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Legislative Document

No. 1507

S.P. 530

March 20, 2007

An Act Regarding Political Activities of Corporations

Reference to the Committee on Legal and Veterans Affairs suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator STRIMLING of Cumberland. Cosponsored by Representative BRAUTIGAM of Falmouth and Senators: President EDMONDS of Cumberland, NUTTING of Androscoggin, Representatives: BRYANT of Windham, DUNN of Bangor, FAIRCLOTH of Bangor, HINCK of Portland, HOLMAN of Fayette, SIMPSON of Auburn.

1 Be it enacted by the People of the State of Maine as follows:

11

Sec. 1. 13-C MRSA §302, first ¶, as enacted by PL 2001, c. 640, Pt. A, §2 and affected by Pt. B, §7, is amended to read:

Unless its articles of incorporation provide otherwise, a corporation has perpetual duration and succession in its corporate name and has the same powers as an individual to do all things necessary or convenient to carry out its business and affairs, including, without limitation, power to except that a corporation may not take part in political debate or campaigns or support political parties or candidates except as specifically authorized by law or participate in a public initiative or referendum on any matter that does not materially affect the property, business or assets of the corporation:

SUMMARY

12 This bill will clarify Maine corporation law to make it clear that corporate entities 13 organized under that law are not entitled to exercise the political rights of natural persons or citizens. It is prompted by the United States Supreme Court decision in First National 14 Bank of Boston v. Bellotti, 435 U.S. 765 (1978). That decision suggested that 15 corporations, to the extent they are "legal persons" might enjoy certain political rights 16 such as the right to participate in a public referendum on an issue not directly affecting 17 18 the corporation's business. This bill makes it clear that while corporations may in the 19 conduct of their business activities exercise powers similar to those exercised by natural persons, they do not thereby obtain the political rights of natural persons or citizens, such 20 as voting, supporting candidates or participating in referenda on issues not directly 21 22 affecting their business activities.