

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 4240

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

DATE
03/09/2026

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Introduction and first reading
Referred to Judiciary and Public Safety

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to entities; retracting and regranting certain powers of entities; proposing
1.3 coding for new law in Minnesota Statutes, chapter 300.

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

1.5 Section 1. **[300.80] RETRACTING AND REGRANTING THE POWERS OF**
1.6 **ENTITIES; EXCEPTIONS.**

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Entity" means an entity formed under Minnesota law and an entity formed under
1.10 foreign jurisdictions that are given the ability to operate in Minnesota, including but not
1.11 limited to:

1.12 (1) business corporations;

1.13 (2) nonprofit corporations;

1.14 (3) public benefit corporations;

1.15 (4) limited liability companies;

1.16 (5) cooperatives;

1.17 (6) social and charitable organizations;

1.18 (7) partnerships, including limited partnerships;

1.19 (8) unincorporated associations;

1.20 (9) trusts; and

2.1 (10) foreign entities that are authorized to transact business, are transacting business, or
2.2 own property in Minnesota. A foreign entity that directly or indirectly undertakes, finances,
2.3 or directs election activity or ballot-issue activity in Minnesota is transacting business in
2.4 Minnesota.

2.5 (c) "Ballot-issue activity" means paying, contributing, or expending money or anything
2.6 of value to support or oppose a ballot question or initiative;

2.7 (d) "Election activity" means paying, contributing, or expending money or anything of
2.8 value to support or oppose a candidate, political party, or political committee;

2.9 (e) "Entity benefit" means a benefit to entities that exists only because the state of
2.10 Minnesota confers it, including but not limited to limited liability, perpetual duration,
2.11 succession in the entity's corporate name, and tax credits and abatements;

2.12 (f) "Foreign entities" means entities organized or existing under the laws of any
2.13 jurisdiction other than the state of Minnesota; and

2.14 (g) "Organizational documents" means articles of incorporation, organization, or
2.15 association or another document that creates an entity under Minnesota law or the law of a
2.16 foreign jurisdiction.

2.17 Subd. 2. **Powers; retraction.** (a) An entity exists only by grant of the state and has no
2.18 powers or privileges except the powers and privileges expressly provided.

2.19 (b) The people never did, and do not, intend the powers of entities to include election
2.20 activity or ballot-issue activity. This section retracts all entities' powers and regrants only
2.21 the powers that the people deem necessary or convenient to carry out an entity's lawful
2.22 business or charitable purposes. Powers related to election activity or ballot-issue activity
2.23 are not necessary or convenient to an entity's lawful business or charitable purposes.

2.24 Subd. 3. **Powers; regrant.** (a) The creation and continued existence of an entity is not
2.25 a right but a conditional grant of legal status by the state and remains subject to complete
2.26 withdrawal at any time. All powers previously granted to any entity under Minnesota law
2.27 are revoked. An entity operating under the jurisdiction of Minnesota does not possess any
2.28 power unless the power is specifically granted. Except as provided under subdivision 4, this
2.29 section does not grant or recognize any power of an entity to engage in election activity or
2.30 ballot-issue activity.

2.31 (b) An entity possesses the powers given to the entity by the state, unless the entity's
2.32 organizational documents limit the exercise of the powers granted by the state, and the entity
2.33 has no powers beyond the powers expressly granted. Except as provided in subdivision 4,

3.1 nothing in law grants or recognizes any power of an entity to engage in election activity or
3.2 ballot-issue activity. The regrant of powers under this paragraph is effective simultaneously
3.3 with the revocation under paragraph (a).

3.4 (c) Nothing in paragraph (a) invalidates, impairs, or modifies an existing contract, debt
3.5 instrument, security, or other legal obligation validly entered into before August 1, 2026,
3.6 provided that nothing in this section authorizes any election activity or ballot-issue activity
3.7 after August 1, 2026. Nothing in paragraph (a) impairs the continued existence or legal
3.8 personhood of an entity or affects an entity's power to take any action necessary to wind up
3.9 the entity's affairs and dissolve.

3.10 (d) Any language in organizational documents that purports to directly or indirectly
3.11 confer election activity authority or ballot-issue activity authority to an entity is void.

3.12 Subd. 4. **Political exception.** A political fund or committee that is registered under
3.13 Minnesota or federal law is an entity created for the purpose of engaging in election activity
3.14 and ballot-issue activity. A political fund or committee may be granted the power to engage
3.15 in election and ballot-issue activities provided the political fund or committee exists solely
3.16 for that purpose and claims no entity benefits other than limited liability. Nothing in law
3.17 grants an entity that is not a political fund or committee the power to engage in election
3.18 activity or ballot-issue activity.

3.19 Subd. 5. **Publication exception.** Election activity and ballot-issue activity do not include
3.20 a bona fide news story, commentary, or editorial distributed through the facilities of (1) a
3.21 broadcasting station, (2) a print, online, or digital newspaper, magazine, blog, voter guide,
3.22 or (3) other periodical publication, unless the broadcasting, print, online, or digital facilities
3.23 are owned or controlled by a political party, political committee, or candidate.

3.24 Subd. 6. **Forfeiture.** Entity benefits do not authorize election activity or ballot-issue
3.25 activity. An entity that exercises election activity authority or ballot-issue activity authority,
3.26 unless expressly permitted to do so under subdivision 4, initially forfeits all entity benefits
3.27 as a matter of law.

3.28 Subd. 7. **Severability.** If a provision of this section or its application to a person or
3.29 circumstance is held invalid, the remaining provisions and applications that are severable
3.30 shall remain in effect. In such event, no prior grant of corporate powers shall be revived or
3.31 reinstated, nor shall any court construe this section to authorize broader powers than are
3.32 expressly conferred in this section.