

April 5, 2016

The Honorable Ed Chau
Chair, Assembly Privacy and Consumer Protection Committee
State Capitol
Sacramento, CA 95814

RE: Opposition to Assembly Bill 2855 (Frazier)

Dear Assemblymember Chau,

As charity leaders, we write to express our opposition to AB 2855 by Assemblymember Jim Frazier which would require disclosure of administrative and overhead expenses and a copy of the most recent Internal Revenue Service Form 990 filing on every single page of our organizations' web sites, and make violations of these requirements a crime.

These provisions are duplicative and burdensome, both for nonprofits and the state. For example, the IRS Form 990 is already a public and readily available document, and the Attorney General's office maintains a public Registry of Charities that provides information about whether a nonprofit is complying with state rules. Many charities already provide access to the information that AB 2855 seeks to compel.

AB 2855 also ignores the reality that many charities don't even have web sites or that charities like churches don't file Form 990s. The requirements of AB 2855 would extend to any charity in the world with a web site, as the ability of Californians to access those sites would likely constitute solicitation.

We are disturbed that AB 2855 relies on misconceptions about nonprofits and overhead. Overhead includes necessary costs that charities incur including utilities, insurance, legal compliance and health care benefits. And while a high overhead percentage could theoretically be cause for concern, it is also that case that organizations like PTAs and food pantries often have high overhead percentages merely by virtue of their high reliance on volunteers.

While we strive to provide transparency for donors, we feel the existing requirements work well for donors seeking such information. It is not clear what problems AB 2855 would solve, but it is certainly the case that it would create problems for the vast majority of charities which are well-run and conscientious.

Please list each of the organizations listed on pages 2-11 of this letter as opposed to AB 2855 and hold the bill in your committee.

Sincerely,



Jan Masaoka
President and CEO
California Association of Nonprofits