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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- RHODE
ISLAND CORPORATE POWER RESET ACT

Introduced By: Senators McKenney, Bissaillon, Britto, Murray, and Zurier

Date Introduced: February 13, 2026

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings and purpose.

2 The General Assembly finds and declares that:

3 (1) All political power is inherent in the people, and corporations and other artificial
4 persons are creations of statute that exist only by virtue of powers affirmatively extended by the
5 State.

6 (2) The creation, continued existence, and enjoyment of charter privileges by an artificial
7 person are not natural rights; they are conditional grants of legal status made by the State and
8 accepted subject to the State's reserved authority to define, limit, revise, or withdraw the powers
9 and privileges it confers.

10 (3) Rhode Island law has historically included broad grants of powers to artificial persons,
11 including powers described as necessary or convenient to lawful purposes, and these broad
12 formulations have more recently been construed to include the legal capacity to engage in political
13 spending, including both monetary expenditures and expenditures of other things of value, to
14 support or oppose the outcome of a vote of the electorate.

15 (4) Because the general grants of powers to artificial persons have been construed to
16 include political spending power in a manner that does not reflect the will of the people, it is
17 therefore necessary to enact this act to redefine those grants and make their contents explicit, in
18 order that the legal privileges conferred on artificial persons by the people through the State are not

1 used to compromise the integrity of the people’s political process.

2 (5) The general assembly finds that every artificial person formed under the laws of this
3 State, or authorized to transact business or hold property in this State, has accepted its legal status
4 and any charter privileges subject to the continuing authority of the State to define the scope of its
5 powers; that an artificial person has not acquired a vested right to the continuation of a particular
6 statutory grant of power; and that this principle is well established in law.

7 (6) The purposes of this act are to:

8 (i) Establish that State-conferred legal status and charter privileges are granted to an
9 artificial person only on the condition that the artificial person operates within the powers extended
10 by the State;

11 (ii) Make explicit that political spending power is not among the powers extended to
12 artificial persons, except as expressly provided by law for political committees;

13 (iii) Establish a single, uniform definition of the powers extended to artificial persons under
14 this act;

15 (iv) Provide clear and enforceable consequences for the exercise of political spending
16 power not extended by the State; and

17 (v) Leave wholly undisturbed the constitutional rights of natural persons.

18 SECTION 2. Title 7 of the General Laws entitled "CORPORATIONS, ASSOCIATIONS,
19 AND PARTNERSHIPS" is hereby amended by adding thereto the following chapter:

20 CHAPTER 9.1

21 RHODE ISLAND CORPORATE POWER RESET ACT

22 **7-9.1-1. Short title.**

23 This chapter shall be known and may be cited as the "Rhode Island Corporate Power Reset
24 Act."

25 **7-9.1-2. Definitions.**

26 As used in this chapter:

27 (1) "Artificial person" means an entity whose existence, legal status, or limited liability is
28 conferred by the laws of this state, including an entity organized or existing under the laws of
29 another jurisdiction that is authorized to transact business, is otherwise transacting business, or
30 holds property in this state. An entity organized or existing under the laws of another jurisdiction
31 that directly or indirectly undertakes, finances, or directs acts constituting political spending power
32 in this state is conclusively deemed to be transacting business in this state for purposes of
33 jurisdiction and enforcement.

34 (2) "Artificial-person powers" means the powers necessary or convenient for an artificial

1 person to carry out lawful business, charitable, cooperative, or organizational purposes as provided
2 by Rhode Island law, excluding political spending power. Political spending power shall not be
3 deemed necessary or convenient under any circumstances.

4 (3) "Charter privileges" means any legal benefit that exists only because the state confers
5 it on an artificial person, including limited liability, perpetual duration, succession in entity name,
6 or any statutory limitation on personal liability.

7 (4) "Political spending power" means the legal capacity to pay, contribute, expend, transfer,
8 or disburse money or anything of value to support or oppose:

9 (i) A candidate, political party, or political committee in an election held in this state; or

10 (ii) An initiative, referendum, recall, constitutional amendment, charter amendment, or any
11 other question formally certified or submitted to the electors of this state or any political subdivision
12 of this state. "Political spending power" does not include the distribution of bona fide news,
13 commentary, or editorial content, unless the publishing entity is owned or controlled by a political
14 party, a political committee, or a candidate. Political spending power may be exercised by political
15 committees organized and regulated under the election laws of this state or under federal law, as
16 provided by those laws.

17 **7-9.1-3. General rule -- Revocation and regrant of artificial-person powers.**

18 (a) The creation and continued existence of an artificial person is not a right but a
19 conditional grant of legal status by the state and remains subject to complete withdrawal at any
20 time. All powers previously granted to artificial persons under the laws of this state are revoked in
21 their entirety. An artificial person operating under the jurisdiction of this state shall possess no
22 power unless specifically granted by this section.

23 (b) Unless its organizational documents provide otherwise, every artificial person has
24 perpetual duration and succession in its name and is hereby granted the artificial-person powers
25 defined in § 7-9.1-2, consisting of the powers necessary or convenient to carry out its lawful
26 business, charitable, cooperative, or organizational purposes, excluding any power to directly or
27 indirectly exercise political spending power.

28 (c) The absence of political spending power is a condition of state-conferred legal status
29 and charter privileges. An artificial person that exercises political spending power not extended by
30 the state acts outside the powers granted as a condition of that status.

31 **7-9.1-4. Applicability.**

32 (a) This chapter applies to all artificial persons formed, organized, or existing under the
33 laws of this state.

34 (b) This chapter applies to any artificial person organized under the laws of another

1 jurisdiction that is authorized to transact business, is otherwise transacting business, or holds
2 property in this state.

3 (c) This chapter applies to any trust, statutory trust, business trust, or similar arrangement
4 to the extent the laws of this state confer limited liability, perpetual duration, succession in name,
5 or any other charter privilege by reason of that form.

6 (d) This chapter does not apply to:

7 (1) Natural persons acting solely in an individual capacity;

8 (2) The state or any agency, authority, or political subdivision of the state; or

9 (3) Any public body corporate and politic expressly identified as such by statute.

10 (e) This chapter does not restrict the lawful activities of political committees organized and
11 regulated under the election laws of this state or under federal law.

12 **7-9.1-5. Ultra vires acts -- Voidness -- Nonratification.**

13 (a) An act by an artificial person that constitutes an exercise of political spending power
14 not extended by the state is ultra vires and void.

15 (b) An act described in subsection (a) of this section:

16 (1) Is void from the beginning (ab initio);

17 (2) May not be ratified, validated, or given effect by consent, waiver, estoppel, reliance,
18 course of dealing, or any other equitable doctrine; and

19 (3) Creates no enforceable rights, obligations, or defenses.

20 (c) The character of an act that is beyond the scope of authority under this section arises
21 solely from the absence of political spending power as a condition of state-conferred legal status
22 and charter privileges.

23 **7-9.1-6. Forfeiture of charter privileges -- Reinstatement.**

24 (a) An artificial person that exercises political spending power not extended by the state
25 forfeits all charter privileges as a matter of law.

26 (b) Charter privileges forfeited under this section include, without limitation, limited
27 liability, perpetual duration, succession in entity name, and any statutory limitation on personal
28 liability conferred by the laws of this state.

29 (c) Forfeiture under this section applies only to charter privileges conferred by the laws of
30 this state and does not purport to affect privileges conferred by the laws of another jurisdiction.

31 (d) An artificial person whose charter privileges are forfeited under this section shall be
32 reinstated only pursuant to procedures administered by the state and only upon:

33 (1) Full disgorgement of all money or things of value expended, contributed, transferred,
34 or disbursed in the exercise of political spending power;

- 1 (2) Certification of future compliance with this chapter; and
2 (3) Satisfaction of any additional conditions as authorized by law.
3 (e) Disgorgement under this section is required regardless of whether the political spending
4 supported or opposed a position, candidate, or question that prevailed or failed.

5 **7-9.1-7. Administration and enforcement.**

6 (a) The secretary of state shall administer this chapter and shall adopt rules and regulations
7 necessary to implement forfeiture of charter privileges, reinstatement, disgorgement, certification
8 of compliance, notice, and opportunity to be heard consistent with due process.

9 (b) The attorney general has the authority and responsibility to bring actions to enforce this
10 chapter, including actions seeking declaratory relief, injunctive relief, disgorgement, confirmation
11 of forfeiture of charter privileges, revocation of an artificial person's charter or authority to transact
12 business in this state, and confirmation or enforcement of forfeiture.

13 (c) The authority provided by this section is in addition to any other authority provided by
14 law.

15 **7-9.1-8. Supersession and construction.**

16 (a) The powers of an artificial person under the laws of this state are limited to artificial-
17 person powers as defined in this chapter.

18 (b) No provision of title 7 or any other law of this state may be construed to extend political
19 spending power to an artificial person except as expressly provided by law for political committees.

20 (c) Any grant of power, authority, or capacity to an artificial person that could otherwise
21 be construed to include political spending power is superseded by this chapter and shall be given
22 no effect.

23 **7-9.1-9. Effect on organizational documents.**

24 Any provision of articles of incorporation, articles of organization, partnership agreements,
25 operating agreements, bylaws, trust instruments, or other organizational documents purporting to
26 grant or confer political spending power is void.

27 **7-9.1-10. Savings.**

28 (a) Nothing in this chapter invalidates, impairs, or modifies any contract, debt instrument,
29 security, or other legal obligation lawfully entered into before the effective date of this chapter.

30 (b) Nothing in this chapter authorizes the exercise of political spending power on or after
31 the effective date.

32 **7-9.1-11. Severability -- Nonrevival -- Preference.**

33 (a) If any provision of this chapter or its application to any person or circumstance is held
34 invalid, the invalidity does not affect other provisions or applications that can be given effect

1 without the invalid provision or application.

2 (b) A power, privilege, or capacity withdrawn or not extended by this chapter shall not be
3 revived, reinstated, or implied by operation of law or judicial construction.

4 (c) It is the preference of the general assembly that, if any portion of this chapter is held
5 invalid, an artificial person shall possess no powers at all rather than acquire political spending
6 power.

7 SECTION 3. Section 17-25-10.1 of the General Laws in Chapter 17-25 entitled "Rhode
8 Island Campaign Contributions and Expenditures Reporting" is hereby amended to read as follows:

9 **17-25-10.1. Political contributions — Limitations.**

10 (a)(1) No person, other than the candidate to his or her own campaign, nor any political
11 action committee shall make a contribution or contributions to any candidate, as defined by § 17-
12 25-3, or political action committee or political party committee that, in the aggregate, exceed two
13 thousand dollars (\$2,000) within a calendar year; nor shall any political action committee make
14 such contributions that in the aggregate, exceed twenty-five thousand dollars (\$25,000) within a
15 calendar year; nor shall any candidate or any political action committee or any political party
16 committee accept a contribution or contributions that, in the aggregate, exceed two thousand dollars
17 (\$2,000) within a calendar year from any one person or political action committee.

18 (2) Notwithstanding the provisions of subsection (a)(1) of this section, a person or political
19 action committee or political party committee may contribute an amount that in the aggregate, does
20 not exceed ten thousand dollars (\$10,000) within a calendar year to a political party committee,
21 which funds can be utilized for organizational and party building activities, but shall not be used
22 for contributions to candidates state and local for public office.

23 (b) Contributions to a named candidate made to any political committee authorized by that
24 candidate to accept contributions on the candidate's behalf shall be considered to be contributions
25 made to the candidate. Contributions to a candidate by a political committee for another person
26 shall be considered to be contributions by that person.

27 (c) Expenditures made by any person in cooperation, consultation, or concert with, or at
28 the request or suggestion of, a candidate, the candidate's authorized political committees, or their
29 agents shall be considered to be a contribution to the candidate.

30 (d) The financing by any person of the dissemination, distribution, or republication, in
31 whole or in part, of any broadcast or any written, graphic, or other form of campaign materials
32 prepared by the candidate, the candidate's campaign committees, or their authorized agents shall
33 be considered to be a contribution to a candidate.

34 (e) Nothing in this section shall be construed to restrict political party committees

1 organized pursuant to this title from making contributions to the candidates of that political party;
2 provided, that these contributions, other than allowable “in-kind” contributions, shall not exceed,
3 in the aggregate, twenty-five thousand dollars (\$25,000) to any one candidate within a calendar
4 year; nor shall any candidate accept a contribution or contributions, other than allowable “in-kind”
5 contributions, that, in the aggregate, exceed twenty-five thousand dollars (\$25,000) within a
6 calendar year from all committees of his or her political party. There shall be no restriction on the
7 amount of “in-kind” contributions that a political party committee may make to a candidate of its
8 political party; provided, that for the purposes of this subsection only, the cost of any preparation
9 and airing of television and/or radio advertisements and the cost of any print advertisements shall
10 not be considered an allowable “in-kind” contribution and shall be subject to the aggregate
11 limitation of twenty-five thousand dollars (\$25,000).

12 (f)(1) A contribution from an individual’s dependent children, as defined in § 36-14-2, shall
13 be deemed a contribution from the individual for the purpose of determining whether aggregate
14 contributions exceed either the two hundred dollar (\$200) threshold for reporting purposes or the
15 two thousand dollar (\$2,000) maximum for contributions to a single candidate or political action
16 committee within a calendar year.

17 (2) No dependent child shall contribute an amount that, when added to contributions
18 already made by that child’s parent or legal guardian and by other dependent children of that parent
19 or legal guardian, exceed the two thousand dollar (\$2,000) maximum for contributions to a single
20 candidate or political action committee within a calendar year.

21 (g) Nothing in this section shall be construed to restrict the amount of money that a
22 candidate can borrow in his or her own name, and subsequently contribute or loan to his or her own
23 campaign.

24 (h)(1) It shall be unlawful for any corporation, whether profit or non-profit, domestic
25 corporation or foreign corporation, as defined in § 7-1.2-106, or other business entity to make any
26 campaign contribution or expenditure, as defined in § 17-25-3, to or for any candidate, political
27 action committee, or political party committee, or for any candidate, political action committee, or
28 political party committee to accept any campaign contribution or expenditure from a corporation
29 or other business entity. Any contribution made in the personal name of any employee of a
30 corporation or other business entity, for which the employee received or will receive reimbursement
31 from the corporation or other business entity, shall be considered as a contribution by the
32 corporation or other business entity, in violation of this section.

33 (2) Any voluntary payroll deduction and/or contribution made by employees of a
34 corporation or other business entity shall not be deemed a contribution of a corporation or other

1 business entity, notwithstanding that the contributions were sent to the recipient by the corporation
2 or other business entity.

3 (3) Pursuant to the provisions of chapter 9.1 of title 7 ("Rhode Island corporate power reset
4 act"), any contributions received from an artificial person as defined in § 7-9.1-2 consisting of the
5 exercise of the political spending power as defined in § 7-9.1-2 shall be ultra vires, void and
6 prohibited as an unlawful campaign contribution or expenditure pursuant to the provisions of this
7 subsection.

8 (i) All contributions of funds shall be by check, money order, or credit card and may be
9 made over the internet, but in each case the source of the funds must be identified; provided, that
10 candidates, political action committees, and political party committees may accept contributions in
11 cash that do not exceed twenty-five dollars (\$25.00) in the aggregate from an individual within a
12 calendar year. The cash contribution must be delivered directly by the donor to the candidate, the
13 campaign treasurer, or deputy treasurer. The treasurer or deputy treasurer shall maintain a record
14 of the name and address of all persons making these cash contributions.

15 (j) Except as provided in subsection (h) of this section, no entity other than an individual,
16 a political action committee which is duly registered and qualified pursuant to the terms of this
17 chapter, political party committee authorized by this title, or an authorized committee of an elected
18 official or candidate established pursuant to this chapter shall make any contribution to or any
19 expenditure on behalf of or in opposition to any candidate, political action committee, or political
20 party.

21 (k) For purposes of the limitations imposed by this section, all contributions made by a
22 person, either directly or indirectly, on behalf of a particular candidate, including contributions that
23 are in any way earmarked or otherwise directed through an intermediary or conduit to such
24 candidate, shall be treated as contributions from such person to such candidate. The intermediary
25 or conduit shall report the original source and the intended recipient of such contribution to the
26 board of elections and to the intended recipient, in accordance with regulations and reporting
27 requirements promulgated by the board of elections.

28 SECTION 4. This act shall take effect on January 1, 2027.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- RHODE
ISLAND CORPORATE POWER RESET ACT

1 This act would remove corporate and dark-money spending from all Rhode Island elections
2 and ballot questions by revoking all previously granted artificial-person powers and regranting a
3 narrower set of powers sufficient for ordinary business, charitable, cooperative, and organizational
4 activity, but excluding political spending power.

5 This act would take effect on January 1, 2027.

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