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August 13, 2018

Honorable Chair Germond and Commissioners Fair Political Practices Commission 1102 Q Street, Suite 3000, Sacramento CA 95811

RE: AB 84 (Mullin) - Legislative Caucus Party Committees - OPPOSE

Dear Chair Germond and Commissioners:

On behalf of California Common Cause and our members, I am writing in strong opposition to AB 84, which would authorize the Democratic and Republican leaders of the Senate and Assembly to establish "legislative caucus committees" that could raise campaign funds under the same rules as state and county political parties. If enacted, this bill would be the biggest rollback of the Political Reform Act's campaign finance protections in at least a decade.

Under current law, a candidate for state legislative office – including an incumbent legislative leader – may not accept a campaign contribution exceeding \$4,400. An incumbent can donate from their own campaign warchest to another candidate for the State Legislature, but such contributions are also limited to \$4,400. Incumbents may establish candidate-controlled ballot measure committees, where they can raise unlimited funds, but cannot spend these funds on candidate campaigns.

By contrast, state and county political parties can raise unlimited funds for independent expenditures on candidate campaigns. They may also raise funds from individual donors in \$36,500 increments for state candidate campaigns: such funds can be lumped and contributed, in any amount, directly to a candidate.

This bill would eliminate, as to legislative leaders (the Speaker and Minority Leader of the Assembly and the President pro Tempore and Minority Leader of the Senate), the bright line separating candidate contribution limits from party contribution limits. In their roles directing the caucus committees, leaders could accept contributions to spend on direct contributions to candidate campaigns that are *eight times* higher than current limits. Leaders could even solicit, receive, and then spend *unlimited* funds on independent expenditures supporting candidate campaigns, something that is illegal under current law.

The purposes of the Political Reform Act have always been to prevent "corruption of the political process," especially by "wealthy individuals and organizations," and to abolish laws and practices "unfairly favoring incumbents."<sup>1</sup> This bill clearly contravenes these purposes of the Act, and thus would not be a valid amendment to it.<sup>2</sup> AB 84 does not protect legislative leaders from the corrupting

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<sup>&</sup>lt;sup>1</sup> See Agua Caliente Band of Cahuilla Indians v. Superior Court, 40 Cal.4th 239, 244 (2006); Cal. Gov. Code Sec. 81001 (f); and Sec. 81002 (e). See also Cal. Gov. Code Sec. 81001(a) - (c) & (e).

<sup>&</sup>lt;sup>2</sup> The Legislature may only amend the Act to further its purposes. *See* Cal. Gov. Code Sec. 81012 (a).

influence of large campaign contributions from wealthy special interests: it legalizes the receipt of such funds. It also does not tear down laws that unfairly benefit incumbents: it builds them up. Leadership could – *and would be expected to* – raise large sums to insulate their caucus members from challenge, including from within their own party under California's Top Two election system. Challengers would be much less likely to receive such institutional support.

Because the proposed amendment to the Political Reform Act will undermine California's existing campaign finance system and is illegal, California Common Cause is firmly opposed to AB 84.

In this time when California has positioned itself as the leader and defender of the rights of the powerless, the working class, and those without easy access to political institutions, we urge the Commission to also oppose this bill - it runs counter to the Act and everything that our State aspires to be.

Should you have any questions, please contact me at nheidorn@commoncause.org or (916) 443-1792.

Sincerely,

/s/Nicolas Heidorn Policy and Legal Director California Common Cause

