

PROPOSITION **59** CORPORATIONS. POLITICAL SPENDING.  
FEDERAL CONSTITUTIONAL PROTECTIONS.  
LEGISLATIVE ADVISORY QUESTION.

59

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

- Asks whether California’s elected officials should use their authority to propose and ratify an amendment to the federal Constitution overturning the United States Supreme Court decision in *Citizens United v. Federal Election Commission*.
- *Citizens United* ruled that laws placing certain limits on political spending by corporations and unions are unconstitutional.
- States that the proposed amendment should clarify that corporations should not have the same constitutional rights as human beings.

**SUMMARY OF LEGISLATIVE ANALYST’S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:**

- No direct fiscal effect on state or local governments.

FINAL VOTES CAST BY THE LEGISLATURE ON SB 254 (PROPOSITION 59)  
(CHAPTER 20, STATUTES OF 2016)

Senate:	Ayes 26	Noes 12
Assembly:	Ayes 51	Noes 26

ANALYSIS BY THE LEGISLATIVE ANALYST

**BACKGROUND**

**Political Campaign Spending.** Many people, corporations, labor unions, and other groups spend money to influence voters’ decisions in political campaigns. This spending includes:

- **Direct Contributions.** People can give money directly to candidates, political parties, and committees. These direct contributions are subject to federal, state, and local limits. In some cases, federal law does not allow direct contributions. For example, corporations and labor unions may not give money directly to a candidate for a federal office.
- **Independent Expenditures.** A person makes an “independent expenditure” if he or she spends money to influence

voters with no coordination with a candidate or campaign. For example, a person producing a radio commercial urging people to vote for a candidate is making an independent expenditure if the commercial is made without the involvement of the candidate’s campaign.

**Independent Expenditures Protected by U.S. Constitution.** Before 2010, federal law limited corporations and labor unions’ abilities to make independent expenditures in federal elections. Some California local governments had similar laws for local elections. In 2010, the U.S. Supreme Court determined in the *Citizens United* case that independent expenditures made by corporations and labor unions are a form of speech protected under the Constitution. Based on this determination and related

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

court decisions, government may not limit the right of corporations and labor unions to make independent expenditures. This ruling applies to federal, state, and local governments.

***Two-Step Process to Change the Constitution.***

The Constitution may be changed through a two-step “amendment” process. Under this process, described below, only the Congress, state legislatures, and—if called by the Congress—constitutional conventions have a role in changing the Constitution. Since the Constitution became law in 1789, 33 amendments have been proposed and 27 amendments have been approved through this process.

- **Step One: The Congress Acts.** The process to change the Constitution begins with the Congress either (1) proposing changes or amendments to the Constitution or (2) calling a constitutional convention to propose amendments after the state legislatures of at least 34 states have asked for such a convention. No amendment has been proposed by a constitutional convention.
- **Step Two: The States Act.** At least 38 states must approve a proposed amendment before it becomes law. Depending on instructions from the Congress, states approve proposed amendments through either the state legislatures or state-level conventions.

Historically, only one amendment—the 21<sup>st</sup> Amendment repealing the prohibition of the sale of alcoholic beverages—has been approved through state-level conventions rather than by state legislatures.

**PROPOSAL**

Proposition 59 asks if California’s elected officials should use all of their constitutional authority—including, but not limited to, amending the Constitution—to:

- Reverse the effects of *Citizens United* and related court decisions.
- Allow the regulation and limitation of political campaign spending.
- Ensure individuals are able to express political views.
- Make clear that corporations should not have the same constitutional rights as people.

Proposition 59 is an advisory measure only. It does not require any particular action by the Congress or the California Legislature.

**FISCAL EFFECTS**

This measure would have no direct fiscal effect on state and local governments.

Visit <http://www.sos.ca.gov/measure-contributions> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-16-gen-v2.html> to access the committee’s top 10 contributors.