



April 12, 2024

The Honorable Catherine Blakespear, Chair  
Senate Elections and Constitutional Amendments Committee  
1020 N Street, Room 533  
Sacramento, CA 95814

**RE: SB 1243 (Dodd) Campaign contributions: agency officers (Amended 3/18/2024) –SUPPORT**

Dear Chair Blakespear:

The organizations listed below are pleased to support SB 1243. SB 1243 is a measure designed to resolve some confusion and unreasonable applications of Government Code section 84308 related to campaign contributions to local elected officials.

Recent overreaching and overly broad changes to Government Code Section 84308 have resulted in a *de facto* prohibition on contributions to candidates for local elected officials. Applicants for a permit, license or land use entitlement are not willing to risk recusal of a local official in determining the outcome of much needed housing, particularly given the track record that contributions are not having an impact on decision-making.<sup>1</sup>

Moreover, the requirement to aggregate contributions from the applicant and the applicant's agents who produce the environmental and economic studies, design, planning and legal documents necessary to process and application, adds more complexity, risk, and uncertainty, particularly because it is difficult or impossible to know whether and how much each of these independent entities have contributed. SB 1243 resolves this in part by prohibiting aggregation of contributions in determining whether the threshold is crossed.

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<sup>1</sup> In 1963, California's population was 17.5 million people. During that year, permits were issued for 322,000 homes. In 2023, with a population of 39 million people, permits were issued for approximately 120,000 homes. Over that period, California experienced a long-term decline in the approval housing units leading to the housing crisis that we have today.

This data does not support the opinion that campaign contributions are unduly influencing the approval of housing projects. If anything, it demonstrates that campaign contributions are having either no effect or are an effect contrary to the interests of the contributor.

SB 1243 also addresses the housing crisis by exempting housing projects that are desired by the Legislature insofar as they are consistent with a local housing element.

Existing section 84308 also creates confusion regarding whether an organization has a financial interest in the outcome. For associations or other organizations that make contributions at the local level and advocate in those forums are concerned that some may view them as indirectly financially interested if the decision before the agency may indirectly affect their revenue (e.g., creating or losing jobs, or increasing or decreasing membership). SB 1243 clarifies what constitutes a financial interest in these situations.

A recent FPPC advice letter (I-23-178) issued on December 29, 2023, finds that for properties subject to a development agreement are also subject to the restrictions of section 84308 for the full term of the development agreement and are binding on successors in interest to the developer. Development agreements last as long as **99** years after the project is approved. During that time, any subsequent purchaser of a home, who for example may pursue a lot split to build an ADU, is subject to these restrictions. It is unlikely that any of them are aware of this condition, nor are they likely to know whether a previous owner has contributed to a local elected official.<sup>2</sup>

Additionally, the restrictions of section 84308 apply for as long as an application is pending: from the time the application is filed until a final decision is rendered. California's land use entitlement process is so complex that applications can be pending for more than a decade. It is not unheard of that there are no local elected officials remaining from the time the application was filed to the time a final decision is rendered. SB 1243 addresses the unreasonably long restrictive periods by shortening the period to 9 months before or after the final decision.

In addition, existing section 84308 establishes an extraordinarily low amount (\$250) as a trigger for criminal fines and recusal. Two hundred and fifty dollars was the limit when the Levine Act was created in 1982. SB 1243 applies an inflation index to that amount which establishes a \$1,000 trigger.

**Most importantly**, we are concerned that, because of this *de facto* prohibition on contributions to candidates for local office, only very wealthy people who can finance their own campaigns will run for local office. That will not yield elected officials who are balanced in their views, nor will they be representative of the people. SB 1243 takes a step in the direction of correcting this result by the combination of all of its amendments to section 84308 in the bill.

We appreciate your consideration of this measure and urge you to support SB 1243.

Sincerely,

Nick Cammarota, Senior Vice President & General Counsel, California Building Industry Association  
on behalf of the following organizations:

Ben Golombek, Executive Vice President and Chief of Staff for Policy, California Chamber of Commerce

Matthew Hargrove, President & Chief Executive Officer, California Business Properties Association, and  
for BOMA California, and NAIOP California

Debra Carlton, Executive Vice President State Government Affairs, California Apartment Association

Rob Lapsley, President, California Business Roundtable

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<sup>2</sup> As a sign of SB 1439's overreach, even if the application never goes to an elected official for a decision, the restrictions of section 84308 apply. See, FPPC advice letter (A-23-145), issued October 31, 2023.

Rachel Michelin, President/CEO, California Retailers Association

Robert Rivinius, Political Director, Family Business Association of California

Lori Holt Pfeiler, President & CEO, Building Industry Association of San Diego County

Tim Murphy, President & Chief Executive Officer, North State Building Industry Association

John Beckman, Chief Executive Officer, Building Industry Association of the Greater Valley

Lindy Hatcher, Executive Director, Home Builders Association of the Central Coast

Allison Brandt Oliver, President, Home Builders Association of Kern County

cc     Senator Bill Dodd, Author  
       Members, Senate Elections and Constitutional Amendments Committee  
       Scott Matsumoto, Principal Consultant, Senate Elections and Constitutional Amendments Committee  
       Cory Botts, Consultant, Senate Republican Caucus