

Initials

- (1) JPA
- (2) MDA
- (3) DGA
- (4) JA
- (5) BA
- (6) CEK
- (7) ZEOH
- (8) ZAH
- (9) HFH
- (10) RH
- (11) ZAH
- (12) DMG
- (13) NHB
- (14) JS
- (15) EJO

Initiative Petition for a Law to Limit Artificial-Person Powers

Be it enacted by the People, and by their authority:

An Act to Limit Artificial-Person Powers

SECTION 1.

Section 1 of Chapter 109 of the General Laws is hereby amended by adding six new definitions to be appropriately inserted and to read as follows:

“Ballot-question activity”, paying, contributing, or expending money or anything of value for the purpose of favoring or opposing the adoption or rejection of a specific question or questions submitted to the voters including, without limitation, a charter change, an initiative or referendum question or a constitutional amendment. “Ballot-question activity” does not include any bona fide news story, commentary, or editorial distributed through the facilities of a broadcasting station or of any print, online, or digital newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print, online, or digital facility is owned or controlled by a candidate, political committee, political designation, or political party.

“Candidate” has the same meaning as defined in section one of chapter fifty-five.

“Election activity”, paying, contributing, or expending money or anything of value for the purpose of supporting or opposing a candidate, political committee, political designation, or political party. “Election activity” does not include any bona fide news story, commentary, or editorial distributed through the facilities of a broadcasting station or of any print, online, or digital newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print, online, or digital facility is owned or controlled by a candidate, political committee, political designation, or political party.

“Political committee” has the same meaning as defined in section one of chapter fifty-five.

“Political designation” has the same meaning as defined in section one of chapter fifty.

Initials

(1)

JDA

(2)

MDA

(3)

DGA

(4)

ga

(5)

ba

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cel

(7)

2011

(8)

2011

(9)

HFH

(10)

RH

(11)

2011

(12)

DMG

(13)

2011

(14)

JS

(15)

EJD

“Political party” has the same meaning as defined in section one of chapter fifty.

SECTION 2.

Section 6 of Chapter 109 of the General Laws is hereby amended by inserting the phrase “, excluding any power to directly or indirectly engage in election activity or ballot-question activity” at the end of the first sentence thereof.

SECTION 3.

Section 9 of Chapter 156B of the General Laws is hereby amended by inserting the phrase “, section 3.02 of chapter one hundred and fifty-six D,” following the phrase “with this chapter” in subparagraph (p) thereof.

SECTION 4.

Section 2 of Chapter 156C of the General Laws is hereby amended by adding seven new definitions to be appropriately inserted and to read as follows:

“Artificial-person powers”, the same powers as an individual to do all things necessary or convenient to carry out the limited liability company’s lawful business and affairs, excluding any power to directly or indirectly engage in election activity or ballot-question activity.

“Ballot-question activity”, paying, contributing, or expending money or anything of value for the purpose of favoring or opposing the adoption or rejection of a specific question or questions submitted to the voters including, without limitation, a charter change, an initiative or referendum question or a constitutional amendment. “Ballot-question activity” does not include any bona fide news story, commentary, or editorial distributed through the facilities of a broadcasting station or of any print, online, or digital newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print, online, or digital facility is owned or controlled by a candidate, political committee, political designation, or political party.

“Candidate” has the same meaning as defined in section one of chapter fifty-five.

Initials

- (1) JDA
- (2) MDA
- (3) DGA
- (4) ja
- (5) BA
- (6) CBC
- (7) NZD
- (8) GBL
- (9) HFH
- (10) RH
- (11) DA
- (12) DMG
- (13) NHB
- (14) JB
- (15) EJD

“Election activity”, paying, contributing, or expending money or anything of value for the purpose of supporting or opposing a candidate, political committee, political designation, or political party. “Election activity” does not include any bona fide news story, commentary, or editorial distributed through the facilities of a broadcasting station or of any print, online, or digital newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print, online, or digital facility is owned or controlled by a candidate, political committee, political designation, or political party.

“Political committee” has the same meaning as defined in section one of chapter fifty-five.

“Political designation” has the same meaning as defined in section one of chapter fifty.

“Political party” has the same meaning as defined in section one of chapter fifty.

SECTION 5.

Section 6 of Chapter 156C of the General Laws is hereby amended in its entirety to read as follows:

(a) The creation and continued existence of a limited liability company shall not be deemed a right but shall be a conditional grant of legal status by the commonwealth and shall remain subject to complete withdrawal at any time.

(b) A limited liability company operating under the jurisdiction of the commonwealth shall not have the power to expend moneys on or participate in any election activity or ballot-question activity. Under no circumstances shall any power or activity related to election activity or ballot-question activity be deemed necessary or convenient for a limited liability company's lawful business or affairs.

(c) Except as otherwise expressly provided by law, a limited liability company may carry on any lawful business, trade, profession, purpose or activity, not including election activity or ballot-question activity. Under no circumstances shall any power or activity related to election activity or ballot-question activity be deemed necessary or convenient for a limited liability company's lawful business or affairs.

Initials

- (1) JDA
- (2) MDA
- (3) DGA
- (4) ja
- (5) La
- (6) CBC
- (7) MZOL
- (8) CH
- (9) HFM
- (10) RH
- (11) BLD
- (12) DMG
- (13) MHB
- (14) JB
- (15) ESD

(d) A limited liability company shall possess and may exercise the artificial-person powers and privileges granted by this chapter or by any other law or by the operating agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business, trade, profession, purposes or activities of the limited liability company. Without limitation of the foregoing and except as otherwise expressly set forth in a written operating agreement, a limited liability company shall have the power to make guarantees of the obligations of another person or entity.

(e) A foreign limited liability company shall have no greater rights or privileges than, and shall be subject to the same duties, restrictions, penalties, and liabilities as, a domestic limited liability company as provided in this chapter one hundred and fifty-six C. A foreign limited liability company that is authorized to transact business, is otherwise transacting business, or holds property in the commonwealth shall be subject to this section. A foreign limited liability company that directly or indirectly undertakes, finances, or directs election activity or ballot-question activity in the commonwealth shall be conclusively deemed to be transacting business in the commonwealth and shall be subject to any applicable penalties or sanctions.

(f) A limited liability company or foreign limited liability company that is organized to render a professional service as defined in section two of chapter one hundred and fifty-six A shall (i) indicate in its certificate of organization or application for registration the specific professional services that it shall render, (ii) be subject to any conditions or limitations established by any applicable regulating boards as defined in said section 2, including the provision of liability insurance required by section sixty-five, and (iii) include with its certificate of organization or application for registration a certificate by the applicable regulating board that indicates compliance as of the date of organization or registration by the members and managers with any eligibility standards established by such regulating board.

Initials

- (1) JDA
- (2) MDA
- (3) DGA
- (4) ga
- (5) Ba
- (6) CBC
- (7) MZD
- (8) CAF
- (9) HFH
- (10) RH
- (11) CB
- (12) DMG
- (13) MKB
- (14) JS
- (15) EJD

SECTION 6.

Section 44 of Chapter 156C of the General Laws is hereby amended by numbering the first paragraph thereof as subsection (a) and by adding the following:-

(b) The superior court department of the trial court of Suffolk County may decree dissolution of a limited liability company in a proceeding of the attorney general if it is established that the limited liability company has acted in violation of section 6(b).

SECTION 7.

Section 72 of Chapter 156C of the General Laws is hereby amended by deleting the word "or" at the end of subsection (a)(1), renumbering subsection (a)(2) as subsection (a)(3), and inserting after subsection (a)(1) the following:-

(2) it is established that the limited liability company has acted in violation of section 6(b); or

SECTION 8.

Section 1.40 of Chapter 156D of the General Laws is hereby amended by adding seven new definitions to subsection (a), to be appropriately inserted and to read as follows:

"Artificial-person powers", the same powers as an individual to do all things necessary or convenient to carry out the corporation's lawful business and affairs, excluding any power to directly or indirectly engage in election activity or ballot-question activity.

"Ballot-question activity", paying, contributing, or expending money or anything of value for the purpose of favoring or opposing the adoption or rejection of a specific question or questions submitted to the voters including, without limitation, a charter change, an initiative or referendum question or a constitutional amendment. "Ballot-question activity" does not include any bona fide news story, commentary, or editorial distributed through the facilities of a broadcasting station or of any print, online, or digital newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print, online, or digital facility is owned or controlled by a candidate, political committee, political designation, or political party.

Initials

- (1) JDA
- (2) MDA
- (3) DGA
- (4) Jan
- (5) BA
- (6) CBC
- (7) MSDH
- (8) MSDH
- (9) HFH
- (10) RH
- (11) AKA
- (12) DMG
- (13) MHB
- (14) JB
- (15) EJD

“Candidate” has the same meaning as defined in section one of chapter fifty-five.

“Election activity”, paying, contributing, or expending money or anything of value for the purpose of supporting or opposing a candidate, political committee, political designation, or political party. “Election activity” does not include any bona fide news story, commentary, or editorial distributed through the facilities of a broadcasting station or of any print, online, or digital newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print, online, or digital facility is owned or controlled by a candidate, political committee, political designation, or political party.

“Political committee” has the same meaning as defined in section one of chapter fifty-five.

“Political designation” has the same meaning as defined in section one of chapter fifty.

“Political party” has the same meaning as defined in section one of chapter fifty.

SECTION 9.

Section 3.01 of Chapter 156D of the General Laws is hereby amended in its entirety to read as follows:

Every corporation incorporated under this chapter has the purpose of engaging in any lawful business, not including election activity or ballot-question activity, unless a more limited purpose is set forth in the articles of organization. Under no circumstances shall any power or activity related to election activity or ballot-question activity be deemed necessary or convenient for a corporation's lawful business purpose or affairs.

SECTION 10.

Section 3.02 of Chapter 156D of the General Laws is hereby amended in its entirety to read as follows:

(a) The creation and continued existence of a corporation shall not be deemed a right but shall be a conditional grant of legal status by the commonwealth and shall remain subject to complete withdrawal at any time.

Initials

- (1) JDA
- (2) MDA
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- (4) JA
- (5) BA
- (6) CEC
- (7) MEH
- (8) AL
- (9) HFH
- (10) RH
- (11) CD
- (12) DMG
- (13) MHB
- (14) JB
- (15) EJD

(b) A corporation operating under the jurisdiction of the commonwealth shall not have the power to expend moneys on or participate in any election activity or ballot-question activity. Under no circumstances shall any election activity or ballot-question activity be deemed necessary or convenient for a corporation's lawful purpose or affairs.

(c) Unless its articles of organization provide otherwise, every corporation shall have perpetual duration and succession in its corporate name and shall have artificial-person powers including without limitation power:

(1) to sue and be sued, complain and defend in its corporate name;

(2) to have a corporate seal, which may be altered at will, and to use it, or a facsimile of it, by impressing or affixing it or in any other manner reproducing it;

(3) to make and amend bylaws, not inconsistent with its articles of organization or with the laws of the commonwealth, for managing the business and regulating the affairs of the corporation;

(4) to purchase, receive, borrow, lease or otherwise acquire, to own, hold, lend, improve, use, transfer and otherwise deal with, and to sell, convey, mortgage, pledge, lease, exchange and otherwise dispose of, all or any part of its real or personal property, or any legal or equitable interest in such property, wherever located;

(5) to purchase, receive, borrow or otherwise acquire, to use, own, hold, sell, lend, transfer and otherwise dispose of, and to pledge, exchange and otherwise deal in and with, its own shares;

(6) to purchase, receive, subscribe for, or otherwise acquire, to own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of; and deal in and with shares or other interests in, or obligations of, any other entity;

(7) to make contracts and guarantees, incur liabilities, borrow money, issue its notes, bonds, and other obligations, which may be convertible into or include the option to purchase other securities of the corporation, and secure any of its obligations by mortgage or pledge of any of its property, franchises, or income;

(8) to lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment;

Initials

- (1) JDA
- (2) MDA
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- (4) JA
- (5) BA
- (6) CEC
- (7) MZOH
- (8) BA
- (9) HFH
- (10) RLH
- (11) CH
- (12) DMG
- (13) MHB
- (14) JB
- (15) EJD

(9) to be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other entity;

(10) to conduct its business, locate offices, and exercise the powers granted by this chapter within or without the commonwealth or the United States;

(11) to elect directors and appoint officers, employees, and agents of the corporation, define their duties, fix their compensation, and lend them money and credit;

(12) to pay pensions and establish pension plans, pension trusts, profit sharing plans, share bonus plans, share option plans, and benefit or incentive plans for any or all of the current or former directors, officers, employees, and agents of the corporation or any other corporation or entity in which it has an interest;

(13) to make donations for the public welfare or for charitable, religious, scientific, civic or educational purposes;

(14) to transact any lawful business that will aid governmental policy; and

(15) to make payments, or do any other act, not inconsistent with law, that furthers the business and affairs of the corporation.

(d) Unless its articles of organization provide otherwise, a contract of guarantee or suretyship made by a corporation with respect to the obligation of another entity, (i) all of the equity interest in which is owned, directly or indirectly, by the contracting corporation, or (ii) which owns, directly or indirectly, all of the outstanding stock of the contracting corporation, or (iii) all of the equity interest in which is owned, directly or indirectly, by an entity that owns, directly or indirectly, all of the outstanding stock of the contracting corporation, shall be deemed necessary or convenient to carry out the business and affairs of the contracting corporation.

(e) Any provision of the articles of organization, bylaws, or other organizational documents of the corporation purporting to grant or confer any power to directly or indirectly engage in election activity or ballot-question activity shall be void.

(f) Any act undertaken by a corporation that constitutes an election activity or ballot-question activity shall be ultra vires and void.

Initials

- (1) JDA
- (2) MDA
- (3) DGA
- (4) ja
- (5) Ba
- (6) CEL
- (7) WZCH
- (8) [Signature]
- (9) HFH
- (10) [Signature]
- (11) [Signature]
- (12) DMG
- (13) MHB
- (14) [Signature]
- (15) EJD

(g) A foreign corporation shall have no greater rights or privileges than, and shall be subject to the same duties, restrictions, penalties, and liabilities as, a domestic corporation as provided in this chapter 156D. A foreign corporation that is authorized to transact business, is otherwise transacting business, or holds property in the commonwealth shall be subject to this section. A foreign corporation that directly or indirectly undertakes, finances, or directs election activity or ballot-question activity in the commonwealth shall be conclusively deemed to be transacting business in the commonwealth and shall be subject to any applicable penalties or sanctions.

SECTION 11.

Section 14.30 of Chapter 156D of the General Laws is hereby amended by deleting the word "or" at the end of subsection (1)(i), adding the word "or", at the end of subsection (1)(ii) and inserting after subsection (1)(ii) the following:-

(iii) the corporation has committed an ultra vires act under section 3.02(f);

SECTION 12.

Section 15.30 of Chapter 156D of the General Laws is hereby amended by inserting the phrase ", or if it is established that the foreign corporation has committed an ultra vires act under section 3.02(f) within the commonwealth" at the end of the first paragraph thereof.

SECTION 13.

Section 2 of Chapter 180 of the General Laws is hereby amended by adding seven new definitions to be appropriately inserted and to read as follows:

"Ballot-question activity", paying, contributing, or expending money or anything of value for the purpose of favoring or opposing the adoption or rejection of a specific question or questions submitted to the voters including, without limitation, a charter change, an initiative or referendum question or a constitutional amendment. "Ballot-question activity" does not include any bona fide news story, commentary, or editorial distributed through the facilities of a broadcasting station or of any print, online, or digital newspaper, magazine, blog, or other

Initials

- (1) JDA
- (2) MDA
- (3) DGA
- (4) JA
- (5) BA
- (6) CBE
- (7) NEOH
- (8) ASH
- (9) HFH
- (10) RH
- (11) OPD
- (12) DMG
- (13) MHB
- (14) SB
- (15) EJO

periodical publication, unless the broadcasting, print, online, or digital facility is owned or controlled by a candidate, political committee, political designation, or political party.

“Candidate” has the same meaning as defined in section one of chapter fifty-five.

“Charter privilege”, any benefit that exists only because the commonwealth confers it on a corporation or other entity, including, without limitation, limited liability, perpetual duration, succession in the corporate name, business or statutory trusts, and tax credits or abatements.

“Election activity”, paying, contributing, or expending money or anything of value for the purpose of supporting or opposing a candidate, political committee, political designation, or political party. “Election activity” does not include any bona fide news story, commentary, or editorial distributed through the facilities of a broadcasting station or of any print, online, or digital newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print, online, or digital facility is owned or controlled by a candidate, political committee, political designation, or political party.

“Political committee” has the same meaning as defined in section one of chapter fifty-five.

“Political designation” has the same meaning as defined in section one of chapter fifty.

“Political party” has the same meaning as defined in section one of chapter fifty.

SECTION 14.

Section 6 of Chapter 180 of the General Laws is hereby amended by adding after the fifth paragraph thereof the following:-

Political committees organized under this chapter and that are created for the purpose of engaging in election activity and ballot-question activity are hereby granted the power to engage in those activities; provided that such political committees exist solely for those purposes and claim no charter privilege other than limited liability. All other corporations organized under this chapter shall not be granted or shall not exercise any power to engage in election

Initials

- (1) JDA
- (2) MDA
- (3) DGA
- (4) JA
- (5) BA
- (6) CEC
- (7) MZC
- (8) CA
- (9) HFH
- (10) RA
- (11) DMG
- (12) MHB
- (13) JB
- (14) ESD
- (15) ESD

activity or ballot-question activity, which activities shall be considered ultra vires and void.

SECTION 15.

Chapter 180 of the General Laws is hereby amended by adding the following Section 11D:

Section 11D. The attorney general may petition the supreme judicial court for the dissolution of a corporation incorporated under this chapter upon a finding that the corporation has committed an ultra vires act under section 6.

SECTION 16.

This act shall take effect on July 1, 2029.

SECTION 17.

The provisions of this act are severable, and if any clause, sentence, paragraph or section of this law or an application thereof shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof but shall be confined in its operation the clause, sentence, paragraph, section or application adjudged invalid and such clause, sentence, paragraph, section or application shall be reformed and construed so that it would be valid to the maximum extent permitted.

[Signatories begin on the following page]