

Legislative Agenda 2013

Enact Legislation to Disclose Corporate Political Spending to Shareholders

Congress should enact legislation mandating that publicly held companies disclose their corporate political expenditures online within 48 hours.

Background

The Supreme Court's *Citizens United* decision gave corporations the right to spend unlimited funds from their corporate treasuries to support or attack candidates. Currently, there are no rules or procedures to ensure that shareholders – those who actually own the corporations – are informed of decisions regarding political expenditures.

The Shareholder Protection Act includes provisions that require corporations to disclose on the SEC web site how much they are spending on elections and which candidates they support or oppose. It also requires that each corporate political expenditure over a certain dollar threshold be promptly disclosed to shareholders and the public. These provisions are instrumental to informing shareholders about how their money is being spent to elect or defeat a candidate.

A Zogby International poll commissioned by the business-led Committee for Economic Development (CED) found that two-thirds of business leaders agreed with the statement: “the lack of transparency and oversight in corporate political activity encourages behavior that puts corporations at legal risk and endangers corporate reputations.” In addition to business leaders, the general public believes in transparency.

Disclosure of corporate political activity is fundamental to responsible corporate governance and to democracy.