78th OREGON LEGISLATIVE ASSEMBLY – 2015 Regular Session
PRELIMINARY STAFF MEASURE SUMMARY
House Committee on Rules

MEASURE: HB 3332
CARRIER:

REVENUE: No revenue impact
FISCAL: May have fiscal impact, statement not yet issued
SUBSEQUENT REFERRAL TO:

Action:
Vote:
Yeas:
Nays:
Exc.:
Prepared By: Erin Seiler, Administrator
Meeting Dates: 3/30

WHAT THE MEASURE DOES: Requires business entity (corporation, cooperative, limited liability corporation, nonprofit corporations) that intends to make political expenditure to first obtain approval from shareholders or members by affirmative vote of majority of members or shares entitled to vote. Becomes operative January 1, 2016. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

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. 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

House Bill 3332, which is based on legislation introduced by Maryland Senator called the Shareholders United Act, permits the state to regulate corporate campaign contributions by requiring a vote of the shareholders/members before a campaign contribution can be made from the entities treasury. The measure requires corporations, cooperatives limited liability corporations and nonprofit corporations to first receive an affirmative vote of a majority of their shareholders/members before they may direct a campaign contribution to a candidate; political party, political action committee or ballot measure. Then, within 48 hours of making the contribution, the amount of the donation, recipient; and purpose of the expenditures must be posted on their website. If a business entity violates these requirements, the action can be challenged as a violation of its authority and the person responsible for making the contribution can be held personally liable.