



Legislation Text

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Res. No. 263

Resolution calling upon the New York State Legislature to pass the “corporate political activity accountability to shareholders act,” requiring that corporate political spending be approved by a majority of shareholders in advance, and for detailed spending reports to be made available to shareholders and the general public.

By Council Members Van Bramer, Chin, Johnson, Rodriguez, Mendez and Rosenthal

Whereas, In 2010 the United States Supreme Court issued its decision in Citizens United v. Federal Election Commission, holding that independent spending on elections by corporations and other groups could not be limited by government regulations; and

Whereas, A major implication of this decision is corporate freedom to spend unlimited amounts on political advertising without a requirement that the recipient of the funding disclose the sources of their funding; and

Whereas, According to US PIRG, as a result of this decision, 30 percent of outside group spending in the 2012 elections was anonymous; and

Whereas, High levels of anonymous election spending by corporations and other groups significantly hinders transparency and accountability in the political process; and

Whereas, Reduced transparency in campaign finance increases the risk of political corruption and undue influence by special interest groups over the political process; and

Whereas, A corporation’s shareholders have an interest in overseeing the use of corporate funds; and

Whereas, The New York State Legislature is currently considering the “corporate political activity accountability to shareholders act” (S.177 and A.7287), introduced by State Senator Daniel Squadron and Assemblyman Nily Rozic respectively, which would amend the business corporation law by requiring

corporations to obtain shareholder approval prior to making any political contributions or independent expenditures in New York State; and

Whereas, The Act would also require these entities to submit a report to shareholders, as well as to the New York Secretary of State who would be required to publish the report online, detailing these expenditures, including the business rationale for them; and

Whereas, If enacted this bill would increase the transparency of political spending and help ensure that shareholders, as well as the general public, are aware of how entity resources are spent, and whether this spending is consistent with their interests; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass the “corporate political activity accountability to shareholders act,” requiring that corporate political spending be approved by a majority of shareholders in advance, and for detailed spending reports to be made available to shareholders and the general public.

AM
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