

ARKANSAS ETHICS COMMISSION

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ADVISORY OPINION NO. 2000-EC-005 Issued May 19, 2000

The Ethics Commission has received an advisory opinion request from the University of Arkansas concerning the sale of season football tickets. The opinion request states that, for a number of years, the University has offered two complimentary season football tickets to certain public servants but that the practice is being discontinued in light of the Rules on Gifts which were recently approved by the Commission.

The question asked is whether it would be considered a gift for the University to sell season tickets to legislators, constitutional officers, and members of the Arkansas Higher Education Coordinating Board. It is the Commission's understanding that the tickets will be sold at face value,¹ with seating assignments between the forty (40) yard lines.

The reason for the opinion request is that one of the factors considered by the University in assigning seats to season ticket holders is contributions to the Razorback Foundation.² Persons receiving seats in the area in question have usually made such a contribution.

The ultimate issue is whether the season football tickets should be valued at their face price or at some higher amount based upon the location of the seats. The valuation of tickets to sporting events is squarely addressed in §306 (c) of the Commission's Rules on Gifts which provides, in pertinent part, as follows:

Tickets to sporting events and shows are valued at their face price except for tickets that the donor obtains pursuant to a lease (such as tickets for an

¹ For the 2000 season, the price per season ticket will be \$100.00 for Fayetteville (4 games) and \$75.00 for Little Rock (3 games), for total of \$175.00.

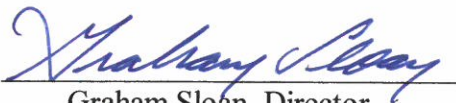
² The Razorback Foundation is a nonprofit organization which is exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code. Its stated mission is to support the athletic and academic endeavors of the University of Arkansas Razorbacks.

“executive suite” or a “skybox”). The value of a ticket obtained pursuant to a lease shall be the price of the highest individually priced ticket for the event.

Because the tickets in question are not being obtained pursuant to an “executive suite” or “skybox” lease, the Commission concludes that such tickets should be valued at face price.³ Accordingly, the sale of the tickets at their face price would not constitute a gift.

This opinion is issued by the Arkansas Ethics Commission pursuant to Ark. Code Ann. §7-6-217(g)(2).

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By: 
Graham Sloan, Director

³ Even if the making of contributions to the Razorback Foundation were treated as the equivalent of an “executive suite” or “skybox” lease, the result of this opinion would not change since the tickets in question are being sold for \$25.00 each which is the price of the highest individually priced ticket to the football games.