

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisor John J. Benoit

SUBMITTAL DATE: August 16, 2013

SUBJECT: Opposition to Senate Bill 594 (Hill): new, broad restrictions on nonprofit organizations that use public resources from participating in campaign activities, as currently drafted.

RECOMMENDED MOTION: That the Board of Supervisors:

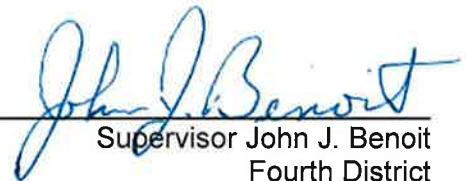
- 1) Oppose Senate Bill 594 which, as currently drafted, which would severely cripple the ability of local governments to have their voices heard; and
- 2) Authorize the chairman of the Board to forward a letter of opposition to the bill's author, the Riverside County state legislative delegation and our Sacramento advocates.

BACKGROUND: Existing law prohibits the use of public funds for campaign activities. Senate Bill 594 would add new, broad restrictions on nonprofit organizations that use public resources from participating in campaign activities. The author argues that the bill will prevent taxpayer-financed nonprofit organizations from comingling public and private resources.

This bill expands the definition of public resources in such a broad manner as to silence the voice of local government. The author and supporters have particularly singled out the California Association of Counties (CSAC) and the League of California Cities as the kinds of nonprofit organizations that this bill is intended to target.

CSAC receives 37 percent of its budget from dues (public funds) but the remainder from other sources considered non-public funds. The non-public funds are accounted for separately and are available for expenditure on ballot measure campaigns should CSAC's board of directors so decide.

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Supervisor John J. Benoit
Fourth District

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COUNTY OF RIVERSIDE

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AGENDA NO.

BACKGROUND:

SB 594 was "gut and amended" recently to insert controversial provisions that define "public resources" to also include any resources "received in exchange for consideration." According to the bill analysis by the Assembly Judiciary Committee, any service performed by a nonprofit for a local agency, for which it received payment, would be considered "public resources" under this bill. Some of CSAC's non-public funds: fees for services, rent and the like are a result of providing goods and services. Including these sources of funds as public resources would effectively preclude CSAC and similarly situated organizations from participating, financially or otherwise, in ballot measure campaigns.

In the past, CSAC has advocated on behalf of ballot measures to protect counties from property tax raids and unfunded state mandates. CSAC has scrupulously complied with all existing state and federal tax and campaign laws and has consistently disclosed its campaign contributions just as other compliant nonprofit organizations do. In 2009, the Fair Political Practices Commission investigated complaints against CSAC and other local agency associations and found no evidence that CSAC and those associations had violated the Political Reform Act.

SB 594 is a serious threat to local government. Future ballot measures may be appropriate for CSAC, utilizing non-public funds, to weigh in on as the voice of counties but this measure would effectively preclude their participation.

I respectfully request my colleagues' concurrence to oppose Senate Bill 594, as currently drafted.