
THIRD READING

Bill No: SJR 18
Author: McNerney (D), et al.
Amended: 6/2/26
Vote:

SENATE JUDICIARY COMMITTEE: 10-2, 6/9/26
AYES: Umberg, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Wahab, Weber
Pierson, Wiener
NOES: Niello, Valladares
NO VOTE RECORDED: Stern

SENATE ELECTIONS & C.A. COMMITTEE: 4-0, 6/9/26
AYES: Wiener, Allen, Cervantes, Umberg
NO VOTE RECORDED: Choi

SUBJECT: Campaign finance reform

SOURCE: Author

DIGEST: This joint resolution memorializes the California Legislature's strong disagreement with the majority opinion of the United States Supreme Court in *Citizens United v. Federal Election Commission* and encourages states to limit the powers of corporations to contribute to political campaigns.

ANALYSIS:

Existing law pursuant to Amendment I of the United States Constitution, and as applied to the states by Amendment XIV of the United States Constitution, provides neither Congress nor the states may enact any law abridging the freedom of speech.

Existing law, pursuant to rulings by the United States Supreme Court, provides:

- a) Pursuant to *Buckley v. Valeo* (1976) laws limiting election expenditures are unconstitutional, as such limits contravene the First Amendment's guarantee of

freedom of speech. The court opined that such a restriction on spending for political communication necessarily reduces the quantity of expression.

- b) Pursuant to *Citizens United v. Federal Election Commission* (2010) the government may not, under the Amendment I, suppress political speech based on the speaker's corporate identity. This decision allows unlimited spending by corporations on election-related matters.

This joint resolution:

- 1) Memorializes the California Legislature's strong disagreement with the majority opinion of the United States Supreme Court in *Citizens United*.
- 2) Encourages states to adopt policies to limit the powers of corporations to contribute to political campaigns in a manner consistent with the United States Constitution.

Background

Citizens United. Citizens United is a nonprofit corporation that during the 2008 primary election campaign made a documentary critical of then U.S. Presidential Candidate Hillary Clinton. When planning to run commercials advertising the documentary, which was to be made available via on-demand television, Citizens United filed in federal court to make sure that the Federal Election Commission could not rule that ads and airing the documentary were illegal under federal campaign finance law. The law, known as the McCain-Feingold Act, forbade specified expenditures by corporations, including nonprofit corporations, to influence elections within certain timeframes.

As a result of this filing, the U.S. Supreme Court ultimately ruled in *Citizens United v. Federal Election Commission* that restricting spending on election-related matters violated the First Amendment's freedom of speech that all persons, including corporations, possess. This decision sparked an enduring controversy over corporate personhood and its attendant rights. Some viewed the ruling as a defense of the right of free speech with many others criticizing the decision as giving corporations outsized political power by allowing corporations to spend unlimited sums for or against political candidates so long as those expenditures were made independently of the campaigns.

Comments

- 1) *Author's Statement*. This year marks the 50-year anniversary of the landmark *Buckley v. Valeo* decision, where the Supreme Court decided that campaign

expenditure limits are unconstitutional. This decision, paired with the *Citizens United* decision in 2010, has led to the proliferation of corporate money in our political system. The amount of dark money spent on elections continues to grow every election cycle. This broken campaign finance system has prevented us from addressing some of the biggest issues facing our state and our country.

Dark money has also made government more responsive to corporate interests than the public, increased cynicism among voters, and corroded the very institutions we are meant to protect. This resolution sends a message that the California Legislature stands against the *Citizens United* decision and encourages states to limit the power of corporations to contribute to political campaigns.

- 2) *Montana*. Proponents of a statutory initiative in Montana, which is called “The Montana Plan,” are currently collecting signatures to qualify the initiative for a ballot this year. The initiative would create a new Montana law prohibiting corporations from spending money on political candidates or ballot issues. Rather than addressing the issues raised by the Supreme Court in its *Citizens United* decision, in which the court opined that the power to spend money in elections is tantamount to free speech, this initiative limits what a corporate charter can include in Montana.

In short, the Montana initiative amends the State Constitution of Montana to define corporations as “artificial persons” and then declares:

Any language in articles of incorporation, organization, association, or other organizational documents purporting to directly or indirectly confer Election-Activity authority or Ballot-Issue-Activity authority to Artificial Persons is void.

The initiative thus works through the state’s authority to regulate corporations through the charter process, rather than taking on a corporation’s free speech rights and likely running afoul of the *Citizen’s United* decision.

- 3) *Hawaii*. Last month, the State of Hawaii enacted a law that redefines corporations in such a manner as to preclude them from spending on elections. This new law will take effect on July 1, 2027. The initiative in Montana inspired the legislation in Hawaii, which states in its text:

...the purpose of this Act is to: ...[r]eaffirm that artificial persons created under state law possess only those powers that are necessary or convenient to carry out lawful business and organizational purposes, and that those

powers do not include the power to spend money or contribute anything of value to influence elections or ballot measures....

- 4) *Powers of States*. In general, it is unclear what power states would have in the current legal environment to reduce the power of corporations to influence elections, given that the courts have conferred full First Amendment rights onto corporations. The Montana approach, which should the initiative become law, will take effect on January 1, 2027, could provide a first test of the ability of states to limit the powers of corporations to contribute to political campaigns, as this resolution encourages states to do.

Related/Prior Legislation

SJR 1 (Wiener, Resolution Chapter 174, Statutes of 2025) rescinds all applications by the Legislature for the United States Congress to call a convention for proposing amendments to the United States Constitution, including the application resulting from AJR 1 (Gatto) of 2014.

AJR 1 (Gatto, Resolution Chapter 77, Statutes of 2014) submitted California's application to Congress to call for a constitutional convention for the sole purpose of proposing an amendment to the U.S. Constitution that: (1) limits corporate personhood for purposes of campaign finance and political speech; and (2) declares that money does not constitute speech and may be legislatively limited.

AJR 22 (Wieckowski, Resolution Chapter 69, Statutes of 2012) memorializes the Legislature's disagreement with the decision of the United States Supreme Court in *Citizens United v. Federal Election Commission*, and called upon the United States Congress to propose and send to the states for ratification a constitutional amendment to overturn *Citizens United v. Federal Election Commission* and to restore constitutional rights and fair elections to the people.

AJR 32 (Allen) of 2012 would have petitioned Congress to call a federal convention for the purpose of amending the U.S. Constitution hopefully solely to limit corporate personhood and declare that money does not constitute speech. This measure failed passage in the Assembly Committee on Judiciary.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 6/10/26)

CASS Democracy Reform Working Group
Consumer Watchdog
Indivisible CA: StateStrong

OPPOSITION: (Verified 6/10/26)

None received

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