

December 20, 2011
Initiative 11-0054

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

REGULATION OF CORPORATIONS. INITIATIVE CONSTITUTIONAL

AMENDMENT. Substantially replaces current California law governing corporations, to allow maximum authority over corporations permitted by federal constitution. Declares corporations are not persons or citizens, thereby eliminating corporations' state constitutional protections.

Holds officers and directors personally liable for a corporation's intentional acts or crimes.

Allows corporations to discriminate to maximum extent permitted by federal constitution, if supported by quantifiable, scientific link to business purpose of corporation or specific decision being made. Strips corporation's non-profit status if more than 30 percent of gross income spent on administrative costs. Alters rules governing corporate income taxes and deductions. Fiscal impact: **It is the opinion of the Legislative Analyst and Director of Finance that the measure may result in a substantial net change in state or local finances if adopted.**

(11-0054)