



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KA 'OIHANA PILI KĀLEPA
335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 1-844-808-DCCA (3222)
Fax Number: (808) 586-2856
cca.hawaii.gov

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection and Commerce
Wednesday, March 18, 2026
2:00 p.m.
Via Videoconference**

**On the following measure:
S.B. 2471 S.D. 2, RELATING TO THE POWERS OF ARTIFICIAL PERSONS**

Chair Matayoshi and Members of the Committee:

My name is Ty Nohara, and I am the Commissioner of Securities and head of the Department of Commerce and Consumer Affairs' (Department) Business Registration Division (BREG). The Department offers comments on this bill.

The purpose of this bill is to reaffirm that artificial persons, such as corporations, limited liability companies, partnerships, and associations, are entities created under state law and possess only those powers that are necessary or convenient to carry out lawful activities, which do not include election or ballot-issue activity. To that end, this bill seeks to amend chapters 414, 414D, 425, 425E, and 428 of the Hawaii Revised Statutes (HRS), and to add a new chapter 429,¹ to revoke all prior grants of corporate and entity powers and regrant specific powers, excluding the power to spend money or contribute anything of value to influence elections or ballot measures. This bill also provides that the Department shall adopt rules for administrative forfeiture,

¹ The proposed HRS chapter 429 will apply to unincorporated nonprofit associations.

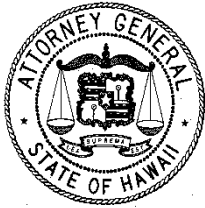
reinstatement upon disgorgement and certification of compliance, and related civil enforcement.

1. BREG's current authority is to register business entities and to file the documents delivered by an entity, if (a) the documents meet the statutory requirements for filing, and (b) the entity pays the required fees. Thus, BREG's duties are purely ministerial, and BREG has no regulatory or enforcement authority over an entity's activities. Those tasks are the responsibility of other governmental bodies and regulatory agencies. Instead, under the HRS chapters pertaining to each type of business entity, BREG has limited authority only to terminate an entity's registration, and only for specific grounds. For example, BREG may administratively dissolve a business entity that has failed to: a) pay the required fees, b) file its annual report for a period of two years, c) appoint and maintain an agent for service of process, or d) file a statement of a change in the name or address of the agent.
2. Consequently, because this bill will expand BREG's duties beyond its current ministerial duty to register businesses, HRS chapters 414, 414D, 425, 425E, and 428 must also be amended to specifically authorize BREG to monitor, investigate, and enforce an entity's compliance with the requirements of this bill.
3. Along with amending the HRS chapters to add these new responsibilities of BREG, new rules must also be adopted, procedures must be implemented, and BREG's existing forms for each type of entity must be revised, and/or new forms created.
4. BREG handles a high volume of documents on a daily basis. While the user experience appears simple and straightforward, the myriad documents and transactions that BREG processes are supported by a highly complex "back end" management and documents processing system. The civil enforcement and other duties contemplated by this bill will not only require revisions to BREG's forms, but also necessitate system adjustments related to the revised or new

forms. Therefore, BREG respectfully requests an appropriation to contract for the needed services.

5. This bill will require the establishment of new positions to perform regulatory and enforcement duties. Thus, an appropriation will also be needed to hire and train additional staff.
6. Based on the need to adopt administrative rules, establish procedures, revise existing forms and/or prepare new forms, complete the necessary system adjustments, and create and fill new positions, BREG respectfully requests that this bill's effective date be deferred to a later date beyond 1/1/2027.

Thank you for the opportunity to testify on this bill.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

S.B. NO. 2471, S.D. 2, RELATING TO THE POWER OF ARTIFICIAL PERSONS.

BEFORE THE:

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

DATE: Wednesday, March 18, 2026 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Christopher J.I. Leong or Christopher T. Han,
Deputy Attorneys General

Chair Matayoshi and Members of the Committee:

The Department of the Attorney General (Department) respectfully opposes this bill.

The purpose of this bill is to restrict the power of "artificial persons" created under state law by prohibiting corporations and other covered entities from spending money or contributing anything of value to influence elections or ballot measures. The bill effectuates this restriction by withdrawing certain state-conferred charter privileges, designating election activity and ballot-issue activity as *ultra vires* and void, and ordering the forfeiture of all charter privileges as the penalty for exercising prohibited political spending powers.

While the Department greatly sympathizes with the frustration with federal caselaw on this subject, this bill raises serious constitutional concerns and substantial adverse litigation risk should it pass into law. This bill attempts to legislate in an area of law where the U.S. Supreme Court has already opined in *Citizens United v. Fed. Election Comm'n*, 558 U.S. 310 (2010).

While many Americans strongly disagree with the U.S. Supreme Court's holding in *Citizens United*, under our federal system of government, it is our duty to state that this opinion remains the law of the land, irrespective of its merits (or lack thereof).

In *Citizens United*, the U.S. Supreme Court "rejected the argument that political speech of corporations or other associations should be treated differently under the First

Amendment simply because such associations are not 'natural persons'." See *id.* at 343. The underlying rationale for the Court's holding that corporations have the right to speech through political campaign donations is that they are "associations" of individuals. The Court further explained that, by banning corporate expenditures, "certain disfavored associations of citizens—those that have taken on the corporate form—are penalized for engaging in the same political speech." *Id.* at 356.

This bill is likely susceptible to legal challenge under the existing First Amendment framework. Although states have the authority to determine what powers a corporation has, if a state tries to remove a corporation's power to engage in election activity or ballot-issue activity, under *Citizens United*, courts could view such a move as a state-endorsed attempt to take away a citizen's right to speak through an association.

Moreover, this bill will likely be subject to strict scrutiny as a form of content-based speech restriction under the First Amendment, as this bill removes only speech related to elections and ballot initiatives from a corporation's powers, while permitting a corporation to retain its ability to speak in other contexts.

Furthermore, this bill purports to restrict the ability of foreign corporations as well. Page 11, lines 1–6. The legal theory that this bill appears to attempt to implement is that the State defines the powers of its own corporations and can therefore restrict the ability of the corporation to engage in activities otherwise constitutionally protected by *Citizens United*. Nothing in that theory would appear to support limiting the powers of corporations with non-Hawaii states of incorporation, which are governed by non-Hawaii laws. This is not only a legal vulnerability, but demonstrates the fundamental problems with the bill.

This bill may also face an unconstitutional conditions challenge, in effectively permitting a corporation to keep certain state-granted benefits only if it refrains from engaging in election activity or ballot-issue activity, activities that a normal corporation is otherwise entitled to engage in under *Citizens United*.

We further note that the revoking "in their entirety" of "[a]ll powers previously granted to corporations under the laws of the State," with powers then regranted under the new law to address a specific issue is unprecedentedly broad in scope. Page 7, lines

1–8. There may be significant unforeseeable impacts from actions regarding all Hawaii corporations at such scale.

Lastly, a legal challenge could result in substantial legal fees for the State's taxpayers, as courts have recognized a corporation's standing to assert constitutional violations under 42 U.S.C. section 1983. *See RK Ventures, Inc. v. City of Seattle*, 307 F.3d 1045, 1057 n.7 (9th Cir. 2002). Pursuant to 42 U.S.C. section 1988(b), "the court, in its discretion, may allow the prevailing party . . . a reasonable attorney's fee as part of the costs[.]"

We ask that this bill be held. Thank you for the opportunity to testify.



Testimony Presented Before the
House Committee on Consumer Protection and Commerce
March 18, 2026 at 2 p.m.
By
Tom Moore, Senior Fellow for Democracy Policy
Center for American Progress

Chair Matayoshi, Vice Chair Nakada Grandinetti, and Members of the Committee,

Thank you for the opportunity to submit testimony in strong support of S.B. 2471.

My name is Tom Moore. I am a senior fellow for democracy policy at the Center for American Progress. Prior to joining CAP, I served for seven years at the Federal Election Commission as senior counsel and chief of staff to former Chair Ellen L. Weintraub.

Across the country, legislatures have spent the last sixteen years attempting to address money in politics through campaign-finance regulation. Those efforts have repeatedly failed in federal court—not because the goals were misguided, but because the legal theory underlying them was flawed. Direct regulation of political spending by corporations and similar entities now faces overwhelming constitutional obstacles under existing First Amendment doctrine.

S.B. 2471 takes a fundamentally different approach. Instead of regulating political speech or election activity, it rests on a principle that is both longstanding and firmly within state authority: the power of the state to determine which powers it grants to the artificial entities it creates.

Corporations, limited liability companies, and similar entities do not exist as a matter of natural right. They exist because the state brings them into being and confers specific privileges and powers, most notably limited liability. S.B. 2471 simply defines the scope of those state-granted powers.

This distinction between powers and rights is critical. S.B. 2471 does not restrict the rights of any natural person. Every individual in Hawai‘i remains fully free to speak, to spend, to associate, and to participate in politics. The bill instead answers a prior and more basic question: whether state-created entities may claim political spending as a power granted by the state. That is a question the state is unquestionably entitled to decide.

Some constitutional concerns raised about the bill treat it as though it were regulating speech in the manner of a campaign-finance statute. Respectfully, that is not what the bill does. It addresses the earlier question of corporate authority. The Attorney General's testimony analyzes the bill as though it were a speech restriction, but the bill instead operates at the level of corporate powers—an area of law historically defined by legislatures.

Citizens United addressed restrictions on political spending by corporations that already possessed the authority to engage in such spending. The Court held that when corporations are fully empowered to engage in political advocacy, the government may not suppress that speech based on the speaker's identity. But the Court did *not* hold that states are constitutionally required to grant corporations the power to spend money in elections in the first place.

Legislatures historically defined and limited the purposes for which corporations could act. In fact, legislation of this kind would have been quite ordinary a century ago. Corporate charters were specific grants of authority, and legislatures routinely determined what activities corporations could and could not undertake. What makes this bill look unusual today is simply that legislatures have not exercised this particular authority very often in modern corporate statutes.

Hawai'i's own constitutional tradition underscores this authority. Article I, Section 21 of the Hawai'i Constitution provides that “[t]he power of the State to act in the general welfare shall never be impaired by the making of any irrevocable grant of special privileges or immunities.” From the days of the Hawaiian Kingdom through statehood, Hawai'i has consistently understood corporations as creations of the sovereign, not as natural rights-holders. Broad grants of corporate power were policy choices adopted over time as commerce expanded, not constitutional commands that must remain frozen in place.

S.B. 2471 reflects this understanding. It does not regulate elections. It does not impose campaign-finance rules. It does not attempt to balance speech interests. Instead, it defines the powers that Hawai'i chooses to grant to the artificial entities it creates and authorizes to do business within the state.

This approach also squarely addresses the modern dark-money problem. Today, a significant share of political spending flows through 501(c)(4) organizations and similar entities that exist entirely by virtue of state law and operate with little or no donor transparency. Traditional campaign-finance regulation has largely failed to reach these structures. A powers-based approach does.

Hawai'i has the opportunity to lead. Legislation based on this framework has now been introduced in eleven states: California, Georgia, Hawai'i, Maryland, Minnesota, Missouri, New York, Rhode Island, Vermont, Virginia, and Washington. Potential sponsors have draft bills in hand in Kansas, North Carolina, and Pennsylvania. Sponsors in Connecticut have indicated that they plan to introduce similar legislation during the

2027 legislative session. In Montana, supporters are currently gathering signatures for a statutory ballot initiative that would implement this framework through the initiative process.

But as of today, no state's legislation has made it as far through the legislature as has S.B. 2471. Hawaii could well be the state that delivers *all* of America from *Citizens United*.

S.B. 2471 is among the strongest and most carefully constructed versions of this approach introduced anywhere in the country.

For these reasons, the Center for American Progress strongly urges the Committee to move S.B. 2471 forward. It offers a durable and legally sound path forward—one that addresses corporate and dark money at its root while fully respecting both constitutional limits and the rights of individual citizens.

Thank you for your time and for your stewardship of Hawai'i's democratic institutions. I would be happy to answer any questions the Committee may have. I can be reached at tmoore@americanprogress.org.

ATTACHMENT A

[The Corporate Power Reset That Makes *Citizens United* Irrelevant](#)

Tom Moore
Senior Fellow
Democracy Policy
Center for American Progress
September 15, 2025

<https://www.americanprogress.org/article/the-corporate-power-reset-that-makes-citizens-united-irrelevant/>

The Corporate Power Reset That Makes Citizens United Irrelevant

By using their authority to define what corporations are—and what powers they hold—states can end the era of corporate and dark money in U.S. politics.



Workers erect scaffolding around the exterior of the U.S. Supreme Court building in Washington, D.C., on April 4, 2025. (Getty/Bill Clark)

Introduction and summary

Ever since the Supreme Court shattered campaign finance law with its decision in *Citizens United v. Federal Election Commission* in 2010,¹ Americans have been told there are only two ways to stop corporate and “dark” money in politics: Amend the U.S. Constitution or wait for the court to

undo what it has done.

That is flat wrong.

Citizens United held that government may not regulate a corporation's right to spend money independently in elections. But the court did not say what a corporation is—it could not. That question lies beyond even the Supreme Court's reach.

“Each state creates and defines its corporations. It need not permit its creations to consume it.”

In American law, corporations are not born; they are built. Corporations are creatures of statute, not of nature. And for more than two centuries, the power to build them—to define their form, limits, and privileges—has belonged to the states and only to the states.

In the republic's early years, states exercised that power with care. They granted charters on a case-by-case basis and drew corporate powers narrowly. That changed in the mid-1800s, when states began offering general incorporation by default, no longer paying close attention to the powers they were handing out. And that has been the status quo ever since.

However, the underlying authority to define and limit corporate powers never disappeared. It simply went quiet: unused, untested, and unmentioned—until now. This report names that authority, explains it, and shows how states can reclaim it to, in effect, undo *Citizens United* by executing a reset of their corporations' powers. The sovereign authority to decide which powers states grant to the corporations they charter includes the authority to not grant their corporations the power to spend in politics.²

This truth has been hiding in plain sight, gathering dust for more than a century, simply because no one thought to look its way. “Why not?” asks University of Chicago law professor Vincent S.J. Buccola. “One possibility is that the average legislator thinks cases such as *Citizens United* and *Hobby Lobby* were sensibly decided. This might be true—it is unlikely—but in any event it is uninteresting. Another possibility is that legislators do not know their own legislative authority. If so, maybe they will soon discover it.”³

This report aims to ignite that discovery. It examines the contours of states’ vast corporation-defining powers, examines challenges to this approach, and provides a legislative line of attack that can be enacted by state legislatures or by ballot initiative to rid ballot issues and local, state, and federal elections of corporate and dark money spending.

The legal strategy developed by the Center for American Progress—the “Corporate Power Reset”—will, state by state, drain corporate and dark money from American politics. It does not overturn *Citizens United*; it makes it irrelevant.

Corporations are pure creatures of state law. And for more than two centuries, the Supreme Court has affirmed that states have virtually unlimited authority to modify and withdraw the powers they grant to their corporations.

This report explains how every state can use that authority to remove corporate and dark money from its local, state, and federal politics.

CAP’s approach is already on the move in Montana, where local organizers have drafted and submitted a constitutional initiative for voters to consider in 2026—the first step in a movement built to spread nationwide.⁴

***Citizens United*: A primer**

Citizens United has reshaped American campaign finance at every level of

government since 2010. The decision tossed aside a century of tight regulation over corporate political spending and threw open the floodgates for the unlimited super PAC spending and undisclosed dark money that dominate the U.S. political system today.⁵

The case had an immediate and dramatic effect. The reported independent expenditures of outside groups exploded by more than 28-fold from 2008 to 2024 (from \$144 million to \$4.21 billion).⁶ Unreported money also skyrocketed. "Dark money groups spent millions influencing the 2024 election," reports the Campaign Legal Center. "For instance, Future Forward PAC, a super PAC that supports Democratic candidates, reported a \$205 million contribution from an affiliated dark money group. Voters had no idea who spent these millions of dollars trying to influence their vote in the 2024 election, and the true source(s) of this spending will most likely remain unknown."⁷

What is a corporation?

Corporations are so ubiquitous today that it is easy to forget they are legal inventions, not naturally occurring entities. They have not always existed—and when they first appeared, they looked nothing like they do now.

"A corporation is an artificial being, invisible, intangible, and existing only in contemplation of law." – Chief Justice John Marshall, Trustees of Dartmouth College v. Woodward

In his dissent in the 1978 Supreme Court case *First National Bank of Boston v. Bellotti*, Justice Byron White provided a comprehensive definition of a "corporation":

Corporations are artificial entities created by law for the purpose of

furthering certain economic goals. In order to facilitate the achievement of such ends, special rules relating to such matters as limited liability, perpetual life, and the accumulation, distribution, and taxation of assets are normally applied to them. States have provided corporations with such attributes in order to increase their economic viability and thus strengthen the economy generally.⁸

Scholars have floated many different theories of the corporation over the years,⁹ but the Supreme Court's first stab at it has never been superseded.¹⁰ American governments' relationship to corporations remains defined by a decision written by Chief Justice John Marshall in 1819, *Trustees of Dartmouth College v. Woodward*. Chief Justice Marshall wrote:

A corporation is an artificial being, invisible, intangible, and existing only in contemplation of law. Being the mere creature of law, it possesses only those properties which the charter of its creation confers upon it, either expressly, or as incidental to its very existence. . . . The objects for which a corporation is created are universally such as the government wishes to promote. They are deemed beneficial to the country; and this benefit constitutes the consideration, and, in most cases, the sole consideration of the grant.¹¹

The principle that a corporation is limited to its charter remains good law. "To be sure in 1791 (as now) corporations could pursue only the objectives set forth in their charters," wrote Justice Antonin Scalia in his concurring opinion in *Citizens United*.¹²

That principle was set out forcefully in 1837 in *Charles River Bridge v. Warren Bridge*, where the Supreme Court reached back to English common law to hold that the breadth of corporate charters must be strictly construed in favor of the public—and ambiguity must cut against the corporation:

This, like many other cases, is a bargain between a company of adventurers and the public, the terms of which are expressed in the

statute; and the rule of construction in all such cases, is now fully established to be this; that any ambiguity in the terms of the contract, must operate against the adventurers, and in favour of the public, and the plaintiffs can claim nothing that is not clearly given them by the act.¹³

This canon—that ambiguity in corporate powers cuts against the corporation—is foundational to state corporate authority. If a state declines to confer political powers upon its creations, none can be inferred to exist.

This strict approach to charter interpretation reflects a broader concern: Left unchecked, corporations pose special dangers to democracy. In his *Bellotti* dissent, Justice White sounded a warning about corporate political spending that rings even truer today than it did in 1978. While state rules may have allowed corporations to strengthen the economy, “It has long been recognized ... that the special status of corporations has placed them in a position to control vast amounts of economic power which may, if not regulated, dominate not only the economy but also the very heart of our democracy, the electoral process.”¹⁴

The *Bellotti* majority held corporations in only slightly higher regard than Justice White, even as it held that corporations could spend on issue speech (but not in candidate elections):

The overriding concern behind the enactment of statutes such as the Federal Corrupt Practices Act was the problem of corruption of elected representatives through the creation of political debts. The importance of the governmental interest in preventing this occurrence has never been doubted. The case before us presents no comparable problem, and our consideration of a corporation’s right to speak on issues of general public interest implies no comparable right in the quite different context of participation in a political campaign for election to public office. Congress might well be able to demonstrate the existence of a danger of real or apparent corruption in independent expenditures by corporations to influence candidate elections.¹⁵

Between 1978 and 2010, the idea that it was important for the government to prevent elected representatives from being corrupted by corporate political spending went from “never been doubted” to “abruptly overturned.”

The *Citizens United* court simply walked away from the concept with little analysis or explanation. “While a single *Bellotti* footnote purported to leave the question open,” Justice Anthony Kennedy wrote, “this Court now concludes that independent expenditures, including those made by corporations, do not give rise to corruption or the appearance of corruption.”¹⁶

Citizens United’s holding that independent spending cannot, as a matter of law, be corrupting threw open the floodgates to the current era of unlimited corporate political spending.

The ruling built upon the Supreme Court’s 1976 decision in *Buckley v. Valeo*, which held that the primary governmental interest served by federal campaign finance laws was “the prevention of actual and apparent corruption of the political process” and that any restriction that did not directly serve that interest was unconstitutional.¹⁷

So, under *Citizens United* and *Buckley*, since independent spending cannot be corrupting, it cannot be regulated. In the real world since 2010, this has shown to be absurd—particularly the flat statement that unlimited corporate independent political spending cannot possibly even create the appearance of corruption. But it is, for the foreseeable future, the law.

Notably, though, *Citizens United* did not recognize that corporations possessed their own right to spend in candidate elections. Instead, the court recognized the right of the nonprofit corporation Citizens United, as an association of citizens, to exercise the collected individual rights of the U.S. citizens who gathered to create it.¹⁸

The decision also led to the creation of dark money groups, nonprofit corporations that operate under Section 501(c)(4) of the federal tax law as

“social welfare organizations” and spend in politics.¹⁹ These groups are not required to disclose their donors and may spend in politics as long as their “major purpose” is not political, in which case they would have to register as a political committee.²⁰

Citizens United seemed to slam the door on government’s ability to stem corporate and dark money spending in politics. But states—either through their legislators or their citizens wielding ballot initiatives—can limit corporate political activity and dark money spending simply by redefining what their corporations are. By executing the Corporate Power Reset outlined in this report, states can reclaim the ability to draw the lines where they want them to be.

Rights versus powers

Every Supreme Court case on corporate political speech has asked the same question: Must a corporation have the *right* to speak? What the Court has never said—because it has never been asked—is that corporations must have the power to speak in the first place. This silence makes sense, since for more than a century, states have granted corporations the power to conduct all lawful acts and activities, so corporate power to speak is a question that does not come before the Supreme Court. But, as Buccola notes, “[O]ne needs to distinguish between the related but distinctive concepts of corporate rights and corporate powers.”²¹

Because states have granted corporations powers very similar to humans for the past century and a half (for example, the Commonwealth of Virginia’s corporation law currently grants corporations “the same powers as an individual to do all things necessary or convenient to carry out its business and affairs”²²), courts have treated their rights similarly in the modern era.

But the power relationship humans and corporations have to government is quite different. America was founded on the proposition that humans are created fully empowered to act in the world:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. —That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.²³

Humans are born with a full set of powers; they are not given to them by the government. In fact, the opposite is true: As the declaration states, government derives all its power from the consent of the governed.

Corporate power to act in the world is significantly different. Corporations are pure creatures of law; they do not exist without law and have zero powers until a government grants them some. Once the law, through corporation statutes, grants a corporation the power to do something, the law, through regulation, shapes its rights to do that thing.²⁴

The right of humans to spend in politics is unquestioned because their power to do so is inherent and inviolable. Courts have held the right of corporations to spend in politics to be parallel to humans' because in the modern era, states have granted corporations the powers of humans. But if a state were to no longer grant that power to its corporations, the right could no longer attach; there would be nothing to attach it to.

“Corporations are pure creatures of law; they do not exist without law and have zero powers until a government grants them some.”

Though the Supreme Court did not use these exact terms, *Citizens United* centered on the ability of government to regulate the right of corporations to exercise powers of political speech that the state had granted them. When the court wrote, “Citizens United is a nonprofit corporation,”²⁵ it was a bit of shorthand. The long version is: *Citizens United is a nonprofit corporation to*

which the Commonwealth of Virginia has granted the same powers as an individual to do all things necessary or convenient to carry out its business and affairs, among them (since Virginia law does not specify otherwise), the power to spend independently in candidate elections.

And because Citizens United was an entity to which Virginia had granted the power to spend in elections, the court found that Citizens United was an entity that had the right to spend in elections. Had Citizens United shown up in court as an entity to which Virginia had not given the power to spend in elections, the analysis would have to have been quite different.

A footnote in *Citizens United* itself underscores that the First Amendment comes into play only after a state chooses to grant corporations the power to engage in political spending. In his concurrence, Justice Scalia dismissed as irrelevant the dissent's claim that the common law was generally interpreted as prohibiting corporate political spending: "Of course even if the common law was 'generally interpreted' to prohibit corporate political expenditures as ultra vires [beyond its authority and therefore void], that would have nothing to do with whether political expenditures that were authorized by a corporation's charter could constitutionally be suppressed."²⁶ The necessary inverse is clear: When the state does withhold that power, it may treat any corporate political spending as unauthorized and void without triggering First Amendment scrutiny.

Think of it this way: Humans are born with the inherent power to live freely, pursue happiness, and shape their destiny. But they have not been granted the power to fly. Birds have, bats, pterodactyls—but not humans. It is useless to discuss whether humans have a right to fly, because without the power to do so, the right to do so has no meaning. Even if the Supreme Court decreed that humans had a constitutional right to fly, there is no amount of arm flapping that would result in humans taking to the skies, because they would still lack that ability. This lack of power to fly could not be held to infringe on the right to fly that the Supreme Court had recognized. It is simply an

underlying reality that no court—not even the Supreme Court—can touch.

“Even if the Supreme Court decreed that humans had a constitutional right to fly, there is no amount of arm flapping that would result in humans taking to the skies, because they would still lack that ability.”

Likewise, when a state exercises its authority to define corporations as entities without the power to spend in politics, it will no longer be relevant to discuss whether the corporations have a right to spend in politics, because without the power to do so, the right to do so has no meaning.

Every scrap of corporate speech jurisprudence centers on rights and the authority of government to regulate them—and courts have consistently held that authority to be sharply circumscribed. The jurisprudence regarding states’ authority to grant powers to the corporations they create is entirely separate, and for more than a century, courts have consistently held that power-granting authority to be all but absolute.

State corporation laws

Notably, corporations are not just creatures of law; they are creatures of state law.²⁷ And the states that create them have full authority to decide what powers they do and do not possess. The Supreme Court wrote in 1979 in *Burks v. Lasker*, “[T]he first place one must look to determine the powers of corporate directors is in the relevant State’s corporation law. ... [I]t is state law which is the font of corporate directors’ powers. By contrast, federal law in this area is largely regulatory and prohibitory in nature—it often limits the exercise of directorial power, but only rarely creates it.”²⁸

In 2014’s *Burwell v. Hobby Lobby Stores, Inc.*, the Supreme Court held that

state corporate law dictates how a corporation can establish its governing structure and ordered federal courts to defer to state law: "Courts will turn to that structure and the underlying state law in resolving disputes."²⁹

When one does turn to a state's underlying corporation law, one finds remarkable unanimity. Every state in the nation charters corporations and does so by issuing what is called a "general corporate charter," a document that allows a state's corporations to engage in all lawful acts and activities.³⁰

This was not always the case throughout U.S. history. At the time of the American Revolution, writes University of Pennsylvania law professor Elizabeth Pollman, "Most businesses were organized as sole proprietorships and partnerships rather than as corporations. ... By the end of the eighteenth century, the number of corporations increased to around 300."³¹

And the charters that states issued to these corporations were vastly different from the ones seen today. "As of the Founding, there were no business corporations operating under so-called general corporation statutes," note corporate law experts Leo E. Strine, Jr. and Nicholas Walter. "Rather, the only extant business corporations were specifically created by legislatures with detailed charters that their managers were obligated to follow with fidelity."³²

For example, states "routinely issued corporate charters prohibiting a corporation from making investments in other corporations, or from incurring debt, or issuing capital stock, either at all or in excess of specified limitations, or from engaging in any business other than the single activity set forth in the charter, the enforceability of which were assumed and never questioned," writes scholar David B. Simpson.³³

These limited charters did not include the authorization to engage in political speech. Harvard law professor John C. Coates IV writes, "The fact that corporations could only act in ways and to pursue ends authorized in their charters means that – until late in the nineteenth century, when 'general

purpose' clauses became common in corporate charters – none of the corporations in existence at the time the First Amendment ... was adopted was legally authorized to engage in speech as a business activity, particularly political speech.”³⁴

“By the 1850s,” writes Pollman, “Many states had enacted ‘enabling’ corporate laws eliminating the need for legislative action to incorporate. These general incorporation laws turned the special privilege of incorporation for purposes like public works into a mere administrative formality.”³⁵

States adopted general corporate charters as they competed for corporations’ business, and over time, such broad charters have become entirely unremarkable.³⁶ But “ubiquitous” is not a synonym for “required”; nothing in U.S. federal or state law commands states to issue every possible power to every corporation. NYU law professor Richard A. Epstein notes that the change came “largely through competition between states in the chartering market, rather than through application of any constitutional principle.”³⁷

“We should not confuse a longstanding custom or competitive ‘race’ among states to craft attractive, business-friendly laws with legal or historical necessity, even if those practices reach deep into the nineteenth century,” writes Washington & Lee law professor Lyman P.Q. Johnson. “Rather, for a long stretch of history, corporations have been permitted to advance private interests and corporate law itself has been deregulatory, but only because that particular approach was thought to be socially beneficial.”³⁸

When states “more or less ceased to restrict corporate powers,” notes Buccola, “they did so as a matter of political expediency rather than legal compulsion. No doctrine in the development of modern corporate law suggests that the states surrendered their constitutional authority over domestic corporations’ powers.”³⁹

Every state may have moved to granting general charters, but every state also held onto the power to create, define, and redefine corporations as it sees fit. This power is undimmed. "[L]egislatures that had moved to adopt general corporation statutes did so on the assumption that they reserved the power to restrict corporations from engaging in conduct inconsistent with the public interest," write Strine and Walter. "That is, corporations remained creatures of the state in the sense that they were granted a legal existence on the condition that they operate within the constraints imposed upon them by society."⁴⁰

"Social control over corporations through corporate statutes may have substantially declined in the twentieth century," writes Johnson, "But it remains a potentially potent instrument."⁴¹

We see this play out in *Hobby Lobby*, a case that appears at first glance to greatly favor corporations. In *Hobby Lobby*, the Supreme Court held that a U.S. Department of Health and Human Services (HHS) rule requiring for-profit corporations to provide health insurance coverage for contraception violated the religious rights of the corporation's owners. "[T]he purpose of extending rights to corporations is to protect the rights of people associated with the corporation," wrote Supreme Court Justice Samuel Alito for the majority.⁴²

Key to the plaintiff corporations' rights was the powers their home states had granted them. "[T]he laws of those States permit for-profit corporations to pursue 'any lawful purpose' or 'act,'" Justice Alito noted. Thus, he wrote, the corporations' power included "the pursuit of profit in conformity with the owners' religious principles."⁴³

Justice Alito also noted that states reserve the right to limit those powers: "[T]he objectives that may properly be pursued by the companies in these cases are governed by the laws of the States in which they were incorporated."⁴⁴

States exert this sort of control over their corporations already. Delaware's corporation code, for example, declines to grant the power to spend in elections to one category of its corporations: private foundations.⁴⁵ If the state has the authority to decline to grant election spending power to one type of its corporations, it would follow that it has the authority to do so for all of its corporations.

How states can execute a Corporate Power Reset to keep corporations out of politics

Between their corporation statutes and their constitutions, almost every state's law contains three provisions that provide the tools necessary to keep corporations out of its politics.

First, each state's laws state starkly and clearly that the state can alter—or revoke—its corporation law at any time, for any reason. In Florida, for example, "The Legislature has power to amend or repeal all or part of this chapter at any time."⁴⁶

In the landmark 1819 case *Trustees of Dartmouth College v. Woodward*, the Supreme Court ruled that New Hampshire could not take over Dartmouth's assets, but only because there had been no provision in the law that had chartered Dartmouth that would allow the state to do so.⁴⁷ Supreme Court Justice Joseph Story suggested in his concurring opinion that states amend their laws to include such a provision.⁴⁸ They did so quickly.⁴⁹ Such provisions are classified as "reserved powers" of the state.

Second, every change in a state's corporation law applies to existing corporations as well as new corporations. In Florida, for example, "The provisions of this chapter extend to all corporations."⁵⁰

According to the Supreme Court, these two provisions mean that every corporation in every state exists subject to the understanding that at any time, the state has the power to rewire its charter by rewriting the law that

underlies it.⁵¹ "This reservation of power to alter or revoke a grant of special privileges necessarily became a part of the charter of every corporation formed under the general statute providing for the formation of corporations," the court held in 1892 in *Hamilton Gaslight & Coke Co. v. City of Hamilton*.⁵² "The corporation, by accepting the grant subject to the legislative power so reserved by the constitution, must be held to have assented to such reservation."⁵³

Although this state power has remained largely dormant since the mid-1800s, courts have consistently interpreted it so sweepingly that it may startle those accustomed to the much more narrowly defined boundaries of campaign finance law. A legislature can exercise its authority to rewrite its corporation code for any reason whatsoever—or for no reason. In 1882 in *Greenwood v. Freight Co.*, the Supreme Court held, "All this may be done at the pleasure of the legislature. That body need give no reason for its action in the matter. The validity of such action does not depend on the necessity for it, or on the soundness of the reasons which prompted it."⁵⁴

Moreover, in *Hamilton Gaslight*, the court held that the effect on the corporation or other parties does not matter. A legislature may act to revoke a corporation's powers "whatever may be the motive of the legislature, or however harshly such legislation may operate in the particular case upon the corporation or parties affected by it."⁵⁵

The Supreme Court has routinely upheld states' use of reserved powers to alter preexisting corporate charters in the public interest. For instance, in *Looker v. Maynard*,⁵⁶ the court sustained new cumulative voting requirements applied to earlier-chartered corporations; in *Polk v. Mutual Reserve Fund Life Association*,⁵⁷ it allowed reorganizations that changed corporate purposes; and in *Sutton v. New Jersey*,⁵⁸ the court upheld a new requirement that preexisting street railway corporations transport police officers for free. Across these decisions, the court emphasized that shareholders had no vested right in any given corporate power once a state

had reserved authority to amend corporate charters (which all of them have).

History offers striking examples of corporate power curtailment. The Texas Constitution of 1876 provides an early example. In response to concerns about corporate influence over currency, Texas lawmakers prohibited state-chartered banks from issuing bills of credit, an explicit revocation of an already-granted power.⁵⁹ Later, in 1913, New Jersey famously enacted the “Seven Sisters” acts under Gov. Woodrow Wilson (D), sharply limiting holding company privileges and forcing trusts to unwind or relocate.⁶⁰ These historical rollbacks demonstrate the authority held by states to reduce corporate powers.

Moreover, courts have routinely rejected reliance-based challenges when states alter corporate capacities. In *A.P. Smith Mfg. Co. v. Barlow*,⁶¹ shareholders argued that a donation to Princeton was beyond its authority (“*ultra vires*”) because the company’s original 1896 charter contained no such authority. But New Jersey had expanded the charitable donation powers it granted its corporations 20 years before the lawsuit was brought, and the state’s Supreme Court upheld the donation, emphasizing New Jersey’s “reserved power” to expand or modify corporate authority—even retroactively.

This is not how most people think about the relationship between states and corporations. Because states have given corporations virtually free rein for so long through general corporate charters, it is easy to forget that state law still authorizes, shapes, and stands behind every corporate charter, and that the states have retained the power to withhold some or all of those powers. “In modern practice, it has become customary to authorize corporations more broadly to engage in any lawful activity, but this does not render more restrictive grants of authority less enforceable than they once may have been,” writes Simpson.⁶²

From 1837 onward, starting with *Charles River Bridge*, the Supreme Court

has held that governments' authority over corporations does not diminish over time. "A state ought never to be presumed to surrender this power, because, like the taxing power, the whole community have an interest in preserving it undiminished,"⁶³ the court wrote. "The continued existence of a government would be of no great value, if by implications and presumptions, it was disarmed of the powers necessary to accomplish the ends of its creation; and the functions it was designed to perform, transferred to the hands of privileged corporations."⁶⁴

Delaware's Court of Chancery, long renowned for its expertise in corporate law, explained in 1900 that states held onto their authority over corporations "as a protection against improvident grants of privileges which are afterwards seen to be oppressive, or injurious to the public, or are so altered in practical effect, by changes consequent upon unforeseen conditions, as to become so."⁶⁵

The **third** useful corporation law provision concerns corporations not chartered in the state, known as "foreign corporations."⁶⁶ This provision determines which powers a state grants to out-of-state corporations. When Florida, for example, grants a foreign corporation from Delaware the authority to operate in the state, it "does not authorize a foreign corporation to engage in any business or exercise any power that a corporation may not engage in or exercise in this state."⁶⁷

This provision gives the first two their real power—a state that moves to no longer grant its domestic corporations the power to spend in elections is also denying that power to corporations chartered in the other 49 states.

Notably, the operation of the foreign corporation provision in each state's law means that this approach does not depend on its being adopted by Delaware, even though the state is home to the lion's share of major corporate registrations.⁶⁸ Every state that adopts this approach keeps every Delaware corporation out of its politics.⁶⁹

None of this is new. Courts have long recognized the states' authority to circumscribe the powers of out-of-state corporations operating within their borders. For instance, in *Paul v. Virginia* in 1869, the Supreme Court noted, "The corporation being the mere creation of local law, can have no legal existence beyond the limits of the sovereignty where created." It held that a state could decline to grant a foreign corporation powers to act within its borders that are "prejudicial to their interests or repugnant to their policy."⁷⁰ That holding remains good law. A state may refuse corporate political powers to any out-of-state entity whose activities it finds contrary to public policy.

"The corporation being the mere creation of local law, can have no legal existence beyond the limits of the sovereignty where created." – U.S. Supreme Court in Paul v. Virginia

Legal questions

Even small steps backing away from unlimited general corporate charters would represent a significant departure from how states have governed their corporations since the mid-1800s. It would be a sharp change in course, but would it be legal?

UCLA law professor Stephen Bainbridge, a renowned corporate law expert, in response to that question, wrote: "Would that fly? As a matter of corporate law, I assume so. In many states, many state statutes qualify the broad grants of power conferred by statutes like [Model Business Corporation Act] § 3.02 by including express limitations on the powers corporations may exercise."⁷¹

Corporation law is just the first hurdle. A far higher bar to clear is constitutional law, which trips up most legislation in this area of endeavor.

But while the Corporate Power Reset would undoubtedly face constitutional challenges, it fully complies with Supreme Court case law.

The Corporate Power Reset outlined in this report is unlike anything this court has considered. Every corporate speech case that has come before the Supreme Court in modern history has two facts in common: They all involved corporations that had been granted unlimited powers to act by their chartering states, and they all involved government efforts to regulate their right to act.

Scholar David B. Simpson noted that "decisions holding that corporate speech enjoys First Amendment protection [have never] directly confronted the implications of the *Dartmouth College* rule: that because corporations possess only the powers set forth in their charters, they would not inherently have a right to rely on First Amendment assurances in the face of charter limitations on their political speech and spending."⁷²

As a practical matter, because this approach employs states' power-granting authority and not their authority to regulate, it would not be easy for a litigant to compel the Supreme Court to intervene. Litigants tread on familiar ground when they ask the Supreme Court to strike down state and federal restrictions on corporate political spending. The court has done so often and with enthusiasm.

This is not that. The Corporate Power Reset does not propose that states enact restrictions on any corporate rights. Instead, it proposes that states act to redefine the powers of corporations within their borders. This is not just a semantic difference. "[D]eclining to grant a power to do some act is importantly different from invading a person's right to do an act it is empowered to do," notes Buccola.⁷³

A litigant seeking federal court review of a state's action to grant fewer powers to its corporations would be asking federal courts to go beyond their constitutional authority in the following two distinct ways:

Federalism: A litigant asking a federal court to assert jurisdiction over state corporation creation law would run into the 10th Amendment, which limits the federal government's reach to its enumerated powers.⁷⁴ Corporation law is state law. As the Supreme Court held in *CTS Corp. v. Dynamics Corp. of America*, "No principle of corporation law and practice is more firmly established than a State's authority to regulate domestic corporations."⁷⁵ While the Supreme Court has the final word on the federally guaranteed rights of corporations, the court has also recognized throughout American history that states have sovereign authority to decide which powers to grant to the corporations they create.

Separation of powers: Every court holds an eraser, not a pen. A court evaluating a regulatory restriction can strike down that provision if it finds it to be unconstitutional. But if a court—even the Supreme Court—evaluating a list of powers a statute grants to corporations believes that the list is not long enough, it lacks the power to add to that list, or to order the state to do so.

Even the current Supreme Court might think twice before undermining state corporation laws, not out of any reverence for constitutional principles, but because such a move could introduce a level of systemic instability that would ultimately jeopardize the very corporate interests the court has repeatedly reinforced.

Intruding upon state control over corporate governance would set a dangerous precedent, opening the door for future federal intrusions that could be used against corporate interests in unpredictable ways, potentially allowing for increased federal regulation or oversight that the court and its allies cannot easily control. In essence, the justices might avoid taking such a step not out of principle, but because it could backfire, threatening the stability and predictability that corporations—and by extension, the Roberts court's objectives—rely upon.

Setting aside these jurisdictional questions for the moment, it is not clear

what basis a court could use to justify overturning a state corporation law provision that declined to grant its corporations the power to spend in elections. Several legal doctrines could be argued, but they do not seem to apply directly:

The doctrine of unconstitutional conditions

The Privileges and Immunities Clause

Interstate and dormant commerce

The doctrine of unconstitutional conditions

The most prominent constitutional challenge to CAP's Corporate Power Reset would be the doctrine of unconstitutional conditions. Former Stanford Law Dean Kathleen M. Sullivan writes that the doctrine "holds that government may not grant a benefit on the condition that the beneficiary surrender a constitutional right, even if the government may withhold that benefit altogether."⁷⁶

The classic example of an unconstitutional condition is a government grant program that requires recipients to refrain from engaging in any political activities or speech, both within and outside the program's scope. In other words, to benefit from the government funds, one must surrender one's constitutional right to political speech.

While UCLA's Stephen Bainbridge wrote that he believes CAP's approach to be good corporate law, he also wrote that he believed it would fail under the doctrine of unconstitutional conditions.⁷⁷

A careful application of the relevant precedent to whether a state is required to grant full political powers to its corporations indicates that the doctrine of unconstitutional conditions does not apply.

The legal test of whether a condition is unconstitutional is not whether the corporation's charter is limited (it is), but whether the charter recipient has

surrendered a constitutional right (she has not). Someone who seeks to charter a corporation surrenders no rights when she successfully does so. All she surrenders to the state is the filing fee. The moment a prospective incorporator turns over her check for the charter, she has no fewer speech rights than she had the moment before, no matter the contents of that charter.⁷⁸

In *Rust v. Sullivan*, the Supreme Court considered the constitutionality of an HHS regulation that forbade the use of Title X funds in abortion-related activities. The court held that the limit was not an unconstitutional condition, explaining that "our 'unconstitutional conditions' cases involve situations in which the Government has placed a condition on the recipient of the subsidy rather than on a particular program or service, thus effectively prohibiting the recipient from engaging in the protected conduct outside the scope of the federally funded program."⁷⁹

The court found that HHS was not required to fund a program that enabled the exercise of every constitutional right. And it drew a bright line between a decision not to grant a benefit and a condition imposed on the recipient: "A refusal to fund protected activity, without more, cannot be equated with the imposition of a 'penalty' on that activity."⁸⁰

Likewise, the creation of a corporation is a benefit, and states are not obligated to provide the benefit of corporations with the power to engage in every constitutional right. One who holds a charter to a corporation that has not been granted the power to spend in elections has surrendered nothing. She has not been prohibited from engaging in any protected conduct. She merely has not been granted any extra opportunity to exercise a right to spend in politics directly through the corporation she has chartered. She and all who own stock in such a corporation still have a perfect right to spend in politics outside the bounds of the state-chartered corporation.⁸¹

The withdrawal of political spending power from existing corporations would seem to provide a better basis for a claim that state action has caused rights

to be surrendered. Indeed, the Supreme Court first articulated the unconstitutional conditions doctrine in 1922 in *Terral v. Burke Construction Co.*, a case involving a state's action against an existing corporation. In that case, the court ruled that a state could not revoke a foreign corporation's license to do business as a penalty for invoking its federal right to access federal courts.⁸² *Terral* established the principle that while states have broad authority over corporations they create, states cannot impose conditions that effectively curtail federally protected rights. However, note that this case involved a state's move to impose restrictions on a corporation that had been granted a full set of corporate powers by its laws and the laws of the corporation's home state. Moving to redefine corporations as entities incapable of spending in politics is an entirely different matter, as it employs a different tool in the state's toolbox: its uncontested authority to determine what powers a corporation does or does not possess.

The Supreme Court has consistently held that every corporation has come into existence with the knowledge that it was subject to the state's uncontested authority to rewrite its DNA. Dartmouth College won its case back in 1819 because New Hampshire did not have a provision allowing such changes, but as UCLA law professor Adam Winkler notes, "States easily maneuvered around the *Dartmouth College* decision by adding to new corporate charters provisions permitting the states to revise their bargains. Because incorporators agreed to this contractual provision, they could not complain."⁸³

This is a critically important point when assessing the legality of this proposal. If a state were to exercise its contractual authority to redefine its corporation's powers, it would not be a seizing of corporate or shareholder rights. Not only has every corporation agreed to exist subject to the provision in its state's corporation law that allows the state to amend or rescind any part of the law at any time, but every shareholder has purchased stock in a corporation that has agreed that a state can redefine its nature and existence at any time.

Practically speaking, if a state acted to grant a shorter list of powers to its corporations and a litigant sought to overturn the action on the grounds that an unconstitutional condition had been imposed, a court would come up emptyhanded if it went looking for a condition, or a provision, to strike. Again, courts hold erasers, not pens. Only a legislature (or ballot initiative) can write provisions into law.⁸⁴ Courts can strike an unconstitutional law, but they cannot write new corporate powers into being. Only a legislature or a ballot initiative can do that.

The Privileges and Immunities Clause

When state actions affect the citizens of other states, the constitution's Privileges and Immunities Clause is frequently brought to bear: "The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States."⁸⁵ It prevents states from discriminating against citizens of other states.

However, the Supreme Court has been clear that the Privileges and Immunities Clause does not apply to corporations, starting with the 1869 case *Paul v. Virginia*⁸⁶ and reaffirmed in 1981.⁸⁷

Even if the Privileges and Immunities Clause did apply to corporations, it would not easily apply to this report's approach, as states are treating foreign corporations exactly equal to domestic corporations.

The authority of states to grant powers to out-of-state corporations operating within their borders is just as wide as their authority to grant powers to their domestic corporations. "[N]o matter where a firm is incorporated, each state has the sole right to decide whether it can do business within its territory," notes NYU law professor Richard A. Epstein.⁸⁸

"If a state disempowered its own domestic corporations with respect to a particular activity, the state may well be within the Constitution's bounds to demand that foreign corporations play on a level field,"⁸⁹ writes Buccola.

Interstate and dormant commerce

Likewise, because the approach offered by this report treats foreign and domestic corporations equally, it is unlikely to violate the Dormant Commerce Clause.⁹⁰ The Supreme Court held in *CTS Corp. v. Dynamics Corp. of America* that when a state action applies equally to in-state and out-of-state entities, it does not discriminate against interstate commerce and is less likely to raise Dormant Commerce Clause concerns. By ensuring that all corporations are subject to the same rules within the state, this approach respects the principle of equal treatment and avoids any undue burden on interstate commerce.⁹¹

The legislative change

Those who try to legislate matters related to corporations and political speech are used to working under extremely tight limits. Laws that burden political speech “are subject to strict scrutiny,” the Supreme Court held in *Citizens United*, “which requires the Government to prove that the restriction furthers a compelling interest and is narrowly tailored to achieve that interest.”⁹²

But the Corporate Power Reset is a different route that sidesteps these First Amendment hurdles entirely. This section outlines how a state can amend its corporation code to no longer grant the power to spend in politics without infringing on constitutional rights.

Strict scrutiny review is a tough test to meet. “All of the campaign deception statutes that have reached the courts since 2012 have failed to satisfy [strict scrutiny] and have been overturned,” writes George Washington University law professor Catherine J. Ross.⁹³

So lawmakers who shift their attention away from regulating speech rights and toward resetting corporate powers might find the breadth of their discretion a little disorienting. They no longer must thread a constitutional

law needle.

Courts have recognized two major kinds of corporate speech rights:

Commercial speech is any speech that promotes commerce, such as advertising and marketing.⁹⁴ This speech is protected at a lower level than political speech;⁹⁵ for instance, well-tailored laws that prevent deceptive practices and protect public health and safety are constitutional. Because this type of speech is essential for business operations, states would likely (and should) continue to grant their corporations the power to engage in commercial speech.

Corporate political speech falls into two categories: issue speech and election campaigns. In 1978, the Supreme Court recognized a corporation's right to spend its funds on issue speech, including ballot initiatives, in *First National Bank of Boston v. Bellotti*.⁹⁶ In 2010 in *Citizens United*, the court recognized the right of a corporation to spend its funds independently in candidate elections.⁹⁷

There are two distinct types of corporations to consider:

For-profit corporations include publicly and privately owned companies and limited liability companies.

Nonprofit corporations operate under Section 501(c) of the federal tax law. They are the source of the dark money in politics, particularly social welfare organizations, which are organized under Section 501(c)(4). Charities, nonprofit corporations operating under Section 501(c)(3) of the federal tax law, are already barred by law from spending in politics.⁹⁸

A state that wants to rid its politics of corporate and dark money spending can amend its corporation code to no longer extend to its for-profit and nonprofit corporations the power to spend in candidate elections or ballot issues.⁹⁹

There are various ways to achieve this end. States grant corporations their

powers in very broad strokes. For example, Virginia grants its corporations “the same powers as an individual to do all things necessary or convenient to carry out its business and affairs.”

The goal would be to convert that set of powers into one that includes every necessary power except the power to spend in politics. However, this must be done carefully, and here’s why:

If a measure attempted to list every possible corporate power, omitting just political spending powers, it would almost certainly miss something. The contents of that list would be a flash point and would complicate the legislation’s passage.

If the measure were structured as a general grant of powers with an exception (for example: “Corporations are granted all powers except the power to spend in candidate elections or ballot issues”), an activist court could take the exception as an opportunity to use its eraser and delete it.

To show how the Corporate Power Reset would work in practice, this report sketches the legislative approach rather than prescribing exact bill text. The key is to define corporate powers affirmatively and narrowly, instead of granting “all lawful powers” with carve-outs. Legislative language constructed in this way could work in any state. (The full in-practice text of The Montana Plan appears later in this report.)

Legislative language constructed in a way that grants powers using only positive terms may be the best approach:

Section 1. Definitions. As used in this section, the following terms have the following meanings:

(a) **Election activity:** Paying or contributing in order to directly or indirectly aid, promote, or prevent the nomination or election of any person, or to directly or indirectly aid or promote the interests, success, or defeat of any political party or organization.¹⁰⁰

(b) **Ballot-issue activity:** Paying or contributing in order to directly or indirectly aid, promote, or prevent the passage of a ballot question or initiative.

(c) **Corporate powers:** Every power—other than those described in Sections 1(a) and 1(b)—held by an individual to do all things necessary or convenient to carry out its business and affairs.

Section 2. Revocation and grant of corporate powers.

(a) Effective immediately, all powers, privileges, and capacities previously granted to corporations under the laws of this state are revoked in their entirety. No corporation operating under the jurisdiction of this state shall possess any power, privilege, or capacity unless specifically granted by subsequent provisions of this statute.

(b) Every corporation has perpetual duration and succession in its corporate name and has the corporate powers contained in paragraph (c) of Section 1, unless its articles of incorporation expressly restrict the exercise of such powers, and no powers beyond those expressly granted. Nothing in this statute grants or recognizes any power to engage in election activity or ballot-issue activity.

Section 3. Severability, nonrevival, and priority.

(a) **Severability.** If any provision of this statute, or its application to any person or circumstance, is held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the remaining provisions or applications of this statute, which shall remain in full force and effect independently of the invalidated provision or application.

(b) **Nonrevival.** In the event of such invalidity or unconstitutionality, no previous law or code section granting corporate powers shall be revived or reinstated without an explicit enactment by the appropriate

authority.¹⁰¹ The people decline to revert to any broader grant of corporate powers that may have existed before this statute.

(c) **Priority.** If a court invalidates any portion of this statute concerning the nongrant of powers described in Sections 1(a) or 1(b), the remaining provisions shall continue to operate, and no corporation shall thereby acquire any power to engage in election activity or ballot-issue activity. It is preferred that corporations hold no powers at all rather than be vested with powers for election activity or ballot-issue activity.

Limited exceptions must be made for media entities to allow for normal news reporting and opinion by news corporations and for political committees, which are often incorporated to gain limited liability protections, but which should be able to spend in politics because that is their only purpose.

Why this approach to undoing *Citizens United* works

Even if a court did not like the policy that resulted from this recommended legislation, its options are severely limited, if not curtailed altogether. And without a judicial remedy, the court has no jurisdiction.

This section explains why courts cannot rewrite power-granting statutes, cannot restore revoked powers, and cannot create remedies where none exist.

Courts ordinarily do not strike down legislative definitions unless they are unconstitutional, hopelessly vague, or conflict irreconcilably with other statutory provisions.¹⁰² The Supreme Court has recognized “the respect we normally owe to the Legislature’s power to define the terms that it uses in legislation.”¹⁰³ The statutory definitions outlined in Section 1 are purely descriptive; they impose no direct legal consequences. They are clear, consistent, and lawful, and they represent a legitimate exercise of the legislature’s prerogative to define terms within its enactments.

When a court moves to invalidate a law, it looks to the provisions that act, not those that describe—the verbs, not the nouns. But in this case, Section 2's revocation and regrant of corporate powers are legislative verbs a court may not be able to alter. There is nothing a court can do to these sections that would yield more powers being granted to the affected corporations.

Section 2(a)'s revocation of corporate powers is protected by an unbroken string of Supreme Court precedent dating back to 1819's *Trustees of Dartmouth College v. Woodward*.¹⁰⁴ The state possesses unquestioned power to revoke the privileges of its corporations, as corporate existence is a privilege bestowed by the state, not a natural right.¹⁰⁵

Section 2(b)'s regrant of corporate powers is protected by the courts' lack of authority to rewrite statutes. "We will not rewrite a law to conform it to constitutional requirements, for doing so would constitute a serious invasion of the legislative domain," the Supreme Court held in 2010 in *U.S. v. Stevens*.¹⁰⁶

A court cannot strike down either the grant of power in Section 2(b) or the entire law on the grounds that they do not provide a legally sufficient number of powers to the state's corporations because neither action would remedy the asserted harm. Striking the law would not restore the previous status quo; the section of state law that granted corporations their powers would simply cease to exist. This would leave domestic and out-of-state corporations without any powers whatsoever, failing to remedy the alleged harm and almost certainly making it worse.

The severability clause in Section 3 ("Severability, nonrevival, and priority") prevents a court from striking the whole of Section 2. A court cannot strike the paragraph rescinding all corporate powers out of disagreement with the paragraph that follows, because a state is undeniably within its authority to no longer grant its corporations any powers.

Section 3's nonrevival clause prevents a court from restoring a previous

version of the statute's power-granting provisions if part of the law is invalidated. This ensures that there is no remedial path to a broader set of corporate powers under preexisting law, foreclosing any easy judicial reversion to a status quo ante. The priority clause makes clear to a reviewing court what the legislature's aim is in passing this statute.

Because courts have no authority to strike, rewrite, otherwise alter, or restore previous versions of those provisions to address the alleged harm of insufficient corporate powers, they cannot provide an adequate remedy. Federal courts require redressability—"a likelihood that the requested relief will redress the alleged injury"—as part of the constitutional standing doctrine; without a viable remedy, courts do not have jurisdiction to proceed, no matter how much they may disagree with the outcome.¹⁰⁷

The lack of judicial remedies vividly illustrates the fundamental legal differences between people and corporations in this context—and between subtractive regulations of rights and additive grants of power.

Both corporations and natural persons can challenge laws that regulate rights, and when a court invalidates such an enactment, the rights of those affected are restored. But when a court moves to strike a law that involves a natural person, that law will necessarily be one that acts to regulate the person's rights, never one that grants powers, as government does not grant people their powers—it derives its powers from them. And a court can always restore the status quo by striking an offending restriction.

However, unlike natural persons, corporations spring to life only through legislative grants of powers; there is no natural law of corporations. (Metaphysically speaking, God doesn't give corporations the power to spend in elections—states do.) If a court found a state's grant of corporate power to be insufficient and invalidated it, the insufficiency would not be remedied—it would be exacerbated. Without a statute to grant them powers, the state's corporations would become utterly powerless.

In short, the usual judicial mechanisms that work to restore regulated rights in the realm of campaign finance law do not apply here. Because these provisions involve granting powers rather than regulating rights, striking them down does not restore a preexisting status quo. This starkly contrasts with the familiar scenario in which invalidating a restrictive law immediately restores the freedom it curtailed. Because the sole source of corporate powers is the state corporation law, the judiciary cannot simply remove an inadequate power-granting provision to remedy a perceived problem. The very nature of corporate existence as a legislative creation deprives courts of the remedial leverage they typically enjoy.

Enforcement: the *ultra vires* doctrine reemerges

If a state revokes the power of its corporations to spend in politics, those corporations cannot lawfully do so. And if they try, the enforcement mechanism to stop them already exists: the *ultra vires* doctrine—long dormant, but still quite alive.

If a corporation took actions beyond the powers granted to it by the state, it would not be committing an illegal act, but it would trigger what is known as *ultra vires* provisions in state laws. The term is Latin for “beyond the powers,” and ever since the dawn of general corporate charters, these provisions have sat dormant—but still valid—in most state corporation statutes.

As University of Pennsylvania law professor Elizabeth Pollman writes:

Under the *ultra vires* doctrine all corporate acts not authorized by a corporation’s charter were null and void. Shareholders were empowered to sue to enjoin any actions “beyond the powers” enumerated in the corporate charter. Further, states brought *quo warranto* actions against corporations for exercising unauthorized powers or failing to undertake the business for which they were chartered. As Herbert Hovenkamp explained, “this notion of corporate obligation rested on the premise that the proprietor of the corporation had been given a set of rights to

something that was in the public interest but which one could not do without the state's permission." Although *quo warranto* actions could only be brought by the states, they had a powerful impact because they could result in the dissolution of the corporation.¹⁰⁸

When a corporation commits an *ultra vires* act, it puts its directors, officers, and even the corporation's very existence at risk. For example, directors or officers who authorize *ultra vires* transactions might be personally liable if shareholders or the state attorney general bring suit, and the state could seek dissolution or other penalties. Shareholders may also bring a derivative action to enjoin or rescind such acts.

Before general corporate charters took hold, *ultra vires* actions were those that were beyond a corporation's powers, but not illegal. These provisions have sat dormant because once corporations were given the power to do everything legal, there was no distance between the limits of their powers and the limits of the law. Anything a corporation did beyond its powers was also against the law, so criminal law handled the matter.

But when they were used, *ultra vires* provisions had real bite. In 1890, in *People v. North River Sugar Refining Co.*,¹⁰⁹ a corporation's charter was revoked for transcending its powers by joining a monopolistic trust; similarly, in 1892, in *State v. Standard Oil Co.*,¹¹⁰ Ohio dissolved Standard Oil's charter for abusing its privileges to restrain trade.

The Supreme Court has never invalidated a state's decision to treat a corporate act as *ultra vires*; on every occasion it has addressed the issue, the court has underscored that corporations have only those powers their state charters confer, and acts beyond those powers are void. States have full authority to withdraw or forfeit a corporation's charter—through *quo warranto*, dissolution, or other lawful proceedings—whenever the corporation exceeds the powers the state has granted it.¹¹¹

Why legislating corporation law is profoundly

different from legislating campaign finance law

Courts frequently overturn campaign finance laws because they typically regulate speech rights that corporations or individuals already possess. In that context, striking a ban, a spending limit, or a disclosure obligation simply leaves a corporation (or a person) free to exercise its preexisting constitutional right.

But a state's decision to not grant a particular power to its corporations is an entirely different matter. "[A]lthough the First Amendment protects speech the corporation is empowered to make," writes Buccola, "It has nothing to say about speech that is *ultra vires*."¹¹²

To defeat this approach, a court would have to uproot doctrines that have been bedrock corporate law for nearly two centuries.

First, a court would have to shatter the rule of *Dartmouth College*, the iconic 1819 decision that established that corporations are "artificial beings" with only those properties that their charters confer.¹¹³ While *Dartmouth College* itself emphasized that states could not breach an existing charter without reserving that right, almost every state quickly incorporated reservation clauses precisely so they could revise corporate powers in the future.¹¹⁴ To overturn the type of law proposed above, a court would have to question whether states really do possess the authority to define the corporate form, even though that principle has stood unchallenged for generations.

Second, the court would need to dilute or discard the long-held principle that a state may revise or revoke corporate privileges at will once it has reserved that authority in its laws. Cases stretching back to the 1800s confirm that legislatures can withdraw corporate powers "whatever may be the motive,"¹¹⁵ and courts have repeatedly recognized that corporations exist subject to ongoing legislative oversight.

Third, the court would have to apply strict or heightened scrutiny to the

state's decision to grant or withhold powers—something courts have never done. Legislatures' decisions about which powers to grant corporations have always been reviewed, if at all, under an extremely deferential standard—often termed the “reserved powers doctrine.” Under that doctrine, legislatures may amend, revoke, or withhold a corporation's privileges at will, so long as they have reserved the right to do so. Even where a corporation claimed that its property or contractual interests were impaired, courts have historically asked only whether the legislature acted within its reserved authority, not whether it passed a “compelling interest” test or narrowly tailored its decision. This standard is less demanding than even rational-basis review in many respects, giving states exceptionally broad latitude. A decision requiring states to grant corporations full human-like powers in the realm of politics would mark a drastic departure from the notion that corporations are pure creatures of law.

Finally, to revive preexisting corporate law or restore “lost” corporate powers that the statute has revoked, a court would have to breach the separation of powers principle it typically follows. Under *U.S. v. Stevens*, courts cannot “rewrite” a law; they can only strike it.¹¹⁶ Here, the concept of returning to the prior corporate regime conflicts with Section 3(b)'s prohibition on automatic revival. A judge ignoring that clause would effectively be legislating from the bench. That level of judicial lawmaking is highly unusual even in contentious First Amendment cases.

In short, flipping conventional campaign finance legislation often requires only a standard First Amendment analysis—courts can simply strike a law and restore the prior rule, leaving individuals or corporations free to do what they were always entitled to do. But to strike down a state's decision to not grant a power to corporations, courts would need to unmake a vast expanse of settled precedent establishing that corporations have only the powers bestowed by state law.

This sea change would reverberate far beyond elections, thrusting

fundamental corporate governance doctrines into uncertainty. It is one thing for a court to say, "You cannot place a limit on corporate speech," and quite another to say, "You must endow corporations with political powers they do not possess." The latter would uproot more than a century of foundational corporate jurisprudence—an especially heavy lift even for courts that have been friendly to corporate speech rights.

Case study: The Montana Plan

Local activists in Montana are pursuing the Corporate Power Reset approach and are working to place a ballot initiative on the state's 2026 ballot. The group organizing the effort, the Transparent Election Initiative (TEI),¹¹⁷ opted to move to amend the state's constitution and tailored the language to meet Montana's specific requirements. TEI filed with the Montana Secretary of State's office on August 1, 2025; an annotated version is also available.¹¹⁸ The Montana secretary of state referred this updated version to the state attorney general's office on September 8, 2025:

BALLOT STATEMENT

CI ____ would add a new section to Article XIII of the Montana Constitution to define the powers of artificial persons, including corporations, as only those the constitution expressly grants and provide that artificial persons have no power to spend money or anything of value on elections or ballot issues. The initiative affirms that the people of Montana did not intend 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 provides that political committees may be granted the power to spend on elections and ballot issues. It allows enforcement through forfeiture of state-conferred privileges. The initiative includes a severability clause that ensures that valid portions of the initiative remain effective 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 person. (1) An artificial person exists only by grant of the state and may not have powers or privileges except those this constitution expressly provides.

(2) (a) The legislature may by statute create an artificial person consistent with subsection (1).

(b) The people never did, and do not, intend the powers of an artificial person to include election activity or ballot issue activity. This section revokes all powers granted to an artificial person and regrants only those powers that the people consider necessary or convenient to carry out an artificial person's lawful business or charitable purposes as described in subsection (6)(b). Powers related to election activity or ballot issue activity may not be considered necessary or convenient to those purposes under any circumstances.

(3) (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 an artificial person under Montana law are revoked in their entirety. An artificial person operating under the jurisdiction of this state may not possess any power unless specifically granted by this constitution. A power revoked by this subsection (3)(a) may not be revived except by a constitutional provision that expressly reauthorizes that power in clear and specific terms.

(b) Nothing in subsection (3)(a) may be construed to invalidate, impair,

or modify any existing contract, debt instrument, security, or other legal obligation validly entered into before January 1, 2027, provided, however, that nothing herein authorizes election activity or ballot issue activity after January 1, 2027. Nothing in subsection (3)(a) may be construed to impair the continued existence or legal personhood of an 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.

(4) (a) An artificial person possesses the powers defined in subsection (6)(b), unless its organizational documents limit the exercise of these powers, and does not possess powers beyond those expressly granted by the constitution. The constitution does not grant or recognize any power of an artificial person to engage in election activity or ballot issue activity, except as provided in subsection (4)(c). The regrant of powers under this subsection (4)(a) takes legal effect simultaneously with the revocation described in subsection (3)(a).

(b) Any language in the articles of incorporation, articles of organization, articles of association, or other organizational documents purporting to directly or indirectly confer election activity authority or ballot issue activity authority to an artificial person is void.

(c) Political committees registered under Montana law or federal law are entities created for the purpose of engaging in election activity and ballot issue activity. Political committees may be granted the power to engage in those activities provided 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) A charter privilege may not 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 subsection (4)(c), initially forfeits all charter privileges as a matter of law. The legislature shall, during its first regular session following January 1, 2027, enact procedures that allow reinstatement on full disgorgement, certification of future compliance, and any additional conditions it considers appropriate.

(5) Any election activity or ballot issue activity conducted by an artificial person that is not a political committee is ultra vires and void and results in the forfeiture of charter privileges as provided in subsection (4)(d). An artificial person that conducts election activity or ballot issue activity is also 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 January 1, 2027, enact procedures to enforce this subsection.

(6) As used in this section, unless the context requires otherwise, the following definitions apply:

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

(i) business corporations;

(ii) nonprofit corporations, such as public-benefit, mutual-benefit, and religious organizations;

(iii) limited liability companies;

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

(v) foreign entities that are authorized to transact business, are otherwise transacting business, or hold property in Montana. A foreign entity that directly or indirectly undertakes, finances, or directs election activity or ballot issue activity in the state of Montana is conclusively considered to be

transacting business in this state.

(b) "Artificial person powers" means powers necessary or convenient to carry out lawful business or charitable purposes, as the legislature may provide, excluding any power to directly or indirectly engage in election activity or ballot issue activity.

(c) (i) "Ballot issue activity" means paying, contributing, or expending money or anything of value to support or oppose a ballot issue or initiative.

(ii) The term 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 political party, a political committee, or a candidate.

(d) "Charter privilege" means any benefit to an artificial person 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.

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

(ii) The term 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 political party, a political committee, or a candidate.

(f) "Foreign entity" means an artificial person that is organized or exists under the laws of a jurisdiction other than the state of Montana.

NEW SECTION. Section 2 Severability. If any provision of [this act], or its

application to any person or circumstance, is invalid, the remaining provisions and applications that are severable remain in effect. In such event, no prior grant of corporate powers may 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 3 Effective date. If approved by the electorate, [this act] is effective January 1, 2027.

The political climate favors undoing *Citizens United*

A move to eliminate corporate and dark money from politics is not just legally sound, it is politically potent. Americans, across party lines, want corporate and dark money out of politics. The courts may have embraced *Citizens United*, but the people never did. Corporate political spending and dark money in politics are wildly unpopular among Americans:

A poll conducted over five years (2015–2020) by the University of Maryland’s Program for Public Consultation found that 75 percent of Americans—66 percent of Republicans and 85 percent of Democrats—support passing a constitutional amendment “that would allow governments greater freedom to regulate campaign financing and to restrict corporations more than individuals, thus overturning the *Citizens United*”¹¹⁹

A September 2024 poll conducted by Issue One found that 71 percent of Americans (and 73 percent of registered voters) want campaign finance reform that would “make campaigns more transparent and to limit opportunities for corruption and politicians being ‘bought’ by rich donors, interest groups, or corporations.”¹²⁰

A 2023 poll from the Pew Research Center shows that 71 percent of Republicans and 76 percent of Democrats favor limits on the amount of money individuals and organizations can spend on a political campaign.¹²¹ In three surveys conducted in 2017, 84 percent of Republicans, 92 percent

of Democrats, and 86 percent of independents said that it was important or very important to reduce the influence of big campaign donors, including special interests, corporations, and wealthy people.¹²²

Public Citizen reports that as of August 2024, 842 local governments, 22 states, and Washington, D.C., have called for a constitutional amendment to overturn *Citizens United*.¹²³ A state statutory change, which is a much lighter lift than a federal constitutional amendment, would likely enjoy even higher levels of support.

State competition for charters

Some may worry that states adopting this approach will lose corporations to friendlier jurisdictions. But charter migration is rare, difficult—and in the case of political spending—ineffective for four reasons:

Such a change is not simple. The corporation may need to dissolve itself in its current state and reincorporate in the new state. It may then have to transfer existing contracts, licenses, permits, and other legal documents to the new entity. This can be a detailed, time-consuming, and expensive process.¹²⁴

Most states have already lost this battle. Delaware is far and away the national leader in corporate registrations. It is the corporate home to 341 of the Fortune 500—68.2 percent.¹²⁵

The financial impact of losing nonprofit corporate registrations is minimal, as they pay no taxes. For example, California charges \$30 to register a new nonprofit corporation¹²⁶ and only collects \$20 every two years after that.¹²⁷ Most of all, a corporation that seeks to spend in the politics of a state that passes such a measure would gain no relief by changing its state of incorporation, as it would then be a foreign corporation to its previous home state and equally barred from spending in its politics.

It is unclear that corporations are even all that keen on participating in politics in the first place, according to University of Pennsylvania law

professor Jill E. Fisch and University of Utah law professor Jeff Schwartz: “We surmise that corporations themselves are ambivalent about taking policy positions but are caught in a feedback loop in which customers, employees, and investors demand political involvement. Corporations thus engage in response to competitive pressure, which normalizes the conduct and leads to escalating expectations for further engagement.”¹²⁸

Conclusion

The Supreme Court acted so decisively in *Citizens United* to shred campaign finance regulations on corporate spending—and has stuck to the decision so firmly since¹²⁹—that there has been good reason to believe that lawmakers and citizens are powerless to protect elections from corporate money and dark money.

But a step taken long ago to retain the ability to rewrite their corporations’ DNA offers a way forward. As former Supreme Court Justice Byron White put it, “The State need not permit its own creation to consume it.”¹³⁰

Americans from across the political spectrum overwhelmingly oppose *Citizens United* and would dearly like to rid the U.S. political system of corporate and dark money. Voters and the state legislators they elect have the power to do it.

Endnotes

1. *Citizens United v. Federal Election Commission*, 558 U.S. 310 (January 21, 2010), available at <https://www.oyez.org/cases/2008/08-205>.
2. This report originated from an independent inquiry into how state corporate law might provide a legislative path to undo *Citizens United*. After developing the core theory, the author encountered several especially brightly illuminating works, notably by Joseph K. Leahy, Vincent S.J. Buccola, and David B. Simpson. These authors powerfully articulated key components of the legal framework—especially the

distinction between powers and rights and the historical tradition of state-defined corporate limitations—even as their work stopped short of proposing the concrete legislative mechanism outlined here. See Joseph K. Leahy, “The Ultra Vires Solution to *Citizens United*,” Presentation at the National Business Law Scholars Conference, June 4, 2015, available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2802147; Vincent S.J. Buccola, “States’ Rights Against Corporate Rights,” *Columbia Business Law Review* 595 (2017), available at <https://www.ssrn.com/abstract=2781514>; David B. Simpson, “Does Federalism Provide a Means to Circumvent *Citizens United*?”, *U.C. Davis Bus. L.J.* 20 (Spring 2020): 253.

3. Buccola, “States’ Rights Against Corporate Rights,” p. 623; see also Glinda, the Good Witch of the North, *The Wizard of Oz* (1939) (“You’ve always had the power, my dear. You just had to learn it for yourself”).
4. See Transparent Election Initiative, “The Montana Plan,” available at <https://transparentelection.org/> (last accessed September 2025).
5. UCLA law professor Adam Winkler’s book *We the Corporations* provides an exhaustive yet gripping look at the history of the political rights of corporations. See Adam Winkler, *We the Corporations* (New York: Liveright, 2018). For a quick corporate political rights timeline, see Tom Moore and Alexandra Thornton, “*Citizens United* Gave Corporations, But Not Their Boards, the Authority To Spend in Candidate Elections” (Washington: Center for American Progress, 2024), available at <https://www.americanprogress.org/article/citizens-united-gave-corporations-but-not-their-boards-the-authority-to-spend-in-candidate-elections/>, particularly the section entitled “Background on the political rights of corporations.”
6. Open Secrets, “Outside Spending,” available at <https://www.opensecrets.org/outside-spending/summary> (last accessed September 2025).
7. Campaign Legal Center, “How Does the *Citizens United* Decision Still Affect Us in 2025?”, January 21, 2025, available at

<https://campaignlegal.org/update/how-does-citizens-united-decision-still-affect-us-2025>.

8. *First National Bank of Boston v. Bellotti*, 435 U.S. 765, 809 (1978), available at <https://supreme.justia.com/cases/federal/us/435/765/#tab-opinion-1952583>.
9. See, e.g., Michael J. Phillips, "Reappraising the Real Entity Theory of the Corporation," *Florida State University Law Review* 21 (4) (1994): 1061–1102, available at <https://ir.law.fsu.edu/cgi/viewcontent.cgi?article=1548&context=lr>.
10. Lyman Johnson, "Law and Legal Theory in the History of Corporate Responsibility: Corporate Personhood," *Seattle University Law Review* 35 (2012): 1135, 1148, available at <https://digitalcommons.law.seattleu.edu/sulr/vol35/iss4/7/>. "The 'artificial being' and 'mere creatures of law' language from the 1819 decision in *Dartmouth College* has never been renounced."
11. *Trustees of Dartmouth College v. Woodward*, 17 U.S. (4 Wheat.) 518, 636–637 (1819), available at <https://supreme.justia.com/cases/federal/us/17/518/>.
12. *Citizens United*, 558 U.S. at 386.
13. *Charles River Bridge v. Warren Bridge*, 36 U.S. (11 Pet.) 420, 544 (1837), available at https://scholar.google.com/scholar_case?case=8452832838576510185&q=Charles+River+Bridge+v.+Warren+Bridge&hl=en&as_sdt=20000006, quoting 2 Barn. & Adol. 793 (22 Eng. Common Law, 185).
14. *Bellotti*, 435 U.S. at 809.
15. *Ibid.* at 788–89, note 26.
16. *Citizens United*, 558 U.S. at 357.
17. *Buckley v. Valeo*, 424 U.S. 1, 53 (January 30, 1976), available at <https://www.oyez.org/cases/1975/75-436>.
18. For a discussion of the limits of and problems with the court's theory, see Ellen L. Weintraub, "Taking On Citizens United," *The New York Times*, March 30, 2016, available at

<https://www.nytimes.com/2016/03/30/opinion/taking-n-citizens-united.html>; Jonathan R. Macey and Leo E. Strine Jr., "Citizens United as Bad Corporate Law," *Harvard Law School John M. Olin Discussion Paper Series* 972 (2018): 5, available at http://www.law.harvard.edu/programs/olin_center/papers/972_Strine.php.

19. 26 U.S.C. § 501(c)(4).
20. See *Buckley*, 424 U.S. at 79.
21. Buccola, "States' Rights Against Corporate Rights," p. 598.
22. Code of Virginia, Virginia Nonstock Corporation Act § 13.1-826(A). Virginia grants stock corporations the same powers, see Code of Virginia, Virginia Stock Corporation Act § 13.1-627(A), available at <https://law.lis.virginia.gov/vacode/title13.1/chapter10/>.
23. National Archives, "Declaration of Independence: A Transcription," available at <https://www.archives.gov/founding-docs/declaration-transcript> (last accessed September 2025). The founders drew upon John Locke's work, which emphasized humans' inherent freedoms and rights. See John Locke, *The Two Treatises of Government, Second Treatise on Government*, Chapter 2, Sect. 4 (1689). "[A]ll men are naturally in... a state of perfect freedom to order their actions, and dispose of their possessions and persons, as they think fit, within the bounds of the law of nature, without asking leave, or depending upon the will of any other man."
24. See, e.g., Macey and Strine, "Citizens United as Bad Corporate Law," p. 881. "In fact, corporations had the opposite relationship to society as human beings in the Lockean-Jeffersonian sense, in that rather than possessing inalienable rights that society could not take away, corporations had only such rights as society explicitly gave them."
25. *Citizens United*, 558 U.S. at 319.
26. *Citizens United*, 558 U.S. at 389 n.5 (Scalia, J., concurring, joined by Alito; Thomas in part).
27. A handful of federally chartered corporations do exist, but these are

large public entities such as the Corporation for Public Broadcasting, Amtrak, and the Federal Deposit Insurance Corporation, and they are outside the bounds of this report. See Wikipedia, "Corporations Chartered by the United States Congress," available at https://en.wikipedia.org/wiki/Category:Corporations_chartered_by_the_United_States_Congress (last accessed September 2025).

28. *Burks v. Lasker*, 441 U.S. 471, 478, 99 S. Ct. 1831, 1837 (1979) available at https://scholar.google.com/scholar_case?case=225806612322868099, citing *Cort v. Ash*, 422 U.S. 66, 84 (1975) ("Corporations are creatures of state law"), available at https://scholar.google.com/scholar_case?case=14103697533263450234.
29. *Burwell v. Hobby Lobby Stores, Inc.*, 573 U.S. 682, 719 (2014), available at https://scholar.google.com/scholar_case?case=13281614894426393848.
30. See, e.g., Delaware General Corporation Law § 102(a)(3). This language is typical, though as Buccola notes, "The precise formulation varies. See, e.g., MODEL BUS. CORP. ACT § 3.01 (AM. BAR ASS'N 2010) (ascribing to the corporation the purpose of conducting 'any lawful business'); MODEL BUS. CORP. ACT § 3.02 (AM. BAR ASS'N 2010) (granting the corporation 'the same powers as an individual to do all things necessary and convenient' to its purpose)." Buccola, "States' Rights Against Corporate Rights," p. 12.
31. Elizabeth Pollman, "Reconceiving Corporate Personhood," *Utah Law Review* 1629 (2011), available at https://scholarship.law.upenn.edu/faculty_scholarship/2563.
32. Leo E. Strine, Jr. and Nicholas Walter, "Originalist or Original: The Difficulties of Reconciling *Citizens United* with Corporate Law History," *Notre Dame Law Review* 91 (2015-2016): 877, 880, available at <https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=4640&context=ndlr>. See also Richard A. Epstein, "Foreword: Unconstitutional Conditions, State Power, and the Limits of Consent,"

Harvard Law Review 102 (1988): 4, 29, available at https://chicagounbound.uchicago.edu/journal_articles/1205/.

33. Simpson, "Does Federalism Provide a Means to Circumvent *Citizens United*?", p. 259.
34. John C. Coates IV, "Corporate Speech & the First Amendment: History, Data, and Implications" (2015), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2566785.
35. Elizabeth Pollman, "Reconceiving Corporate Personhood."
36. The competition to issue corporate charters represented real money in the 1800s, before the modern system of income taxation. "[C]harter fees and dividends from state owned banks accounted for more than 30 percent of state revenue in Pennsylvania" in the 1830s. Molly Cohn, "The Political Economy of Corporate Charters," (Fairfax, VA: Mercatus Center at George Mason University, 2010), available at <https://www.mercatus.org/research/working-papers/political-economy-corporate-charters>.
37. Epstein, "Foreword: Unconstitutional Conditions, State Power, and the Limits of Consent," p. 29.
38. Lyman Johnson, "Law and Legal Theory in the History of Corporate Responsibility: Corporate Personhood."
39. Buccola, "States' Rights Against Corporate Rights," p. 604.
40. Strine and Walter, p. 881.
41. Lyman Johnson, "Law and Legal Theory in the History of Corporate Responsibility: Corporate Personhood."
42. *Hobby Lobby*, 573 U.S. at 683.
43. *Ibid.* at 684.
44. *Ibid.* at 714.
45. Subchapter II of Title 8 of the Delaware General Corporation Law is entitled "Powers." Section 127 in that subchapter provides specific "powers and duties" to Delaware corporations that are private foundations under federal tax law. It requires them to "act or to refrain from acting so as not to subject [themselves] to the taxes imposed by ...

[26 U.S.C.] § 4945 (relating to taxable expenditures)." Among the expenditures defined as taxable in § 4945, in section (d)(2), is: "to influence the outcome of any specific public election." The Delaware Code Online, "Title 8: Corporations," <https://delcode.delaware.gov/title8/c001/sc02/index.html> (last accessed September 2025).

46. Justia U.S. Law, "2024 Florida Statutes: Title XXXVI, Chapter 607, Part I, 607.0102," available at <https://law.justia.com/codes/florida/title-xxxvi/chapter-607/part-i/section-607-0102/> (last accessed September 2025).
47. *Trustees of Dartmouth College*, 17 U.S. (4 Wheat.) 518.
48. *Ibid.*
49. *Spring Valley Water Works v. Schottler*, 110 U.S. 347, 370 (1884) (dissenting opinion of Justice David D. Field) (writing that the states acted quickly on Story's suggestion, "and few charters were subsequently granted without a clause reserving to the legislature the power to alter or repeal them"), available at https://scholar.google.com/scholar_case?case=12642855440681029909.
50. Justia Law, "2024 Florida Statutes: Title XXXVI, Chapter 607, Part I, 607.0301."
51. Notably, voters in many states also have the authority to amend or repeal provisions in the corporation statute through the ballot initiative process. The Supreme Court established in *Pacific States Telephone & Telegraph Co. v. Oregon* that citizens have the power to act as legislators through ballot initiatives. See *Pacific States Telephone & Telegraph Co. v. Oregon*, 223 U.S. 118 (1912), available at https://scholar.google.com/scholar_case?case=16351559639154476313.
52. *Hamilton Gaslight & Coke Co. v. City of Hamilton*, 146 U.S. 258, 270 (1892), available at https://scholar.google.com/scholar_case?case=8765032962191885994.

53. Ibid.
54. *Greenwood v. Freight Co.*, 105 U.S. 13, 17 (1882), available at https://scholar.google.com/scholar_case?case=92508936262177156.
55. *Hamilton Gaslight & Coke Co.*, 146 U.S. 258.
56. *Looker v. Maynard*, 179 U.S. 46 (1900), available at https://scholar.google.com/scholar_case?case=301144411695421540.
57. *Polk v. Mutual Reserve Fund Life Association*, 207 U.S. 310 (1907), available at https://scholar.google.com/scholar_case?case=17930639145229822255.
58. *Sutton v. New Jersey*, 244 U.S. 258 (1917), available at https://scholar.google.com/scholar_case?case=11065825078893090295.
59. See Tex. Const. art. XVI, §16 (1876).
60. See Acts of the 137th Legislature of New Jersey (1913), ch. 12–18 (collectively called the “Seven Sisters”).
61. *A.P. Smith Mfg. Co. v. Barlow*, 13 N.J. 145 (1953), available at https://scholar.google.com/scholar_case?case=3004854208996553743.
62. Simpson, “Does Federalism Provide a Means to Circumvent *Citizens United?*”, p. 259.
63. *Charles River Bridge*, 36 U.S. (11 Pet.) at 547–548.
64. Ibid. at 548.
65. *Wilmington C. R. Co. v. Wilmington & B. S. R. Co.*, 8 Del. Ch. 468, 499 (1900), available at <https://case-law.vlex.com/vid/wilmington-city-railway-co-897318959>.
66. Every state except California, Delaware, Kansas, and Nevada already has such a provision; nothing bars a state from adding such a provision to its laws.
67. “A certificate of authority does not authorize a foreign corporation to engage in any business or exercise any power that a corporation may not engage in or exercise in this state.” Justia Law, “Florida Statutes: Title XXXVI, Chapter 607, Part I, 607.15015(3).”

68. Delaware Division of Corporations, "Annual Report Statistics," available at <https://corp.delaware.gov/stats/> (last accessed September 2025).
69. If every state but Delaware were to adopt this approach, Delaware-chartered corporations would only be able to spend in Delaware's politics (and there are only so many races to spend on in Delaware). And at a certain point, Delaware citizens may well ask why theirs are the only elections in the country where corporations are allowed to muck around.
70. *Paul v. Virginia*, 75 U.S. (8 Wall.) 168, 181 (1869), available at https://scholar.google.com/scholar_case?case=2483743883822209778 ("The corporation being the mere creation of local law, can have no legal existence beyond the limits of the sovereignty where created. As said by this court in *Bank of Augusta v. Earle*, 'It must dwell in the place of its creation, and cannot migrate to another sovereignty. The recognition of its existence even by other States, and the enforcement of its contracts made therein, depend purely upon the comity of those States — a comity which is never extended where the existence of the corporation or the exercise of its powers are prejudicial to their interests or repugnant to their policy. Having no absolute right of recognition in other States, but depending for such recognition and the enforcement of its contracts upon their assent, it follows, as a matter of course, that such assent may be granted upon such terms and conditions as those States may think proper to impose. They may exclude the foreign corporation entirely; they may restrict its business to particular localities, or they may exact such security for the performance of its contracts with their citizens as in their judgment will best promote the public interest. The whole matter rests in their discretion.'"). *Paul's* holding regarding whether insurance is interstate commerce has been overturned, but its holding regarding the Privileges and Immunities Clause remains good law.
71. Stephen Bainbridge, "Could Corporate Purpose Statutes Provide a Way to End-Run Citizens United?" ProfessorBainbridge.com, May 25, 2024,

available at

<https://www.professorbainbridge.com/professorbainbridgecom/2024/05/could-corporate-purpose-statutes-provide-a-way-to-endrun-citizens-united.html>. ("Let us suppose that the MBCA or the DGCL

[Delaware General Corporation Law] were amended so as to provide that corporations have no power to make political contributions. Would that fly? As a matter of corporate law, I assume so. In many states, many state statutes qualify the broad grants of power conferred by statutes like MBCA § 3.02 by including express limitations on the powers corporations may exercise. DGCL sec. 125, for example, provides that corporations have no 'power to confer academic or honorary degrees unless the certificate of incorporation or an amendment thereof shall so provide and unless the certificate of incorporation or an amendment thereof prior to its being filed in the office of the Secretary of State shall have endorsed thereon the approval of the Department of Education of this State.' DGCL sec. 126 provides that no business corporation organized under the DGCL 'shall possess the power of issuing bills, notes, or other evidences of debt for circulation as money, or the power of carrying on the business of receiving deposits of money.'") Notably, Bainbridge did not cite a far more direct example, DGCL § 127. The provision, through reference to federal tax law (26 U.S.C. § 4945(d)), denies one type of Delaware corporation, the private foundation, the power to "influence the outcome of any specific public election."

72. Simpson, "Does Federalism Provide a Means to Circumvent *Citizens United*?", p. 260.
73. Buccola, "States' Rights Against Corporate Rights," p. 599.
74. "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." The federal government, like a corporation, is limited to the powers it has been given.
75. *CTS Corp. v. Dynamics Corp. of Am.*, 481 U.S. 69, 89 (1987).
76. Kathleen M. Sullivan, "Unconstitutional Conditions," *Harvard Law*

Review, Vol. 102, No. 7 (1989), 1413, 1415, available at <https://www.jstor.org/stable/pdf/1341337.pdf>.

77. Bainbridge, "Could Corporate Purpose Statutes Provide a Way to End-Run Citizens United?" ("In my view, the unconstitutional conditions doctrine would come into play. Yes, corporations are creatures of state law and there is case law positing that incorporation is not a right but rather a privilege granted by the state. But 'the modern "unconstitutional conditions" doctrine holds that the government "may not deny a benefit to a person on a basis that infringes his constitutionally protected ... freedom of speech" even if he has no entitlement to that benefit." *Bd. of Cnty. Com'rs, Wabaunsee Cnty., Kan. v. Umbehr*, 518 U.S. 668, 674 (1996).")
78. Buccola addresses this point at length. "As a basic doctrinal matter, the *sine qua non* of an unconstitutional condition is a proposed swap. In return for a valuable consideration from the state, you agree to give up a valuable right you would otherwise enjoy against the state. No such bargain is implicated when a state constitutes corporations unable to, say, make political contributions. The state offers a privilege it needn't offer—the opportunity to act through the corporate form. In return it asks prospective promoters for a modest filing fee, not to relinquish a constitutionally enshrined right. The promoters are able to make political contributions in their own names, whether or not they accept the state's 'deal.' The deal at stake with incorporation is not a trade; it is a kind of implicit subsidy of cooperative, especially capital-intensive, industry. It thus does not fit comfortably within the framework of unconstitutional conditions." Buccola, "States' Rights Against Corporate Rights," p. 620.
79. *Rust v. Sullivan*, 500 U.S. 173, 193 (1991) (emphasis in original), available at https://scholar.google.com/scholar_case?case=17204544980901899735.
80. *Ibid.* at 193 (quoting *Harris v. McRae*, 448 U.S. 297, 317, n. 19 (1980)), available at https://scholar.google.com/scholar_case?

[case=8833310949486291357](https://scholar.google.com/scholar_case?case=8833310949486291357). In *U.S. v. American Library Assn., Inc.*, in 2003, the Supreme Court made the point even more clearly when upholding a provision of the Children's Internet Protection Act, Pub. L. 106–554, that withheld federal assistance from public libraries unless they installed internet pornography-blocking software. Justice Stevens pointed out in dissent that a regulation penalizing a library for failing to install the software would violate the First Amendment. The majority opinion responded directly to Stevens' point, holding that the lack of funding was not a penalty but instead a reflection of Congress' decision to not subsidize unfiltered internet access. *U.S. v. American Library Assn.*, 539 U.S. 194, 212 (2003), available at https://scholar.google.com/scholar_case?case=7891716025089102487.

81. Indeed, it can be argued that incorporators who receive limited charters have been provided with an extra avenue to spend in politics, since being associated with a corporation opens up the ability to contribute to a separate segregated fund (also known as a corporate PAC) associated with that corporation. See Federal Election Commission, "Solicitable class of corporation," available at <https://www.fec.gov/help-candidates-and-committees/fundraising-for-ssf/solicitable-class-corporation-ssf/> (last accessed September 2025).
82. *Terral v. Burke Constr. Co.*, 257 U.S. 529 (1922), available at https://scholar.google.com/scholar_case?case=7610609507016112738.
83. Adam Winkler, "Corporate Personhood and the Rights of Corporate Speech," *Seattle University Law Review* 30 (2007): 863–64, available at <https://digitalcommons.law.seattleu.edu/sulr/vol30/iss4/2/>.
84. If a state wanted to make perfectly clear that it was exercising its authority to grant powers (as opposed to regulating activity), it could strike the full list of corporate powers in one section of a bill and grant all but the power to spend in politics in the next.
85. U.S. Constitution, Article IV, Section 2.
86. *Paul*, 75 U.S. (8 Wall.) 168. Again, *Paul's* holding regarding whether

insurance is interstate commerce has been overturned, but its holding regarding the Privileges and Immunities Clause remains good law.

87. *Western & Southern Life Ins. Co. v. State Bd. of Equalization of Cal.*, 451 U.S. 648, 656 (1981), available at https://scholar.google.com/scholar_case?case=15510489539787257058.
88. Epstein, "Foreword: Unconstitutional Conditions, State Power, and the Limits of Consent."
89. Buccola, "States' Rights Against Corporate Rights," p. 602–603.
90. *Ibid.*, p. 603, noting that "courts have in general condemned only those host-state interventions that reflect a discriminatory policy." The Dormant Commerce Clause is the doctrine, inferred from the Constitution's Commerce Clause, that even when Congress is silent, states may not enact laws that discriminate against or unduly burden interstate commerce. It bars protectionism and ensures a national economic union.
91. *CTS Corp.*, 481 U.S. at 88 ("Because nothing in the Indiana Act imposes a greater burden on out-of-state offerors than it does on similarly situated Indiana offerors, we reject the contention that the Act discriminates against interstate commerce").
92. *Citizens United*, 558 U.S. at 339 (internal citations removed).
93. Catherine J. Ross, *A Right to Lie? Presidents, Other Liars, and the First Amendment* (2021), p. 77. See also Adam Winkler, "Fatal in Theory and Strict in Fact: An Empirical Analysis of Strict Scrutiny in the Federal Courts," *Vanderbilt Law Review* 59 (2006): 793, 845, available at <https://scholarship.law.vanderbilt.edu/vlr/vol59/iss3/3/> (finding that between 1990 and 2003, only 24 percent of campaign speech laws survived strict scrutiny).
94. Legal Information Institute, "Commercial Speech," available at https://www.law.cornell.edu/wex/commercial_speech (last accessed September 2025).
95. See *Central Hudson Gas & Elec. v. Public Svc. Comm'n*, 447 U.S. 557

(1980) (establishing a four-part test to determine whether a commercial-speech restriction is constitutional), available at https://scholar.google.com/scholar_case?case=1962482840967580827; see also *State Bd. of Pharmacy v. Va. Citizens Consumer Council*, 425 U.S. 748 (1976), available at https://scholar.google.com/scholar_case?case=8923583312136154302.

96. *Bellotti*, 435 U.S. 765.
97. *Citizens United*, 558 U.S. 310.
98. See Internal Revenue Service, "The Restriction of Political Campaign Intervention by Section 501(c)(3) Tax-Exempt Organizations," available at <https://www.irs.gov/charities-non-profits/charitable-organizations/the-restriction-of-political-campaign-intervention-by-section-501c3-tax-exempt-organizations> (last accessed September 2025). States may also want to evaluate whether they want to withhold from charities the power to endorse or oppose political candidates. The "Johnson Amendment," added to the Internal Revenue Code in 1954, prohibits charities from making such endorsements, but as a speech restriction, it is more vulnerable to challenge, and efforts abound to overturn it. See, e.g., Salvador Rizzo, "President Trump's shifting claim that 'we got rid' of the Johnson Amendment," *The Washington Post*, May 9, 2019, available at <https://www.washingtonpost.com/politics/2019/05/09/president-trumps-shifting-claim-that-we-got-rid-johnson-amendment/>.
99. States that have separate statutory provisions for nonprofit corporations will likely have to add this sort of language there as well.
100. This definition is adapted from, and pays homage to, Section 25 of the Montana Corrupt Practices Act of 1912, a campaign finance law invalidated by *Am. Tradition P'ship, Inc. v. Bullock*, 567 U.S. 516 (2012), available at https://scholar.google.com/scholar_case?case=14730023294192604799. Notably, Section 25 was invalidated not because of this definition but because of the actions it prescribed:

regulating the right of corporations to spend in Montana politics. The Act as Montana voters first passed it in 1912 is found at <https://leg.mt.gov/content/Committees/Interim/2013-2014/State-Administration-and-Veterans-Affairs/Meetings/August-2013/Corrupt%20Practices%20Act%20Passed%20by%20Initiative%201912.pdf>.

101. In certain jurisdictions, a ballot measure may include a clause stating that the measure may only be amended or repealed by a subsequent vote of the people. If that is allowed and desired, the following text could be added to Section 3(b): "No part of this statute may be amended or repealed except by a measure submitted to and approved by the voters at a statewide election."
102. See *Benjamin v. Jacobson*, 172 F.3d 144, 155–56 (2d Cir. 1999) ("If the statute includes an explicit statutory definition, we accord that definition controlling weight"), available at https://scholar.google.com/scholar_case?case=16510548133604170641; *Fox v. Standard Oil Co.*, 294 U.S. 87, 95–96 (1935) (When a statute "has attempted to secure precision and certainty" by clearly defining a term, "In such circumstances definition by the average man or even by the ordinary dictionary with its studied enumeration of subtle shades of meaning is not a substitute for the definition set before us by the lawmakers with instructions to apply it to the exclusion of all others. There would be little use in such a glossary if we were free in despite of it to choose a meaning for ourselves."), available at https://scholar.google.com/scholar_case?case=15272635646451118288.
103. *Meese v. Keene*, 481 U.S. 465, 484 (1987), available at https://scholar.google.com/scholar_case?case=13796872946132691159; See also *Ayotte v. Planned Parenthood of N. New Eng.*, 546 U.S. 320, 329 (2006) ("[M]indful that our constitutional mandate and institutional competence are limited, we restrain ourselves from rewrit[ing] state law to conform it to

constitutional requirements even as we strive to salvage it) (*internal quotes and citations omitted*"), available at https://scholar.google.com/scholar_case?case=7068766648109737916.

104. *Trustees of Dartmouth College*, 17 U.S. (4 Wheat.) at 636.
105. *Ibid.* (discussing the nature of corporate charters and state authority); *Greenwood v. Freight Co.* "What is it may be repealed? It is the act of incorporation. It is this organic law on which the corporate existence of the company depends which may be repealed, so that it shall cease to be a law; or the legislature may adopt the milder course of amending the law in matters which need amendment, or altering it when it needs substantial change."
106. *U.S. v. Stevens*, 559 U.S. 460, 481 (2010), available at https://scholar.google.com/scholar_case?case=12907128943316010890.
107. See *Lujan v. Defenders of Wildlife*, 504 U.S. 555 (1992), available at https://scholar.google.com/scholar_case?case=10150124802357408838; *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83, 103 (1998) ("The courts must stay within their constitutionally prescribed sphere of action... there must be redressability—a likelihood that the requested relief will redress the alleged injury" (internal quotes and citations removed)), available at https://scholar.google.com/scholar_case?case=5075678674595179332.
108. Elizabeth Pollman, "Constitutionalizing Corporate Law," *Vanderbilt Law Review* 69: 639, 648-49 available at https://scholarship.law.upenn.edu/faculty_scholarship/2558/, quoting Herbert Hovenkamp, "The Classical Corporation in American Legal Thought," *Geo. L.J.* 76 (1988): 1593, 1659, available at https://scholarship.law.upenn.edu/faculty_scholarship/1940/.
109. *People v. N. River Sugar Ref. Co.*, 121 N.Y. 582 (1890), available at <https://www.casemine.com/judgement/us/5914cf54add7b04934820de>

4.

110. *State v. Standard Oil Co.*, 49 Ohio St. 137 (1892), available at <https://app.midpage.ai/document/state-v-standard-oil-co-8342107>.
111. See, e.g., *Standard Oil Co. of Indiana v. Missouri*, 224 U.S. 270, 288-89 (1912) (a corporation “may also be deprived of its charter for that which, though innocent in itself, is beyond the power conferred upon it as an artificial person”), available at https://scholar.google.com/scholar_case?case=8651921827193301735.
112. Buccola, “States’ Rights Against Corporate Rights,” p. 600.
113. *Trustees of Dartmouth College*, 17 U.S. 518.
114. *Spring Valley Water Works*, 110 U.S. at 370.
115. *Hamilton Gaslight & Coke Co.*, 146 U.S. at 270.
116. *U.S. v. Stevens*, 559 U.S. at 481.
117. See Transparent Election Initiative, “The Montana Plan,” available at <https://transparentelection.org/> (last accessed September 2025)
118. The text as filed is available, with annotations, at The Transparent Election Initiative, “Montana Constitutional Initiative,” available at <https://transparentelection.org/montana-constitutional-initiative> (last accessed September 2025).
119. Program for Public Consultation, “The Common Ground of the American People” (College Park, MD: University of Maryland, 2020), p. 14, available at https://vop.org/wp-content/uploads/2020/08/Common_Ground_Brochure.pdf.
120. Carah Ong Whaley, “Survey Says!: Broad Support for Reforms to Political System,” Issue One, Oct. 1, 2024, found at <https://issueone.org/articles/survey-says-broad-support-for-reforms-to-political-system/>.
121. Pew Research Center, “Americans’ Dismal Views of the Nation’s Politics: Money, power and the influence of ordinary people in American politics” (Washington: 2023), available at <https://www.pewresearch.org/politics/2023/09/19/money-power-and->

[the-influence-of-ordinary-people-in-american-politics/](#).

122. Steven Kull and others, "Americans Evaluate Campaign Finance Reform," University of Maryland, May 10, 2018, available at <https://publicconsultation.org/redblue/very-large-majorities-support-congressional-bills-to-reduce-influence-of-big-campaign-donors/>.
123. Public Citizen, "Overturning Citizens United: By The Numbers," available at <https://www.citizen.org/article/by-the-numbers/> (last accessed September 2025).
124. UpCounsel, "Changing State of Incorporation to Delaware," updated November 4, 2020, available at <https://www.upcounsel.com/changing-state-of-incorporation-to-delaware>.
125. Delaware Division of Corporations, "Annual Report Statistics," available at <https://corp.delaware.gov/stats/> (last accessed September 2025).
126. See California Secretary of State, "Articles of Incorporation – CA Nonprofit Corporation – Public Benefit," available at <https://bizfileonline.sos.ca.gov/forms/business> (last accessed September 2025). Note that out-of-state nonprofits that want to do business in California also need to pay \$30. See California Secretary of State, "Registration – Out-of-State Corporation – Nonprofit," available at <https://bizfileonline.sos.ca.gov/forms/business> (last accessed September 2025).
127. California Secretary of State Shirley N. Weber, Ph.D., "Forms, Samples and Fees Corporations – California (Domestic)," available at <https://www.sos.ca.gov/business-programs/business-entities/forms/corporations-california-domestic> (last accessed September 2025). "Statement of Information – Nonprofit: Due within 90 days of initial registration and every two years thereafter. \$20."
128. Jill E. Fisch and Jeff Schwartz, "How Did Corporations Get Stuck in Politics and Can They Escape?," last revised March 27, 2024, available at http://ssrn.com/abstract_id=4740866.
129. See, e.g., *Am. Tradition P'ship, Inc.*, 567 U.S. 516.
130. *Bellotti*, 435 U.S. at 809 (J. White, dissenting).



MARCH 18, 2026

SENATE BILL 2471 SD2

CURRENT REFERRAL: CPC

808-679-7454
kris@imuaalliance.org
www.imuaalliance.org
@imuaalliance

Kris Coffield,
President

David Negaard,
Director

Mireille Ellsworth,
Director

Justin Salisbury,
Director

Eileen Roco,
Director

Beatrice DeRego,
Director

Corey Rosenlee,
Director

Amy Zhao,
*Policy and Partnerships
Strategist*

POSITION: SUPPORT

Imua Alliance supports SB 2471 SD2, relating to the powers of artificial persons, which reaffirms that artificial persons created under state law possess only those powers that are necessary or convenient to carry out lawful business and charitable or organizational purposes, and that those powers do not include the power to spend money or contribute anything of value to influence elections or ballot measures.

Imua Alliance is a Hawai'i-based organization dedicated to ending all forms of exploitation, including corporate interference in our democracy. This measure reaffirms that artificial persons (including corporations, LLCs, and other business entities) possess only those powers granted by the state, and that the power to spend money on elections or ballot measures is not among them.

SB 2471 acknowledges that political power in Hawai'i is inherent in the people, not artificial corporations. Under Article I, Section 21 of the Hawai'i Constitution, no grant of special privileges or immunities is irrevocable, and the legislature retains full authority to define or withdraw powers it has conferred on corporations or other entities. This bill explicitly removes prior corporate powers that have been broadly interpreted to include political spending and regrants only those powers necessary for the conduct of lawful business.

For decades, the U.S. Supreme Court's decision in *Citizens United v. Federal Election Commission* has enabled corporations and other artificial entities to pour vast sums of money into elections, exposing deep imbalances in political influence and undermining public trust in democratic governance. *Citizens United* held that certain political expenditures are protected speech under the First Amendment, effectively prioritizing corporate spending over individual voter voices. This measure's finding recognizes that these political spending powers were never intended to be

among the powers granted to artificial persons by the state.

SB 2471 offers a systemic and forward-looking framework grounded in corporate law and constitutional theory. The Center for American Progress (CAP) has articulated a novel approach that states can adopt: “Corporations are creatures of state law. They start with zero powers, and states choose which powers to grant.”

CAP explains that if a state rewrites its corporate statutes to remove the power to spend money in elections, “that power simply does not exist. And without the power, there’s no right to protect.” This approach leverages state authority over corporate charters to address the root of corporate political influence, potentially sidestepping constitutional barriers that have limited campaign finance reforms since Citizens United.

SB 2471 builds on this framework by redefining corporate powers in Hawai’i law to exclude campaign spending and electioneering, thereby structurally rebalancing political power between people and corporate entities. This approach is particularly important in an era of dark money, foreign-influenced corporate ownership, and multinational corporations capable of spending extraordinary sums to shape public policy outcomes.

By revoking prior grants of corporate political power and reaffirming the state’s authority, this proposal would reduce the outsized influence of special interest money in Hawai’i policymaking. It clarifies that election expenditure powers are not inherent business matters, and that acts undertaken in violation of this principle are invalid and void.

Passage of SB 2471 can help ensure that political speech and influence in Hawai’i remain grounded in the voices of individuals and communities, rather than being dominated by corporate treasuries. It is a bold, but principled affirmation of democratic governance, responsive to decades of real-world concerns about corporate political influence, dark money, and the erosion of public confidence in electoral integrity.

With aloha,

Kris Coffield

President, Imua Alliance



Committee on Consumer Protection & Commerce
Chair Scot Z. Matayoshi, Vice Chair Tina Nakada Grandinetti
Wednesday, March 18, 2026 2 PM HST
Conference Room 329 & Videoconference State Capitol
SB2471 SD2 – Relating to the Powers of Artificial Persons

TESTIMONY

Gabriela Schneider, Legislative Committee, League of Women Voters of Hawaii

Chair Matayoshi, Vice Chair Nakada Grandinetti, and Committee Members:

The League of Women Voters of Hawaii strongly supports SB2471 SD2, which reaffirms that artificial persons created under Hawaii law possess only those powers that are necessary or convenient to carry out lawful business and charitable or organizational purposes, and that those powers do not include the power to spend money or contribute anything of value to influence elections or ballot measures. SB2471 SD2 would minimize undue corporate influence in Hawaii's elections. We also comment on the need to support the capacity to oversee the implementation of the legislation.

The SD2 retains the legislative finding that draws an explicit parallel to the federally upheld prohibition on 501(c)(3) electioneering. The League has long defended that prohibition and opposed efforts to weaken it. Grounding this bill in that same well-established legal principle strengthens its constitutional footing, and we are pleased to see that finding preserved in this version.

We are pleased that the SD2 restores the foreign entity provisions that were absent from the SD1. The bill now applies to foreign corporations, nonprofits, limited partnerships, limited liability partnerships, and unincorporated nonprofit associations that transact business or hold property in Hawaii — and conclusively deems those that engage in election or ballot-issue activity here to be transacting business in the state. This substantially addresses our earlier concern about circumvention by entities incorporated outside the United States.

We note, however, that the SD2 does not appear to include a corresponding foreign entity provision for limited liability companies under §428-111. We urge the committee to confirm whether this is intentional and, if not, to add a parallel provision to close that gap.

The League has consistently opposed unlimited corporate political spending. In 2009, we filed an amicus brief against *Citizens United v. FEC* in order to protect elections from the financial power of wealthy corporations. We argued then, and maintain now, that the concentrated economic power of corporations poses a fundamental threat to democratic self-government.

The innovative approach that SB2471 SD2 employs of using the state's corporate chartering authority rather than traditional campaign finance regulation aligns with this principled position. If corporate

political spending powers are never granted in the first place, they cannot be exercised. This strategy sidesteps the legal barriers that have frustrated campaign finance reform efforts nationwide.

We comment that businesses incorporated in Hawaii will need outreach and education to comply with this legislation. Given the expanded scope of the SD2, which now reaches foreign entities across multiple entity types, compliance monitoring will be more complex. It seems to us that logically this would be assigned to the Department of Commerce and Consumer Affairs, along with compliance monitoring. If that is the case, the budget for the Department will need to be increased to accommodate this new responsibility.

We urge passage of this bill.

Thank you for the opportunity to testify.

LEAGUE OF WOMEN VOTERS OF HAWAII
P.O. Box 235026 ♦ Honolulu, HI 96823
Voicemail 808.377.6727 ♦ my.lwv.org/hawaii ♦ voters@lwvhi.org

SB-2471-SD-2

Submitted on: 3/17/2026 10:49:25 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sam Guckenheimer	Kona Indivisible	Support	Written Testimony Only

Comments:

Elections should reflect people, not corporate money. Artificial entities are state-created privileges, not natural rights holders. This bill reasserts that Hawai'i can set boundaries on the powers it grants. Even in a tough legal environment, this is a clear statement that our state should prioritize public trust and fair elections. Individuals can still donate, speak, associate, and participate politically.

On behalf of Kona Indivisible

Sam Guckenheimer, LEad



Protect Democracy

Move Forward

www.indivisiblehawaii.org

info@indivisiblehawaii.org

To: Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee

Hearing Date/Time: 03-18-26 2:00 PM

Place: Hawaii State Capitol, Conference Room 329

Re: Testimony in STRONG SUPPORT of SB2471 SD2

Dear Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee,

On behalf of Indivisible Hawai'i, I am submitting testimony in strong support of SB2471 SD2, which clarifies that the powers granted to artificial persons do not include spending money or anything of value to influence elections or ballot measures. This bill does not restrict any individual's right to speak, organize, or participate in democracy. It simply defines the limits of what state-created entities may do as entities.

For more than two decades corporations have spent unlimited money in political campaigns and created an environment that led to Super PACs flooding and tainting our elections with "dark money". It is long past time for these practices to stop, and by focusing on the state-granted **powers** rather than **rights** for artificial persons, outcomes of elections can again be determined by "we the people" as declared in the U.S. Constitution.

We also welcome the amendment in SB2471 SD2 that **restores** language included in the measure when introduced but deleted in SD1 that subjects foreign entities transacting business in Hawai'i to the prohibitions in this measure.

We urge the committee to pass this bill. Thank you for the opportunity to testify.

Sincerely,

Marlene Thom

Indivisible Hawai'i Good Government & Secure Elections team

The mission of the 14-chapter Indivisible Hawai'i Statewide Network (IHSN) is to protect Hawai'i and democracy by defending civil rights, communities and values, most importantly, Hawai'i's Constitutionally protected spirit of Aloha. In October 2025, IHSN with other partners turned out over 22,000 residents on all major islands to say No Dictators! and to stand up for

democracy. This call-to-action was part of Indivisible national's mobilization of more than 7 million across the country as the voice of the people, committed to election integrity and to evolving as a place of equity, opportunity and peace.



Testimony to the House Committee on Consumer Protection & Commerce
Wednesday, March 18, 2025
Conference Room 329

LATE

To: The Honorable Scot Matayoshi, Chair
The Honorable Tina Grandinetti, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League (HCUL), the local trade association for 45 Hawaii credit unions, representing over 879,000 credit union members across the state.

HCUL offers the following comments on SB 2471, Relating to Powers of Artificial Persons. This bill reaffirms that artificial persons created under state law possess only those powers that are necessary or convenient to carry out lawful business and charitable or organizational purposes, and that those powers do not include the power to spend money or contribute anything of value to influence elections or ballot measures.

Because credit unions are cooperative financial institutions organized under state law, broad changes to foundational statutory powers may have unintended impacts on routine governance, operations, and member services. HCUL would respectfully encourage consideration of clear safe harbor language confirming that routine member communications, financial education programs, and participation in the legislative process—such as offering testimony on measures affecting financial services—remain permissible activities for credit unions under this statute.

Thank you for the opportunity to provide comments on this important issue.



LATE

**Committee on Consumer Protection & Commerce
Hawai'i Alliance for Progressive Action (HAPA) Supports SB2471 SD2
Wednesday, March 18, 2026, at 2:00 PM | Conference Room 329 & Videoconference**

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee,

HAPA supports SB2471 SD2, which reaffirms that corporations and other artificial persons created under state law do not have the power to spend money to influence elections or ballot measures.

This bill starts from a foundational principle: a corporation is not a natural person. It is a legal entity created by the State, and it exists only because the State says it does. The powers it holds are powers the State grants, and the State retains the authority to define and limit those powers. SB2471 SD2 exercises that authority clearly and directly.

For decades, broad statutory language granting corporations "the same powers as an individual" has been interpreted to include the power to spend money on elections. SB2471 SD2 says plainly: that was never the intent. It revokes all prior grants of corporate power in their entirety and regrants only those powers necessary or convenient to carry out lawful business purposes. Election activity and ballot-issue activity are explicitly excluded.

This applies across the full range of artificial persons chartered under state law, including for-profit corporations, nonprofit corporations, LLCs, limited partnerships, limited liability partnerships, and nonprofit associations. Any act constituting an election or ballot-issue activity is declared ultra vires and void. A corporation that violates this forfeits its charter privileges, including limited liability.

Importantly, this bill does not touch the rights of natural persons. Individuals retain their full constitutional rights to speak, donate, associate, and vote. This is solely about what powers the State grants to the legal entities it creates.

The influence of corporate money in our elections is one of the defining threats to democratic governance in our time. SB2471 SD2 is a serious, substantive response to that threat, grounded in Hawai'i's own constitutional and statutory authority.

HAPA respectfully urges this committee to pass SB2471 SD2.

A handwritten signature in black ink, appearing to read 'Anne Frederick'.

Anne Frederick, Executive Director
Hawai'i Alliance for Progressive Action



SB-2471-SD-2

Submitted on: 3/17/2026 4:24:44 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan B Roberts Emery	Green Party of Hawai'i	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee,

My name is Susan RobertsEmery , as co chair of the Green Party and on behalf of our members we are in VERY STRONG support of SB2471 SD2. Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them. " Citizens United " is anything BUT Citizens United! This an Amazing Opportunity for Hawai'i to stand against corruption in our state.

SB2471 SD2 makes that explicit. It strips election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person's rights completely intact. Let us lead the way toward ending Corporate Greed ! Let us make history by ending Citizens United.

The Green Party of Hawai'i urges you to put the people before corporations and PASS SB2471 SD2 !

Aloha Always,

Susan RobertsEmery

Green Party of Hawai'i

Paauilo



LATE

HIPHI Board

May Okihiro, MD, MS
Chair
John A. Burns School of Medicine,
Department of Pediatrics

Jennifer José Lo, MD
Vice Chair
Hawai'i Health Partners

Titimaea Ta'ase, JD
Secretary
Taase Law Office

Jonathan Ching
Kaiser Permanente

Tammy Ho
The Queen's Medical Center

Carissa Holley, MEd
Hale Makua Health Services

Joyce Lee-Ibarra, MS
JLI Consulting

Misty Pacheco, DrPH
University of Hawai'i at Hilo

Dina Shek, JD
Medical-Legal Partnership
For Children in Hawai'i

JoAnn Tsark, MPH
John A. Burns School of Medicine, Native
Hawaiian Research Office

Danette Wong Tomiyasu, MBA
Retired, Hawai'i State Department of
Health

HIPHI Initiatives

Coalition for a
Tobacco-Free Hawai'i

Community-Based Research &
Evaluation

Community Health
Worker Initiatives

Environmental Health

Hawai'i Climate Change and Health
Working Group

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Immunization Coalition

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &
Community Living

Public Health Workforce Development

Date: March 17, 2026

To: Representative Scot Z. Matayoshi, Chair
Representative Tina Nakada Grandinatti, Vice Chair

Re: Support for SB 2471 SD2, Relating to the Powers of Artificial Persons

Hrg: March 18, 2026, at 2:00PM, Conference Room 329

Hawai'i Public Health Institute (HIPHI)¹ is in support of SB 2471 SD2, which clarifies that corporations in Hawai'i do not have the power to spend money or contribute anything of value to influence elections or ballot measures.

Winning Elections Takes Money

The impact of money on elections is clear. Candidates with the most campaign spending consistently outperform their rivals. This requires candidates to fundraise significant sums if they want a chance at getting elected.

Only a Few Donors Dominate Election Spending

The campaign donation system in Hawai'i is the opposite of democratic. In the 2024 election campaign, half of the \$10 million in candidate donations came from just 800 donors.²

For non-candidate committees, only 3 committees spent a total \$13 million.³ This bill would eliminate corporations from dominating campaign spending via non-candidate committees.

Wealthy Individuals Preferences Take Precedent

This massive amount of expenditures by a small group of wealthy individuals and corporations has an outsized impact on an election system that impacts all of us.

The impact of campaign funding is clear. When the preferences of wealthy individuals diverges with the rest of the population, enacted policies

¹ Hawai'i Public Health Institute's mission is to advance health and wellness for the people and islands of Hawai'i. We do this through expanding our understanding of what creates health of people and place, fostering partnerships, and cultivating programs to improve policies, systems, and the environments where people live, learn, work, age, and play.

² [Candidate Committees](#). Hawai'i Campaign Spending Commission.

³ [Non-Candidate Committees](#). Hawai'i Campaign Spending Commission.

closely reflect the wants of the wealthy, while the preferences of the majority have no impact on what gets passed.⁴⁵ (See chart 1).

Hawai'i has an opportunity to remove a large portion of the private donor system, paving the way for a more democratic and representative system.

Please take this crucial step to remove corporate spending on our elections and pass this bill.

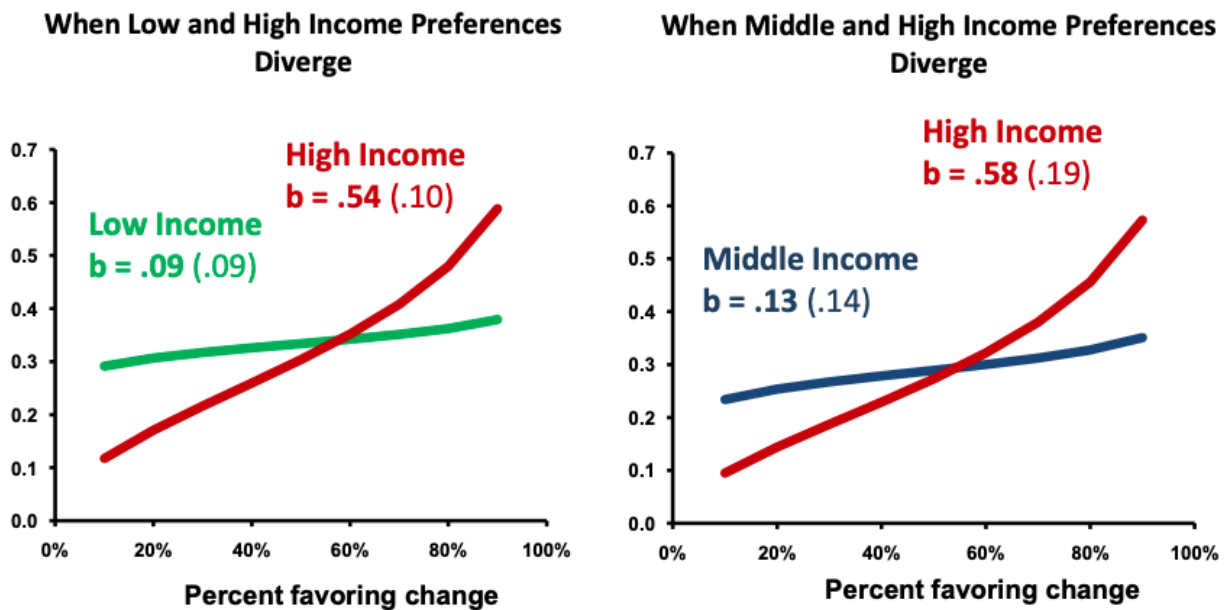
Mahalo,



Nate Hix
Director of Policy and Advocacy

Chart 1:

Predicted Probability of Policy Change



⁴ [Princeton scholar: Poor and middle class have no say in government policy](#). NBC News. Aug. 16, 2012.

⁵ [Affluence & Influence Economic Inequality and Political Power in America](#). Martin Gilens. Princeton University.

SB-2471-SD-2

Submitted on: 3/16/2026 1:31:30 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mariana Monasi	Individual	Support	Written Testimony Only

Comments:

Aloha, I am writing today in strong support of SB2471. Now that we exist in a world where our fascist federal government uses AI to bomb school children, state powers must be proactive about creating barriers and safeguards for residents. Our tax dollars should be used responsibly both fiscally and morally, and this bill puts us back on a better path. This bill Revokes all prior grants of corporate and entity powers and regrants only those powers that the State determines to be necessary or convenient to conduct lawful business under the constitution and laws of this State. The oligarchy running our country must be reigned in from abusing technology for profit at the expense of every day people. Please support this measure.

Mahalo- Mariana

SB-2471-SD-2

Submitted on: 3/16/2026 3:49:25 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marcia Kemble	Individual	Support	Written Testimony Only

Comments:

Greetings Committee Members,

I am writing in strong support of SB2471, which clarifies that the powers granted to artificial persons do not include spending money or anything of value to influence elections or ballot measures. This bill does not restrict any individual's right to speak, organize, or participate in democracy. I believe strongly that we need to reduce the influence of corporations and big money on elections! Many people are now so cynical and have lost faith in how democratic processes work. SB2471 helps restore accountability and confidence in our democratic system.

Mahalo for your attention.

Marcia Kemble

Makiki

SB-2471-SD-2

Submitted on: 3/16/2026 6:39:56 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nathan Leo Braulick	Individual	Support	Written Testimony Only

Comments:

Nathan Leo Braulick

96826

SB-2471-SD-2

Submitted on: 3/16/2026 8:03:59 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
William Caron	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Please support SB2471. Corporate spending dominates elections and politics in the U.S. and is eroding the foundations of our democracy. There is a direct through line between the Citizens United ruling and the rise of the oligarchy that is working even now to plunge us into a fascist nightmare. The purpose of this bill is to reign in the unchecked corporate power that has thrown our country into chaos and created historic inequality and suffering.

This proposed law applies equally to all corporate entities to ensure the strongest chances to withstand legal challenges. Including labor unions and non-profits ensures parity and fairness, and likewise limits exposure to legal challenge. However, the VAST majority of the money influencing and destroying our democratic political system is dark money from corporations, which have the ability to outspend labor unions and genuine non-profits 100-fold. Their ability to spend in elections must be ended.

This bill uses state authority to grant and repeal corporate power under state law. There is a long history and legal record that show states have the power to grant and revoke which powers and authority corporations have in their state. This includes corporations chartered in Hawai'i, as well as those chartered elsewhere but doing business in Hawai'i (i.e. "foreign corporations."

Please support this effort to reclaim our democracy.

SB-2471-SD-2

Submitted on: 3/17/2026 12:32:44 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert Justice, M.D.	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

I am a resident of Kapolei and a member of the Indivisible Hawai'i Statewide Network. I am writing to testify in strong support of SB2471. This bill clarifies that the powers granted to artificial persons do not include spending money or anything of value to influence elections or ballot measures. This bill does not restrict any individual's right to speak, organize, or participate in democracy. It simply defines the limits of what state-created entities may do as entities.

SB2471 helps restore clarity, accountability, and confidence in our democratic system.

Mahalo for this opportunity to testify.

Respectfully,

Robert L. Justice, M.D.

SB-2471-SD-2

Submitted on: 3/17/2026 12:39:56 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brodie Lockard	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-2471-SD-2

Submitted on: 3/17/2026 1:01:50 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Aimee E McCullough	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

I am in strong support of SB2471

This bill clarifies that the powers granted to artificial persons do not include spending money or anything of value to influence elections or ballot measures. This bill does not restrict any individual's right to speak, organize, or participate in democracy. It simply defines the limits of what state-created entities may do as entities.

SB2471 helps restore clarity, accountability, and confidence in our democratic system.

Thank you!

Aimee M

Indivisible Hawaii

SB-2471-SD-2

Submitted on: 3/17/2026 5:19:10 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Younghee Overly	Individual	Support	Written Testimony Only

Comments:

Thank you for this opportunity to support SB2471 which would prohibit corporations from spending money or contribute anything of value to influence elections or ballot measures.

Younghee Overly, a member of Indivisible Hawaii

SB-2471-SD-2

Submitted on: 3/17/2026 8:15:40 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathleen Dickson	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

I am in strong support of SB2471

This bill clarifies that the powers granted to artificial persons do not include spending money or anything of value to influence elections or ballot measures. This bill does not restrict any individual's right to speak, organize, or participate in democracy. It simply defines the limits of what state-created entities may do as entities.

Corporate money enabled Citizens United to allow corporations to direct the actions of legislators. The people of Hawai'i want legislators to act in the interest of the people of Hawai'i, not corporations.

SB2471 helps restore clarity, accountability, and confidence in our democratic system.

Mahalo,

Kate Dickson, Waikiki

Aloha Chair Matayoshi, Vice-Chair Grandinetti, and members of the Committee On Consumer Protection & Commerce:

My name is James Raymond – until Dec. 31, 2019, I served as a Deputy Attorney General for the State of Hawai'i. I am now retired. I am also a member of Indivisible Windward, but now, I write only as a concerned citizen in my personal capacity.

I write in strong support of S.B. No. 2471, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE POWERS OF ARTIFICIAL PERSONS."

I am not writing to persuade you of the legal merits of this bill's novel solution to the corruption of our election system unleashed by 'Citizens United.' Tom Moore of the Center for American Progress (CAP), and others, have already done an admirable job of that.

I will say that I am disappointed, but not surprised, that our own Attorney General has taken a dim view of the bill and cautions against the risks that it may not survive the challenges sure to follow. Our nation's highest court could be especially problematic given its penchant for pleasing the current president.

But even so, I urge you to pass this bill, not because you are convinced that the risks are overstated and that it will survive the scrutiny of our current judicial system; it's possible it will survive, but certainly not guaranteed.

I urge you to pass this bill because you, along with the overwhelming majority of your constituents, know that the big, dark money flowing into our election process through the floodgates of 'Citizens United,' must be challenged, both here in Hawai'i Nei and in the nation.

If you have doubts about how committed your constituents are to opposing the current federal administration, I invite you to return to this building on Saturday, March 28th for the No Dictators, No Kings III protest and rally.

You should also know that Hawai'i is not alone in this fight. Tom Moore of CAP reports that:

"This framework is advancing in multiple states, including a ballot initiative moving toward Montana's 2026 election. Bills have also been introduced in New York, Vermont, and Virginia, with additional measures expected shortly in California and Colorado. Sponsors also have draft bills in hand in several other states." Testimony Presented Before the Senate Committee on Commerce and Consumer Protection, February 3, 2026 by Tom Moore, CAP.

Tom Moore also notes that, to our drafters credit: "SB 2471 is among the strongest and most carefully constructed versions introduced anywhere." Id.

Experts in the pro-democracy movement agree that the current federal government is incapable of correcting itself. The past year offers way too much proof of that. These experts also believe that, as our U.S. Constitution says, the power in a democracy rests with WE THE PEOPLE and today, that power is best expressed through our state governments.

It isn't enough to just vote for this bill -- you have to fight and fight hard to convince your colleagues, and the Governor (and his AG) that WE THE PEOPLE have had enough of bought elections. Even if this bill is not ultimately successful, your constituents are fighting mad and an increasing number will only support candidates who swear off big, dark money campaign funding and who continue to fight hard to end it.

I ask you to represent that power, join your sister states in the fight to save democracy and pass this bill, not because it is risk free and our AG is solidly behind it -- it is not risk free, and she is not solidly behind it -- I ask you to pass this bill and start writing the legacy your descendants will learn about your role in the fight to save our democracy.

Respectfully,

/s/ James E Raymond

(retired) Deputy Attorney General

Kailua



JOSH FROST

1418 Mokuna Pl.
Honolulu, HI 96816

T 808.371.9334
josh.frost@me.com

regardingfrost.com
peoplesdialectic.com

Wednesday, March 18, 2026
House Committee on Consumer Protection & Commerce

Senate Bill 2471 SD2 Relating to the Powers of Artificial Persons
Testimony in Support

Aloha Chair Matayoshi, Vice Chair Grandinetti, and committee members:

I testify today as an individual. I am not here representing the ACLU of Hawai'i or any other organization.

SB2471 SD2 seeks to take advantage of long-standing legal precedent that states are solely authorized to define the scope with which corporations, including non-profits, can operate in their jurisdictions.

Since the early 1900s, states have granted broad authority to corporations to essentially have all the powers as individual persons. This was largely done as a matter of expediency, rather than explicit intent. However, we've now seen, as it relates to elections and our political system, that corporate entities are not the same as people and cannot be granted all the same powers as an individual. Any reasonable person understands they are not the same.

Corporations have abused with impunity the granted power to spend in elections. The consequence has been stark and terrible. Since the Supreme Court handed down its ruling in *Citizens United v. FEC*, corporate spending has exploded. Since 2008, spending by outside groups, corporations, has grown 28-fold (from \$144 million in 2008 to \$4.21 billion in 2024).¹

The practical consequence of this spending has been outsized influence on elected officials to support the position of moneyed interests versus those of ordinary people.

The shrinking middle class and rising cost of living can, by some measure, be directly attributed to this outsized influence. In turn, dissatisfaction in our political institutions by those same ordinary people who now feel ignored by their government has skyrocketed. To our peril.

¹ Open Secrets, "Outside Spending," available at <https://www.opensecrets.org/outside-spending/summary> (last accessed September 2025).

The result has been anger and hostility toward our government institutions, which in turn has led to the rise in authoritarianism in America.

Luckily, SB2471 SD2 substantially reduces this terrible imbalance of influence in Hawai'i and restores a semblance of power to the individual persons of the electorate.

Prior court rulings imply that because powers given to corporations by states include essentially all those enjoyed by actual people, those rights cannot be separately prohibited. However, a long history of juris prudence and federal law has repeatedly provided states sole authority to define the breadth and depth of corporate power.

This state authority has never been revoked. As such, SB2471 SD2 takes a judicially narrow approach to addressing the consequence of Citizens United by making explicit in Hawai'i state law that corporations would no longer have this power, and as such, would have no right to it.

The Hawai'i Legislature has an opportunity to respond to the anger and dissatisfaction of their constituents by supporting this bill and making it law.

Mahalo for the opportunity to testify.

SB-2471-SD-2

Submitted on: 3/17/2026 11:21:09 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Roger Hamada	Individual	Support	Written Testimony Only

Comments:

Thank you for accepting my testimony in STRONG SUPPORT of SB2471.

I am very concerned that big money has undue and unequally large influence on the legislative process and on elections.

This bill clarifies that the powers of artificial persons do NOT INCLUDE being able to spend money or anything of material value to influence elections or ballot measures.

It supports the intent of "one person, one vote."

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Scot Z. Matayoshi, Chair

Rep. Tina Nakada Grandinetti, Vice Chair

HEARING:

Wednesday, March 18, 2026 at 2 pm

Via Videoconference and Conference Room 329

TESTIMONY IN **SUPPORT** OF SB 2471, SD2 - RELATING TO THE POWERS OF ARTIFICIAL PERSONS.

Aloha Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee,

My name is Christine Andrews, and I am an attorney licensed for over 25 year in Hawai'i and a long-term resident of Wailuku, Maui. I write to you today in **strong support of SB 2471, SD2**, Relating to the Powers of Artificial Persons, which reaffirms that artificial persons created under state law possess only those powers that are necessary or convenient to carry out lawful business and charitable or organizational purposes, and that those powers do not include the power to spend money or contribute anything of value to influence elections or ballot measures. Senate Bill 2471, SD1 also revokes all prior grants of corporate and entity powers and regrants only those powers that the State determines to be necessary or convenient to conduct lawful business under the constitution and laws of this State.

As an attorney and voter, the unfortunate trendline in state and national electoral politics since 2010, when the unfortunate U.S. Supreme Court decision *Citizens United* was decided, is clear. *Citizens United* has resulted in unfettered business donations to, and interference in, elections. Most recently, at the national level, we have seen billionaires try to influence elections, pouring millions into state and national contests. This amplifies the influence of the few, at the expense of the rights of the many. For example, in a recent Texas State Senate election, one candidate vastly outraised another, although one candidate had less than 250 donors and the other had over 1,800.

At the local level, on Maui, we have witnessed large, global corporations use their donations to work to defeat local ballot initiatives and monied mainland investors have tried to shape our representation and influence our elected to serve their interests rather than those of our residents. The high level of business donations in electoral politics erodes public trust in electeds, such as the members of this committee, and creates the impression that electeds serve the interests of business donors and not of their constituents. Legislation such as this will help restore trust and the reputation of public servants dedicated to the public good such as yourselves.

There may be concern that legislation such as this may contravene *Citizens United*. This is not the case. I remind you that the existence of corporations and business entities is a legal fiction that finds its roots in state law. So while the *Citizens United* decision does take precedence, it was decided on the facts of that case that do not apply when states legislate to limit the power of corporations. There is a growing national movement to empower states to limit the impact of *Citizens United* upon our electoral politics through state legislation. I request that you **vote in support SB 2471, SD2** and help Hawaii join the ranks of states that are working to empower voters rather than corporate interests. This is a measure that has broad public support to empower voters over billionaire corporate donors.

Mahalo nui,

Christine L. Andrews, J.D.

Wailuku, Maui

SB-2471-SD-2

Submitted on: 3/17/2026 1:01:07 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gail Morrison	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

I am in strong support of SB2471

This bill clarifies that the powers granted to artificial persons do not include spending money or anything of value to influence elections or ballot measures. This bill does not restrict any individual's right to speak, organize, or participate in democracy. It simply defines the limits of what state-created entities may do as entities.

SB2471 helps restore clarity, accountability, and confidence in our democratic system.

Mahalo,

Gail Morrison

SB-2471-SD-2

Submitted on: 3/17/2026 1:41:57 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica Kuzmier	Individual	Support	Written Testimony Only

Comments:

Aloha, I am writing in support of SB2471. I believe that the Hawai'i state government should do whatever it can within the bounds of the law to limit the power of the Citizens United Supreme Court Decision and give the power back to individual people. Mahalo for your consideration

SB-2471-SD-2

Submitted on: 3/17/2026 2:08:55 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kehaulani Coleman	Individual	Support	Written Testimony Only

Comments:

Thank you

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 3:00:10 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Daniel R Freund	Individual	Support	Written Testimony Only

Comments:

Please advance this good government legislation,

- Dan Freund, Kapaa

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 3:07:16 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Amber Coppings	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee,

I'm submitting testimony in support of SB2471 SD2. Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them.

Election reform is more important to the everyday person who lives in Hawai'i than I think the legislature has given it credit for. My friends and I warily talk about how we are not being properly represented by our government regularly. Much of this dismay comes from knowing that corporations and their shareholders are represented through their vote AND their ability to financially support their chosen candidates. We need to even the playing field in order to have a true democracy.

SB2471 SD2 makes that explicit. It strips election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person's rights completely intact. That's the right call.

I urge you as a resident and your constituent to please pass SB2471 SD2.

Mahalo,

Amber Coppings

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 3:12:43 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lindsay Roth	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

I am writing in strong support of SB2471 SD2.

Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them.

As a licensed clinical social worker practicing in Hawai‘i, I see daily how structural inequality and concentrated power shape people’s lives. When corporate entities are able to spend unlimited money influencing elections, it distorts democratic decision-making and erodes public trust in the systems meant to serve communities. Healthy communities depend on institutions that people believe represent them—not those with the greatest financial resources.

SB2471 SD2 makes that explicit. It strips election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person’s rights completely intact. That is an important step toward strengthening democratic accountability and ensuring that our political system reflects the voices of people rather than the interests of corporate entities.

Please pass SB2471 SD2.

Mahalo for your consideration.

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 3:13:29 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Judith White	Individual	Support	Written Testimony Only

Comments:

Please support this important bill. I want to know that my elected officials run campaigns supported by people, not corporations.

Judith White, Kapaa

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 3:15:39 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Pamela Elders	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee,

I am writing to testify in strong support of SB2471 SD2. The SCOTUS decision to give corporations standing as persons was misguided and deleterious to the well-being of our democracy. Since that decision corporate interests have hijacked the congressional voting process with PACs and lobbyists. SB2471 is a step in limiting their outsized influence in our democracy.

Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them.

SB2471 SD2 makes that explicit. It strips election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person's rights completely intact.

The power of the people must be reasserted.

Please pass SB2471 SD2.

Mahalo,

Your Name, Town

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 4:10:02 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
cheryl burghardt	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee members

I am in STRONG support of this bill. Mahalo.

Cheryl Burghardt

Nuuanu Oahu

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 5:34:21 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan Douglas	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee,

I'm submitting testimony in support of SB2471 SD2. Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them.

SB2471 SD2 makes that explicit. It strips election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person's rights completely intact. That's the right call.

Please pass SB2471 SD2.

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 6:22:22 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ann Dorsey	Individual	Support	Written Testimony Only

Comments:

Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee,

I urge you to support SB2471 SD2. Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them.

SB2471 SD2 makes that explicit. It strips election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person's rights completely intact. That's the right call.

Please pass SB2471 SD2 to save our democracy.

Thank you.

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 6:48:58 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathy Shimata	Individual	Support	Written Testimony Only

Comments:

My name is Kathy Shimata & I live in Honolulu.

I believe that Citizens United has done the greatest damage to our democracy in my lifetime. I thought we were supposed to know the identities of unlimited campaign contributions. We know nothing. Getting rid of Citizens United would go a long way to leveling the playing field in elections.

Please support SB2471.

Mahalo,

Kathy Shimata

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 7:18:04 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Georgia L Hoopes	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee,

I'm submitting testimony in support of SB2471 SD2. Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them.

SB2471 SD2 makes that explicit. It strips election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person's rights completely intact. That's the right call.

Please pass SB2471 SD2.

Mahalo,

Georgia Hoopes, Kalaheo

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 8:38:28 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nathaniel Ulm	Individual	Support	Written Testimony Only

Comments:

I am writing in support of SB2471. I am a local boy, born and raised on Oahu. I, like the majority of Americans, 70% in a 2023 Pew Research poll, think that corporate dark money is a problem that is challenging the very fabric of our democracy. Democracies, including representative democracies like our own, are established on the principle of one person one vote. At the state and federal representatives this is how we elect our representatives. The power should lie with the people who elected you, but generations of authoritarians have tried to undermine this core principle. And today, is no different. Our democracy is reaching an inflection point. Because of an undemocratic economic system, we are living through the largest wealth gap ever created. No democracy has ever experienced the severity of inequality and the unrestrained spending of elites and wealthy interests. Historically, US legislative campaigns relied heavily on volunteers for grassroots organizing, door-knocking, and voter mobilization, fostering a neighbor-to-neighbor approach. As money has accumulated, campaigns shifted toward relying on professional consultants, pollsters, media, and massive fundraising. We have taken the local, community control out of our state and national politics. Foreign influence of all types has come to Hawai'i and across the US to strip power from the people. Let's reset an unfair playing field. Let's amend and restrain corporate charters from spending money in our local elections. A state determines a corporation's powers by granting it legal existence and defining its powers through statutes and its articles of incorporation. Please vote to get dark money out of politics. The local community made up of individuals, our neighbors, need to be able to control our own destiny with transparency in our democracy.

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 9:06:16 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ruta Jordans	Individual	Support	Written Testimony Only

Comments:

Please return power to the people of Hawaii, not artificial persons. Support SB2471.

LATE

SB-2471-SD-2

Submitted on: 3/17/2026 9:28:24 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jesse Hutchison	Individual	Support	Written Testimony Only

Comments:

Thank you!

LATE

SB-2471-SD-2

Submitted on: 3/18/2026 12:22:52 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
B.A. McClintock	Individual	Support	Written Testimony Only

Comments:

I'm submitting testimony in support of SB2471 SD2. Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them.

SB2471 SD2 makes that explicit. It strips election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person's rights completely intact. That's the right call.

Please pass SB2471 SD2.

LATE

SB-2471-SD-2

Submitted on: 3/18/2026 3:47:31 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Melissa Barker	Individual	Support	Written Testimony Only

Comments:

Honorable Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee,

I am writing to ask that you support of SB2471 SD2. Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them.

SB2471 SD2 takes election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person's rights completely intact.

Thank you for your attention and consideration.

Melissa Barker

Kapaa, HI

LATE

SB-2471-SD-2

Submitted on: 3/18/2026 4:15:21 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Danelle Guion	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee,

I'm submitting testimony in support of SB2471 SD2. Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them.

SB2471 SD2 makes that explicit. It strips election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person's rights completely intact. That's the right call.

Please pass SB2471 SD2.

Thank you.

LATE

SB-2471-SD-2

Submitted on: 3/18/2026 8:06:56 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lisa Galloway	Individual	Support	Written Testimony Only

Comments:

Corporations are not people. Because of their zeal to ever increase profits, they behave like sociopaths. Please PASS SB2471 SD2 to support actual human beings so we can defend ourselves against this evil.

LATE

SB-2471-SD-2

Submitted on: 3/18/2026 11:59:13 AM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Theresa Armbruster	Individual	Oppose	Written Testimony Only

Comments:

OPPOSED to SB2471 SD2

This Bill attempts to redefine all corporations, LLCs, Nonprofit organizations & other entities in Hawaii as "artificial", which is Not True. These entities are groups of individuals or "natural" persons. Therefore, they have the same inherent Rights & powers of an individual, and these Rights are protected by the US & State Constitution!

Uphold the Constitution! Protect every individual & groups of individuals' Constitutional Rights, especially Freedom of Speech in election and ballot-issue activity!!!

Mahalo

LATE

SB-2471-SD-2

Submitted on: 3/18/2026 5:26:19 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kara Hoving	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee,

I'm submitting testimony in support of SB2471 SD2.

This bill reaffirms that corporations and other artificial persons chartered under state law, including for-profit corporations, nonprofits, LLCs, and partnerships, do not have the power to spend money to influence elections or ballot measures. As a small business owner and concerned resident of Hawaii, I give this bill my full support.

Free, fair, and clean elections are fundamental to the functioning of a healthy democracy. The outcomes of elections and the actions of the government should be responsive to the will of the people and the merit of the candidates' policy priorities, not by the will of corporate interests seeking to influence government in order to line their own coffers.

In recent decades, we have witnessed a breakdown in the relationship between the actions of government and the will of the people. More and more, government at all levels in our country is becoming captured by corporate interests due to runaway corporate campaign spending. The purpose of government is to promote the general welfare of the people, not to help corporations further accumulate wealth at the cost of the public good.

Corporations are legal creations of the State. They exist because the State grants them the privilege to exist, and the State has every right to define what powers come with that privilege. The power to spend money on elections was never supposed to be one of them.

SB2471 SD2 makes that explicit. It strips election spending out of the powers granted to corporations and other artificial persons under state law, while leaving every natural person's rights completely intact.

Ending corporate spending on elections is absolutely essential to safeguarding our democracy and securing a government that truly works for the people of Hawaii.

I urge the committee to please pass SB2471 SD2.

Mahalo,

Kara Hoving, Aiea

LATE

LATE

SB-2471-SD-2

Submitted on: 3/18/2026 7:20:54 PM

Testimony for CPC on 3/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Ball	Individual	Support	Written Testimony Only

Comments:

To the members of the Committee,

I am writing in strong support of SB2471 which seeks to remedy the outsized role of corporate money in our politics. The Citizens United ruling proved disastrous for a democracy rooted in the will of the people, leading to a dangerous imbalance of power in who influences decision-making in our state. Please support this reasonable bulwark to limiting corporate special interests and supporting good governance.

With aloha,

David Ball

Waiālae-Kahala