



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

March 13, 2019

Senate Tom Umberg
California State Senate
California State Capitol, Room 3076
Sacramento, CA 95811

RE: Senate Bill 423 (Umberg) – Separate Bank Account for Recipient Committees– SPONSOR

Dear Senator Umberg,

On behalf of the Fair Political Practices Commission, we are pleased to sponsor Senate Bill 423. SB 423 would require all recipient committees formed under the Political Reform Act to have a separate, segregated bank account where all contributions are deposited and all expenditures are made.

The Political Reform Act requires a candidate committee to establish one campaign contribution account at an office of a financial institution located in the state and requires all candidates' contributions to be made to the account and all candidate expenditures to be made from the account. This bill would expand the bank account requirement to include all recipient committees.

There are many benefits to a separate account for the committee. Having a segregated account assists in the proper organization of campaign funds that are held in trust. The Commission already recommends primarily formed committees to establish a separate campaign bank account because pre-numbered and pre-printed checks with the committee's name are useful in meeting the recordkeeping requirements.

The Federal Election Commission requires all non-connected PACs (non-candidate controlled committees) to register an official committee depository. Non-connected PACs have two options: a) set up one federal account to support both federal and nonfederal candidates and report all activity to the FEC or b) set up two accounts – one for federal elections and another for state and local elections. The FEC requirement to create separate bank accounts arguably makes the requirement a best practice that should be adopted in California.

Thank you for your leadership and commitment to transparency and accountability. We look forward to working with you this legislative session.

For these reasons, the FPPC is proud to sponsor AB 946. If you have any questions, please contact Phillip Ung at (916) 322-7635 or pung@fppc.ca.gov.

Sincerely,

Loressa Hon
Acting Executive Director