



Proposed Montana Constitutional Initiative

BALLOT STATEMENT

CI ____ would amend Article XIII of the Montana Constitution to redefine the powers of artificial “persons,” including corporations. It defines their powers as only those the constitution expressly grants and provides that artificial persons have no power to spend money or anything of value on elections or ballot issues. It affirms that the people of Montana never intended for artificial persons to have the power to spend on elections or ballot issues. CI ____ provides that actions beyond those expressly granted powers are void. The initiative permits political committees to be granted the power to spend on elections and ballot issues. It allows enforcement through forfeiture of state-conferred privileges. The initiative includes a clause that ensures that valid portions of the initiative remain effective even if other parts are invalidated.

THE COMPLETE TEXT OF CONSTITUTIONAL INITIATIVE NO. * (CI-***)**

BE IT ENACTED BY THE PEOPLE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1.** Article XIII of The Constitution of the State of Montana is amended by adding a new section 8 that reads:

Section 8. Powers of Artificial Persons.



(1) Artificial Persons exist only by grant of the state and shall have no powers or privileges except those this constitution expressly provides.

(2) (a) The legislature may by statute create Artificial Persons consistent with (1).

(b) The people never did, and do not, intend the powers of Artificial Persons to include Election Activity or Ballot-Issue Activity. This section retracts all Artificial Persons' powers and re-grants only those powers that the people deem necessary or convenient to carry out an Artificial Person's lawful business or charitable purposes, as described in (3)(e). Powers related to Election Activity or Ballot-Issue Activity shall not be deemed necessary or convenient to those purposes under any circumstance.

(3) Definitions.

(a) "Artificial Person" means every entity whose existence or limited-liability shield is conferred by Montana law, including, without limitation:

(i) business corporations;

(ii) nonprofit corporations (public-benefit, mutual-benefit, religious);

(iii) limited-liability companies;

(iv) unincorporated associations, limited-liability partnerships, statutory trusts, professional corporations, cooperatives, and any successor form;

(v) Foreign Entities that are authorized to transact business, are otherwise transacting business, or hold property in Montana. Any Foreign Entity that directly or indirectly undertakes, finances, or directs Election Activity or Ballot-Issue Activity in the state of Montana is conclusively deemed to be transacting business in this state.

(b) "Election Activity" means paying, contributing, or expending money or anything of value to support or oppose a candidate, political party, or political committee.



(c) “Ballot-Issue Activity” means paying, contributing, or expending money or anything of value to support or oppose a ballot question or initiative.

(d) Election Activity and Ballot-Issue Activity do not include any bona fide news story, commentary, or editorial distributed through the facilities of any broadcasting station, or of any print, online, or digital newspaper, magazine, blog, or other periodical publication, unless such broadcasting, print, online, or digital facilities are owned or controlled by a political party, political committee, or candidate.

(e) “Artificial Person Powers” means powers necessary or convenient to carry out lawful business or charitable purposes, excluding any power to directly or indirectly engage in Election Activity or Ballot-Issue Activity.

(f) “Charter Privilege” means any benefit to Artificial Persons that exists only because the state of Montana confers it, such as, without limitation, limited liability, perpetual duration, succession in its corporate name, and tax credits and abatements.

(g) “Foreign Entity” means an Artificial Person organized or existing under the laws of any jurisdiction other than the state of Montana.

(4) Total Revocation of Previous Power Grants. (a) The creation and continued existence of an Artificial Person is not a right but a conditional grant of legal status by the state and remains subject to complete withdrawal at any time. All powers previously granted to any Artificial Person under Montana law are revoked in their entirety. No Artificial Person operating under the jurisdiction of this state shall possess any power unless specifically granted by this constitution. No power revoked by this subsection shall be revived except by a constitutional provision that expressly re-authorizes such power in clear and specific terms.

(b) Transitional Safe Harbor. Nothing in (4)(a) shall be construed to invalidate, impair, or modify any existing contract, debt instrument, security, or other legal obligation validly entered into before the effective date of [this act]; provided,



however, that nothing herein authorizes any Election Activity or Ballot-Issue Activity after the effective date. Nothing in (4)(a) shall be construed to impair the continued existence or legal personhood of any Artificial Person, or to affect its ability to initiate, defend, or participate in legal actions or to maintain or remain eligible for licenses, permits, or approvals previously granted under state or federal law.

(5) Selective Re-Grant of Artificial Person Powers. (a) Each Artificial Person possesses the powers defined in (3)(e), unless its organizational documents limit the exercise of such powers, and no powers beyond those expressly granted. No provision of this constitution grants or recognizes any power of an Artificial Person to engage in Election Activity or Ballot-Issue Activity, except as provided in (5)(c). The re-grant of powers under this subsection shall take legal effect simultaneously with the revocation described in (4)(a).

(b) Any language in articles of incorporation, organization, association, or other organizational documents purporting to directly or indirectly confer Election-Activity authority or Ballot-Issue-Activity authority to Artificial Persons is void.

(c) Political committees registered under Montana or federal law are entities created for the purpose of engaging in Election Activity and Ballot-Issue Activity. Such committees may be granted the power to engage in those activities provided that they exist solely for that purpose and claim no Charter Privilege other than limited liability. This constitution does not grant any other Artificial Person the power to engage in Election Activity or Ballot-Issue Activity.

(d) No Charter Privilege shall be construed to authorize Election Activity or Ballot-Issue Activity. An Artificial Person that exercises Election-Activity authority or Ballot-Issue-Activity authority, unless expressly permitted to do so under (5)(c), initially forfeits all Charter Privileges as a matter of law. The legislature shall, during its first regular session following the effective date of [this act], enact procedures that allow reinstatement upon full disgorgement,



certification of future compliance, and any additional conditions it deems appropriate.

(6) Ultra Vires Actions. Any Election Activity or Ballot-Issue Activity conducted by an Artificial Person is ultra vires and void. Such conduct results in the forfeiture of Charter Privileges as provided in (5)(d) and shall also be subject to civil action by a member, shareholder, or the attorney general for injunctive relief, disgorgement, and confirmation or enforcement of the forfeiture. The legislature shall, during its first regular session following the effective date of [this act], enact implementing procedures to enforce this subsection.

(7) Severability. If any provision of [this act], or its application to any person or circumstance, is held invalid, the remaining provisions and applications that are severable shall remain in effect. In such event, no prior grant of corporate powers shall be revived or reinstated, nor shall any court construe [this act] to authorize broader powers than are expressly conferred in [this act].

NEW SECTION. **Section 2. Effective date.** [This act] is effective January 1, 2027.

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