

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Be Adopted as Amended and Be Printed Engrossed
Vote:	8 - 0 - 1
Yeas:	Barnhart, Berger, Dembrow, Hicks, Holvey, Hoyle, Kennemer, Garrett
Nays:	0
Exc.:	Jenson
Prepared By:	Erin Seiler, Administrator
Meeting Dates:	4/10, 6/12, 6/17

WHAT THE MEASURE DOES: Urges Congress to propose amendment to United States Constitution that Congress and state legislatures may regulate moneys raised and spent for political purposes, including moneys raised by individuals, corporations and associations.

ISSUES DISCUSSED:

- Influence of money on politics
- Relationship between free speech and campaign spending
- United States Supreme Court decisions
- Efforts to amend United States Constitution
- Amount of money in politics
- First amendment protections for corporations and unions
- Definition of “personhood”

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: Corporate personhood is a legal construct that permits corporations to sue and be sued in court in the same way as natural persons or unincorporated associations of persons. This construct provides the underlying rationale for corporations, as groups of people, to hold and exercise certain rights. Corporations are not "people" in the ordinary sense of the word, but they have all the same rights as citizens.

Constitutional protections have been extended to corporations as a result of court interpretations of the word "person" in the Fourteenth Amendment. The basis for allowing corporations to assert Constitutional protections is that they are organizations of people, and people should not be deprived of their Constitutional rights when they act collectively. Treating corporations as "persons" not only allows corporations to sue and to be sued, but also provides for easier taxation and regulation of a single entity, simplifies complex transactions which could otherwise potentially involve thousands of people, and protects the individual rights of shareholders as well as the right of association generally. (C corporations are not generally able to claim Constitutional protections which would not otherwise be available to persons acting as a group.)

In *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010), the Supreme Court reasoned that, because a corporation is made of natural persons who have First Amendment rights, a corporation may have First Amendment rights, and held that the First Amendment prohibits government from restricting independent political expenditures by corporations and unions.

6/19/2013 10:24:00 AM

This summary has not been adopted or officially endorsed by action of the committee.