



April 8, 2016

Assemblyman Richard Bloom
District Office
2800 28th Street, Suite 105
Santa Monica, CA 90405

Honorable Assemblyman Bloom:

I write to you to express the Beverly Hills Chamber of Commerce's opposition to Assembly Bill 1828 (Dodd), which seeks to impose new contribution limits to Members of the Board of Equalization (BOE) as well as reporting requirements on non-profits and other entities such as the Chamber.

There are two primary problems with this bill. First, this bill places a draconian contribution limit – 1 cent – on contributions to BOE members, beyond which they must recuse themselves from an adjudicatory proceeding before a party and report the contribution. This limit is far more restrictive than for judges (typically \$1,500) or for state and local officials (typically \$250). The bill provides no rationale for treating Board members more restrictively. We at the Chamber are unaware of any evidence that a \$1 or \$5 contribution to a third party at a Member's request has ever called into question the fairness of a proceeding. In short, this bill is a solution in search of a problem.

AB 1828 also expands the definition of a "contribution" to include merely "suggesting" a behested payment to a third party. So if the Chamber participated as a co-host or made a small contribution to an educational event at the request of a BOE member, the BOE member would be disqualified and the Chamber along possibly with the Chamber's Board and associated personnel would be required to report this activity.

As a result of this restriction, disqualification of BOE members would increase even if they themselves received no contribution or the contribution is minimal. A key point here is that the disqualification of a BOE member amounts to a "no" vote against a party. So this bill will have the effect of putting businesses with a legitimate tax grievance at a severe and unfair disadvantage. Additionally, by including behested payments as grounds for disqualification, the bill will have a chilling effect on collaborations between BOE members and the public on educational and charitable programming, to the detriment of the business and wider community.



Second, the bill places onerous reporting requirements on individuals and non-profits like the Chamber. The bill requires that a party to a proceeding, and their employees, disclose within 30 days *any contribution* made to or at the behest of a BOE member within 12 months prior *and subsequent to*, an adjudicatory proceeding. Therefore, businesses, non-profits and citizens will need to create systems for tracking employee contributions to the BOE and be forced to report them in 30 days. As the non-partisan Legislative Bill Analysis of AB 1828 notes, the reporting requirement is simply impractical because most employees of a company would have no knowledge of an adjudicatory proceeding and thus be unaware of a reporting obligation.

The bill would also require parties, after initiating an adjudicatory proceeding, to research whether they had made any “contributions” in the recent past that might fall within the 12 months reporting period, imposing a burdensome regulation on business and non-profits.

In short, this bill creates an enormous administrative burden and “reporting nightmare” for small businesses and citizens that they simply do not have the resources to handle.

The Chamber requests that you vote no on AB 1828 to avoid imposing unnecessarily harsh contribution and disqualification limitations on BOE members and onerous reporting requirements on individuals, businesses, and non-profits with limited resources.

Thank you.

A handwritten signature in black ink, appearing to read "Todd Johnson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Todd Johnson
Executive Director

cc: Jerome Horton, California Department of Equalization