

1 [Supporting California State Assembly Bill No. 20 (Kalra and Lee) - Corporate Free Elections
2 Act]

3 **Resolution supporting California State Assembly Bill No. 20, authored by Assembly**
4 **Member Ash Kalra, and co-authored by Assembly Member Alex Lee, the Corporate-**
5 **Free Elections Act, which would prohibit a candidate for elective office in California**
6 **from receiving a contribution from a business entity, and a business entity from**
7 **making a contribution to a candidate for elective office**

8
9 WHEREAS, The insulation of electoral and governmental institutions from undue
10 corporate influence is critical to the health of a functioning democracy; and

11 WHEREAS, The influx of large sums of corporate money into campaigns for elected
12 offices damages the public's trust in government; and

13 WHEREAS, According to a study in the Academy of Management Journal, Vol. 64, No.
14 1, companies spend when they are worried about negative media coverage prompting what
15 they perceive to be potentially harmful regulations, when there are powerful social movement
16 organizations, to gain a seat at the 'legislative table' to communicate their interests, and
17 because they see it as consistent with their responsibility to stakeholders; and

18 WHEREAS, It was found that spending by just five companies in support of Prop 22 in
19 2020 - Uber, Lyft, Postmates, DoorDash, and Instacart - accounted for upwards of \$224
20 million, 28.5-percent, of total spending on state-level ballot measures; and

21 WHEREAS, In 2020, politicians and campaigns in California accepted a total of \$2.1
22 million from PG&E, according to ABC10's analysis of state campaign finance data, both
23 during the company's bankruptcy and after it pleaded guilty to 85 more felonies; and

24 WHEREAS, Many candidates, in order to stay competitive in their races, are compelled
25 to take money from corporations; and

1 WHEREAS, In passing such a restriction, California would join the 22 states in the
2 United States who already impose outright bans on corporations from directly contributing to
3 campaigns for elective office; and

4 WHEREAS, San Francisco voters enacted campaign contribution limits in 2000 with
5 the intent to eliminate or reduce the appearance or reality that large contributors may exert
6 undue influence over elected officials; and

7 WHEREAS, In November 2019, San Francisco voters overwhelmingly voted on a
8 margin of 76 to 23-percent to pass Campaign Contribution Restrictions and Advertisement
9 Disclaimer Requirements, “The Sunlight on Dark Money Initiative” to enhance the integrity of
10 the election process and help restore public trust in governmental and electoral institutions in
11 the City and County of San Francisco; and

12 WHEREAS, Since January 2020, the FBI has been conducting a large federal
13 investigation targeting public corruption in the City and County of San Francisco; to date, ten
14 individuals have been charged, including two high-ranking former San Francisco public
15 officials, and five individuals have pleaded guilty; and

16 WHEREAS, In order to curb actual corruption and the appearance of corruption of our
17 government by corporate contributions, it is incumbent upon the California Legislature to
18 prohibit direct contributions from corporations to political campaigns at the state and local
19 levels; now, therefore, be it

20 RESOLVED, That the City and County of San Francisco supports California State
21 Assembly Bill No. 20 and urges the Assembly and Senate to pass the bill; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors hereby directs the Clerk of the
23 Board to send a copy of this Resolution to the California State Assembly and the California
24 State Senate.