



September 6, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Cc: The Honorable Senator Bill Dodd

RE: SB 1243 (Dodd) Campaign contributions: agency officers – REQUEST FOR SIGNATURE

Dear Governor Newsom:

On behalf of the California Clean Money Campaign and the League of Women Voters of California, we write to ask you to sign SB 1243 to update conflict of interest laws to ensure local governments and other parties can more effectively implement and follow the law to prevent corruption or the appearance of corruption.

The Levine Act was enacted in 1983 in response to a scandal reported in The Los Angeles Times in which several coastal commissioners explicitly solicited and received large campaign contributions from people who had business pending before them.¹ Bias, corruption, and undue influence of these special interests in the decision-making process was rampant.

In 2022, the legislature extended the Levine Act to cover local elected officials by unanimously passing SB 1439. Prior to SB 1439, conflicts of interests by local special interests were so common in some communities that former Assembly Speaker Rendon called his home region a “corridor of corruption”.

The Levine Act’s limitations on the amount that parties, participants, and their agents can give to officers of agencies from whom they are seeking a contract, license, or permit is critically important to give the public confidence in the independence of agencies’ decisions.

We are very pleased to be able to say that Senator Dodd’s office and SB 1243’s sponsors worked with us to address all the concerns that we had with the original version of the bill. The bill before you has two especially important improvements to current law:

1) SB 1243 eases compliance and enforcement by excluding types of contracts, reviews, and renewals that are highly unlikely to raise possible pay-to-play concerns.

Current law covers “all business, professional, trade, and land use licenses and permits and all other entitlements for use, including all entitlements for land use, all contracts (other than competitively bid, labor, or personal employment contracts), and all franchises.” However, there are a large number of such contracts, reviews, and renewals that don’t cause pay-to-play concerns, including contracts where no party receives financial compensation, contracts between two or more agencies, contracts valued under \$50,000,

¹ Coastal Commission Seats Used as Fundraising Base, Los Angeles Times, March 12, 1980, p. 1, available at <https://www.newspapers.com/image/385326358>

and the periodic review or renewal of development agreements and competitively bid contracts when there are no proposed material modifications or amendments.

SB 1243 as amended, working in concert with SB 1181 (Glazer) that we also support, now properly excludes such non-concerning contracts, reviews, and renewals. This will significantly ease compliance with the law and will allow enforcement efforts to focus on the types of licenses, permits, and contracts that are most likely to raise possible pay-to-play concerns.

2) SB 1243 bans agents to party or participants from making contributions to officers while a proceeding is pending.

In many cases, parties or participants to local proceedings hire “agents” that communicate with agencies for the purpose of influencing the proceeding on behalf of a party or participant. Allowing those agents to turn around and make campaign contributions to the elected officials and other officers that will be deciding on those proceedings poses obvious potential for corruption or the appearance of corruption.

SB 1243 properly bans such agents from making contributions to officers while the matter is pending.

Lastly, SB 1243 as amended increases the maximum amount that parties and participants can give to officers during a proceeding and for 12 months after from \$250 to \$500. Given that the original Levine Act threshold of \$250 was set in 1992, that is a reasonable increase that is unlikely to raise significant concerns with most voters.²

For these reasons, we respectfully request that you sign SB 1243.

Sincerely,

Trent Lange
President and Executive Director, California Clean Money Campaign

Dora Rose
Deputy Director, League of Women Voters of California

² A California Clean Money Campaign Poll from May 23-June 10, 2024 of 839 likely November 2024 California voters found that 41% of likely voters said they’d be “Very concerned” about raising the Levine Act limit from \$250 to \$1,000. But only 20% of likely voters said they’d be “Very concerned” about raising it to \$500, less than the 31% who said they would be “Not at all concerned.”