

Office of Small Business Katy Tang, Executive Director

Ticket Distribution Policy

Updated March 27, 2025

This Ticket Distribution Policy establishes the requirements for the distribution of tickets by the Office of Small Business and the Small Business Commission, together known as the "Department", pursuant to Fair Political Practices Commission (FPPC) Regulation 18944.1 and San Francisco Campaign and Governmental Conduct Code Section 3.216(b).

This policy consists of three parts: (I) distribution of tickets; (II) prohibition of earmarking and transfer of tickets to another person; (III) disclosure requirements.

I. Distribution of Tickets

Before distributing tickets, Department leadership shall determine if the ticket provider is a restricted source and ascertain whether the Department can accept and distribute those tickets because tickets are generally considered gifts. Please see the <u>Restricted Source Rule</u> on gifts on the Ethics Commission's website for the most updated information.

All tickets distributed under this policy must meet the public purpose stated in Section C. Tickets from a restricted source may only be distributed under this policy if one of the four exemptions stated in Section B applies to the ultimate recipient of the ticket.

A. Definition of restricted sources

Generally, a restricted source is a person or entity who seeks or has a contract, permit, license or attempts to influence an employee in any government decision (see Appendix A for the full definition of restricted sources).

B. Tickets From Restricted Sources

The Department may receive and distribute tickets from restricted sources if (1) the recipient of the ticket separately qualifies for one of the exemptions listed below and (2) the tickets meet the public purpose stated in Section C.

A ticket provided by a restricted source may only be distributed when it meets one of the exemptions 1-4 below. (See full <u>regulations regarding gift exemptions from restricted sources</u> and examples on the Ethics Commission's website, questions regarding the exemptions can be submitted through their <u>advice portal.</u>)

- 1. Free attendance at a widely attended convention, conference, seminar, symposium, or ribbon-cutting or ceremony, including before or after construction, where attendance is appropriate to the official duties of the officer or employee and the organizer of the event provides the free attendance voluntarily.
 - a. 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.
- 2. A ticket provided to an official for the admission to a facility, event, show, or performance for entertainment, amusement, recreational, cultural, or similar purpose at which the official performs a ceremonial role on behalf of the official's agency.
- 3. A single 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.
 - a. Purposes that are "necessary to carry out the official's City duties" may include attending an event to share information with other attendees, to build and maintain relationships with grant recipients or potential grant recipients for purposes of City business, or to show departmental support for City-funded projects, so long as such tasks are part of the official's City duties. The ticket may not be used for employee appreciation or as a reward for public service.
- 4. A single ticket to an arts exhibit, performance, athletic, sporting, cultural, or other entertainment event or production provided by an organization holding the exhibit, performance, event, or production if the ticket is used by an official for whom attendance at the exhibit, performance, event, or production is necessary to carry out the official's City duties.
 - a. Purposes that are "necessary to carry out the official's City duties" may include monitoring City-funded or permitted events, or assessing local events to inform future funding or permitting decisions, and ensuring proper use of City facilities, so long as such tasks are part of the official's City duties. Employees of City departments that regularly fund or permit arts, recreational, and culture events and productions, shall be allowed to accept a single additional ticket for a guest to accompany them to the event or production.
 - **b.** A ticket distributed under this exemption cannot be for employee appreciation or as a reward for public service.

If a ticket meets one of the exemptions above, it must also meet one of the public purposes stated below in Section C.

C. Tickets for Public Purposes

The Department's Executive Director has independent authority to determine whether a public purpose exists and to distribute the tickets in accordance with this policy. Below is a list of what constitutes a public purpose:

- Promotion of economic development and employment in the City;
- Supporting local businesses;
- Increasing City tourism, including conferences, convention, and special events;
- Promoting the use of City-run, sponsored, or supported community programs;
- Raising awareness of resources available to City residents including charitable and non-profit organizations;
- Highlighting community programs within the City;
- Promoting private facilities available for public use;
- Monitoring and maintenance of public facilities available for City resident use;
- Increasing public exposure to and awareness of the recreational, cultural, and educational facilities available to the public within the City;
- Gathering public input on City facilities and spaces;
- General employee morale (excluding the Executive Director, or a member of a commission or other appointed body);
- Increasing employee knowledge and education to assist in the performance of their job duties; and
- Any other purpose similar to the above as identified by the Department

Employees may accept free or discounted tickets from the City provided that attending the event serves a public purpose as listed above and provided that tickets are not used disproportionately by a member of the Department.

II. Prohibition of Earmarking and Transfer

The Department may not accept any tickets from an outside agency that are earmarked for use by any particular employee. The Executive Director shall decide which employee will receive the tickets.

Tickets or passes from restricted sources are prohibited from being transferred. An official may get an additional ticket for a guest as permitted under Section B, 4a.

Tickets from other sources are prohibited from being transferred except for the receiving employee's spouse, domestic partner recognized by state law, or dependent children, solely for their personal use.

III. <u>Disclosure Requirements</u>

As required by FPPC Regulation 18944.1, the Ticket Distribution Policy and the information required by the FPPC's Form 802 regarding the distribution of any ticket or pass under this policy will be posted on the Department's website within 45 days after the ticket or pass is

distributed. The Department will upload them on our department's website and send the FPPC an email containing the website where Form 802 is displayed so that the FPPC may post that link. A ticket or pass distributed by the Department under the Ticket Distribution Policy and reported on the FPPC Form 802 does not have to be separately reported by the individual ticket recipient. For example, the individual does not need to report the ticket on their Form 700.

All tickets received and distributed by this Policy will be included in the Department's monthly gift report to the Ethics Commission, per the requirements in section 3.217 of the Campaign and Governmental Conduct Code.

APPENDIX A

Definition of Restricted Sources according to Restricted Source Rule under SF C& GC Code § 3.216 and EC Regulations 3.216(b)-1-6

Restricted Sources are:

- Any person or entity that contracts or is seeking to contract with the department of the
 officer or employee, or any affiliate of that entity (Affiliates include the entity's board
 of directors, principal officers, or persons with a 10% or more ownership interest.)
 The prohibition is effective until 12 months after the term of the contract ends or, if
 no contract is approved, until 12 months after negotiations regarding the contract
 end.
- Any person or entity involved in proceedings regarding non-ministerial permits, licenses or other entitlements for use or any affiliate of that entity, as follows:
 - o For permits that go before a department head, board or commission, or the Board of Supervisors, the applicant or holder is a restricted source to all officers and employees in the department from when the applicant starts the proceeding until 12 months after the final decision regarding the permit or license is made.
 - For all other non-ministerial permits, a person seeking, obtaining, or possessing a license, permit, or other entitlement for use in which the officer or employee was personally and substantially involved is a restricted source to the officer or employee from when the applicant starts the proceeding until 12 months after the final decision regarding the permit or license is made.
- Anyone who during the prior 12 months knowingly attempted to influence the officer or employee in any legislative or administrative action.
- Any permit consultant who has registered with the Ethics Commission, if the permit consultant has reported any contacts with the designated employee's or officer's department to carry out permit consulting services during the prior 12 months.
- For City officers, a registered lobbyist.