

State ban on corporate campaign donations upheld

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Felice Belman

A state law banning corporations from making political donations survived a legal challenge this week when a Superior Court judge ruled against two local business owners seeking to overturn the restriction.

Superior Court Judge Paul Wilson found that the campaign finance laws on the books do not unconstitutionally discriminate against the right of a business to free speech or equal protection.

He also ruled that the Office of Campaign and Political Finance successfully showed that the law treating unions and corporations differently “serves the anti-corruption interest” used by the state as justification for the law.

The law banning corporations from making monetary donations to candidates, political parties, or political committees was challenged in February 2015 by Michael Kane, the owner of 126 Self Storage in Ashland, and Rick Green, president of 1A Auto Inc. in Pepperell.

Kane and Green, who founded the conservative Massachusetts Fiscal Alliance, are politically active and took exception with the law that banned them from making corporate contributions while Democrat-allied labor unions were allowed to make up to \$15,000 in contributions each cycle.

Corporations can and do contribute freely to ballot question campaigns, and business owners can establish PACs on their own using the business name.

The Arizona-based Goldwater Institute, which has successfully argued similar cases in other states, took on the case, and said Thursday it planned to appeal to the state Supreme Judicial Court.

“There is room to debate many campaign finance regulations, but this is not one of them,” said Jim Manley, the Goldwater Institute attorney who argued the case for the plaintiffs. “A total ban on businesses participating in the political process – while their counterparts from the other side of the bargaining table dole out stacks of cash to their preferred candidates and committees – is unfair from any perspective.”

Manley argued that businesses like those owned by Green and Kane should be afforded equal protection under the law, as it pertains to union political gifts. The judge, however, ruled that the plaintiffs failed to sufficiently demonstrate how corporations and labor unions are “similarly situated.”

Wilson also rejected the free-speech arguments, citing the ability for businesses to establish political action committees and legal precedent upholding certain restrictions on political giving.

“We are not surprised. The judge is on the wrong side of history,” Massachusetts Fiscal Alliance executive director Paul Craney said in a statement. “Throughout the country, you are seeing court case after court case allowing for more free speech and more equal protection under the law. Unfortunately in this case, our judge decided to preserve the status quo, which unfairly protects the interests of unions, over the interests of citizens and employers in state campaign finance law.”