as consideration pursuant to the terms of any contract; or
 - 4. acquired and distributed by the City in any other manner.

B.D. This policy does not apply to:

- a single ticket provided to and used by a City Official to an event at which the official performs, on behalf of the City, a ceremonial role or function, as those terms are defined in Fair Political Practices Commission ("FPPC") Regulations, Section 18942.3 (Title 2, Division 6, California Code of Regulations);
- 2. any other item of value provided to the City or any City Official, regardless of whether received gratuitously or for which consideration is provided;
- 3. tickets for which the City Official pays the City the value of the ticket.

C.E. This policy, and procedures established to implement this policy, shall supersede and replace any other City policies and procedures relating to tickets and passes provided to the City or to City Officials.

II. DEFINITIONS.

Unless otherwise expressly provided herein, words and terms used in this policy shall have the same meaning as that ascribed to such words and terms in the California Political Reform Act of 1974 (California Government Code section 81000 et seq., as the same may be amended from time to time) and the FPPC Regulations (Title 2, Division 6 of the California Code of Regulations, Sections 18110 et seq., as the same may be amended from time to time).

- A. "City" or "City of Long Beach" shall mean and include the City of Long Beach, the Harbor Department, the Long Beach Housing Authority, the Water Department, the Successor Agency to the City of Long Beach Redevelopment Agency, and any other affiliated agency created or activated by the Long Beach City Council, and all departments, boards and commissions thereof.
- B. "City Official" means every elected official, officer, employee, commissioner, or consultant of the City of Long Beach required to file an annual Statement of Economic Interests (FPPC Form 700).
- "Fair Value." For a ticket offered for sale to the general public, the "fair value" means the face value of the ticket or pass. The "fair value" of a ticket or pass that does not have a face value indicated, or has a face value that is not available to the general public, is the price at which the ticket or pass would otherwise be offered for sale to the general public by the operator of the venue or host of the event who offers the ticket for public sale. Where the price indicated on the ticket does not reflect the actual cost for a ticket in a luxury box or suite, the face value is determined by dividing the total cost of the box or suite by the number of tickets available for that box or suite.
- D. "Immediate Family" means the spouse or registered domestic partner and any dependent children as defined in California Government Code section 82089 and Family Code section 297.5.
- C.E. "Pass" means a ticket that provides repeated access, entry, or admission to a facility or series of events and for which similar passes are sold to the public.
- D.F. "Ticket" means anything that provides access, entry, or admission to a specific future event or function and for which similar tickets are sold to the public to view, listen to, or otherwise take advantage of the attraction or activity for which the ticket is sold and includes any

- benefits that the ticket provides. and includes any form of admission privilege to a facility, event, show or performance.
- E.G. "Ticket Administrator" shall be the City Manager or designee who in his or her sole discretion has the authority to establish procedures for the distribution of tickets in accordance with this policy, and to implement the policy.

III. GENERAL PROVISIONS.

- A. No Right to Tickets. The use of complimentary tickets is a privilege extended by the City and not the right of any person to which the privilege may from time to time be extended.
- B. Limitation on the Transfer of Tickets. Unless otherwise provided herein, tickets distributed to a City Official pursuant to this policy shall not be transferred to any other person, except to members of such City Official's Immediate Family solely for their personal use or no more than one guest solely for their attendance at the event.
- C. Prohibition Against Sale of Tickets. No person who receives a ticket pursuant to this policy shall sell or receive reimbursement for the value of such ticket.
- D. Prohibition Against Disproportionate Use. The disproportionate use of tickets or passes by any City elected or appointed official or City employee is prohibited.
- C.E. Public Record. This policy shall be maintained as a public record and is subject to inspection and copying under Government Code Section 81008. The City shall post the policy on its website within 30 days of adoption or amendment and send to the FPPC by e-mail the City's website link that displays the policy so that the FPPC may post the link.

IV. TICKET ADMINISTRATOR.

- A. The City Manager or designee shall be the Ticket Administrator for purposes of implementing the provisions of this policy.
- B. All requests for tickets which fall within the scope of this policy shall be made in accordance with the procedures established by the Ticket Administrator.
- C. The Ticket Administrator shall determine the <u>Fair</u> <u>v</u>Value of tickets distributed by the City as necessary to implement this policy.

- D. The Ticket Administrator, in his or her sole discretion, may revoke or suspend the ticket privileges of any person who violates the provisions of this policy or the procedures established by the Ticket Administrator for the distribution of tickets in accordance with this policy.
- D.E. The Ticket Administrator shall determine in his/her sole discretion what constitutes the prohibited disproportionate use of tickets or passes
- V. CONDITIONS UNDER WHICH TICKETS MAY BE DISTRIBUTED.

Subject to the provisions of this policy, complimentary tickets may be distributed by the Ticket Administrator, as available, to City Officials under the following conditions:

- A. The City Official reimburses the City for the face Fair Vvalue of the ticket(s).
 - 1. Reimbursement shall be made at the time the ticket is distributed to the City Official.
 - 2. The Ticket Administrator shall, in his or her sole discretion, determine which event tickets, if any, shall be available under this Section.
- B. The City Official treats the tickets as income consistent with applicable federal and state income tax laws; or
- C. The City Official uses or behests such tickets for one or more of the following public purposes:
 - 1. If performing a ceremonial role or function representing the City at the event, the City Official may receive enough tickets for him/herself and each member of his or her immediate family.
 - If conducting oversight or inspection of facilities, the City
 Official receiving the ticket or pass shall promptly provide a
 written inspection report of findings and recommendations.
 - 2.3. The job duties of the City Official require his or her attendance at the event, for which the City Official may receive enough tickets for the City Official and his or her immediate family.
 - 3.4. Promoting city businesses, industries, resources, programs, facilities, and economic development Economic or business development purposes on behalf of the City.

- 4.5. Intergovernmental relations purposes, including but not limited to attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.
- 5.6. Attracting or rewarding volunteer service.
- 6.7. Supporting or showing appreciation for programs or services rendered by non-profit organizations benefitting Long Beach residents.
- 7.8. Encouraging or rewarding significant academic, athletic or public service achievements by Long Beach students, residents or businesses.
- 8.9. Attracting and retaining highly qualified employees in City service.
- 9.10. As special recognition or reward for meritorious service by a City employee.
- 40.11. For use in connection with a City employee or resident competition or drawing.
- 44.12. Recognition of contributions made to the City by former City Council members, City Managers or City Officials.
- 42,13. Encouraging Long Beach resident and business support for and attendance at local events.
- 13.14. Encouraging participants in City sponsored programs to attend local events.
- Encouraging City Officials and employees to attend local events on City-recognized holidays by being accompanied by their parents, children, grandchildren, siblings, nieces or nephews.

14.

- VI. TICKETS DISTRIBUTED AT THE DIRECTION ("BEHEST") OF A CITY OFFICIAL
 - A. Subject to Section VIII, below, tickets and passes subject to this policy must be received and distributed by the Ticket Administrator.
 - B. Only the following City Officials shall have authority to request distribution of tickets: City Attorney, City Auditor, City Prosecutor,

- Mayor, City Council Members, City Manager, Assistant City Manager, City department heads.
- C. Tickets shall be distributed at the request of a City Official only for one or more public purposes as set forth in Section V.C, above.
- D. If tickets are distributed at the behest of a City Official, such Official shall not use one of the tickets to attend the event.

VII. DISCLOSURE REQUIREMENTS.

- A. Tickets distributed by the City to any City Official either: i) which the City Official treats as income pursuant to Section V. B, above, or ii) for one or more public purposes described in Section V. C, above, shall be posted on a form provided by the FPPC in a prominent fashion on the City's website ("Ticket Policy Report Page") within thirty (30) days after distribution. Such posting shall include the following information:
 - 1. The name of the recipient, except that if the recipient is an organization, the City may post the name, address, description of the organization and number of tickets provided in lieu of posting the names of each recipient; and
 - 2. a description of the event; and
 - 3. the date of the event; and
 - 4. the <u>Fairface vV</u>alue of the ticket; and
 - 5. the number of tickets provided to each person or organization; and
 - 6. if the ticket was distributed at the direction ("behest") of a City Official, the name of the City Official who provided such direction; and
 - 7. a description of the public purpose(s) under which the distribution was made, or alternatively, that the City Official is treating the ticket as income; and
 - a written inspection report of findings and recommendations by the official receiving the ticket or pass if received for oversight or inspection of facilities.
 7.
- B. Tickets distributed by the City for which the City receives reimbursement from the City Official as provided under Section V.A,

above, shall not be subject to the disclosure provisions of this Section VII.

VIII. DISPOSITION OF TICKETS RECEIVED.

Tickets received by a City Official other than pursuant to this Ticket Policy must, within 30 days of receipt, either be:

- A. Returned to the source unused; or
- B. Provided to a 501(c)(3) organization for which the City Official does not take a tax deduction; or
- C. Delivered to the Ticket Administrator for distribution and use consistent with this policy.
- D. If tickets are disposed of pursuant to this Section VIII A or B, the City Official must notify the Ticket Administrator of their disposition, including the name of the 501 (c)(3) organization, the number of tickets and the date of return or delivery.

IX. INCOME TAX CONSIDERATIONS.

Tickets which are provided free of charge or at a price below the fair market value may have tax consequences for the recipient and may be reportable and taxable as regular income or as taxable fringe benefits to a recipient. Recipients of tickets must consult with their tax advisors to determine the reporting requirements for income tax purposes, as well as the tax consequences of any tickets received.

X. CAUTION:

This policy and any implementing guidelines are not a substitute for legal advice. Only the FPPC can provide immunity from prosecution for the legal advice that it offers. Please consult the City Attorney's Office if you have questions about reporting, disclosure and disqualification requirements regarding tickets and passes, and the City Attorney's Office can assist in obtaining advice from the FPPC.

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE CITY'S POLICY REGARDING TICKETS OR PASSES TO EVENTS

WHEREAS, the California Fair Political Practices Commission ("FPPC") requires that the distribution and use of tickets and passes to events by public officials must be made pursuant to an adopted written policy containing certain elements required by the FPPC; and

WHEREAS, on December 24, 2008, the City of Long Beach ("City") adopted such a written policy, and amended and restated the policy in 2015; and

WHEREAS, on May 6, 2019, the FPPC adopted additional regulations, prohibiting City officials from using a "disproportionate" number of event tickets and passes, and specifying requirements for tickets used as the facility inspection portion of the public purpose exception; and

WHEREAS, the City now desires to amend the policy in order to comply with the FPPC's changes;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. The City Council of the City of Long Beach hereby amends its Policy Regarding Tickets and Passes as set forth in Attachment "A" for the distribution and receipt of tickets and passes, pursuant to state law.

Section 2. The policy attached hereto as Attachment "A" is incorporated herein by this reference as if fully set forth.

Section 3. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664

I he	reby certify that the for	regoing resolution was adopted by the City	
Council of the City of Long Beach at its meeting of			, 2019,
by the following v	ote:		
Ayes:	Councilmembers:		
Noes:	Councilmembers:		
Absent:	Councilmembers:		
		City Clerk	

EXHIBIT "A"

CITY OF LONG BEACH POLICY REGARDING THE USE AND DISTRIBUTION OF TICKETS AND PASSES PROVIDED TO THE CITY FOR ENTERTAINMENT PURPOSES

I. APPLICATION OF POLICY

- A. Consistent with Fair Political Practices Commission ("FPPC") Regulation 18944.1, this policy is intended to establish a procedure for the City to provide tickets and passes to City Officials which will result in the tickets and passes not qualifying as gifts under the Political Reform Act (California Government Code section 81000 et seq.).
- B. This policy applies to all departments of the City.
- C. This policy applies to tickets and passes which provide admission to any facility or event for an entertainment, amusement, recreational or similar purpose and are either:
 - 1. gratuitously provided to the City by any outside source; or
 - 2. acquired by the City; or
 - 3. acquired by the City as consideration pursuant to the terms of any contract; or
 - 4. acquired and distributed by the City in any other manner.
- D. This policy does not apply to:
 - 1. a single ticket provided to and used by a City Official to an event at which the official performs, on behalf of the City, a ceremonial role or function, as those terms are defined in FPPC Regulations, Section 18942.3 (Title 2, Division 6, California Code of Regulations);
 - 2. any other item of value provided to the City or any City Official, regardless of whether received gratuitously or for which consideration is provided;
 - 3. tickets for which the City Official pays the City the value of the ticket.

E. This policy, and procedures established to implement this policy, shall supersede and replace any other City policies and procedures relating to tickets and passes provided to the City or to City Officials.

II. DEFINITIONS.

Unless otherwise expressly provided herein, words and terms used in this policy shall have the same meaning as that ascribed to such words and terms in the California Political Reform Act of 1974 (California Government Code section 81000 et seq., as the same may be amended from time to time) and the FPPC Regulations (Title 2, Division 6 of the California Code of Regulations, Sections 18110 et seq., as the same may be amended from time to time).

- A. "City" or "City of Long Beach" shall mean and include the City of Long Beach, the Harbor Department, the Long Beach Housing Authority, the Water Department, the Successor Agency to the City of Long Beach Redevelopment Agency, and any other affiliated agency created or activated by the Long Beach City Council, and all departments, boards and commissions thereof.
- B. "City Official" means every elected official, officer, employee, commissioner, or consultant of the City of Long Beach required to file an annual Statement of Economic Interests (FPPC Form 700).
- C. "Fair Value." For a ticket offered for sale to the general public, the "fair value" means the face value of the ticket or pass. The "fair value" of a ticket or pass that does not have a face value indicated, or has a face value that is not available to the general public, is the price at which the ticket or pass would otherwise be offered for sale to the general public by the operator of the venue or host of the event who offers the ticket for public sale. Where the price indicated on the ticket does not reflect the actual cost for a ticket in a luxury box or suite, the face value is determined by dividing the total cost of the box or suite by the number of tickets available for that box or suite.
- D. "Immediate Family" means the spouse or registered domestic partner and any dependent children as defined in California Government Code section 82089 and Family Code section 297.5.
- E. "Pass" means a ticket that provides repeated access, entry, or admission to a facility or series of events and for which similar passes are sold to the public.
- F. "Ticket" means anything that provides access, entry, or admission to a specific future event or function and for which similar tickets are sold to the public to view, listen to, or otherwise take advantage of

- the attraction or activity for which the ticket is sold and includes any benefits that the ticket provides.
- G. "Ticket Administrator" shall be the City Manager or designee who in his or her sole discretion has the authority to establish procedures for the distribution of tickets in accordance with this policy, and to implement the policy.

III. GENERAL PROVISIONS.

- A. No Right to Tickets. The use of complimentary tickets is a privilege extended by the City and not the right of any person to which the privilege may from time to time be extended.
- B. Limitation on the Transfer of Tickets. Unless otherwise provided herein, tickets distributed to a City Official pursuant to this policy shall not be transferred to any other person, except to members of such City Official's Immediate Family solely for their personal use or no more than one guest solely for their attendance at the event.
- C. Prohibition Against Sale of Tickets. No person who receives a ticket pursuant to this policy shall sell or receive reimbursement for the value of such ticket.
- D. Prohibition Against Disproportionate Use. The disproportionate use of tickets or passes by any City elected or appointed official or City employee is prohibited.
- E. Public Record. This policy shall be maintained as a public record and is subject to inspection and copying under Government Code Section 81008. The City shall post the policy on its website within 30 days of adoption or amendment and send to the FPPC by e-mail the City's website link that displays the policy so that the FPPC may post the link.

IV. TICKET ADMINISTRATOR.

- A. The City Manager or designee shall be the Ticket Administrator for purposes of implementing the provisions of this policy.
- B. All requests for tickets which fall within the scope of this policy shall be made in accordance with the procedures established by the Ticket Administrator.
- C. The Ticket Administrator shall determine the Fair Value of tickets distributed by the City as necessary to implement this policy.

- D. The Ticket Administrator, in his or her sole discretion, may revoke or suspend the ticket privileges of any person who violates the provisions of this policy or the procedures established by the Ticket Administrator for the distribution of tickets in accordance with this policy.
- E. The Ticket Administrator shall determine in his/her sole discretion what constitutes the prohibited disproportionate use of tickets or passes

V. CONDITIONS UNDER WHICH TICKETS MAY BE DISTRIBUTED.

Subject to the provisions of this policy, complimentary tickets may be distributed by the Ticket Administrator, as available, to City Officials under the following conditions:

- A. The City Official reimburses the City for the Fair Value of the ticket(s).
 - 1. Reimbursement shall be made at the time the ticket is distributed to the City Official.
 - 2. The Ticket Administrator shall, in his or her sole discretion, determine which event tickets, if any, shall be available under this Section.
- B. The City Official treats the tickets as income consistent with applicable federal and state income tax laws; or
- C. The City Official uses or behests such tickets for one or more of the following public purposes:
 - 1. If performing a ceremonial role or function representing the City at the event, the City Official may receive enough tickets for him/herself and each member of his or her immediate family.
 - 2. If conducting oversight or inspection of facilities, the City Official receiving the ticket or pass shall promptly provide a written inspection report of findings and recommendations.
 - 3. The job duties of the City Official require his or her attendance at the event, for which the City Official may receive enough tickets for the City Official and his or her immediate family.
 - 4. Promoting city businesses, industries, resources, programs, facilities, and economic development.

- 5. Intergovernmental relations purposes, including but not limited to attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.
- 6. Attracting or rewarding volunteer service.
- 7. Supporting or showing appreciation for programs or services rendered by non-profit organizations benefitting Long Beach residents.
- 8. Encouraging or rewarding significant academic, athletic or public service achievements by Long Beach students, residents or businesses.
- 9. Attracting and retaining highly qualified employees in City service.
- 10. As special recognition or reward for meritorious service by a City employee.
- 11. For use in connection with a City employee or resident competition or drawing.
- 12. Recognition of contributions made to the City by former City Council members, City Managers or City Officials.
- 13. Encouraging Long Beach resident and business support for and attendance at local events.
- 14. Encouraging participants in City sponsored programs to attend local events.
- 15. Encouraging City Officials and employees to attend local events on City-recognized holidays by being accompanied by their parents, children, grandchildren, siblings, nieces or nephews.
- VI. TICKETS DISTRIBUTED AT THE DIRECTION ("BEHEST") OF A CITY OFFICIAL
 - A. Subject to Section VIII, below, tickets and passes subject to this policy must be received and distributed by the Ticket Administrator.
 - B. Only the following City Officials shall have authority to request distribution of tickets: City Attorney, City Auditor, City Prosecutor, Mayor, City Council Members, City Manager, Assistant City Manager, City department heads.

- C. Tickets shall be distributed at the request of a City Official only for one or more public purposes as set forth in Section V.C, above.
- D. If tickets are distributed at the behest of a City Official, such Official shall not use one of the tickets to attend the event.

VII. DISCLOSURE REQUIREMENTS.

- A. Tickets distributed by the City to any City Official either: i) which the City Official treats as income pursuant to Section V. B, above, or ii) for one or more public purposes described in Section V. C, above, shall be posted on a form provided by the FPPC in a prominent fashion on the City's website ("Ticket Policy Report Page") within thirty (30) days after distribution. Such posting shall include the following information:
 - 1. The name of the recipient, except that if the recipient is an organization, the City may post the name, address, description of the organization and number of tickets provided in lieu of posting the names of each recipient; and
 - 2. a description of the event; and
 - the date of the event; and
 - 4. the Fair Value of the ticket; and
 - the number of tickets provided to each person or organization;
 and
 - 6. if the ticket was distributed at the direction ("behest") of a City Official, the name of the City Official who provided such direction; and
 - 7. a description of the public purpose(s) under which the distribution was made, or alternatively, that the City Official is treating the ticket as income; and
 - 8. a written inspection report of findings and recommendations by the official receiving the ticket or pass if received for oversight or inspection of facilities.
- B. Tickets distributed by the City for which the City receives reimbursement from the City Official as provided under Section V.A, above, shall not be subject to the disclosure provisions of this Section VII.

VIII. DISPOSITION OF TICKETS RECEIVED.

Tickets received by a City Official other than pursuant to this Ticket Policy must, within 30 days of receipt, either be:

- A. Returned to the source unused; or
- B. Provided to a 501(c)(3) organization for which the City Official does not take a tax deduction; or
- C. Delivered to the Ticket Administrator for distribution and use consistent with this policy.
- D. If tickets are disposed of pursuant to this Section VIII A or B, the City Official must notify the Ticket Administrator of their disposition, including the name of the 501 (c)(3) organization, the number of tickets and the date of return or delivery.

IX. INCOME TAX CONSIDERATIONS.

Tickets which are provided free of charge or at a price below the fair market value may have tax consequences for the recipient and may be reportable and taxable as regular income or as taxable fringe benefits to a recipient. Recipients of tickets must consult with their tax advisors to determine the reporting requirements for income tax purposes, as well as the tax consequences of any tickets received.

X. CAUTION:

This policy and any implementing guidelines are not a substitute for legal advice. Only the FPPC can provide immunity from prosecution for the legal advice that it offers. Please consult the City Attorney's Office if you have questions about reporting, disclosure and disqualification requirements regarding tickets and passes, and the City Attorney's Office can assist in obtaining advice from the FPPC.