

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4147

(SENATE AUTHORS: **BOLDON and Marty**)

DATE	D-PG	OFFICIAL STATUS
03/04/2026	6486	Introduction and first reading Referred to Elections
03/05/2026	6523	Author added Marty
03/12/2026		Comm report: To pass as amended and re-refer to Judiciary and Public Safety

1.1 A bill for an act

1.2 relating to corporations; revoking and granting corporate powers; prohibiting

1.3 corporate powers related to election activity; amending Minnesota Statutes 2024,

1.4 sections 302A.011, by adding a subdivision; 302A.165; 317A.011, by adding a

1.5 subdivision; 317A.111, subdivision 3; 317A.165, subdivision 1; 322C.0102, by

1.6 adding a subdivision; 322C.0110, subdivision 3; Minnesota Statutes 2025

1.7 Supplement, sections 302A.111, subdivision 2; 302A.166, subdivision 1; proposing

1.8 coding for new law in Minnesota Statutes, chapters 302A; 317A; 322C; repealing

1.9 Minnesota Statutes 2024, sections 302A.161, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9,

1.10 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24; 317A.161; 322C.0105;

1.11 Minnesota Statutes 2025 Supplement, section 302A.161, subdivision 23a.

1.12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.13 Section 1. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision

1.14 to read:

1.15 Subd. 10a. Election activity. (a) "Election activity" means making campaign expenditures

1.16 or independent expenditures, distributing electioneering communications, or contributing

1.17 or making in-kind contributions to directly or indirectly:

1.18 (1) aid, promote, or defeat the endorsement, nomination, or election of a candidate;

1.19 (2) aid or promote the interests, success, or defeat of any political party; ballot question

1.20 political committee or fund; independent expenditure political committee or fund; or political

1.21 committee or fund; or

1.22 (3) aid, promote, or defeat the passage of a ballot question.

1.23 (b) Election activity does not include any bona fide news story, commentary, or editorial

1.24 distributed through the facilities of a broadcasting station or of any print, online, or digital

1.25 newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print,

2.1 online, or digital facility is owned or controlled by a political party, political committee, or
2.2 candidate.

2.3 (c) The definitions in chapter 10A apply to this subdivision.

2.4 Sec. 2. Minnesota Statutes 2025 Supplement, section 302A.111, subdivision 2, is amended
2.5 to read:

2.6 Subd. 2. **Statutory provisions that may be modified only in articles or in a**
2.7 **shareholder control agreement.** The following provisions govern a corporation unless
2.8 modified in the articles or in a shareholder control agreement under section 302A.457:

2.9 (a) a corporation has general business purposes (section 302A.101);

2.10 (b) a corporation has perpetual existence and certain powers (section ~~302A.161~~
2.11 302A.162);

2.12 (c) the power to adopt, amend, or repeal the bylaws is vested in the board (section
2.13 302A.181);

2.14 (d) a corporation must allow cumulative voting for directors (section 302A.215,
2.15 subdivision 2);

2.16 (e) the affirmative vote of a majority of directors present is required for an action of the
2.17 board (section 302A.237);

2.18 (f) a written action by the board taken without a meeting must be signed by all directors
2.19 (section 302A.239);

2.20 (g) the board may authorize the issuance of securities and rights to purchase securities
2.21 (section 302A.401, subdivision 1);

2.22 (h) all shares are common shares entitled to vote and are of one class and one series
2.23 (section 302A.401, subdivision 2, clauses (a) and (b));

2.24 (i) all shares have equal rights and preferences in all matters not otherwise provided for
2.25 by the board (section 302A.401, subdivision 2, clause (b));

2.26 (j) the par value of shares is fixed at one cent per share for certain purposes and may be
2.27 fixed by the board for certain other purposes (section 302A.401, subdivision 2, clause (c));

2.28 (k) the board or the shareholders may issue shares for any consideration or for no
2.29 consideration to effectuate share dividends, divisions, or combinations, and determine the
2.30 value of nonmonetary consideration (section 302A.405, subdivision 1);

3.1 (l) shares of a class or series must not be issued to holders of shares of another class or
3.2 series to effectuate share dividends, divisions, or combinations, unless authorized by a
3.3 majority of the voting power of the shares of the same class or series as the shares to be
3.4 issued (section 302A.405, subdivision 1);

3.5 (m) a corporation may issue rights to purchase securities whose terms, provisions, and
3.6 conditions are fixed by the board (section 302A.409);

3.7 (n) a shareholder has certain preemptive rights, unless otherwise provided by the board
3.8 (section 302A.413);

3.9 (o) the affirmative vote of the holders of a majority of the voting power of the shares
3.10 present and entitled to vote at a duly held meeting is required for an action of the
3.11 shareholders, except where this chapter requires the affirmative vote of a plurality of the
3.12 votes cast (section 302A.215, subdivision 1) or a majority of the voting power of all shares
3.13 entitled to vote (section 302A.437, subdivision 1);

3.14 (p) shares of a corporation acquired by the corporation may be reissued (section
3.15 302A.553, subdivision 1);

3.16 (q) each share has one vote unless otherwise provided in the terms of the share (section
3.17 302A.445, subdivision 3);

3.18 (r) a corporation may issue shares for a consideration less than the par value, if any, of
3.19 the shares (section 302A.405, subdivision 2);

3.20 (s) the board may effect share dividends, divisions, and combinations under certain
3.21 circumstances without shareholder approval (section 302A.402);

3.22 (t) a written action of shareholders must be signed by all shareholders (section 302A.441);

3.23 (u) specified amendments of the articles create dissenters' rights (section 302A.471,
3.24 subdivision 1, clause (a));

3.25 (v) shareholders are entitled to vote as a class or series upon proposed amendments to
3.26 the articles in specified circumstances (section 302A.137); and

3.27 (w) the corporation's business and affairs must be managed by or under the board's
3.28 direction (section 302A.201).

4.1 Sec. 3. **[302A.162] REVOCATION AND GRANT OF CORPORATE POWERS;**
4.2 **LIMITATIONS.**

4.3 Subdivision 1. **Statement of intent.** It is the intent of the legislature to revoke all powers
4.4 previously given to corporations or foreign corporations under this chapter and grant a new
4.5 set of powers with limitations, including a prohibition against any power to engage in
4.6 election activity.

4.7 Subd. 2. **Revocation of powers.** All powers, privileges, and capacities previously granted
4.8 to corporations or foreign corporations under the laws of this state are revoked in their
4.9 entirety.

4.10 Subd. 3. **Grant of powers.** No corporation or foreign corporation operating under the
4.11 jurisdiction of this state shall possess any power, privilege, or capacity, unless specifically
4.12 granted by this section or other statutes of this state and subject to the limitations provided
4.13 in this section, other statutes of this state, and the articles.

4.14 Subd. 4. **Duration.** A corporation has perpetual duration.

4.15 Subd. 5. **Legal capacity.** A corporation may sue and be sued, complain and defend, and
4.16 participate as a party or otherwise in any legal, administrative, or arbitration proceeding in
4.17 its corporate name.

4.18 Subd. 6. **Property ownership.** A corporation may purchase, lease, or otherwise acquire,
4.19 own, hold, improve, use, and otherwise deal in and with real or personal property, or any
4.20 interest therein, wherever situated.

4.21 Subd. 7. **Property disposition.** A corporation may sell, convey, mortgage, create a
4.22 security interest in, lease, exchange, transfer, or otherwise dispose of all or any part of its
4.23 real or personal property, or any interest therein, wherever situated.

4.24 Subd. 8. **Trading in securities; obligations.** A corporation may purchase, subscribe
4.25 for, or otherwise acquire, own, hold, vote, use, employ, sell, exchange, mortgage, lend,
4.26 create a security interest in, or otherwise dispose of and otherwise use and deal in and with,
4.27 securities or other interests in, or obligations of, a person or direct or indirect obligations
4.28 of any domestic or foreign government or instrumentality thereof.

4.29 Subd. 9. **Contracts; mortgages.** A corporation may make contracts and incur liabilities,
4.30 borrow money, issue its securities, and secure any of its obligations by mortgage of or
4.31 creation of a security interest in all or any of its property, franchises, and income.

4.32 Subd. 10. **Investments.** A corporation may invest and reinvest its money.

5.1 Subd. 11. **Holding property as security.** A corporation may take and hold real and
5.2 personal property, whether or not of a kind sold or otherwise dealt in by the corporation, as
5.3 security for the payment of money loaned, advanced, or invested.

5.4 Subd. 12. **Location.** A corporation may conduct its business, carry on its operations,
5.5 have offices, and exercise the powers granted by this chapter anywhere in the universe.

5.6 Subd. 13. **Donations.** A corporation may make donations, irrespective of corporate
5.7 benefit, for the public welfare; for social, community, charitable, religious, educational,
5.8 scientific, civic, literary, and testing for public safety purposes, and for similar or related
5.9 purposes; for the purpose of fostering national or international amateur sports competition;
5.10 and for preventing cruelty to children and animals.

5.11 Subd. 14. **Pensions; benefits.** A corporation may pay pensions, retirement allowances,
5.12 and compensation for past services to and for the benefit of, and establish, maintain, continue,
5.13 and carry out, wholly or partially at the expense of the corporation, employee or incentive
5.14 benefit plans, trusts, and provisions to or for the benefit of, any or all of its and its related
5.15 organizations' officers, managers, directors, governors, employees, and agents and, in the
5.16 case of a related organization that is a limited liability company, members who provide
5.17 services to the limited liability company, and the families, dependents, and beneficiaries of
5.18 any of them. It may indemnify and purchase and maintain insurance for and on behalf of a
5.19 fiduciary of any of these employee benefit and incentive plans, trusts, and provisions.

5.20 Subd. 15. **Participating in management.** A corporation may participate in any capacity
5.21 in the promotion, organization, ownership, management, and operation of any organization
5.22 or in any transaction, undertaking, or arrangement that the participating corporation would
5.23 have power to conduct by itself, whether or not the participation involves sharing or
5.24 delegating control with or to others.

5.25 Subd. 16. **Insurance.** A corporation may provide for its benefit life insurance and other
5.26 insurance with respect to the services of any or all of its officers, directors, employees, and
5.27 agents, or on the life of a shareholder for the purpose of acquiring at the death of the
5.28 shareholder any or all shares in the corporation owned by the shareholder.

5.29 Subd. 17. **Corporate seal.** A corporation may have, alter at pleasure, and use a corporate
5.30 seal as provided in section 302A.163.

5.31 Subd. 18. **Bylaws.** A corporation may adopt, amend, and repeal bylaws relating to
5.32 managing the business or regulating the affairs of the corporation as provided in section
5.33 302A.181.

6.1 Subd. 19. **Committees.** A corporation may establish committees of the board of directors,
6.2 elect or appoint persons to the committees, define their duties as provided in section
6.3 302A.241, and fix their compensation.

6.4 Subd. 20. **Officers; employees; agents.** A corporation may elect or appoint officers,
6.5 employees, and agents of the corporation, define their duties as provided in sections 302A.301
6.6 to 302A.361, and fix their compensation.

6.7 Subd. 21. **Securities.** A corporation may issue securities and rights to purchase securities
6.8 as provided in sections 302A.401 to 302A.425.

6.9 Subd. 22. **Loans; guaranties; sureties.** A corporation may lend money to, guarantee
6.10 an obligation of, become a surety for, or otherwise financially assist persons as provided in
6.11 section 302A.501.

6.12 Subd. 23. **Advances.** A corporation may make advances to its directors, officers, and
6.13 employees and those of its subsidiaries as provided in section 302A.505.

6.14 Subd. 24. **Indemnification.** A corporation shall indemnify those persons identified in
6.15 section 302A.521 against certain expenses and liabilities only as provided in section
6.16 302A.521 and may indemnify other persons.

6.17 Subd. 25. **Assumed names.** A corporation may conduct all or part of its business under
6.18 one or more assumed names as provided in sections 333.001 to 333.06.

6.19 Subd. 26. **Emergency powers.** (a) During an emergency, unless emergency bylaws
6.20 provide otherwise:

6.21 (1) notice of a meeting of the board must be given only to the directors that are practicable
6.22 to reach and may, if ordinary notice is impracticable or inadvisable due to the emergency,
6.23 be given in any practicable manner; and

6.24 (2) the officers designated on a list approved by the board of directors before the
6.25 emergency, in the priority order and subject to conditions as may be provided in the board
6.26 resolution approving the list, must, to the extent required to provide a quorum at any meeting
6.27 of the board, be deemed directors for the meeting.

6.28 (b) During an emergency that makes it impracticable to convene a meeting of shareholders
6.29 in accordance with this chapter, the articles or bylaws, or as specified in a notice for the
6.30 meeting previously given, unless emergency bylaws provide otherwise, the board may
6.31 postpone a meeting of shareholders for which notice has been given or authorize shareholders
6.32 to participate in a meeting by any means of remote communication that conforms with
6.33 section 302A.436. The corporation must give notice to shareholders, by the means and with

7.1 shorter advance notice as are reasonable in the circumstances, of a postponement, including
 7.2 any new date, time, or place, and describe any means of remote communication to be used.
 7.3 The notice to shareholders by a publicly held corporation may be given solely by means of
 7.4 a document publicly filed by the corporation with the Securities and Exchange Commission
 7.5 pursuant to the rules and regulations under the Securities Exchange Act of 1934, United
 7.6 States Code, title 15, section 78a, et seq.

7.7 (c) A corporate action taken in good faith under this subdivision during an emergency
 7.8 to further the business and affairs of the corporation binds the corporation.

7.9 Subd. 27. **Other powers.** A corporation may have and exercise all other powers necessary
 7.10 or convenient to effect any or all of the business purposes for which the corporation is
 7.11 incorporated.

7.12 Subd. 28. **Limitation of powers; election activity.** Nothing in this chapter grants or
 7.13 recognizes any power to engage in election activity.

7.14 Sec. 4. Minnesota Statutes 2024, section 302A.165, is amended to read:

7.15 **302A.165 EFFECT OF LACK OF POWER; ULTRA VIRES.**

7.16 (a) The doing, continuing, or performing by a corporation of an act, or an executed or
 7.17 wholly or partially executory contract, conveyance or transfer to or by the corporation, if
 7.18 otherwise lawful, is not invalid because the corporation was without the power to do,
 7.19 continue, or perform the act, contract, conveyance, or transfer, unless the lack of power is
 7.20 established in a court in this state:

7.21 ~~(a)~~ (1) in a proceeding by a shareholder against the corporation to enjoin the doing,
 7.22 continuing, or performing of the act, contract, conveyance, or transfer. If the unauthorized
 7.23 act, continuation, or performance sought to be enjoined is being, or to be, performed or
 7.24 made pursuant to a contract to which the corporation is a party, the court may, if just and
 7.25 reasonable in the circumstances, set aside and enjoin the performance of the contract and
 7.26 in so doing may allow to the corporation or to the other parties to the contract compensation
 7.27 for the loss or damage sustained as a result of the action of the court in setting aside and
 7.28 enjoining the performance of the contract;

7.29 ~~(b)~~ (2) in a proceeding by or in the name of the corporation, whether acting directly or
 7.30 through a legal representative, or through shareholders in a representative or derivative suit,
 7.31 against the incumbent or former officers or directors of the corporation for exceeding or
 7.32 otherwise violating their authority, or against a person having actual knowledge of the lack
 7.33 of power; or

8.1 ~~(e)~~ (3) in a proceeding by the attorney general, as provided in section 302A.757, to
8.2 dissolve the corporation, or in a proceeding by the attorney general to enjoin the corporation
8.3 from the transaction of unauthorized business.

8.4 (b) This section does not apply to election activity.

8.5 Sec. 5. Minnesota Statutes 2025 Supplement, section 302A.166, subdivision 1, is amended
8.6 to read:

8.7 Subdivision 1. **Effect of ratification or validation.** (a) Except as provided in paragraph
8.8 (b) and subject to subdivision 7, a defective corporate act or putative share is not void or
8.9 voidable solely as a result of a failure of authorization if the defective corporate act or
8.10 putative share is ratified under this section or validated by a court in a proceeding brought
8.11 under section 302A.167.

8.12 (b) This section does not apply to election activity.

8.13 Sec. 6. Minnesota Statutes 2024, section 317A.011, is amended by adding a subdivision
8.14 to read:

8.15 Subd. 7b. **Election activity.** (a) "Election activity" means making campaign expenditures
8.16 or independent expenditures, distributing electioneering communications, or contributing
8.17 or making in-kind contributions to directly or indirectly:

8.18 (1) aid, promote, or defeat the endorsement, nomination, or election of a candidate;

8.19 (2) aid or promote the interests, success, or defeat of any political party; ballot question
8.20 political committee or fund; independent expenditure political committee or fund; or political
8.21 committee or fund; or

8.22 (3) aid, promote, or defeat the passage of a ballot question.

8.23 (b) Election activity does not include any bona fide news story, commentary, or editorial
8.24 distributed through the facilities of a broadcasting station or of any print, online, or digital
8.25 newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print,
8.26 online, or digital facility is owned or controlled by a political party, political committee, or
8.27 candidate.

8.28 (c) The definitions in chapter 10A apply to this subdivision.

9.1 Sec. 7. Minnesota Statutes 2024, section 317A.111, subdivision 3, is amended to read:

9.2 Subd. 3. **Statutory provisions that may be modified in articles or bylaws.** The
9.3 following provisions govern a corporation unless modified in the articles or bylaws:

9.4 (1) a certain method must be used for amending the articles (section 317A.133);

9.5 (2) a corporation has perpetual duration and certain powers (section ~~317A.161~~ 317A.162);

9.6 (3) certain procedures apply to the adoption, amendment, or repeal of bylaws by the
9.7 members with voting rights (section 317A.181);

9.8 (4) a director holds office until expiration of the director's term and election of a successor
9.9 (section 317A.207);

9.10 (5) the term of a director filling a vacancy expires at the end of the term the director is
9.11 filling (section 317A.207);

9.12 (6) the compensation of directors is fixed by the board (section 317A.211);

9.13 (7) a certain method must be used for removal of directors (section 317A.223);

9.14 (8) a certain method must be used for filling board vacancies (section 317A.227);

9.15 (9) board meetings must be held at least once per year, and if the board fails to select a
9.16 place for a board meeting, it must be held at the registered office (section 317A.231);

9.17 (10) a director may call a board meeting, and the notice of the meeting need not state
9.18 the purpose of the meeting (section 317A.231);

9.19 (11) a majority of the board is a quorum (section 317A.235);

9.20 (12) the affirmative vote of the majority of directors present is required for board action
9.21 (section 317A.237);

9.22 (13) a committee consists of one or more persons, who need not be directors, appointed
9.23 by the board (section 317A.241, subdivision 2), and a committee may create one or more
9.24 subcommittees and may delegate to a subcommittee any, or all, of the authority of the
9.25 committee (section 317A.241, subdivision 3);

9.26 (14) the president and treasurer have certain duties, until the board determines otherwise
9.27 (section 317A.305);

9.28 (15) a certain method must be used for removal of officers (section 317A.341);

9.29 (16) officers may delegate some or all of their duties and powers, if not prohibited by
9.30 the board from doing so (section 317A.351);

10.1 (17) a corporation does not have members (section 317A.401);

10.2 (18) the board may determine the consideration required to admit members (section
10.3 317A.401);

10.4 (19) all members are entitled to vote and have equal rights and preferences in matters
10.5 (section 317A.401);

10.6 (20) memberships may not be transferred (section 317A.405);

10.7 (21) a corporation with members with voting rights must hold a regular meeting of
10.8 members with voting rights annually (section 317A.431);

10.9 (22) if a specific minimum notice period has not been fixed by law, at least five days'
10.10 notice is required for a meeting of members (section 317A.435);

10.11 (23) the board may fix a date up to 60 days before the date of a members meeting as the
10.12 date for determination of the members entitled to notice of and entitled to vote at the meeting
10.13 (section 317A.437);

10.14 (24) each member with voting rights has one vote (section 317A.441);

10.15 (25) the affirmative vote of the majority of members with voting rights present and
10.16 entitled to vote is required for action of the members, unless this chapter or the articles or
10.17 bylaws require a greater vote or voting by class (section 317A.443);

10.18 (26) members with voting rights may take action at a meeting by voice or ballot, by
10.19 unanimous action without a meeting, by mailed ballot, or by electronic communication
10.20 (section 317A.443);

10.21 (27) the number of members required for a quorum is ten percent of the members entitled
10.22 to vote (section 317A.451);

10.23 (28) certain procedures govern acceptance of member acts (section 317A.455); and

10.24 (29) indemnification of certain persons is required (section 317A.521).

10.25 **Sec. 8. [317A.162] REVOCATION AND GRANT OF CORPORATE POWERS;**
10.26 **LIMITATIONS.**

10.27 **Subdivision 1. Statement of intent.** It is the intent of the legislature to revoke all powers
10.28 previously given to corporations or foreign corporations under this chapter and grant a new
10.29 set of powers with limitations, including a prohibition against any power to engage in
10.30 election activity.

11.1 Subd. 2. **Revocation of powers.** All powers, privileges, and capacities previously granted
11.2 to corporations or foreign corporations under the laws of this state are revoked in their
11.3 entirety.

11.4 Subd. 3. **Grant of powers.** No corporation or foreign corporation operating under the
11.5 jurisdiction of this state shall possess any power, privilege, or capacity, unless specifically
11.6 granted by this section or other statutes of this state and subject to the limitations provided
11.7 in this section, other statutes of this state, and its articles or bylaws.

11.8 Subd. 4. **Duration.** A corporation has perpetual duration.

11.9 Subd. 5. **Legal capacity.** A corporation may sue and be sued, and participate in a legal,
11.10 administrative, or arbitration proceeding, in its corporate name.

11.11 Subd. 6. **Property ownership.** A corporation may buy, lease, acquire, own, hold,
11.12 improve, use, and deal in and with real or personal property, or an interest in property,
11.13 wherever located.

11.14 Subd. 7. **Property disposition.** A corporation may sell, convey, mortgage, create a
11.15 security interest in, lease, exchange, transfer, or dispose of all or a part of its real or personal
11.16 property, or an interest in property, wherever located.

11.17 Subd. 8. **Trading in securities; obligations.** A corporation may buy, subscribe for,
11.18 acquire, own, hold, vote, use, employ, sell, exchange, mortgage, lend, create a security
11.19 interest in, dispose of, and deal in and with, securities or other interests in, or obligations
11.20 of, a person or direct or indirect obligations of a domestic or foreign government or
11.21 instrumentality.

11.22 Subd. 9. **Contracts; mortgages.** A corporation may make contracts and incur liabilities,
11.23 borrow money, issue its securities, and secure its obligations by mortgage of or creation of
11.24 a security interest in its property, franchises, and income.

11.25 Subd. 10. **Investment.** A corporation may invest and reinvest its money.

11.26 Subd. 11. **Holding property as security.** A corporation may take and hold real and
11.27 personal property, whether or not of a kind sold or otherwise dealt in by the corporation, as
11.28 security for the payment of money loaned, advanced, or invested.

11.29 Subd. 12. **Location.** A corporation may conduct its business, carry on its operations,
11.30 have offices, and exercise the powers granted by this chapter anywhere in the universe.

12.1 Subd. 13. **Donations.** A corporation may make donations for religious, scientific,
12.2 educational, or charitable purposes, and for other purposes consistent with law, that further
12.3 the corporate interest.

12.4 Subd. 14. **Pensions; benefits.** A corporation may pay pensions, retirement allowances,
12.5 and compensation for past services and establish employee or incentive benefit plans, trusts,
12.6 and provisions for the benefit of its officers, directors, employees, and agents and their
12.7 families, dependents, and beneficiaries. It may indemnify and buy insurance for a fiduciary
12.8 of an employee benefit and incentive plan, trust, or provision.

12.9 Subd. 15. **Participations.** (a) A corporation may participate in the promotion,
12.10 organization, management, and operation of an organization or in a transaction, undertaking,
12.11 or arrangement that the participating corporation would have power to conduct by itself,
12.12 whether or not the participation involves sharing or delegating control.

12.13 (b) A corporation may participate with others in a corporation, partnership, limited
12.14 partnership, joint venture, trust, or other association of any kind that the participating
12.15 corporation would have power to conduct by itself, whether or not the participation involves
12.16 sharing or delegating control.

12.17 Subd. 16. **Insurance.** A corporation may provide for its benefit life insurance and other
12.18 insurance with respect to the services of its officers, directors, employees, and agents.

12.19 Subd. 17. **Corporate seal.** A corporation may have, alter at pleasure, and use a corporate
12.20 seal as provided in section 317A.163.

12.21 Subd. 18. **Bylaws.** A corporation may adopt, amend, and repeal bylaws relating to
12.22 managing the business or regulating the affairs of the corporation as provided in section
12.23 317A.181.

12.24 Subd. 19. **Committees.** A corporation may establish committees of the board of directors,
12.25 elect or appoint persons to the committees, define their duties, and fix their compensation
12.26 as provided in section 317A.241.

12.27 Subd. 20. **Officers; employees; agents.** A corporation may elect or appoint officers,
12.28 employees, and agents of the corporation, define their duties, and fix their compensation as
12.29 provided in sections 317A.301 to 317A.361.

12.30 Subd. 21. **Loans; guaranties; sureties.** A corporation may lend money to, guarantee
12.31 an obligation of, become a surety for, or otherwise financially assist persons as provided in
12.32 section 317A.501.

13.1 Subd. 22. **Advances.** A corporation may make advances to its directors, officers, and
13.2 employees and those of its subsidiaries as provided in section 317A.505.

13.3 Subd. 23. **Indemnification.** A corporation shall indemnify those persons identified in
13.4 section 317A.521 against certain expenses and liabilities only as provided in section
13.5 317A.521 and may indemnify other persons.

13.6 Subd. 24. **Assumed names.** A corporation may conduct all or part of its business under
13.7 one or more assumed names as provided in sections 333.001 to 333.06.

13.8 Subd. 25. **May take and hold trust property.** A corporation may take, receive, and
13.9 hold real and personal property, including the principal and interest of money or other funds,
13.10 that is given, conveyed, bequeathed, devised to, or vested in the corporation in trust where
13.11 the corporation or a related organization has a vested or contingent interest in the trust.

13.12 Subd. 26. **May invest trust property.** Except where the trust instrument prescribes
13.13 otherwise, a corporation may invest trust property or its proceeds in accordance with section
13.14 501C.0901.

13.15 Subd. 27. **Membership.** A corporation may be a member of another foreign or domestic
13.16 nonprofit corporation.

13.17 Subd. 28. **Dissolution.** A corporation may dissolve and wind up.

13.18 Subd. 29. **Merger and consolidation.** A corporation may merge and consolidate with
13.19 other domestic or foreign nonprofit corporations organized for related purposes.

13.20 Subd. 30. **Other powers.** A corporation has other powers necessary or convenient to
13.21 effect a lawful purpose for which the corporation is incorporated.

13.22 Subd. 31. **Limitation of powers; election activity.** Nothing in this chapter grants or
13.23 recognizes any power to engage in election activity.

13.24 Sec. 9. Minnesota Statutes 2024, section 317A.165, subdivision 1, is amended to read:

13.25 Subdivision 1. **General.** (a) Except as provided in this section, the doing, continuing,
13.26 or performing by a corporation of an act, or an executed or wholly or partially executory
13.27 contract, conveyance, or transfer to or by the corporation, if otherwise lawful, is not invalid
13.28 because the corporation was without the power under this chapter or its articles or bylaws
13.29 to do, continue, or perform the act, contract, conveyance, or transfer.

13.30 (b) This subdivision does not apply to election activity.

14.1 Sec. 10. Minnesota Statutes 2024, section 322C.0102, is amended by adding a subdivision
14.2 to read:

14.3 Subd. 8a. **Election activity.** (a) "Election activity" means making campaign expenditures
14.4 or independent expenditures, distributing electioneering communications, or contributing
14.5 or making in-kind contributions to directly or indirectly:

14.6 (1) aid, promote, or defeat the endorsement, nomination, or election of a candidate;

14.7 (2) aid or promote the interests, success, or defeat of any political party; ballot question
14.8 political committee or fund; independent expenditure political committee or fund; or political
14.9 committee or fund; or

14.10 (3) aid, promote, or defeat the passage of a ballot question.

14.11 (b) Election activity does not include any bona fide news story, commentary, or editorial
14.12 distributed through the facilities of a broadcasting station or of any print, online, or digital
14.13 newspaper, magazine, blog, or other periodical publication, unless the broadcasting, print,
14.14 online, or digital facility is owned or controlled by a political party, political committee, or
14.15 candidate.

14.16 (c) The definitions in chapter 10A apply to this subdivision.

14.17 Sec. 11. Minnesota Statutes 2024, section 322C.0110, subdivision 3, is amended to read:

14.18 Subd. 3. **Restrictions.** An operating agreement may not:

14.19 (1) vary a limited liability company's capacity under section ~~322C.0105~~ 322C.0210 to
14.20 sue and be sued in its own name;

14.21 (2) vary the law applicable under section 322C.0106;

14.22 (3) vary the power of the court under section 322C.0204;

14.23 (4) subject to subdivisions 4 to 7, eliminate the duty of loyalty, the duty of care, or any
14.24 other fiduciary duty;

14.25 (5) subject to subdivisions 4 to 7, eliminate the contractual obligation of good faith and
14.26 fair dealing under section 322C.0409, subdivision 4;

14.27 (6) unreasonably restrict the duties and rights stated in section 322C.0410;

14.28 (7) vary the power of a court to decree dissolution in the circumstances specified in
14.29 section 322C.0701, subdivision 1, clauses (4) and (5);

15.1 (8) vary the requirement to wind up a limited liability company's business as specified
 15.2 in section 322C.0702, subdivisions 1 and 2, clause (1);

15.3 (9) unreasonably restrict the right of a member to maintain an action under sections
 15.4 322C.0901 to 322C.0906;

15.5 (10) restrict the right to approve a merger, conversion, or domestication under section
 15.6 322C.1015 to a member that will have personal liability with respect to a surviving,
 15.7 converted, or domesticated organization; or

15.8 (11) except as otherwise provided in section 322C.0112, subdivision 2, restrict the rights
 15.9 under this chapter of a person other than a member, manager, or governor.

15.10 Sec. 12. **322C.0210** **REVOCATION AND GRANT OF POWERS; LIMITATIONS.**

15.11 **Subdivision 1. Statement of intent.** It is the intent of the legislature to revoke all powers
 15.12 previously given to a limited liability company or foreign limited liability company under
 15.13 this chapter and grant a new set of powers with limitations, including a prohibition against
 15.14 any power to engage in election activity.

15.15 **Subd. 2. Revocation of powers.** All powers, privileges, and capacities previously granted
 15.16 to a limited liability company or a foreign limited liability company under the laws of this
 15.17 state are revoked in their entirety.

15.18 **Subd. 3. Grant of powers.** No limited liability company or foreign limited liability
 15.19 company operating under the jurisdiction of this state shall possess any power, privilege,
 15.20 or capacity, unless specifically granted by this section or other statutes of this state and
 15.21 subject to the limitations provided in this section, other statutes of this state, and the articles
 15.22 of organization or certificate of authority.

15.23 **Subd. 4. Powers generally.** Except as provided in subdivisions 6 and 8, a limited liability
 15.24 company has the capacity to sue and be sued in its own name and the power to do all things
 15.25 necessary or convenient to carry on its activities.

15.26 **Subd. 5. Loans; guranties; sureties.** Without in any way limiting the generality of the
 15.27 power of a limited liability company to do all things necessary or convenient to carry on its
 15.28 activities as conferred in subdivision 1, a limited liability company may lend money to,
 15.29 guarantee an obligation of, become a surety for, or otherwise financially assist a person, if
 15.30 the transaction, or a class of transactions to which the transaction belongs, is approved
 15.31 pursuant to this chapter and the company's operating agreement and:

15.32 (1) is in the usual and regular course of business of the limited liability company;

16.1 (2) is with or for the benefit of a related organization, an organization in which the
16.2 limited liability company has a financial interest, an organization with which the limited
16.3 liability company has a business relationship, or an organization to which the limited liability
16.4 company has the power to make donations, any of which relationships constitute
16.5 consideration sufficient to make the loan, guarantee, suretyship, or other financial assistance
16.6 so approved enforceable against the limited liability company;

16.7 (3) is with or for the benefit of a member who provides services to the limited liability
16.8 company, or a manager or other employee of the limited liability company or a subsidiary,
16.9 including a member, manager, or employee who is a governor of the limited liability company
16.10 or a subsidiary, and may reasonably be expected, in the judgment of the board of governors,
16.11 to benefit the limited liability company; or

16.12 (4) whether or not any separate consideration has been paid or promised to the limited
16.13 liability company and has been approved by:

16.14 (i) the owners of two-thirds of the voting power of persons other than the interested
16.15 person or persons; or

16.16 (ii) the unanimous affirmative vote of all members, whether or not ordinarily entitled
16.17 to vote.

16.18 Any such loan, guarantee, suretyship, or other financial assistance may be with or without
16.19 interest and may be unsecured or may be secured in any manner, including without limitation
16.20 a grant of a security interest in a member's transferable interest in the limited liability
16.21 company. This subdivision does not grant any authority to act as a bank or to carry on the
16.22 business of banking.

16.23 Subd. 6. **Shelf limited liability company.** Until a limited liability company has or has
16.24 had at least one member, the company lacks the capacity to do any act or carry on any
16.25 activity except:

16.26 (1) delivering to the secretary of state for filing: (i) a statement of change under section
16.27 322C.0114, (ii) an amendment to the articles of organization under section 322C.0202, (iii)
16.28 a statement of correction under section 322C.0206, (iv) an annual report under section
16.29 322C.0208, or (v) a statement of termination under section 322C.0702;

16.30 (2) admitting a member under section 322C.0401; or

16.31 (3) dissolving under section 322C.0701.

17.1 Subd. 7. **Ratification.** Except as provided in subdivision 8, a limited liability company
17.2 that has or has had at least one member may ratify an act or activity that occurred when the
17.3 company lacked capacity under subdivision 2.

17.4 Subd. 8. **Limitation of powers; election activity.** Nothing in this chapter grants or
17.5 recognizes any power to engage in election activity.

17.6 Sec. 13. **NONREVIVAL.**

17.7 If any provision of this act, or its application to any person or circumstance, is held
17.8 invalid or unconstitutional, no previous law or repealed statute granting corporate powers
17.9 shall be revived or reinstated without an explicit enactment by the legislature.

17.10 Sec. 14. **REPEALER.**

17.11 (a) Minnesota Statutes 2024, sections 302A.161, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10,
17.12 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 24; 317A.161; and 322C.0105, are
17.13 repealed.

17.14 (b) Minnesota Statutes 2025 Supplement, section 302A.161, subdivision 23a, is repealed.

302A.161 POWERS.

Subdivision 1. **Generally; limitations.** A corporation has the powers set forth in this section, subject to any limitations provided in any other statute of this state or in its articles.

Subd. 2. **Duration.** A corporation has perpetual duration.

Subd. 3. **Legal capacity.** A corporation may sue and be sued, complain and defend and participate as a party or otherwise in any legal, administrative, or arbitration proceeding, in its corporate name.

Subd. 4. **Property ownership.** A corporation may purchase, lease, or otherwise acquire, own, hold, improve, use, and otherwise deal in and with, real or personal property, or any interest therein, wherever situated.

Subd. 5. **Property disposition.** A corporation may sell, convey, mortgage, create a security interest in, lease, exchange, transfer, or otherwise dispose of all or any part of its real or personal property, or any interest therein, wherever situated.

Subd. 6. **Trading in securities; obligations.** A corporation may purchase, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, exchange, mortgage, lend, create a security interest in, or otherwise dispose of and otherwise use and deal in and with, securities or other interests in, or obligations of, a person or direct or indirect obligations of any domestic or foreign government or instrumentality thereof.

Subd. 7. **Contracts; mortgages.** A corporation may make contracts and incur liabilities, borrow money, issue its securities, and secure any of its obligations by mortgage of or creation of a security interest in all or any of its property, franchises and income.

Subd. 8. **Investment.** A corporation may invest and reinvest its funds.

Subd. 9. **Holding property as security.** A corporation may take and hold real and personal property, whether or not of a kind sold or otherwise dealt in by the corporation, as security for the payment of money loaned, advanced, or invested.

Subd. 10. **Location.** A corporation may conduct its business, carry on its operations, have offices, and exercise the powers granted by this chapter anywhere in the universe.

Subd. 11. **Donations.** A corporation may make donations, irrespective of corporate benefit, for the public welfare; for social, community, charitable, religious, educational, scientific, civic, literary, and testing for public safety purposes, and for similar or related purposes; for the purpose of fostering national or international amateur sports competition; and for the prevention of cruelty to children and animals.

Subd. 12. **Pensions; benefits.** A corporation may pay pensions, retirement allowances, and compensation for past services to and for the benefit of, and establish, maintain, continue, and carry out, wholly or partially at the expense of the corporation, employee or incentive benefit plans, trusts, and provisions to or for the benefit of, any or all of its and its related organizations' officers, managers, directors, governors, employees, and agents and, in the case of a related organization that is a limited liability company, members who provide services to the limited liability company, and the families, dependents, and beneficiaries of any of them. It may indemnify and purchase and maintain insurance for and on behalf of a fiduciary of any of these employee benefit and incentive plans, trusts, and provisions.

Subd. 13. **Participating in management.** A corporation may participate in any capacity in the promotion, organization, ownership, management, and operation of any organization or in any transaction, undertaking, or arrangement that the participating corporation would have power to conduct by itself, whether or not the participation involves sharing or delegation of control with or to others.

Subd. 14. **Insurance.** A corporation may provide for its benefit life insurance and other insurance with respect to the services of any or all of its officers, directors, employees, and agents, or on the life of a shareholder for the purpose of acquiring at the death of the shareholder any or all shares in the corporation owned by the shareholder.

Subd. 15. **Corporate seal.** A corporation may have, alter at pleasure, and use a corporate seal as provided in section 302A.163.

Subd. 16. **Bylaws.** A corporation may adopt, amend, and repeal bylaws relating to the management of the business or the regulation of the affairs of the corporation as provided in section 302A.181.

Subd. 17. **Committees.** A corporation may establish committees of the board of directors, elect or appoint persons to the committees, and define their duties as provided in section 302A.241 and fix their compensation.

Subd. 18. **Officers; employees; agents.** A corporation may elect or appoint officers, employees, and agents of the corporation, and define their duties as provided in sections 302A.301 to 302A.361 and fix their compensation.

Subd. 19. **Securities.** A corporation may issue securities and rights to purchase securities as provided in sections 302A.401 to 302A.425.

Subd. 20. **Loans; guaranties; sureties.** A corporation may lend money to, guarantee an obligation of, become a surety for, or otherwise financially assist persons as provided in section 302A.501.

Subd. 21. **Advances.** A corporation may make advances to its directors, officers, and employees and those of its subsidiaries as provided in section 302A.505.

Subd. 22. **Indemnification.** A corporation shall indemnify those persons identified in section 302A.521 against certain expenses and liabilities only as provided in section 302A.521 and may indemnify other persons.

Subd. 23. **Assumed names.** A corporation may conduct all or part of its business under one or more assumed names as provided in sections 333.001 to 333.06.

Subd. 23a. **Emergency powers.** (a) During an emergency, unless emergency bylaws provide otherwise:

(1) notice of a meeting of the board must be given only to the directors that are practicable to reach and may, if ordinary notice is impracticable or inadvisable due to the emergency, be given in any practicable manner; and

(2) the officers designated on a list approved by the board of directors before the emergency, in the priority order and subject to conditions as may be provided in the board resolution approving the list, must, to the extent required to provide a quorum at any meeting of the board, be deemed directors for the meeting.

(b) During an emergency that makes it impracticable to convene a meeting of shareholders in accordance with this chapter, the articles, the bylaws, or as specified in a notice for the meeting previously given, unless emergency bylaws provide otherwise, the board may postpone a meeting of shareholders for which notice has been given or authorize shareholders to participate in a meeting by any means of remote communication that conforms with section 302A.436. The corporation must give notice to shareholders, by the means and with shorter advance notice as are reasonable in the circumstances, of a postponement, including any new date, time, or place, and describe any means of remote communication to be used. The notice to shareholders by a publicly held corporation may be given solely by means of a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to the rules and regulations under the Securities Exchange Act of 1934, United States Code, title 15, section 78a, et seq.

(c) A corporate action taken in good faith under this subdivision during an emergency to further the business and affairs of the corporation binds the corporation.

Subd. 24. **Other powers.** A corporation may have and exercise all other powers necessary or convenient to effect any or all of the business purposes for which the corporation is incorporated.

317A.161 POWERS.

Subdivision 1. **Generally; limitations.** A corporation has the powers in this section, subject to limitations provided in applicable federal or state law or in its articles or bylaws.

Subd. 2. **Duration.** A corporation has perpetual duration.

Subd. 3. **Legal capacity.** A corporation may sue and be sued, and participate in a legal, administrative, or arbitration proceeding, in its corporate name.

Subd. 4. **Property ownership.** A corporation may buy, lease, acquire, own, hold, improve, use, and deal in and with, real or personal property, or an interest in property, wherever located.

Subd. 5. **Property disposition.** A corporation may sell, convey, mortgage, create a security interest in, lease, exchange, transfer, or dispose of all or a part of its real or personal property, or an interest in property, wherever located.

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Subd. 6. **Trading in securities; obligations.** A corporation may buy, subscribe for, acquire, own, hold, vote, use, employ, sell, exchange, mortgage, lend, create a security interest in, dispose of, use, and deal in and with, securities or other interests in, or obligations of, a person or direct or indirect obligations of a domestic or foreign government or instrumentality.

Subd. 7. **Contracts; mortgages.** A corporation may make contracts and incur liabilities, borrow money, issue its securities, and secure its obligations by mortgage of or creation of a security interest in its property, franchises, and income.

Subd. 8. **Investment.** A corporation may invest and reinvest its funds.

Subd. 9. **Holding property as security.** A corporation may take and hold real and personal property, whether or not of a kind sold or otherwise dealt in by the corporation, as security for the payment of money loaned, advanced, or invested.

Subd. 10. **Location.** A corporation may conduct its business, carry on its operations, have offices, and exercise the powers granted by this chapter anywhere in the universe.

Subd. 11. **Donations.** A corporation may make donations for religious, scientific, educational, or charitable purposes, and for other purposes consistent with law, that further the corporate interest.

Subd. 12. **Pensions; benefits.** A corporation may pay pensions, retirement allowances, and compensation for past services and establish employee or incentive benefit plans, trusts, and provisions for the benefit of its officers, directors, employees, and agents and their families, dependents, and beneficiaries. It may indemnify and buy insurance for a fiduciary of an employee benefit and incentive plan, trust, or provision.

Subd. 13. **Participations.** (a) A corporation may participate in the promotion, organization, management, and operation of an organization or in a transaction, undertaking, or arrangement that the participating corporation would have power to conduct by itself, whether or not the participation involves sharing or delegation of control.

(b) A corporation may participate with others in a corporation, partnership, limited partnership, joint venture, trust, or other association of any kind that the participating corporation would have power to conduct by itself, whether or not the participation involves sharing or delegation of control.

Subd. 14. **Insurance.** A corporation may provide for its benefit life insurance and other insurance with respect to the services of its officers, directors, employees, and agents.

Subd. 15. **Corporate seal.** A corporation may have, alter at pleasure, and use a corporate seal as provided in section 317A.163.

Subd. 16. **Bylaws.** A corporation may adopt, amend, and repeal bylaws relating to the management of the business or the regulation of the affairs of the corporation as provided in section 317A.181.

Subd. 17. **Committees.** A corporation may establish committees of the board of directors, elect or appoint persons to the committees, define their duties, and fix their compensation as provided in section 317A.241.

Subd. 18. **Officers; employees; agents.** A corporation may elect or appoint officers, employees, and agents of the corporation, define their duties, and fix their compensation as provided in sections 317A.301 to 317A.361.

Subd. 19. **Loans; guaranties; sureties.** A corporation may lend money to, guarantee an obligation of, become a surety for, or otherwise financially assist persons as provided in section 317A.501.

Subd. 20. **Advances.** A corporation may make advances to its directors, officers, and employees and those of its subsidiaries as provided in section 317A.505.

Subd. 21. **Indemnification.** A corporation shall indemnify those persons identified in section 317A.521 against certain expenses and liabilities only as provided in section 317A.521 and may indemnify other persons.

Subd. 22. **Assumed names.** A corporation may conduct all or part of its business under one or more assumed names as provided in sections 333.001 to 333.06.

Subd. 23. **May take and hold trust property.** A corporation may take, receive, and hold real and personal property, including the principal and interest of money or other fund, that is given,

conveyed, bequeathed, devised to, or vested in the corporation in trust where the corporation or a related organization has a vested or contingent interest in the trust.

Subd. 24. **May invest trust property.** Except where the trust instrument prescribes otherwise, a corporation may invest trust property or its proceeds in accordance with section 501C.0901.

Subd. 25. **Membership.** A corporation may be a member of another foreign or domestic nonprofit corporation.

Subd. 26. **Dissolution.** A corporation may dissolve and wind up.

Subd. 27. **Merger and consolidation.** A corporation may merge and consolidate with other domestic or foreign nonprofit corporations organized for related purposes.

Subd. 28. **Other powers.** A corporation has other powers necessary or convenient to effect a lawful purpose for which the corporation is incorporated.

322C.0105 POWERS.

Subdivision 1. **Powers generally.** Except as provided in subdivision 2, a limited liability company has the capacity to sue and be sued in its own name and the power to do all things necessary or convenient to carry on its activities.

Subd. 1a. **Loans, guarantees, and suretyship.** Without in any way limiting the generality of the power of a limited liability company to do all things necessary or convenient to carry on its activities as conferred in subdivision 1, a limited liability company may lend money to, guarantee an obligation of, become a surety for, or otherwise financially assist a person, if the transaction, or a class of transactions to which the transaction belongs, is approved pursuant to this chapter and the company's operating agreement and:

(1) is in the usual and regular course of business of the limited liability company;

(2) is with, or for the benefit of, a related organization, an organization in which the limited liability company has a financial interest, an organization with which the limited liability company has a business relationship, or an organization to which the limited liability company has the power to make donations, any of which relationships constitute consideration sufficient to make the loan, guarantee, suretyship, or other financial assistance so approved enforceable against the limited liability company;

(3) is with, or for the benefit of, a member who provides services to the limited liability company, or a manager or other employee of the limited liability company or a subsidiary, including a member, manager, or employee who is a governor of the limited liability company or a subsidiary, and may reasonably be expected, in the judgment of the board of governors, to benefit the limited liability company; or

(4) whether or not any separate consideration has been paid or promised to the limited liability company, has been approved by (i) the owners of two-thirds of the voting power of persons other than the interested person or persons, or (ii) the unanimous affirmative vote of all members, whether or not ordinarily entitled to vote.

Any such loan, guarantee, suretyship, or other financial assistance may be with or without interest and may be unsecured or may be secured in any manner including, without limitation, a grant of a security interest in a member's transferable interest in the limited liability company. This subdivision does not grant any authority to act as a bank or to carry on the business of banking.

Subd. 2. **Shelf LLC.** Until a limited liability company has or has had at least one member, the company lacks the capacity to do any act or carry on any activity except:

(1) delivering to the secretary of state for filing a statement of change under section 322C.0114, an amendment to the articles of organization under section 322C.0202, a statement of correction under section 322C.0206, an annual report under section 322C.0208, and a statement of termination under section 322C.0702;

(2) admitting a member under section 322C.0401; and

(3) dissolving under section 322C.0701.

Subd. 3. **Ratification.** A limited liability company that has or has had at least one member may ratify an act or activity that occurred when the company lacked capacity under subdivision 2.