

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Action: Resolution 5055 Requesting that the United States Congress Refer to the States an Amendment to the U.S. Constitution Declaring that Corporations Do Not Possess the Constitutional Rights that Natural Persons Possess

Meeting Date: February 15, 2012
www.eugene-or.gov

Agenda Item Number: A
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT

This is an opportunity for the City Council to consider and take action on a resolution stating that corporations should not have the constitutional rights that natural persons possess and that the City of Eugene will include in its 2012 Federal Legislative Agenda support for an amendment to the United States Constitution which reverses the impacts of the United States Supreme Court's *Citizens United* decision.

BACKGROUND

Support for council action on a resolution was solicited by members of "We the People - Eugene" during public testimony at City Council meetings and in email communications.

Councilor Zelenka has requested that this item be brought to the council for consideration.

RELATED CITY POLICIES

None.

COUNCIL OPTIONS

The council may adopt the resolution, modify the resolution, or decline to adopt the resolution.

CITY MANAGER'S RECOMMENDATION

The City Manager has no recommendation on this item.

SUGGESTED MOTION

I move to adopt Resolution 5055, a resolution requesting that the United States Congress refer to the states an amendment to the U.S. Constitution declaring that corporations do not possess the constitutional rights that natural persons possess.

ATTACHMENTS

A. Proposed Resolution

FOR MORE INFORMATION

Staff Contact: Beth Forrest

Telephone: 541-682-5882

Staff E-Mail: beth.l.forrest@ci.eugene.or.us

RESOLUTION NO. _____

A RESOLUTION REQUESTING THAT THE UNITED STATES CONGRESS REFER TO THE STATES AN AMENDMENT TO THE U.S. CONSTITUTION DECLARING THAT CORPORATIONS DO NOT POSSESS THE CONSTITUTIONAL RIGHTS THAT NATURAL PERSONS POSSESS.

The City Council of the City of Eugene finds that:

- A. Each year, the City of Eugene updates its Federal Legislative Agenda.
- B. The United States Constitution and the Bill of Rights are intended to protect the rights of individual human beings also known as “natural persons.”
- C. Corporations can and do make important contributions to our society, but they are not natural persons.
- D. While state and federal governments may provide certain privileges to corporations, these privileges should not equate to the same rights of natural persons protected by the United States Constitution.
- E. The right to free speech is a fundamental freedom and unalienable right and free and fair elections are essential to democracy and effective self-governance.
- F. The United States Supreme Court held in *Buckley v. Valeo* (1976) that the appearance of corruption justified limits on contributions to candidates, but rejected other fundamental interests that the City Council finds compelling such as creating a level playing field and ensuring that all citizens, regardless of wealth, have an opportunity to have their political views heard.
- G. The United States Supreme Court recognized in *Austin v. Michigan Chamber of Commerce* (1990) the threat to a republican form of government posed by “the corrosive and distorting effects of immense aggregations of wealth that are accumulated with the help of the corporate form and that have little or no correlation to the public’s support for the corporation’s political ideas” and upheld limits on independent expenditures by corporations.
- H. The United States Supreme Court in *Citizens United v. The Federal Election Commission* (2010) overruled the decision in *Austin* and the portion of *McCormell v. Federal Election Commission* (2003) that had upheld restrictions on independent corporate expenditures, holding that the First Amendment protects unlimited direct corporate spending to influence elections, candidate selection, and policy decisions and to sway votes.

I. Prior to the *Citizens United* decision, unlimited independent campaign expenditures could be made by individuals and associations, though such committees operated under federal contribution limits.

J. Given that the *Citizens United* decision “rejected the argument that political speech of corporations or other associations should be treated differently” because the First Amendment “generally prohibits the suppression of political speech based on the speaker’s identity,” there is a need to consider other reasons in addition to corruption or the perception of corruption regulating independent expenditures for or against a candidate.

K. The opinion of the four dissenting justices in *Citizens United* noted that corporations have special advantages not enjoyed by natural persons, such as limited liability, perpetual life, and favorable treatment of the accumulation and distribution of assets.

L. Corporations often put profits for shareholders ahead of concerns for the greatest good of society, while individual shareholders as natural persons balance their narrow self-interest and broader public interest when making political decisions.

M. Oregon Senator Jeff Merkley and Oregon Representatives Peter DeFazio, Earl Blumenauer, and Kurt Schrader are pursuing campaign finance reform legislation with a focus on addressing the *Citizens United* decision through an amendment to the United States Constitution.

N. Addressing both the *Citizens United* decision and corporate personhood is necessary.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. Corporations should not have the constitutional rights that natural persons possess.

Section 2. Given its impact on free and fair elections and effective self-governance, the Eugene City Council determines that the most urgent action needed to address the negative impacts of United States Supreme Court *Citizens United* (2010) decision is to stop unlimited independent campaign expenditures by corporations.

Section 3. The City of Eugene hereby includes in its 2012 Federal Legislative Agenda support for an Amendment to the United States Constitution which reverses the impacts of *Citizens United*, including, but not limited to the provisions of the current drafts of S.J. Res. 29 introduced by Senator Tom Udall of New Mexico and Senator Jeff Merkley of Oregon and H.J. Res. 72 introduced by Representative Kurt Schrader of Oregon and co-sponsored by Representative Earl Blumenauer and Peter DeFazio of Oregon; and, respectfully urges Oregon’s Congressional delegation to prioritize congressional proposal of an amendment to the United States Constitution addressing the threats to representative government identified in this Resolution so that the states may ratify it.

Section 4. The City of Eugene calls on other communities and jurisdictions and organizations to join with us in this action by passing similar resolutions.

Section 5. This Resolution is effective immediately upon its passage by the City Council.

The foregoing Resolution adopted the ____ day of _____, 2012.

Deputy City Recorder