THE CORPORATE POWER RESET ACT

Model Bill — Annotated

Center for American Progress
August 2026

This document reproduces the August 2026 model text of the Corporate Power Reset Act in full, with an annotation beside each provision.

The doctrinal posture

The Act operates in the power-granting domain. States create artificial persons and define the powers those entities receive; that authority is just about absolute, and no artificial person holds a vested right in the continuation of any statutory grant. Every campaign-finance case in the First Amendment line — *Bellotti* through *Citizens United* — involved an entity that walked into the courthouse possessing the legal capacity to spend and a government that tried to restrict the use of that capacity.

The Corporate Power Reset Act addresses the antecedent question those cases never reached: whether the capacity exists at all. No campaign-finance case has ever involved an entity lacking political spending power from the outset. It's not regulation, it's *redefinition.* What has not been granted cannot be abridged.

Placement

This Act gets codified in the business-entity title of a state's code, replacing the general-powers provisions it redefines — not in the election or campaign-finance titles. The Act lives in the entity title; its superseding effect reaches every grant of entity power in the code, wherever it sits. See Section 9(c). The Act defines what artificial persons receive from the State; it does not govern the conduct of elections or regulate campaign finance. Codifying it in the entity title reflects what the Act does; codifying it in the election title would misdescribe it. If the election code needs cross-references, they should be written in neutral terms, keeping the operative text in the entity title.

There is no particular need to modify a state's campaign-finance provisions to match anything in the Corporate Power Reset Act. The regulations there and the power-granting here operate separately.

Vocabulary

The verbs in the Act are chosen very carefully, and the choices carry weight. In the State's voice the Act defines, redefines, grants, withholds, and declines to confer — not restricts, prohibits, bans, regulates, or limits. Where enforcement provisions must describe an entity acting beyond its powers — Section 4(e), Section 6 — they use the grammar of ultra vires, which is older than campaign-finance law by a century and a half. Where the model text says an entity "possesses no legal capacity," resist any urge to redraft as "may not spend" — the first states an attribute of the entity, the second reads as a conduct prohibition, and the two sit in different remedial universes: a prohibition can be enjoined and the spending resumes; an absence of capacity leaves nothing for an injunction to restore.

One pairing does specific work and should survive every round of tightening. An entity acting beyond its powers is described throughout as exercising or purporting to exercise political spending power, and the second half is not redundancy. Voidness would otherwise immunize the conduct it describes: told that it exercised a power it does not hold, an entity can answer that it did no such thing — whatever it did was void from the start, and a nullity is not an exercise. Naming the attempt closes that circle, so consequences attach to what the entity set out to do rather than to whether the law gave the attempt effect. Legislative counsel will read the pair as belt-and-suspenders and reach for the pencil. It isn't, and they shouldn't.

Universality

The Act reaches every entity type the State charters or admits — business corporations, nonprofits, LLCs, unions, partnerships with state-conferred status, cooperatives, trusts, all of it — and carves out no favored class of entities. That is structural, not stylistic. A carve-out for a sympathetic speaker risks converting a uniform definition of entity powers into speaker-based discrimination, with the heightened scrutiny that follows. Universality is the armor. Legislators will propose exceptions; counsel and advocates should explain why each one weakens every entity's position, including the one the exception would favor.

What must survive adaptation

Nearly everything in this Act can and should flex to local code — defined terms, administrative machinery, cross-references, procedural vocabulary. The indispensable core is three moves, made in order: define political spending power (Section 3(4)); define artificial-person powers as everything an entity needs except political spending power (Section 3(2)); and affirmatively grant artificial-person powers, and only those (Section 4). A state that makes those three moves has enacted the Corporate Power Reset, whatever else it adjusts. The revoke-and-regrant in Section 4(b) is the preferred way to make the grant, not the only way — the annotation there gives the alternative text.

One thing this document is not: a defense memorandum. The annotations explain design, not litigation strategy. If you would like a full account of why the Act should survive constitutional challenge, the Center for American Progress can provide that separately.

MODEL TEXT	**ANNOTATION**
AN ACT RELATING TO THE POWERS OF ARTIFICIAL PERSONS	The caption is the first act of placement. "Relating to the powers of artificial persons" is the accurate single subject, and in states with single-subject or title-requirement clauses it is also the constitutionally safe one. Keep the caption in the powers domain; a caption mentioning elections or campaign finance would misdescribe the Act.
Section 1. Short title.	
This Act may be cited as the "Corporate Power Reset Act."	Nothing turns on the name. If local convention resists branded short titles, drop it. If the sponsor

MODEL TEXT	ANNOTATION
	wants a state-specific name, fine — but keep "power" in it. The name should describe what the Act does.
Section 2. Findings and purpose.	
On the section as a whole. *You will notice the findings are straightforward, and that they describe a motive: the State wants corporations out of its politics, and it says so plainly. In a campaign-finance regulation, findings like these would be instantly fatal. Here they mark the zone: the corporate-powers domain, where motive is not a predicate — the Act needs no justification, and the findings supply its reasons anyway, in plain terms. Read together, they state what the State is doing, why it is doing it, and why it is allowed to do it. Adapt the constitutional references, not the character.*	
The Legislature finds and declares that: (1) All political power is inherent in the people, and corporations and other artificial persons are creations of statute that exist only by virtue of powers affirmatively granted by the State.	The popular-sovereignty anchor. Most state constitutions contain the first clause nearly verbatim; cite yours. The second clause states the premise everything else builds on: artificial persons are built, not born. Their powers exist because the State granted them and for no other reason.
(2) The creation, continued existence, and enjoyment of charter privileges by an artificial person are not natural rights; they are conditional grants of legal status made by the State and accepted subject to the State's reserved authority to define, limit, revise, or withdraw the powers and privileges it confers.	The reserved-authority finding. In response to *Dartmouth College*, every state has protected itself by reserving the authority to alter, amend, or repeal its grants — constitutionally, statutorily, or both. This finding states the doctrinal floor the Act stands on: acceptance of a charter is acceptance of the reservation.
(3) State law has historically included broad grants of powers to artificial persons, including powers described as necessary or convenient to lawful purposes, and these broad formulations have more recently been construed to include the legal capacity to engage in political spending, including both monetary expenditures and expenditures of other things of value, to support or oppose the outcome of a vote of the electorate.	The predicate finding. Political spending power exists in state law only as a construction of the general grants — nobody ever voted to confer it by name. That matters twice over: it establishes that the Act addresses a construction of the State's own statutes, which the Legislature owns outright, and it frames what follows as clarification of a grant rather than a response to conduct.

MODEL TEXT	ANNOTATION
(4) Because the general grants of powers to artificial persons have been construed to include political spending power in a manner that does not reflect the will of the people, it is therefore necessary to enact this Act to redefine those grants and make their contents explicit, so that the legal privileges conferred on artificial persons by the people through the State are not used to compromise the integrity of the people's political process.	The purpose finding. The operative verb is *redefine:* the Legislature is restating what its grants contain, which is ordinary legislative work performed upon the Legislature's own prior enactments. The finding ties the redefinition to popular sovereignty — the people, through the State, decide what their creations receive.
(5) Every artificial person formed under the laws of this State, or authorized to transact business or hold property in this State, has accepted its legal status and any charter privileges subject to the continuing authority of the State to define the scope of its powers; an artificial person has not acquired a vested right to the continuation of a particular statutory grant of power; and this principle is well established in law.	The no-vested-rights finding, and it is stated as flatly as the law allows because the law allows it to be stated flatly. A statutory grant of power is not property; its continuation is not owed. This finding answers the takings and vested-rights framings before they start.
(6) The State does not grant political spending power to the artificial persons it charters. That absence is not a rule of place. It is an attribute of the artificial person, carried wherever the artificial person acts. And because artificial persons operating in this State may exercise only the powers that the State grants its own artificial persons, no artificial person, wherever organized, holds political spending power within this State. Nothing in this Act defines, limits, or affects the powers an artificial person organized under another jurisdiction's laws may exercise in the elections or ballot measures of another jurisdiction.	The geography finding — the Act's answer, in advance, to every extraterritoriality objection. Three moves in sequence. First: for domestic entities, the absence of political spending power is an attribute of the entity, not a rule of place; it travels with the entity the way its every other capacity does. Second: within the State, foreign entities hold no more than domestic ones — parity, not discrimination. Third: as to other jurisdictions' elections, the Act claims nothing at all. Read this finding with Sections 4(d), 4(e), and 4(g), which make each move operative.

<table>
<tr><th>MODEL TEXT</th><th>ANNOTATION</th></tr>
<tr><td>(7) The purposes of this Act are to: (a) establish that state-conferred legal status and charter privileges are granted to an artificial person only on the condition that the artificial person operate within the powers granted by the State; (b) make explicit that political spending power is not among the powers granted to artificial persons, except as expressly provided in Section 4(f); (c) establish a single, uniform definition of the powers granted to artificial persons under this Act; (d) provide clear and enforceable consequences for the exercise or purported exercise of political spending power not granted by the State; and (e) leave wholly undisturbed the constitutional rights of natural persons.</td><td>The purposes clause. Each purpose maps to operative text: (a) to Section 4(h), (b) to Sections 3(2), 4(b), and 4(f), (c) to Section 9, (d) to Sections 6 and 7, (e) to Section 5(c)(1). Purpose (e) deserves emphasis in any committee presentation: every officer, director, shareholder, member, and employee retains every right they held the day before enactment.</td></tr>
<tr><td colspan="2">Section 3. Definitions.</td></tr>
<tr><td colspan="2">On the section as a whole. These are the nouns; the verbs come in Section 4. The division is deliberate. Definitions operate through the provisions that incorporate them, and no court may edit a definition into the opposite of what the legislature enacted; construction can clarify a term, not invert it. By doing the heavy work here — defining political spending power, then defining artificial-person powers as everything but — the Act leaves Section 4 clean: a pure affirmative grant, which is the hardest kind of provision for a court to overturn. Striking a grant gives no one anything. The tempting shortcut is to strike less — excise the exclusion from Section 3(2), including the bar on treating political spending power as necessary or convenient, and call it severance. But deleting an exclusion from a grant enlarges the grant: that is a pen, not an eraser, and Sections 11(b) and 11(c) are written for exactly that move.</td></tr>
<tr><td>As used in this Act:
(1) “Artificial person” means an entity or legal arrangement whose existence, legal status, or limited liability is conferred by the laws of this State, including an entity or legal arrangement organized or existing under the laws of another jurisdiction that is authorized to transact business, is otherwise transacting business, or holds property in this State. An entity or legal arrangement organized or existing under the laws of another jurisdiction that directly or indirectly</td><td>Universality in a single definition. The touchstone is state conferral: anything whose existence, status, or limited liability comes from the State is covered, domestic or foreign, whatever chapter of the code it lives in. And note what the touchstone captures for foreign entities: their status and limited liability within this State are this State’s conferrals — the home jurisdiction cannot supply either here. The second sentence is the jurisdictional deeming clause, and it closes the obvious escape hatch — a foreign entity cannot spend into this State’s elections and simultaneously deny that it is present here. An</td></tr>
</table>

MODEL TEXT	ANNOTATION
undertakes, finances, or directs acts constituting an exercise or purported exercise of political spending power in this State is deemed to be transacting business in this State for purposes of jurisdiction and enforcement.	entity that directs spending into this State's elections has purposefully availed itself of this State; the clause codifies that, and confines its effect to jurisdiction and enforcement.
(2) "Artificial-person powers" means the powers necessary or convenient for an artificial person to carry out lawful business, charitable, cooperative, or organizational purposes under the laws of this State, excluding political spending power. Political spending power may not be deemed necessary or convenient under any circumstances.	The grant's contents, and the definitional heart of the Act. The first sentence deliberately tracks the familiar formulation — "necessary or convenient" is the language of MBCA §3.02 and its analogues in nearly every state — so that the regrant under Section 4(b) is recognizably continuous with what every entity already understood itself to hold. Minus one capacity. The second sentence forecloses re-derivation. Political spending power was construed into the general grants once; this sentence ensures no court or counselor construes it back in.
(3) "Charter privileges" means any legal benefit that exists only because the State confers it on an artificial person, including limited liability, perpetual duration, succession in entity name, or any statutory limitation on personal liability.	The inventory of what the State supplies — and therefore the inventory of what Section 7 reaches. Limited liability leads the list because it is the privilege that concentrates the mind. The definition is open-ended by design ("any legal benefit that exists only because the State confers it"); the enumerated items are illustrations, not limits.
(4)(a) "Political spending power" means the legal capacity to, directly or indirectly, pay, contribute, expend, transfer, or disburse money or anything of value to support or oppose: (i) a candidate, political party, or political committee in any election; or (ii) an initiative, referendum, recall, constitutional amendment, charter amendment, or other question that has been certified, approved, authorized, or otherwise made eligible for circulation for signature, or that has been qualified, certified, submitted, or otherwise	The defined term does exactly what its name says: it defines a capacity, not conduct. Subsection (a) turns on where money and value are directed, not on the content of any message; subsection (b) then places a set of communicative capacities expressly inside artificial-person powers. "Directly or indirectly" reaches conduit arrangements. Paragraph (ii) contains a temporal trigger that counsel and advocates should understand precisely: a ballot question enters the definition only once it has been certified or made eligible for circulation. Before that line, advocacy about an idea is advocacy about an idea, and the Act leaves it alone — see the matching exclusion at (b)(vii). Do not be tempted to drop paragraph (ii). Ballot

MODEL TEXT	ANNOTATION
presented to the electors of any jurisdiction.	campaigns are flooded with dark money; measure spending already serves as a proxy for candidate-election spending; and it would become overwhelmingly the proxy of choice once the candidate-side spigot shuts off. An Act that reached candidates alone would dig a channel around itself.
(4)(b) The term does not include the legal capacity to: (i) gather, prepare, produce, publish, broadcast, host, disseminate, or distribute any news story, commentary, or editorial through the facilities of a broadcasting station or of any print, online, or digital newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print, online, or digital facility is owned or controlled by a candidate, political committee, or political party;	A frame note for the exclusions as a group, then this one. The exclusions are not exemptions from a prohibition — there is no prohibition. They are capacities included within artificial-person powers, stated in the definition so no one has to guess. Preserve that grammar in adaptation: these paragraphs describe what entities can do, not what they are forgiven for doing. As to (i): the language draws from the court-tested federal definition of media activity, and note what it is not — a media-company exemption. No entity gets a pass because of what it is; an activity sits outside the defined term because of what it is. Every activity had to be sorted into political spending power or out of it, and the drafters put newsgathering and publication out, with an ownership proviso preventing the candidate-owned-outlet dodge.
(ii) determine whether to endorse a candidate or ballot measure; (iii) use resources to communicate an endorsement to members, shareholders, employees, or officers, including through organizational members;	The entity may form an institutional view and tell its own people. A board can vote to endorse; the endorsement can go to the membership, the shareholders, the workforce. Institutional voice inside the institution is untouched. "Including through organizational members" solves the federation problem. Trade associations, labor federations, and national nonprofits are frequently organized as associations of associations, so that the individuals who are members in any ordinary sense belong to an affiliate rather than to the national body. Without the phrase, a federated organization would be worse off than a direct-membership one for reasons having nothing to do with anything this Act is about. The phrase describes a channel, not a new class of recipients.

MODEL TEXT	ANNOTATION
(iv) use de minimis resources to communicate an endorsement to the general public, provided that, in the case of a candidate endorsement, the public communication of the endorsement is not coordinated with the candidate, the candidate's committee, or their agents;	And the entity may say so publicly — a press release, a statement on its own website — at de minimis cost, with a non-coordination proviso on the candidate side so the exclusion cannot become an in-kind contribution channel. "De minimis" is defined by rule under Section 8(a), which is where line-drawing of this kind belongs.
(v) communicate with members, shareholders, employees, or officers, including through organizational members, regarding a candidate, political party, political committee, or ballot measure, provided that the artificial person does not distribute, republish, promote, or otherwise make the communication available to the general public;	Internal election-related communication generally — broader than the endorsement paragraphs — so long as it stays internal. The proviso marks the boundary: the moment a communication is promoted to the general public, it has left this exclusion. Section 8(a) rules specify when that line is crossed and who counts as a member. Note that the proviso names an actor: it is the artificial person that must not distribute, republish, or promote. Drafted in the passive, the exclusion could be stripped by someone else's republication — a newspaper reprinting a union's internal email, an opponent circulating it to embarrass the sender — and an entity should not lose a capacity because a third party did something with its mail.
(vi) use resources for the establishment, administration, or solicitation of contributions to a political committee, to the extent permitted under the campaign finance laws governing that political committee; or	The connected-committee capacity. An entity may establish a political committee, administer it, and solicit contributions to it, as the campaign-finance laws governing that committee permit. Read this with Section 4(f): political spending power itself lives in the political-committee channel, and this exclusion is the bridge to it. The entity cannot spend in politics; the natural persons associated with it, acting through a registered and reporting committee, can.
(vii) support or oppose a measure before the measure has been certified, approved, authorized, or otherwise made eligible for circulation for signature or, if circulation for signature is not required, before the measure is submitted to the electors.	The mirror of (a)(ii)'s temporal trigger, stated from the other side, for clarity. Pre-certification activity — arguing for an idea before it has been cleared for circulation — is outside the defined term. Once a measure is eligible for circulation, spending to support or oppose it is inside the term, the signature-gathering period included. The second branch exists because not every measure circulates for signature. A legislatively referred

<table>
<tr><th>MODEL TEXT</th><th>ANNOTATION</th></tr>
<tr><td></td><td>amendment, a bond question, a charter proposal placed by a council: these reach the electors without ever becoming eligible for signature circulation. Without the branch, the exclusion would remain literally true forever as to those measures, even though (a)(ii) treats them as inside the defined term once submitted.</td></tr>
<tr><td colspan="2">Section 4. Powers of artificial persons.</td></tr>
<tr><td colspan="2">On the section as a whole. This is the operative heart of the Act: the verbs. Subsection (b) performs the central move; (a), (c), and (h) frame it; (d), (e), and (g) give it its geography; (f) supplies the channel through which political spending power continues to exist in the world. Counsel adapting this section should change as little as possible.</td></tr>
<tr><td>(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.</td><td>The baseline, stated at full strength because the doctrine supports full strength. This is not a threat; it is a description of what a charter has always been. And the Act immediately demonstrates the opposite of maximalism — subsection (c) and Section 10 show the State exercising its reserved authority with a scalpel. The breadth of (a) and the narrowness of what follows are both part of the design.</td></tr>
<tr><td>(b) On the effective date of this Act, all powers granted by the laws of this State to artificial persons are revoked. Simultaneously, this State grants to artificial persons only artificial-person powers.</td><td>The revoke-and-regrant — two sentences, one legislative breath. This is the preferred architecture, not the mandatory one, and the reason to prefer it is baseline independence: the Act does not depend on what the old grants meant, whether political spending power was ever properly “in” them, or how a court might construe decades of accreted code. Whatever was there is gone; what exists now is what Section 3(2) says, and nothing else. The simultaneity does real work — revocation and regrant occur in the same instant, so no entity is ever powerless, no gap opens, and no prior baseline is left standing for a court to restore. A state can make the grant the other way: skip the revocation and redefine in place. The operative sentence then reads: “On and after the effective date of this Act, this State grants to artificial persons only artificial-person powers.” That version works — Section 3(2) and Section 9 carry the weight of retiring the old constructions</td></tr>
</table>

MODEL TEXT	ANNOTATION
	— but it leaves the prior grants on the books for a challenger to argue about. Either way, the affirmative grant is the move that cannot be skipped.
(c) Nothing in subsection (b), solely by reason of the revocation and grant of powers under that subsection, may be construed to impair the continued existence, legal status, or charter privileges of an artificial person; to affect its ability to initiate, defend, or participate in legal proceedings; or to affect any license, permit, approval, registration, or authorization otherwise held by the artificial person.	The continuity clause. The revoke-and-regrant disturbs nothing but the definition of powers: no entity dissolves, no lawsuit abates, no license lapses, no contract fails by reason of the redefinition. This answers the parade of horribles at the threshold and should be quoted early and often in committee. Read with Section 10.
(d) Every artificial person formed under the laws of this State possesses only the artificial-person powers defined in Section 3(2) and possesses no legal capacity to exercise or purport to exercise political spending power except as provided in subsection (f). That absence of capacity is not confined to acts within this State; it is an attribute of the artificial person wherever the artificial person acts.	The domestic attribute rule. A domestically formed entity holds only the powers its charter state granted, everywhere it acts — that is the plenary reserved authority of Section 4(a) at work, nothing more exotic. A power not granted is not held, and a power not held is not held anywhere; the absence travels with the entity like every other attribute of what it is. Note the claim's modesty: this binds no other sovereign — it describes the entity, not the territory. A court rejecting it would have to hold that a chartering state may define every capacity of the entities it creates except this one — and would have to explain where that exception comes from.
(e) Within this State, no artificial person, wherever organized, may exercise or purport to exercise political spending power except as provided in subsection (f). As to political spending power, an artificial person organized under the laws of another jurisdiction has, within this State, no greater and no lesser powers than an artificial person formed under the laws of this State.	The territorial parity rule, and the Act's answer to dormant Commerce Clause discrimination arguments, drafted directly into the operative text. Inside the State, foreign entities hold exactly what domestic entities hold — no less, and critically no more. There is no discrimination against out-of-state entities and no advantage reserved to domestic ones; there is a single uniform rule about what the State's own political process will recognize as within any artificial person's capacity. And internal affairs is not implicated: a Delaware corporation in this State keeps its

MODEL TEXT	ANNOTATION
	Delaware governance — its board, its bylaws, its shareholder relations. What it lacks here is a power this State grants no artificial person, which touches internal affairs no more than any other law of general application.
(f) Notwithstanding any other provision of this Act, political spending power may be exercised by a political committee registered with the appropriate campaign finance authority as a political committee and subject to the reporting requirements applicable to political committees under the campaign finance laws of this State or under federal campaign finance law, as provided by those laws.	The political-committee channel, and the provision that keeps the electoral system running. Political spending power is not extinguished from the world; it is located — in the one class of entity built from the ground up for registration, reporting, and transparency. Candidate committees, party committees, PACs, super PACs, and ballot-measure committees all keep their full political spending power. Super PACs deserve one more sentence: the Act does not touch them directly — they are registered, reporting political committees, and the channel is theirs — but corporate contributions no longer arrive: contributing to a committee is itself an exercise of political spending power, and artificial persons do not hold it. What remains is what Section 3(4)(b)(vi) preserves — establishment, administration, and solicitation. The federal clause matters too: committees registered and reporting under federal law hold the capacity by the Act's own terms. This subsection must survive adaptation in substance.
(g) Nothing in this Act defines, limits, withdraws, or otherwise affects the capacity of an artificial person organized under the laws of another jurisdiction to exercise political spending power directed at the elections or ballot measures of a jurisdiction other than this State. As to such an artificial person, this Act governs only its powers and conduct within this State.	The extraterritoriality disclaimer, stated rather than implied. Subsection (g) disclaims any claim on a foreign entity's spending in another jurisdiction's elections — a Delaware corporation's spending in an Ohio election is Delaware's and Ohio's business, and the Act says so in terms. For domestic entities the question is governed by (d): capacity travels with the entity, as every capacity does. Expect the comity objection to be aimed there — and the answer is ordinary chartering authority.
(h) The absence of political spending power is a condition of state-conferred legal status and charter privileges. An	The joint between the powers architecture and the consequences that follow. It characterizes a purported exercise of political spending power as

MODEL TEXT	ANNOTATION
artificial person that exercises or purports to exercise political spending power it does not possess acts outside the powers it holds as a condition of that status.	what it is: action outside the charter condition. That characterization is the predicate for Sections 6 and 7, and it fixes the character of everything downstream — charter enforcement, not campaign-finance penalty. Challengers will call this a condition on a benefit and reach for the unconstitutional-conditions cases. Those cases police a trade: a government benefit exchanged for the surrender of a right the claimant independently holds — a trucker's property, a taxpayer's speech. Section 4(h) states no trade. Nothing is surrendered, because the entity never held the capacity, and every natural person keeps everything they had, the committee channel included. The condition here is the oldest kind in the law: that a creature of statute operate within its granted powers.
Section 5. Applicability.	
(a) This Act applies to all artificial persons formed, organized, or existing under the laws of this State. (b) This Act applies to any artificial person organized under the laws of another jurisdiction that is authorized to transact business, is otherwise transacting business, or holds property in this State, with respect to its powers and conduct within this State.	Coverage restated as applicability, tracking the geography of Section 4: domestic entities as such, everywhere; foreign entities as to their powers and conduct within the State, and no further.
(c) This Act does not apply to: (1) natural persons acting solely in an individual capacity; (2) the State or any agency, authority, or political subdivision of the State; or (3) any public body corporate and politic of this State expressly identified as such by statute.	Paragraph (1) is the purpose in Section 2(7)(e) made operative: no human being is touched. Paragraphs (2) and (3) exclude governmental entities, which are not chartered creatures accepting conditional grants — they are the grantor's own instrumentalities.
(d) This Act does not restrict the lawful activities of a political committee described in Section 4(f).	Belt for Section 4(f)'s suspenders. The committee channel is doubly protected: capacity granted there, applicability disclaimed here.
Section 6. Ultra vires acts; voidness; nonratification.	

MODEL TEXT	ANNOTATION
On Sections 6 and 7 together. *Sections 6 and 7 supply the consequences, and the kind of law they are matters as much as what they say. These are charter-enforcement provisions — the law of what an entity can do, and what follows when it acts beyond its powers. They are not campaign-finance penalties: no penalty schedule borrowed from the election code, and consequences that run to the entity's status and privileges. The Act imposes no fine, liability, or sanction on any natural person; what can lapse is the entity's liability shield — a privilege the State granted — and its lapse changes what third parties can reach, not what the Act takes from anyone. One more line between charter enforcement and ordinary regulatory punishment. Preserve that character in adaptation; it is not cosmetic.*	
(a) An act by an artificial person that exercises or purports to exercise political spending power in violation of Sections 4(d) or 4(e) is ultra vires and void.	The classical doctrine, applied to the one capacity the State does not grant. An act beyond an entity's powers is no act at all. Note the pairing: the trigger is an exercise or a purported exercise. This subsection is what makes the second half necessary, because once the act is a nullity, the attempt is all that remains to enforce against.
(b) An act described in subsection (a): (1) is void from the beginning; (2) may not be ratified, validated, or given effect by consent, waiver, estoppel, reliance, course of dealing, or any other equitable doctrine; and (3) creates no enforceable rights, obligations, or defenses.	The nonratification rules are what give the doctrine teeth. Modern corporate codes abolished the ultra vires challenge by statute — under the MBCA §3.04 pattern, corporate action may not be attacked for lack of power outside three narrow proceedings. But nothing requires a state to keep it that way: the doctrine was retired by statute and is revived by statute, and this Act creates its own ultra vires regime, as valid as the doctrine ever was. Paragraph (2) then closes the equitable escapes — ratification, waiver, estoppel, reliance — so nothing launders the spending, and the void act generates no rights, obligations, or defenses in anyone's hands.
(c) The voidness of a purported exercise of political spending power under this section does not limit forfeiture, disgorgement, injunctive relief, revocation, or any other remedy authorized by this Act.	Remedies are cumulative. Voidness describes the Act's legal effect; Sections 7 and 8 supply what the State may do about it.
Section 7. Forfeiture of charter privileges; reinstatement.	
(a) An artificial person that exercises or purports to exercise political spending power in violation of Sections 4(d) or	Forfeiture operates as a matter of law — self-executing, with Section 8 supplying the process for confirmation and contest. Note the calibration:

MODEL TEXT	ANNOTATION
4(e) forfeits all charter privileges conferred by the laws of this State as a matter of law.	the entity is not dissolved. It continues to exist, continues to transact, continues to litigate. What lapses is the privileges — limited liability first among them. The consequence is severe, proportionate, and structurally honest: the entity that acts outside the condition of its state-conferred benefits loses the benefits, not its existence and not its voice. Forfeiture is automatic; dissolution never is. A corporation stripped of every charter privilege is still a corporation — existence and privileges are different things. Revocation exists in the remedial menu, but as a separate remedy the Attorney General must seek and a court must grant under Section 8(b).
(b) Charter privileges forfeited under this section include, without limitation, limited liability, perpetual duration, succession in entity name, and any statutory limitation on personal liability conferred by the laws of this State.	The content of forfeiture made explicit, echoing the Section 3(3) inventory so no one has to construe it.
(c) An artificial person whose charter privileges are forfeited may be reinstated only pursuant to procedures administered by the State and only upon: (1) full disgorgement of all money or things of value expended, contributed, transferred, or disbursed in the exercise or purported exercise of political spending power; and (2) certification of future compliance with this Act.	The route back. Reinstatement exists, it runs through the State, and its price is restoration of the status quo — every dollar spent, disgorged — plus a compliance certification. A consequences regime with a defined exit is easier to administer, easier to defend, and harder to caricature.
(d) For an artificial person organized or existing under the laws of another jurisdiction, forfeiture under this section reaches only authority, status, charter privileges, liability limitations, and other legal effects conferred by the laws of this State. This Act does not alter the law of another jurisdiction or the formation, existence, or status of an artificial person under that law.	The comity limit on consequences, matching Section 4(g)'s limit on coverage. The Act cannot touch a Delaware charter and does not pretend to; what it withdraws from a foreign entity is what this State supplied — authority to transact, in-state privileges, in-state liability limitations. Nothing more, because nothing more is the State's to withdraw.

MODEL TEXT	**ANNOTATION**
(e) For purposes of this section, “disgorgement” means payment to the State of the amount of money and the fair-market value of any thing of value, expended, contributed, transferred, or disbursed in the exercise or purported exercise of political spending power, as determined by the Secretary of State or a court of competent jurisdiction.	Disgorgement appears twice — as a condition of reinstatement the entity elects to satisfy under Section 7(c), and as relief the Attorney General may seek under Section 8(b). Section 8(b) uses the same term and carries the same measure: the amount spent, at fair market value, with no multiplier.
Section 8. Administration and enforcement.	
(a) The Secretary of State shall administer this Act and shall adopt rules to implement this Act, including rules establishing procedures for the forfeiture and reinstatement of charter privileges, disgorgement, certification of compliance, and notice and opportunity to be heard consistent with due process; rules defining or further specifying the exclusions set forth in Section 3(4)(b); rules specifying when a measure is eligible for circulation for signature for purposes of Section 3(4); rules defining “de minimis”; rules specifying the circumstances under which a communication is distributed, republished, promoted, or otherwise made available to the general public; and rules specifying the persons who qualify as members for purposes of Sections 3(4)(b)(iii) and 3(4)(b)(v).	The rulemaking delegation is itemized: the terms most in need of administrative specification — de minimis, member, public availability, measure-eligibility timing. The statute stays lean; precision arrives by rule, and the statute itself directs that the rules provide notice and an opportunity to be heard consistent with due process. Sequence matters in adaptation: the rules should exist before the Act operates. Set the effective date after the rulemaking window, or direct interim rules, so that the Section 3(4)(b) exclusions arrive with their definitions. A different objection — that the redefinition or the forfeiture architecture itself deprives the entity of something without process — fails at the threshold: the Supreme Court has long held that an entity chartered under a reserved power is on notice, from the law itself, that its powers and privileges can be changed at any time — or eliminated altogether. The rules supply the operational detail; the reserved power answers the claim of surprise. An entity cannot complain of the exercise of an authority it accepted on the way in.
(b) The Attorney General has authority and responsibility to bring actions to enforce this Act, including actions seeking declaratory relief, injunctive relief, disgorgement, confirmation of forfeiture of charter privileges, revocation of an artificial person’s charter or authority to transact business	The Attorney General’s remedial menu matches the Act’s architecture: declaratory and injunctive relief, disgorgement, confirmation of forfeiture, revocation of charter or of authority to transact — remedies of status, escalating with the State’s election. None is a fine, and none varies with what anyone said. The “authority and responsibility” pairing is deliberate: enforcement is the State’s obligation, not a discretionary afterthought.

MODEL TEXT	ANNOTATION
in this State, and confirmation or enforcement of forfeiture.	
Section 9. Supersession and construction.	
(a) The powers of an artificial person under the laws of this State are limited to artificial-person powers as defined in this Act. (b) No provision of this State's corporation or entity statutes may be construed to grant political spending power to an artificial person except as provided in Section 4(f).	The uniform-definition rules — purpose 2(7)(c) operationalized. One definition of entity powers governs, and no entity statute anywhere in the code may be read to grant the excluded capacity.
(c) Any grant of power, authority, or capacity to an artificial person that could otherwise be construed to include political spending power is superseded by this Act and shall be given no effect.	The sweep clause. State codes accrete power grants across dozens of chapters — nonprofit, cooperative, banking, insurance, utilities, special charters dating back a century. Section 9(c) catches whatever the conforming amendments miss. It is a safety net, not a substitute for the sweep itself.
Section 10. Savings.	
(a) Nothing in this Act invalidates, impairs, or modifies any contract, debt instrument, security, or other legal obligation lawfully entered into before the effective date of this Act. (b) Nothing in this Act authorizes the exercise or purported exercise of political spending power on or after the effective date.	Subsection (a) is Contract Clause hygiene, paired with Section 4(c): every obligation lawfully created before the effective date stands. Subsection (b) is the anti-loophole clause — the savings provision preserves obligations, not the capacity to spend going forward. A pre-enactment pledge to fund electoral spending does not survive as a license; it survives, if at all, as whatever the law of contracts makes of a promise the promisor no longer has capacity to perform.
Section 11. Severability; nonrevival; inseverability.	
(a) Except as provided in subsection (c), if any provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications that can be	Standard severability, expressly subordinated to the inseverability rule in subsection (c).

MODEL TEXT	ANNOTATION
given effect without the invalid provision or application.	
(b) A power, privilege, or capacity withdrawn or not granted by this Act may not be revived, reinstated, or implied by operation of law or judicial construction.	The nonrevival clause — the remedial wall. A court reviewing a statute holds an eraser, not a pen: it can strike text, but striking text cannot write a power into a code that does not grant it. And after Section 4(b), there is no prior baseline waiting to spring back — the old grants are gone, revoked in the same instant the new one issued. This subsection makes that consequence explicit: no revival by operation of law, no reinstatement by construction. A court that wanted to restore political spending power would have to explain what enactment, exactly, it was restoring.
(c) No provision of this Act, and no other provision of law, may be construed, severed, or applied to confer, recognize, revive, reinstate, or imply political spending power in an artificial person. If invalidation of any provision would otherwise result in an artificial person acquiring, retaining, reviving, or being deemed to possess political spending power, the grant, recognition, extension, or preservation of powers, privileges, or capacities to the affected class of artificial persons is inseverable from the invalid provision and has no force or effect. The Legislature would not have enacted a grant of artificial-person powers that includes political spending power. In any other case, subsection (a) governs and the remaining provisions of this Act continue in full effect.	The inseverability rule, and after the grant itself the most important provision in the Act. Severability doctrine asks which statutory world the legislature would prefer among the ones a court could leave behind; this subsection answers the question in text, which is exactly where courts look for the answer. The architecture matters. The first sentence forecloses construction, severance, or application that would confer the power. The second does the real work: if invalidating something would leave an entity holding political spending power, the grant producing that result falls with the invalid provision rather than surviving it. The challenger's best outcome is nothing. "The affected class of artificial persons" is doing deliberate work and should not be trimmed. It ties the inseverability to the class of entities touched by the invalidated provision rather than to any grant of powers anywhere in the law. A shorter formulation reads cleaner and sweeps wider, which is the wrong trade in a provision whose whole virtue is precision. An earlier version of this subsection stated a legislative preference that an entity possess no powers at all rather than acquire political spending power. States working from that version should take this one. It solves the same remedial problem

MODEL TEXT	ANNOTATION
	without affirmatively commanding universal corporate incapacity, and it does not ask a court to contemplate a statutory world in which entities hold nothing — an outcome no legislature actually wants and no court wants to author. Note the posture, because legislators will ask. This is not defiance of judicial review and is not addressed to any court in anger. It is information supplied in advance about how remedies operate in this domain. Invalidation ordinarily restores a prior baseline; here there is none — Section 4(b) removed it and Section 11(b) bars its revival — so a court weighing invalidation can see, before deciding, that the remedy cannot produce what the challenger came for. The clause spares the court a discovery it would otherwise make at the end of the case. Counsel or legislators will be tempted to soften this paragraph. Don't. It survives in substance or the Act's remedial architecture goes with it.
Section 12. Effective date.	
This Act shall take effect January 1, 20__.	It's go time.

Questions on any provision, or on the fit between this text and a particular state's code, may be directed to Tom Moore, senior fellow for democracy and government at the Center for American Progress (email: tmoore@americanprogress.org).