

30TH AMENDMENT (RC.3)

Corporate Personhood & Public Citizenship; Legal Duties & Responsibilities

SECTION 1

Corporate Personhood & Fiduciary Duties; Public Accountability & Shareholder Value

CLAUSE 1. To ensure that corporate personhood enriches, empowers and acts in service of the health, prosperity and well-being of natural persons,⁴⁴ artificial legal persons⁴⁵ shall have legal duties equal to those expected of natural citizens, and shall be held accountable to these standards by the People for the People.⁴⁶

CLAUSE 2. Artificial legal persons shall balance acting in the best interest of all persons, communities, and resources materially affected by its conduct, including but not limited to, its shareholders, workforce, customers, and the People at large.⁴⁷

CLAUSE 3. Congress shall not impose a tax on dividend income greater than capital gains.⁴⁸

CLAUSE 4. Artificial legal persons and their directors, officers, and agents, who act in good faith,⁴⁹ in accordance with this Section, shall be deemed to have fulfilled their duty and shall not be held liable for monetary damages for any action or inaction in the course of performing their duties.

SECTION 2

Corporate Citizenship & Integrative Bargaining; Shareholder & Stakeholder Powers

CLAUSE 1. To form a more perfect market based upon balanced and integrative bargaining power,⁵⁰ artificial legal persons of a certain size or public significance, as specified by Congress,

⁴⁴ Natural persons are meant to denote individual human beings.

⁴⁵ Artificial legal persons are meant to denote public or private organizations.

⁴⁶ Corporate personhood is acknowledged as an important legal construct with great power, which must therefore be checked by standards of accountability and balanced by responsibilities of conscience.

⁴⁷ Constituency statutes are already enacted in more than half of U.S. states and are intended to give directors of corporations the discretion to balance the interests of stakeholders, rather than have to solely focus on maximizing shareholder value in a way that could damage the long-term sustainability of the enterprise.

⁴⁸ This ends the preferential tax treatment of capital gains as the primary mechanism of capturing returns on investments, which is critical to establishing a less volatile economy and more sustainable growth. This is important for a variety of common investor profiles. For example, during an economic downturn, the advice of “holding” through a recession sounds reasonable, but if a senior citizen living off a retirement portfolio must continuously sell their holdings in order to cover the cost of living. A more stable economy with sustainable, continuous, predictable returns is critical since this kind of timing matters on an individual level. It also lowers the return on short-term speculative investment with little economic productive value.

⁴⁹ Good faith is already a central duty of the doctrine of contract law, and so it shall also be the central duty of the doctrine of the social contract governing the dealings of artificial legal persons.

⁵⁰ Collective bargaining and unions have proven critical to reducing asymmetries that otherwise distort free labor markets and drive inequality feedback loops. As entities external to the organization(s) being bargained with, unions provide an adversarial-based balance. A more integrated and internalized form of collective bargaining would prevent disruptive disputes and institutionalize the balance these entities provide – a more perfect market.

shall be declared corporate citizens,⁵¹ which shall be governed by an adapted set of democratic principles and processes, as specified hereafter.⁵²

CLAUSE 2. One-half of the directors of a corporate citizen shall be elected by its employees, and the remaining directors shall be elected by its shareholders, both using an election process by secret ranked-choice ballot, in the form of a single transferable vote.⁵³

CLAUSE 3. Congress shall directly, or indirectly, specify penalties for corporate citizens in violation of this Section.

SECTION 3

Externalities & Triple-Bottom Lines; Extended Responsibility & Full Costs

CLAUSE 1. To integrate full costs, extend responsibility, balance rent capture, and improve sustainable outcomes, Congress shall periodically quantify and impose taxes upon, directly or indirectly by delegation, corporate citizens who take extractions from, or export externalities to, the commons of the People, in accordance with principles of due process and minimization of regulatory inefficiencies.⁵⁴

CLAUSE 2. The executive may enforce these taxes by imposing fines of monetary value greater than a tax evaded and proportional to the cost of ignoring the impact upon the commons and in excess of the profits accrued by doing so.⁵⁵

CLAUSE 3. Congress shall establish an independent commission dedicated to the continuous evaluation of the regulatory processes and structures required to efficiently and equitably carry out the purpose of this Section.

CLAUSE 3. The federal judiciary shall adjudicate any disputes arising between the U.S. government and a corporate citizen for purposes of this Section, and shall favor solutions of the least burdensome administrative costs in causes related to Clause 1, and shall favor good faith efforts in causes related to Clause 2.⁵⁶

⁵¹ Corporate citizens would obtain a national charter from an executive agency as determined by Congress.

⁵² In the 21st century and a global economy, corporations of a certain size and public significance have a quasi-public duty to internalize democratic principles in order to check and balance against a wide range of internalities and externalities.

⁵³ Co-determination is an economic and political innovation being successfully implemented in democracies across the world and would only be bolstered by incorporating other political innovations of the time, such as ranked choice voting, and single transferable votes.

⁵⁴ Markets become more perfect as information becomes more perfect and triple bottom lines provide greater transparency into the full costs of producing goods and services.

⁵⁵ When violating laws becomes less expensive than compliance with the law, the rule of law itself is eroded. Generally such outcomes are indicative of undue influence upon how these laws are drafted and/or enforced.

⁵⁶ In acknowledgement that quantifying qualitative costs can be complex, imprecise and imperfect, administrative efficiency can be used by courts to provide legitimacy to full cost estimations, and a good faith standard can be used by courts to determine enforcement.

SECTION 4

Global Competition & International Trade; Capital Flight & Human Dignity

CLAUSE 1. To remain globally competitive while raising our own standards for artificial legal persons, the executive branch shall institute border adjustment taxes to offset hidden externalities, created by noncooperation amongst foreign corporations, states, or nations.

CLAUSE 2. Corporate citizens that comply with this Amendment 30 (RC.3), shall receive an annual dividend from tariffs collected in accordance with Clause 1 of this Section, in proportion to their reported taxable income.⁵⁷

CLAUSE 3. The executive branch shall impose taxes on corporations that take advantage of international minimum wages that do not reasonably comport with United States federal minimum wage laws,⁵⁸ and such taxes shall contribute to any foreign aid contributed to that state or nation.⁵⁹

⁵⁷ Corporate citizens who act in compliance with their duties to the People are rewarded with the penalties upon those in violation which creates a competitive incentive structure that drives shared compliance, while the principle of reward proportionality incentivizes more accurate filing of taxable income.

⁵⁸ Reasonable comportment requires an analysis of relative standard of living expectations.

⁵⁹ This win-win-win scenario drives a race to the top whereby foreign wages are raised, foreign safety nets are generated, or new jobs are created in the domestic economy.