



September 9, 2024

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

Re: AB 3123 (Jones-Sawyer) – LA County MTA board code of conduct and lobbying rules — REQUEST FOR VETO.

Dear Governor Newsom:

The below organizations respectfully oppose AB 3123 and request your veto of it. We understand the desire to streamline compliance with good government laws, but doing so should not result in weakening local laws where those laws are, and have been for many decades, stronger than state law and originally put into place for good reasons.

The legislature put strong ethics restrictions and requirements for the MTA into the Public Utilities Code in 1997 after a number of public scandals that made the public lose confidence in the agency. News stories about those restrictions described why they were needed:

*"The legislation is the latest effort to turn around the \$6.1-billion Los Angeles subway construction, **which has been marked by controversy over the awarding of contracts to political donors of MTA board members.**"*

— Los Angeles Times, October 7, 1997¹

*"The restrictions flow from state lawmakers' conclusion that **MTA's policy decisions and contract awards are "heavily influenced by lobbyists bearing gifts and contributions."**"*

— Los Angeles Times, August 7, 1998²

Although AB 3123 has a number of worthwhile changes to ease compliance by making it use or match equivalent parts of the Political Reform Act (PRA), it substantially weakens longstanding MTA restrictions in the following major ways:

¹ ["Wilson Signs Curbs on Donors to MTA Board"](#), Los Angeles Times, 10/7/1997.

² ["Curbing Campaign Gifts"](#), Los Angeles Times, 8/7/1998

- It removes long-standing MTA restrictions on how much a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity seeking a contract with the MTA can contribute to board members. By relying on the Levine Act instead, AB 3123 increases what they can give to MTA board members from \$10 to \$250 (or \$500 if SB 1243 and/or SB 1181 are signed). The City of Los Angeles actually bans such contributions.
- It repeals important long-standing MTA limits on contributions that MTA family members and immediate family members of board members and employees can receive from contractors.
- It allows MTA board members or employees to take a job with the very contractors they approved for billion-dollar contracts only a year after they leave (and in some cases immediately after they leave), instead of the long-standing 3-year cooling off period.
- It doubles the gifts that MTA board members can receive (from \$289 to \$580) and introduces loopholes for board members' staff who aren't "designated employees" to receive unlimited gifts.

State law provides a floor, not a ceiling, for good-government reform. As sponsors of SB 1439 (2022), we know that the recent expansion of the Levine Act was not meant to encourage local jurisdictions to repeal their own similar but more comprehensive anti-pay-to-play laws.

Multiple other jurisdictions have their own restrictions that go beyond the Levine Act and the PRA. For example, 13 cities ban contributions from developers, contractors, or both while they have business before the city. The city of Los Angeles does so and also has stricter gift limits than the PRA.

Now is not the time to weaken pay-to-play protections for Los Angeles. The whole nation is watching corruption scandals that have resulted in federal convictions of multiple area politicians and political staff. The New York Times recently highlighted the problem in their story *"How a Real Estate Boom Drove Political Corruption in Los Angeles"*.³

None of the recent convictions were of MTA board members or staff, but weakening its pay-to-play and ethics restrictions now would certainly not provide confidence to the public. How will it look the first time an MTA board member or high-level staffer who helped approve a billion-dollar construction contract takes advantage of AB 3123 by quickly taking a job with the same construction firm they approved?

We do appreciate that the author made a couple of amendments to address issues that we raised, but unfortunately they did not address the serious problems with the bill described above. We must therefore respectfully request your veto of AB 3123.

We are happy to commit to the sponsors to work with them on a new bill next year that includes the positive changes in AB 3123 without substantially weakening long-standing and necessary MTA law.

Sincerely,

Sean McMorris

Trent Lange
Executive Director

³ ["How a Real Estate Boom Drove Political Corruption in Los Angeles"](#), New York Times, 8/29/24

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