



# CALIFORNIA STATE CONFERENCE OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

ESQUIRE PLAZA, 1215 K STREET, SUITE 1609 • SACRAMENTO, CA 95814 • (916) 498-1898 • FAX (916) 498-1895

**Alice A. Huffman**  
*President*

March 23, 2016

**Gwen Moore**  
*1<sup>st</sup> Vice President*

Honorable Shirley Weber  
Chair of the Elections and Redistricting Committee  
Capitol Office  
P.O. Box 942849, Room 3123  
Sacramento, CA 94249-0079

**Rick Callender**  
*2<sup>nd</sup> Vice President*

Re: **AB 1828 (Dodd) - Oppose**

**Paulette Simpson Gipson**  
*3<sup>rd</sup> Vice President*

Dear Assembly Member Weber;

**Ida M. Johnson**  
*Secretary*

AB 1828 (Dodd) presumes that a donation or behested payment of even \$1 to any nonprofit organization (including in-kind goods and services) – or a payment by the nonprofit of a portion of the cost for an event that has a governmental, charitable, or legislative purpose, in which the Members of the Board of Equalization, including the State Controller (“Members”) are partnering, hosting, co-hosting, or sponsoring with that nonprofit – influences the vote of the Members in decisions on tax matters brought to the Board by a donor to the nonprofit.

**Olivia Verrett**  
*Assistant Secretary*

**Carolyn Veal Hunter**  
*Treasurer*

AB 1828 also presumes that behested payments of any amount influence the vote of Members of the Board, but not those of the Governor, Legislators, Judges, and Commissioners, neither of which is true. Proponents admit that there is no evidence of any wrongdoing or illegal activity by any BOE Member, nor any evidence that a charitable donation to a nonprofit influenced a Member’s decision on an adjudicatory matter. Yet, AB 1828 would have the effect of prohibiting the Board, its Members, and the State Controller from publicizing, partnering, hosting, or co-hosting any events with nonprofit organizations – including schools, community-based organizations, civil rights groups, business associations, health organizations, unions – which have a charitable, governmental, or legislative purpose.

**Waudier Rucker-Huges**  
*Area Director Southeast*

**Ronald Hasson**  
*Area Director Southwest*

**Delois Edwards**  
*Area Director North*

This bill would drastically restrict the fundraising capacity of **all nonprofits** in the State, by:

**LaJuana Bivens**  
*Area Director Central*

**Dan Daniels, Sr.**  
*Area Director Coastal*

- Changing the definition of the term “contribution” to now include “behested payments.”
- Expanding the definition of the terms “party,” “participant,” and “agent” doing business before the Board to include “any unrelated employee” of an “agent, party, or participant.” e.g., the janitor, security guard of a large company, or the housekeeper of an “agent, party, or participant”;

**Freddye Davis**  
*Area Director West*

- Requiring a behested payment of any amount to a nonprofit made by a party, participant, or agent (or an employee thereof) with a matter before the Board – even \$1 – as grounds to disqualify the Members from voting on an adjudicatory matter of the Board one year before the donation was made and one year after the date of the vote;
- Exposing the Board and its Members to great risk if they seek to partner in or publicize nonprofit events that have a charitable, governmental, or legislative purpose, including, but not limited to, events hosted by civic organizations, churches, foundations, employee associations, and others; and the risk would effectively prohibit Members from volunteering on nonprofit boards or commissions to co-host events, or even being listed on event communications that imply collaboration, support, or fundraising assistance;
- Redefining behested payments by a Board Member as “contributions” – thereby requiring the reporting and tracing of all donors and sponsors of an event in which a Member is involved, resulting in a “reporting nightmare” for all nonprofits, their donors and sponsors, and for the BOE and its Members.

Further, this bill places an enormous administrative, as well as economic, burden on the nonprofit – both in terms of reporting and in terms of discouraging donors. It would also be a great financial and accounting challenge for nonprofits to actually return the money to contributors when a Board Member is required to do so in order to vote.

Highly egregious is the fact that the bill’s language adds additional reporting obligations onto private entities and individuals who seek to make behested payments to support worthy philanthropic causes, even after their receipt of a decision on an adjudicatory matter they have had before the Board. It “post-regulates” a taxpayer’s donations (when made at the behest of a Member) long after their matter has been adjudicated by the Board. These added reporting responsibilities will further discourage donors who had or will have any business before the Board from contributing to nonprofits, regardless of their need, thereby further impacting the nonprofits financially at their bottom line.

AB 1828 is particularly burdensome on nonprofits who serve minority and underserved communities, where they do not have the benefit of corporate executives and celebrities to donate and support their public welfare work. Oftentimes, nonprofits rely on elected officials, church leaders, unions, and civil rights organizations for support. A recent study, sociologist Samuel Perry (2013) found that ethnic minority fundraisers were suffering as a result of their lack of social networks and connections to wealth, indicating that race and social capital seem to be problematic and limiting for ethnic minorities who run and operate charitable organizations. AB 1828 would compound

