



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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February 10, 2025

John C. Wu  
Mayor  
City of San Gabriel  
425 South Mission Drive  
San Gabriel, California 91776

Re: Your Request for Advice  
**Our File No. A-25-016**

Dear Mr. Wu:

This letter responds to your request for advice regarding gift provisions of the Political Reform Act (the “Act”).<sup>1</sup>

Please note that we are only providing advice under the conflict of interest provisions of the Act and not under other general conflict of interest prohibitions such as common law conflict of interest or Section 1090.

Also 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 prohibited from accepting reimbursement payments from the Taipei Computer Association for a round-trip ticket to Taipei, four nights of hotel accommodation, and venue transportation related to your attendance at the 2025 Smart City Summit & Expo in Taipei in March 2025?

### CONCLUSION

The travel reimbursement payment from TCA would exceed the \$630 gift limit for payments from a single source in a calendar year. You may only accept the travel payments if the payments aggregate to less than the \$630 gift limit or if you reimburse TCA for any portion of the payments exceeding \$630, as discussed below. If you accept payments from TCA, you must report

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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 18104 through 18998 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.

any payment or aggregate of payments of \$50 or greater during the reporting period that you receive from TCA in the calendar year on your annual Statement of Economic Interests (SEI, Form 700). Additionally, you will be prohibited from making, participating in making, or using your official position to influence the outcome of a governmental decision if it is reasonably foreseeable the decision will have a material effect on TCA, and it is the donor of a gift or gifts with an aggregate value of \$630 or more provided to, received by, or promised to you within the 12 months prior to the date the decision is made.

### **FACTS AS PRESENTED BY REQUESTER**

You are the Mayor of the City of San Gabriel. You have accepted an invitation from the Taipei Economic and Cultural Office (“TECO”), a government entity from Taiwan, which has invited you and the Vice Mayor of the City<sup>2</sup> to attend the 2025 Smart City Summit & Expo (“SCSE”) in Taipei from March 18 to 22, 2025. The invitation states that this is “Asia’s largest smart city event featuring the most comprehensive Green & Digital Transformation solutions for cities.” It aims to bring visionary leaders and industry experts from around the world to explore innovative solutions for building smart and sustainable cities. “Highlights of the SCSE include professional forums, international B2B matching-making, global networking, exhibitions on smart healthcare, smart building, intelligent transportation, smart startups program and net zero.”

The organizer, the Taipei Computer Association (“TCA”), will reimburse you as the “delegation leader” (one designated person) for a premium economy class round-trip flight ticket (up to \$2,500 USD) and provide airport transportation to and from the hotel. TCA will also provide a 4-night subsidized hotel stay (\$100 per night, per room), along with venue transportation for up to 5 delegation members. Meals are not provided outside of the SCSE activities. The materials provided state that TCA is the largest industrial association in Taiwan, with over 4,000 corporate members generating 80 percent of the total production value of Taiwan’s ICT [Information and Communications Technology] industry.

### **ANALYSIS**

#### *The Act’s Gift Provisions*

A gift is defined under Section 82028(a) as:

... 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.

In an effort to reduce improper influences on public officials and provide transparency, the Act regulates the receipt of gifts by public officials through limits, reporting, and disqualification requirements. Public officials that are listed in Section 87200, a list that includes mayors and

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<sup>2</sup> No information was provided regarding the Vice Mayor so we do not provide advice for this individual except to note that the same gift limit, reporting duties and disqualification requirements will apply.

members of a city council, may not accept gifts from any single source in any calendar year with a total value of more than \$630. (Section 89503, Regulation 18940.2)<sup>3</sup> Any gift, or any gifts that aggregate to \$50 or more from the same source, received during the calendar year must be disclosed on the official's annual Statement of Economic Interests ("SEI, Form 700"). (Section 87302(b)). A public official is further prohibited from making, participating in making, or using their official position to influence the outcome of a governmental decision if it is reasonably foreseeable the decision will have a material financial effect on any interest the official may have including the source of any gift or gifts with an aggregate value of \$630 or more provided to, received by, or promised to the official within the 12 months prior to the date the decision is made. (Sections 87100 and 87103(e).)

### *Gifts of Travel*

Under the Act, travel payments (which include a payment, advance, or reimbursement) are presumed to confer a personal benefit on a public official. Thus, absent an applicable exception, travel costs paid for by a third party for which the official does not provide consideration of equal or greater value are generally gifts subject to the Act's limitations, reporting and disqualification requirements.

Section 89506(a)(2) provides an exception to the Act's gift limits for travel payments that are reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international public policy if:

(2) The travel is provided by a government, a governmental agency, a foreign government, a governmental authority, a bona fide public or private educational institution, as defined in Section 203 of the Revenue and Taxation Code, a nonprofit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, or by a person domiciled outside the United States who substantially satisfies the requirements for tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

Thus, relevant to these facts, travel payments, advances, or reimbursements to a public official for actual transportation and related lodging and subsistence (meals) that are reasonably related to a governmental purpose or an issue of state, national or international public policy are not subject to the Act's \$630 gift limit if the travel is provided by a 501(c)(3) nonprofit organization or a government entity.

### *Valuing Gifts*

Generally, a gift is valued by determining its fair market value. (Regulation 18946(a).) When an official attends an invitation-only event, Regulation 18946.2(b) states that the admission value of the event is the official's and a guest's pro-rata share of the cost of the food, catering services, entertainment, and any item provided to the official and guest that is available to all guests attending the event. Any other specific benefit, such as golf green fees, provided to the official and

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<sup>3</sup> The gift limit is adjusted biennially to reflect changes in the Consumer Price Index. The current limit is \$630 for the January 1, 2025 – December 31, 2026 biennial period. (Section 89503(f); Regulation 18940.2.)

guest at the event, is valued at its fair market value rather than at a pro-rata share. (Regulation 18946.2(b).) The term “pro-rata share of the cost of the food, catering services, entertainment, and any item provided to the official and guest” means the cost of all food, catering services, entertainment, and any specific item presented to all attendees as part of the event, divided by the number of acceptances or the number of attendees. (Regulation 18946.2(c).)

### TCA's Travel Payments

While a government entity (TECO) may have extended the invitation, the TCA is the sponsor and source of the travel payments and does not meet the exception in Section 89506(a)(2). The TCA is a trade association. It is not a government entity or a 501(c)(3) nonprofit entity (or comparable foreign organization). Therefore, the exception to the gift limit set forth in Section 89506(a)(2) is not applicable to travel payments, including reimbursements, for airfare, lodging, or meals paid for your attendance at the SCSE conference in Taipei. The travel payments proposed for your round-trip airfare to Taipei from California (estimated at \$2,500), transportation to and from the airport and venue, meals at the event, and the subsidized four nights of lodging (estimated at \$100 a night), would exceed the gift limit of \$630 that you are permitted to receive from TCA in a calendar year. Additionally, if this is an invitation-only event you must determine your pro-rata share of the cost of the food, catering services, entertainment, and any item provided to the you, and a guest, that is available to all guests attending the event. Any other specific benefit, or if the attendance is not invitation-only, is valued at its fair market value.

Section 82028(b)(2) provides that the term “gift” does not include payments that are not used, returned to the donor within 30 days of receipt, or delivered to a 501(c)(3) nonprofit entity without being claimed as a charitable contribution for tax purposes. Accordingly, an official may “pay down” travel payments in excess of the \$630 gift limit within 30 days of its receipt pursuant to Section 82028(b)(2) to avoid receipt of a gift in excess of the gift limit. You may only accept the travel payments if the payments aggregate to less than the \$630 gift limit or if you reimburse TCA for any portion of the payments exceeding \$630.

If you receive gifts from TCA with a value or aggregate value of \$50 or more in the calendar year, you must report this gift on your SEI, Form 700. Additionally, notwithstanding the fact that receiving a gift of \$630 or more in a calendar year from TCA would violate the gift limit, you are also prohibited from making, participating in making or using your official position to influence the outcome of a governmental decision if it is reasonably foreseeable the decision will have a material effect on TCA if it is the donor of a gift or gifts with an aggregate value of \$630 or more provided to, received by, or promised to you within the 12 months prior to the date the decision is made. (Sections 87100 and 87103(e).)

If you have other questions on this matter, please contact me at KHarrison@fppc.ca.gov.

Sincerely,

Dave Bainbridge  
General Counsel

**L. Karen Harrison**

By: L. Karen Harrison  
Senior Counsel, Legal Division

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