



ETHICS COMMISSION

NOTICE OF PROPOSED REGULATIONS CONCERNING GIFT RULES

**Draft Regulations to San Francisco Campaign and Governmental Conduct Code –
San Francisco Government Ethics Ordinance Section 3.216**

Regulation 3.216(b)-2: Definition of “knowingly attempted to influence the officer or employee in any legislative or administrative action”

Except as provided below, “knowingly attempted to influence the officer or employee in any legislative or administrative action,” as used in section 3.20316(b)(1), means the person has contacted or appeared before the employee or officer with an intent to influence a decision of the employee or officer, or the person otherwise has attempted to influence the officer or employee. The phrase “intent to influence” means any communication made for the purpose of supporting, promoting, influencing, modifying, opposing, delaying or advancing a governmental decision. Notwithstanding the foregoing, the following shall not be deemed to be an intent to influence an officer or employee in any legislative or administrative action for the purposes of section 3.216(b)(1): communications that (a) involve only routine requests for information such as a request for publicly available documents; (b) are made as a panelist or speaker at a conference or similar public event for educational purposes or to disseminate research and the subject matter does not pertain to a specific action or proceeding; (c) are made while attending a general informational meeting, seminar, or similar event; (d) are made to the press; (e) involve an action that is solely ministerial, secretarial, manual or clerical; ~~or~~ (f) constitute oral or written public comment that becomes part of the record of a public hearing; are made at a public forum or rally; or are made via petition or social media.

Regulation 3.216(b)-5. Gifts from Restricted Sources—Exemptions

The following are not gifts subject to the ~~ban~~ rules contained in section 3.216(b).

~~(a) Voluntary gifts, other than cash, with an aggregate value of \$25 or less per occasion, provided that no officer or employee may receive gifts from any restricted source under this exception on more than four occasions during a calendar year. For the purpose of this subsection, a gift card or gift certificate is a cash gift.~~

(a) Gifts, other than cash, that constitute routine office courtesies with an aggregate value of \$15 or less per occasion provided to an officer or employee without regard to official status by a restricted source at the restricted source’s place of business at such times that the officer or employee must visit the restricted source’s place of business in order to carry out City duties. Gifts received by any officer or employee under this exception from any single restricted source must not exceed four occasions during



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a calendar year. Routine office courtesies include bottled water, coffee, small snacks, a pad of paper, and writing instruments. Routine office courtesies do not include alcohol.

Example: An employee of a department must visit the place of business of a company doing business with the department in order to assess the company's compliance with the laws administered by the department. During the site visit, the employee may accept routine office courtesies that are offered such as coffee, tea, juice, pastry or bagels, as long as their aggregate value does not exceed \$10 per employee for the duration of the visit, provided that the employee has not already accepted such routine office courtesies from the restricted source on four occasions during the calendar year.

~~(b) Voluntary gifts, of food and drink, without regard to value, to be shared in the office among officers and employees.~~

~~(e) Free attendance at a widely attended convention, conference, seminar, or symposium where attendance is appropriate to the official duties of the officer or employee and the ~~donor~~organizer of the event provides the free attendance voluntarily~~ly~~unsolicited. A gift is unsolicited if it is not requested and is given freely, without pressure or coercion.~~

(1) "Free attendance" may include waiver of all or part of a conference or other fee, the provision of local transportation, or the provision of food, refreshments, entertainment or instructional material furnished to all attendees as an integral part of the event. "Free attendance" may also include attendance at meet-and-greet or hospitality sessions and meals offered in connection with the convention, conference, seminar, or symposium where networking or discussion opportunities may enable the officer or employee to establish working relationships that may inure to the benefit of the City. The term does not include entertainment collateral to the event.

(2) A "widely attended" event is an event that is open to individuals from throughout a given industry or profession, or an event that is open to individuals who represent a range of persons interested in a given matter.

(3) An officer or employee who attends such an event may not accept an ~~sponsor's~~event organizer's offer of free attendance at the event for an accompanying individual.

Example: Staff of a City department are invited to attend a conference on best practices in the industry that is organized by a restricted source. The event organizer provides free attendance to the department's staff without the department asking for free attendance. Staff may accept free attendance to the conference. At this conference, staff may accept food, refreshments, entertainment or instructional material furnished to all attendees as an integral part of the event.

~~(d) Voluntary meals from a member of the investment, financial, or banking community provided to officers and employees who are responsible for managing investments or debt obligations on behalf of the City, provided that (i) such meals are necessary to discuss City investments or financial transactions in order to cultivate and maintain working relationships between the City and the investment, financial, or banking community; (ii) management of the City's investments or debt is discussed during the meal; and (iii) the person providing the meal is not negotiating a contract with the department of the officer or~~



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employee. For the purpose of this subsection, “investment, financial, or banking community” includes investment managers; firms that market and sell municipal securities in the tax-exempt and taxable markets including entities that support financing transactions such as bond insurers, rating agencies, credit banks, bond and disclosure counsel, financial advisors, feasibility consultants and trust agents; the custodian bank; and consultants who contract to assist the business of the retirement trust. For the purposes of this subsection, “negotiating a contract” means communicating with the department of the officer or employee regarding a proposal to adopt or change a material term of an existing or prospective contract. A person is “negotiating a contract” from the date that the person or the department makes the proposal until the date of the approval of the contract or the date that the person or the department communicates to the other party that negotiations for the contract have terminated.

(e) Voluntary meals or vessel boardings or vessel trips that do not extend overnight from a member of the maritime industry provided to officers and employees who are responsible for managing the Port’s maritime commerce portfolio, provided that (i) such meals or vessel boardings or trips are necessary to cultivate and maintain working relationships between the Port and the maritime industry; (ii) management of the Port’s maritime commerce portfolio is discussed during the meal, vessel boarding or trip; and (iii) the person providing the meal, or vessel boarding or trip is not negotiating a contract with the Port at the time of the meal or vessel boarding or trip. For the purposes of this subsection, “maritime industry” means individuals and entities engaged in: cruise and cargo shipping; ship repair; commercial and sport fishing; ferry and excursion operations; harbor services such as pilots, tugboats, barges, water taxis, lay berthing and other ship services; terminal management; stevedoring and longshore labor; facility and ship security. “Managing the Port’s maritime commerce portfolio” includes: managing and marketing the Port to the maritime industry; promoting Port maritime facilities to potential and existing customers; ensuring compliance with federal security mandates and providing environmental stewardship; and operating the City’s cruise and cargo terminals, ferry terminals, shipyards and dry docks, Fisherman’s Wharf and Hyde Street commercial fishing harbors, excursion terminals and harbor service facilities for pilots, tugboats, barges, water taxis, lay berthing and other ship services. For the purposes of this subsection, “negotiating a contract” means communicating with the Port regarding a proposal to adopt or change a material term of an existing or prospective contract. A person is “negotiating a contract” from the date that the person or the Port makes the proposal until the date of the approval of the contract or the date that the person or the Port communicates to the other party that negotiations for the contract have terminated.

(f) Voluntary meals from a member of the aviation industry provided to officers and employees who are responsible for managing and marketing the Airport to the aviation industry, provided that (i) such meals are necessary to cultivate and maintain working relationships between the Airport and aviation industry representatives; (ii) the aviation industry’s business relationship with the Airport is discussed during the meal; and (iii) the person providing the meal is not, at the time of the meal, negotiating contract benefits on terms that the Airport does not otherwise offer to all similarly situated airlines currently under contract with the Airport. For the purposes of this subsection, “aviation industry” means individuals and entities engaged in: air cargo shipping; general and business aviation and commercial airlines; air tourism; airline service related associations and agencies; joint marketing programs with non-competitive airports to enhance air service to the public; and facility and airline security. “Managing



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and marketing the Airport ” includes: managing and marketing the Airport to the aviation industry; promoting Airport facilities to potential and existing customers; ensuring compliance with federal security mandates and providing environmental stewardship; and operating the Airport’s airfield, facilities and terminals. For the purposes of this subsection, “negotiating contract benefits” means communicating with the Airport regarding a proposal to adopt or change a material term of an existing or prospective contract to include commercial benefits that the Airport does not otherwise offer to all similarly situated airlines currently under contract with the Airport. A person is “negotiating contract benefits” from the date that the Airport considers the proposal until the date of the approval of the contract or the date that the Airport communicates to the other party that negotiations for the contract benefits have terminated.

(gc) Items of any value received by a City employee or officer in a random drawing associated with participation in the City’s Annual Joint Fundraising Drive under Administrative Code Chapter 16, Article V (also known as Combined Charities Fundraising Drive).

Example: An employee donates to the City’s Combined Charities Fundraising Drive. The employee’s name is entered in a drawing with all other donors, and the employee wins a \$50 gift certificate in the drawing. The gift certificate was provided to the City by a company doing business with the employee’s department. Even though the company that provided the gift certificate is a restricted source, the employee may accept the gift as a reward or benefit associated with participation in the fundraising drive.

~~Example: A restricted source sends five pizzas to a department as a goodwill gesture. Because this is a gift to the office, staff may share the pizza.~~

~~Example: A restricted source sends two opening day Giants ballgame tickets to a staff person. The staff person may not accept the tickets because their value exceeds \$25.~~

~~Example: A restricted source sends a baseball cap to the department head. The department head may accept the baseball cap because its value is \$25 or less, provided that the department head has not already accepted gifts with a value of \$25 or less from the restricted source on four occasions during the calendar year.~~

~~Example: Staff of a department are invited to a morning training event that is sponsored by a restricted source. Staff who attend the session may accept food and beverages that are offered at the event such as coffee, tea, juice, pastry or bagels, because their value do not exceed \$25, provided that such staff has not already accepted such food and beverages from the restricted source on four occasions during the calendar year.~~

~~Example: Staff of a City department are invited to attend a forum on best practices in the industry that is sponsored by a restricted source. At this conference, staff may accept food, refreshments, entertainment or instructional material furnished to all attendees as an integral part of the event.~~

~~Example: An employee donates to the City’s Combined Charities Fundraising Drive. The employee’s name is entered in a drawing with all other donors, and the employee wins a \$50 gift certificate in the~~



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~~drawing. The gift certificate was provided to the City by a company doing business with the employee's department. Even though the company that provided the gift certificate is a restricted source, the employee may accept the gift as a reward or benefit associated with participation in the fundraising drive.~~

(d) Informational material as defined by California Code of Regulations Title 2, regulation 18942.1.

(e) A payment that is not used and that, pursuant to California Code of Regulations Title 2, regulation 18941, is returned, donated, or for which reimbursement is paid.

(f) A payment from: the official's spouse or former spouse; child or step-child; parent; grandparent; grandchild; brother; sister; current or former parent-in-law, brother-in-law, or sister-in-law; nephew; niece; aunt or uncle; including grand nephew, grand niece, grand aunt, or grand uncle, or first cousin including first cousin once removed or the spouse, or former spouse, of any such person other than a former in-law, unless the donor is acting as an agent or intermediary for any person not identified in this paragraph.

(g) A campaign contribution required to be reported under Title 9 of the California Government Code.

(h) Any devise or inheritance.

(i) Payments received under a government agency program or a program established by a bona fide charitable organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code designed to provide disaster relief or food, shelter, or similar assistance to qualified recipients if the payments are available to members of the public without regard to official status.

(j) Admission, where paid admission is required, food, and nominal items provided as part of the paid admission to those attending, to an official where the official makes a speech (as defined in California Code of Regulations Title 2, regulation 18950 (b)(2)), so long as the admission is provided by the person who organizes the event. For purpose of this subdivision, "nominal" means an insignificant item typically purchased in large volume and provided for free as a means of advertisement at events, such as a pen, pencil, mouse pad, rubber duck, stress ball, note pad, or similar item.

(k) Payments for campaign activities as specified in California Code of Regulations Title 2, regulation 18950.3.

(l) A ticket provided to an official and one guest of the official for the admission to a facility, event, show, or performance for an entertainment, amusement, recreational, or similar purpose at which the official performs a ceremonial role on behalf of the official's agency, as defined in California Code of Regulations Title 2, regulation 18942.3, so long as the official's agency complies with the posting provisions set forth in California Code of Regulations Title 2, regulation 18944.1, subdivision (d).

(m) A ticket provided by a nonprofit organization to a fundraiser event hosted by the nonprofit organization if the ticket is used by an official for whom attendance at the event is necessary to carry out the official's City duties and the official's department complies with the disclosure requirements



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contained in section 3.217 of the Code. "Nonprofit organization" means an organization with tax exempt status under 26 United States Code Section 501(c)(3).

(n) A ticket to an arts exhibit, performance, athletic event, or sporting event provided by an organization holding the exhibit, performance, or event if the ticket is used by an official for whom attendance at the exhibit or performance is necessary to carry out the official's City duties and the official's department complies with the disclosure requirements contained in section 3.217 of the Code.

(o) A personalized plaque or trophy valued at less than \$250, limited to one plaque or trophy, per calendar year, per restricted source.

Regulation 3.216(b)-6 – License, permit, or other entitlement for use.

Notwithstanding the definition of "doing business with the department" contained in Article III, Chapter 2, neither an approval nor the application for approval of a license, permit, or other entitlement for use shall be deemed "doing business with the department" if the approval of such item is solely ministerial, secretarial, manual, or clerical. A person seeking, obtaining, or possessing such a license, permit, or other entitlement for use is not a "restricted source" for purposes of section 3.216, solely because of the license, permit, or other entitlement for use.

Regulation 3.216(c)-1: Gifts from Subordinates

(a) Prohibition on gifts.

(1) For the purposes of section 3.216(c), a City officer or employee may not solicit or accept from a subordinate or employee under their supervision or from any candidate or applicant for a position as a subordinate or employee under their supervision any gift, as defined in subsection (b) of this section.

(2) Gifts permitted under this section remain subject to any other applicable laws and rules, including but not limited to state and local limits on gifts to designated employees (Cal. Gov't Code § 89503; C&GCC § 3.1-101), the City's prohibition on gifts given in exchange for appointments or promotions (C&GCC § 3.208), and the City's prohibition on bribery (C&GCC § 3.216); the City's limits on gifts from restricted sources (C&GCC § 3.216); the City's limits on gifts from lobbyists (C&GCC § 2.115), and any departmental rules on gifts.

(b) Definitions. For purposes of this section, the following definitions shall apply:



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(1) Applicant or candidate. An applicant or candidate for a position as a subordinate means any person who has communicated, orally or in writing, to a City officer or employee acting in an official capacity, that the person wants to be considered for the position.

(2) Gift.

(A) Except as provided in (B), a gift is 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.

(B) The following, ~~voluntarily given~~ when unsolicited, are not gifts within the meaning of this section.

(i) Gifts, other than cash, with an aggregate value of \$25 or less per occasion, given on occasions on which gifts are traditionally given.

(ii) Gifts, such as food and drink, without regard to value, to be shared in the office among employees.

(iii) Personal hospitality provided at a residence that is of a type and value customarily provided by the employee to personal friends.

(iv) Items given in connection with the receipt of personal hospitality if of a type and value customarily provided by the employee on such occasions.

~~(v) A gift of any value given in recognition of an occasion of special personal significance.~~

~~(vi) A gift of any value given in recognition of an occasion that terminates a subordinate relationship.~~

(vi) Informational material that serves primarily to convey information and which is provided for the purpose of assisting the recipient in the performance of their ~~his or her~~ official duties and may include books, reports, pamphlets, calendars, or periodicals.

(vii) Gifts from an individual's spouse, domestic partner, child, parent, grandparent grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse or domestic partner of any such person, provided that a gift from any such person shall be considered a gift if the donor is acting as an agent or intermediary for any person not covered by this paragraph.

~~(viii)~~ Campaign contributions required to be reported under the Government Code, Title 9, Chapter 4 (commencing with Section 84100) and the Campaign and Governmental Conduct Code, Article I (commencing with Section 1.100).

(ix) Any devise or inheritance.



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(xi) Personalized plaques and trophies with an individual value of less than two hundred fifty dollars (\$250).

(xii) A gift that, within 30 days of receipt of the gift, the donor either pays for, returns unused, or donates unused to a government or a nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code without being claimed as a charitable contribution for tax purposes.

(xiii) A ticket to a fundraiser for an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code or for a political committee or candidate.

~~(xiv) A gift given directly to members of the immediate family of an officer or employee, provided that the gift is not used or disposed of by the officer or employee or given to the officer or employee by the recipient family member for the officer's or employee's disposition or use at the discretion of the officer or employee. A gift is given directly to a family member of the officer or employee if the family member's name or designation appears in the address or communication tendering or offering the gift and the gift is intended for the family member's use and enjoyment. A gift given to the family member of an officer or employee will be considered a gift to the officer or employee if the officer or employee exercises discretion and control over who will use the gift. If the officer or employee enjoys a direct benefit from a gift to the immediate family of the officer or employee, the full value of the gift will be attributable to the official.~~

~~(3) Occasion on which gifts are traditionally given. An occasion on which gifts are traditionally given includes anyis a holiday traditionally associated with gift giving, such as Christmas and Chanukah, as well as birthdays, marriage, birth or adoption of a child, or bereavement following the death of an immediate family member or thanking a person for a kindness or good deed.~~

~~(4) Occasion of special personal significance. An occasion of special personal significance is any occasion that does not typically occur on a regular basis and that is of personal significance to the recipient of the gift, as opposed to a general holiday or recurring event such as a birthday. Examples of such an event include marriage, birth or adoption of a child, graduation or illness.~~

~~(45) Occasion that terminates a subordinate relationship. An occasion that terminates a subordinate relationship is any event severing the relationship, including but not limited to retirement, transfer, or promotion.~~

~~(56) Receipt of gift. A gift is received when a person exercises control over the gift.~~

~~(67) Subordinate employee. An employee is a subordinate employee of any person whose official City responsibilities include directing or evaluating the performance of the employee or any of the employee's supervisors.~~



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(7) Subordinate officer. An officer is a subordinate of (a) any other officer whose position, or a board on which the officer sits, is the appointing authority for the officer in question, and (b) any officer whose position, or a board on which the officer sits, is the appointing authority for the appointing authority for the officer in question.

Example: The City Administrator is the appointing authority for a department head. The department head is therefore a subordinate to the City Administrator. Additionally, because the Mayor is the appointing authority for the City Administrator, the department head is also a subordinate to the Mayor.

(8) Value. The value of a gift is determined by the actual value or where the actual value is unknown, making a reasonable good faith estimate of the fair market value of the item or service, comparing where possible similar items or services.

(9) ~~Voluntarily Unsolicited~~. A gift is ~~given voluntarily unsolicited~~ if it is not requested and is given freely, without pressure or coercion. A contribution to a gift from multiple persons is given voluntarily unsolicited if the recipient of the gift did not request the contribution and it is made in an amount determined by the employee or subordinate. A contribution to a gift from multiple persons will be presumed to have been given voluntarily unsolicited if the request for the donation-contribution is made by an officer or employee other than the recipient and includes a statement that an employee may choose to contribute less or not at all.