



# STOP THE SPECIAL EXEMPTIONS ACT

## NO ON 32- QUICK POINTS

**Proposition 32 -- the Special Exemptions Act -- is not what it seems. Prop 32 was intentionally written to create special exemptions for billionaire businessmen, giving them even more political power to write their own set of rules.**

**Prop 32 will not take money out of politics. Prop 32 exempts secretive Super PACs, which can raise unlimited amounts of money from corporate special interests and billionaire businessmen to support their candidates or defeat their enemies. And it does nothing to stop anonymous donors from influencing elections.**

- Prop 32 was placed on the ballot by the Lincoln Club of Orange County, the ultra-conservative group that was the driving force behind the *Citizens United* Supreme Court decision that led to the recent explosion of secretive Super PACs onto the national political scene.
- Prop 32 does absolutely nothing to stop Super PACs, which are organizations that elect or defeat candidates but without many of the spending restrictions or transparency requirements that limit the campaigns themselves. The *Citizens United* Supreme Court decision said these groups can spend unlimited amounts of money, and Prop 32 would do nothing to change that. And Prop 32 does nothing to stop anonymous donors from influencing elections.
- If Prop 32 passes, these Super PACs and committees backed only by corporate special interests will become the major way campaigns will be funded. These groups have already spent more than \$95,000,000 in California elections since 2004. Prop 32 does nothing to change that. Our televisions will be flooded with even more negative advertisements. Secretive Super PACs will become the law of the land in California, with no accountability, checks or balances.

**Prop 32 doesn't solve Sacramento's problems, because it was intentionally written to exempt many companies like Wall Street investment firms, hedge funds, real estate developers, insurance companies and corporations that can still create front groups and make unlimited campaign expenditures.**

- Prop 32 restricts only some companies and provides huge exemptions to others. Only companies that are organized and narrowly defined as "corporations" are restricted from making contributions.
- Other business structures like LLCs, real estate trusts, business trusts and others that are used by some of the largest companies in the state, including developers and real estate investors, hedge funds, Wall Street investment firms, venture capitalists and lawyers, are all exempted and these businesses can continue to make contributions to candidates they support or against their enemies.

According to the Secretary of State's Office, more than 1,000 of these exempted companies are registered as "Major Donors", and these exempted Major Donors have contributed more than \$10,000,000 since 2009.

- Many top contributors to Proposition 32 are former insurance company executives, Wall Street executives, developers, and big money donors to causes which benefit from Prop 32's special exemptions.

**Prop 32 is not a balanced approach. Prop 32 unfairly singles out and limits the voices of teachers, our local nurses and the firefighters who keep us safe.**

- Prop 32 claims it will stop corporations and unions from collecting political funds through payroll deductions – but 99% of California corporations don't use payroll deductions for political giving; they would still be allowed to use their profits to influence elections. That's not fair or balanced.
- Unions, on the other hand, use payroll deductions to collect dues money from their members, a small portion of which is used for political purposes. This is an accepted and practical way for working men and women to collect the funding needed to compete with the better-funded corporate interests.
- Workers *can already* make voluntary contributions to political campaigns under existing law today. The Constitution guarantees everyone that right. But Prop 32 actually restricts that right by requiring annual written authorization from union members before they can "voluntarily" donate to their union's political causes and it forbids workers to voluntarily agree to have those donations deducted from their wages.
- It is also important to remember that no one can be forced to join a union and contribute to politics. In addition, nearly all unions allow members to opt out of contributions to political candidates. Prop 32 makes it illegal to use payroll deductions to collect funding for politics, even if union members specifically authorize those deductions in writing.

**It takes away the ability of these everyday heroes to speak out on issues that matter to us all—like cuts to our schools and colleges, police and fire response times, workplace safety, consumer protections, homeowner rights and unfair corporate tax giveaways.**

- Corporations already spend 15 times as much as unions spend on political contributions, according to the Center for Responsive Politics. If Prop 32 were to pass, it would effectively silence the voice of union members while giving corporate special interests and billionaire businessmen free rein to exert even more influence over our political system, and that hurts all of us.
- Some say "this is unbalanced but it's a step forward." Here's the problem with that. Restricting unions and their workers while not stopping corporate special interests will result in a political system that favors corporate special interests over everyone else.
- Vote NO on Prop 32 to protect air and water safety, consumer laws, and policies for all Californians, not just the special interests.