

CITY OF LOS ANGELES PROPOSITION C

TITLE:

RESOLUTION TO SUPPORT A CONSTITUTIONAL AMENDMENT REGARDING LIMITS ON CAMPAIGN SPENDING AND RIGHTS OF CORPORATIONS (PROPOSITION C).

THE ISSUE:

Shall the voters adopt a resolution that there should be limits on political campaign spending and that corporations should not have the constitutional rights of human beings and instruct Los Angeles elected officials and area legislative representatives to promote that policy through amendments to the United States Constitution?

THE SITUATION:

Existing laws regulate the funding of political campaigns, and include limits on contributions to candidates and disclosure requirements in campaign advertisements. Past laws prohibited corporations from funding campaign material independently of candidates. However, due in part to US Supreme Court decisions in the *Citizens United v FEC* and *Buckley v Valeo* cases, limits on corporate independent expenditures were ruled unconstitutional.

THE PROPOSAL:

This measure proposes to support an Amendment to the US Constitution that would overturn portions of the Supreme Court's rulings in *Buckley v Valeo* and *Citizens United v FEC* to state that corporations do not have the constitutional rights of human beings and do not engage in constitutionally protected speech when spending corporate money to influence elections, and to make it permissible to set limits on political spending to ensure that all citizens, regardless of wealth, have an opportunity to have their political views heard.

A YES VOTE MEANS:

You want the people of the City to support an Amendment to the US Constitution that would limit the rights of corporations so that spending money on campaigns is not constitutionally protected speech, and that ensures all citizens can have their views heard.

A NO VOTE MEANS:

You do not want the people of the City to support an Amendment to the US Constitution that would limit the rights of corporations so that spending money on campaigns is not constitutionally protected speech, and that ensures all citizens can have their views heard.

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C RESOLUTION TO SUPPORT CONSTITUTIONAL AMENDMENT REGARDING LIMITS ON POLITICAL CAMPAIGN SPENDING AND RIGHTS OF CORPORATIONS. PROPOSITION C.

Shall the voters adopt a resolution that there should be limits on political campaign spending and that corporations should not have the constitutional rights of human beings and instruct Los Angeles elected officials and area legislative representatives to promote that policy through amendments to the United States Constitution?

**IMPARTIAL SUMMARY
BY GERRY F. MILLER, CHIEF LEGISLATIVE ANALYST**

This ballot measure proposes that the City support an amendment to the United States Constitution which limits the rights of corporations to make unlimited independent campaign expenditures and allows for laws placing further limits on political spending.

Approval of this measure would not directly initiate or ratify an amendment, but would express the City's support of such an amendment. Any proposed amendment to the Constitution must be initiated either by a two-thirds majority of both the US Senate and the US House of Representatives, or by a Constitutional Convention called by two-thirds of the States. Once initiated, a proposed amendment must be ratified by three-fourths of the States before it can become effective.

Specifically, this ballot measure would instruct the City's Congressional Delegation to propose and support an amendment to the US Constitution that would overturn portions of the Supreme Court's rulings in *Buckley v. Valeo* and *Citizens United v. FEC* that conflict with the following objectives: (1) Corporations do not have the Constitutional rights of human beings; (2) Corporations do not engage in constitutionally protected speech when spending corporate money to influence the electoral process; and (3) It is permissible to set limits on political spending that promote the goals of the First Amendment by ensuring that all citizens, regardless of wealth, have an opportunity to have their political views heard.

Federal, State, and local laws govern the funding of political campaigns. Some of those laws require campaign materials to disclose their funding sources, limit the contribution amounts candidates are allowed to accept from one source, and place other requirements and restrictions on campaigns. Past laws also limited the independent expenditure of funds by corporations on campaigns.

In January, 2010, the US Supreme Court issued a ruling in the case *Citizens United v. FEC* that stated, in part, that it is a violation of the US Constitution's First Amendment to "restrict political speech based on a speaker's corporate identity," and that "political speech of corporations or other associations should [not] be treated differently under the First Amendment because such associations are not natural persons." Additionally, while campaign finance laws can limit the contributions a candidate may accept from a single source, in 1976 the Supreme Court ruled in *Buckley v. Valeo* that there is no limit on the amount of money candidates can contribute to their own campaigns.

As a result of the ruling in *Citizens United*, laws that had previously limited corporations from independently paying for campaign speech were deemed unconstitutional. In response, Los Angeles modified its own campaign finance laws to comply with the ruling. The Council also adopted a Resolution opposing the Supreme Court's ruling and expressing support for an Amendment to the Constitution that would limit the rights of corporations. This measure would reaffirm the Resolution through a vote of the electorate.

This measure will become effective if approved by a majority of voters.

**FINANCIAL IMPACT STATEMENT
BY MIGUEL A. SANTANA, CITY ADMINISTRATIVE OFFICER**

This measure is not expected to result in any additional cost to the City or to taxpayers.



ARGUMENT IN FAVOR OF PROPOSITION C

Vote Yes on Proposition C.

We need to get big money out of our elections and restore government of, by and for the people.

Los Angeles has strong campaign finance laws to curb the undue influence of corporations and interest groups upon election outcomes. But our elections are threatened by misguided Supreme Court rulings that corporations have the same constitutional "rights" as real people and that spending an unlimited amount of money on politics is the same thing as free speech.

Spending huge amounts of money to influence election results isn't free speech, it's bought speech. We need to establish limits on campaign spending and contributions to Super PACs by billionaires who want to drown out the voices of ordinary citizens.

Corporations aren't people. They don't vote, get sick, or die in wars for our country. The Constitution was written to protect the rights of human beings, not corporations. Granting multi-national corporations artificial rights above and beyond the individual rights of their shareholders undermines the rights of real people as voters, consumers and small business owners.

Congress can correct the Supreme Court's misreading of our Constitution in cases such as *Citizens United v. FEC* by proposing constitutional amendments that limit artificial corporate rights and authorize limits on campaign contributions and spending and other legislation that ensures a level playing field.

Proposition C instructs our congressional representatives to take action now. We need to send a message that fixing our broken democracy must be a priority.

Voters in Montana, Colorado, San Francisco, Chicago, Boston, and elsewhere have approved similar measures in the past year by overwhelming margins. Now, Los Angeles can add our voice to this important issue.

Big money has no place in elections and our democracy should never be for sale. That's why we urge you to APPROVE PROPOSITION C.

Arguments printed on this page are the opinions of the authors and are not checked for accuracy by any City agency.

PERSONS SIGNING ARGUMENT IN FAVOR OF PROPOSITION C

KATHAY FENG
Executive Director
California Common Cause

MARY BETH FIELDER
Co-Founder
Money Out-Voters In

BILL ROSENDAHL
LA City Councilmember
Los Angeles City Council

JOHN KIM
Managing Co-Director
Advancement Project

EMILY RUSCH
State Director
California PIRG

TODD DIPAOLA
CEO, Small business owner
Mobile App Company

LAURA CHICK
Former Los Angeles City Controller

ANA GRANDE
Hollywood Community Leader

JACQUELYN DUPONT-WALKER
President
Ward Economic Development Corporation

LUIS ANTEZANA
Academic Senator
Associated Students Inc., CSU LA

NO ARGUMENT AGAINST THIS MEASURE WAS SUBMITTED.



REBUTTAL TO THE ARGUMENT AGAINST PROPOSITION C

Limiting the recognition of rights under the U.S. Constitution to real people only will not mean the end of the corporation or harm legitimate business activities. Our government will still establish corporations, labor unions, and other organizations that can sign and enforce contracts, hold property, and be protected by the inherent human rights of their shareholders and members.

Setting a limit on what anyone can spend to influence an election doesn't restrict free speech, it enhances it. When the Supreme Court says that money is speech, then speech is no longer free. That's wrong and we need to change it.

Passing Proposition C is as strong a step as the voters of Los Angeles can take to insist that Congress act now to restore a government of the people, by the people, and for the people.

That's why we are voting yes on Proposition C.

PERSONS SIGNING REBUTTAL TO THE ARGUMENT AGAINST PROPOSITION C

KATHAY FENG
Executive Director
California Common Cause

BILL ROSENDAHL
City Councilmember
Los Angeles City

DEREK CRESSMAN
Campaign Director to Overturn
Citizens United
Common Cause

CLAUDIA PEÑA
State Director
CA Civil Rights Coalition

RABBI STEVEN B. JACOBS
Interfaith Foundation

DANIEL LEE
National Leadership Team
Move to Amend

TRENT LANGE
President
California Clean Money Campaign

WAYNE WILLIAMS
Small Business Owner

MARIA TERESA KUMAR
President / CEO
Voto Latino

ELIZABETH SHOLES
Director of Public Policy
California Church Impact

PROPOSITION C RESOLUTION

WHEREAS, the First Amendment to the United States Constitution was designed to protect the free speech rights of human beings, not corporations; and,

WHEREAS, the United States Constitution never mentions the word corporations; and

WHEREAS, corporations can and do make important contributions to our society using powerful advantages that government has wisely granted them, but that does not make them real people; and,

WHEREAS, the U.S. Supreme Court's 5-4 ruling in *Citizens United v. Federal Election Commission* rolled back legal restrictions on corporate spending in the electoral process, allowing unlimited corporate spending to influence elections, candidate selection, and policy decisions, thereby threatening the voices of citizens and the foundation of our democracy; and,

WHEREAS, the opinion of the four dissenting justices in *Citizens United* noted that corporations have special privileges not enjoyed by real people, such as limited liability, perpetual life, and favorable treatment of the accumulation and distribution of assets, that allow them to spend huge sums on campaign messages that have little or no correlation with the beliefs held by real people; and,

WHEREAS, the *Citizens United* decision supersedes certain important state and local efforts to regulate corporate activity in their elections; and,

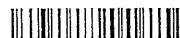
WHEREAS, the United States Supreme Court held in *Buckley v. Valeo* (1976) that the appearance of corruption justifies some limits on contributions to candidates, but it wrongly rejected other fundamental interests such as creating a level playing field and ensuring that all citizens, regardless of wealth, have an opportunity to have their political views heard; and,

WHEREAS, the people of the United States have previously used the constitutional amendment process to correct those egregiously wrong decisions of the United States Supreme Court that go to the heart of our democracy and self-government; and

NOW, THEREFORE, BE IT RESOLVED that the people of the City of Los Angeles instruct the Los Angeles Congressional Delegation to propose and support any joint resolution offering an amendment to the United States Constitution that accomplishes the following:

Overturns all portions of the United States Supreme Court's rulings in *Buckley v. Valeo* (1976) and *Citizens United v. FEC* (2010) that conflict with the following objectives: (1) Corporations do not have the constitutional rights of human beings; and (2) Corporations do not engage in constitutionally protected speech when spending corporate money to influence the electoral process; and (3) limits on political spending that promote the goals of the First Amendment, by ensuring that all citizens – regardless of wealth – have an opportunity to have their political views heard are permissible.

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BE IT FURTHER RESOLVED that the people of the City of Los Angeles instruct the Los Angeles Congressional delegation to work diligently to bring such a joint resolution to a vote and passage, and to use all procedural methods available to secure a vote and passage;

BE IT FURTHER RESOLVED that the people of the City of Los Angeles instruct each state legislator representing Los Angeles residents, if given the opportunity, to ratify any amendment to the United State Constitution that is consistent with the purposes and findings expressed in this resolution.

This resolution shall take effect immediately.

