



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811
(916) 322-5660 • Fax (916) 322-0886

The Honorable Marc Steinorth
California State Assembly
State Capitol, Room 5128
Sacramento, CA 95811

RE: Assembly Bill 664 (as amended January 11) – Oppose Unless Amended

Dear Assembly Member Steinorth,

At the May 17, 2018 meeting of the bipartisan Fair Political Practices Commission, the FPPC voted to take an Oppose Unless Amended position on Assembly Bill 664, a bill that would amend the Political Reform Act.

AB 664 would prohibit a parent, grandparent, sibling, child, or grandchild of an elected officer or a candidate for elective office from receiving, in exchange for goods, services, facilities, or anything of value other than money rendered, value, compensation from campaign funds held by a controlled committee of that officer or candidate which exceeds the fair market value of that item. The bill would also prohibit the payment of financial or material compensation beyond fair market value from campaign funds held by a controlled committee of an elected officer or candidate for elective office, in exchange for services rendered, to any vendor that is majority-owned or controlled by any spouse or domestic partner, parent, grandparent, sibling, child, or grandchild of that officer or candidate.

The Commission expressed opposition to a loophole implied in subsection (c). The bill appears to permit payments greater than fair market value in situations where a family member may be a minority-owner of a vendor or an employee of a vendor. Additionally, subsection (c) permits a spouse or domestic partner to receive payments from campaign funds controlled by a candidate spouse which is in direct conflict with subsection (a). Subsection (a) prohibits any compensation to spouse or domestic partner from a spouse's controlled committee.

For these reasons, the FPPC has an Oppose Unless Amended position on AB 664. If you have any questions, please contact me at (916) 322-7635 or pung@fppc.ca.gov.

Sincerely,

Phillip R. Ung
Director, Legislation and External Affairs