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March 22, 2016

RE: Opposition to AB 1828 (Dodd) Kopp Act
Amendments:
Negative Impact on Nonprofit Organizations and Their
Donors

On behalf of the Black Business Association (BBA), headquartered in Los Angeles, the oldest, active, ethnic business organization in the State of California, we are in opposition to the proposed, AB 1828 (Dodd) because this measure would impede the ability of Members of the Board of Equalization to enter into public private partnerships to educate and empower our membership and other California businesses to comply with the tax code, start and grow their businesses.

The measure places an arbitrary and unprecedented accounting and reporting burden on California taxpayers for several reasons. It 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 (BOE), including the State Controller ("Members") are partnering, hosting, co-hosting, or sponsoring with that nonprofit, influences the Member's vote on tax matters brought to the Board by a donor to the nonprofit.

The measure's presumption is 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. The proponents of this bill 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. Nevertheless, this measure 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.

AFFILIATE ORGANIZATIONS

Black Women's Network

California Black Chamber of Commerce

California Council of Black Chamber

National Black Business Council

The Greenlining Institute

The National Association of African American Chambers of Commerce

The National Black Chamber of Commerce

Pan African Film & Arts Festival

Recycling Black Dollars

The U.S. Black Chamber Of Commerce

Zambia-USA Chamber of Commerce

MEMORANDA OF UNDERSTANDING

Los Angeles Minority Business Opportunity Committee

Southwest Los Angeles County Small Business Development Center

U.S. Small Business Administration
Los Angeles District Office

Southland Business Development Partnership

The Urban Leadership Project

USC Business Expansion Network

Valley Economic Development Center

From a practical standpoint, this places an enormous administrative, as well as economic, burden on the nonprofit and California businesses – 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.

To consider a new law that segregates the Board of Equalization, its Members, and the State Controller – and imposes requirements that are tantamount to a practical prohibition of the same rights and privileges enjoyed by the Legislature, Governor, Judges, and Commissioners, based on unsubstantiated allegations—is discriminatory, hypocritical, and will impose an administrative and financial hardship on the nonprofits and ultimately the communities we jointly represent. It is for these reasons that I respectfully request that you oppose this legislation.

Thank you for your consideration of this matter.

Sincerely,

Gwen Moore

Gwen Moore
Chairperson

Earl "Skip" Cooper II

Earl "Skip" Cooper II
President & CEO

The Black Business Association

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