

1 *House* BILL NO. *126*  
 2 INTRODUCED BY *Foster - G. Lloyd Louren Mack*  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING THE  
 5 PROHIBITION AGAINST CORPORATE CONTRIBUTIONS TO PREVENT SUCH  
 6 CONTRIBUTIONS IN SUPPORT OF OR IN OPPOSITION TO ISSUES;  
 7 PERMITTING SMALL BUSINESS CORPORATIONS, AS DEFINED IN THIS  
 8 ACT, TO CONTRIBUTE TO POLITICAL CAMPAIGNS; REMOVING THE  
 9 PROHIBITION AGAINST CONTRIBUTIONS BY MAJORITY STOCKHOLDERS;  
 10 AMENDING SECTION 23-4744; AND PROVIDING FOR A DELAYED  
 11 EFFECTIVE DATE."

12  
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 23-4744, R.C.M. 1947, is amended to  
 15 read as follows:

16 "23-4744. Contributions from corporations, small  
 17 business corporations, public utilities and others. A small  
 18 business corporation, as defined in section 2, may  
 19 contribute or pay in order to aid, promote, or prevent the  
 20 nomination or election of any person to public office, or in  
 21 order to aid, promote or oppose the interests of any  
 22 political party or to influence or affect the vote on any  
 23 issue to the voters. However, ~~no~~ no corporation, ~~and no~~  
 24 ~~person, trustee, or trustees owning or holding the majority~~  
 25 ~~of the stock of a corporation~~ carrying on the business of a

1 bank, savings bank, co-operative bank, trust, trustee,  
 2 surety, indemnity, safe deposit, insurance, railroad, street  
 3 railway, telegraph, telephone, gas, electric light, heat,  
 4 power, canal, aqueduct, water, cemetery or crematory  
 5 company, or any company having the right to take or condemn  
 6 land, or to exercise franchises in public ways granted by  
 7 the state or by any county, city, or town, shall pay or  
 8 contribute in order to aid, promote, or prevent the  
 9 nomination or election of any person, or in order to aid or  
 10 promote the interests, success, or defeat of any political  
 11 party or organization or ballot issue. No person ~~shall~~ may  
 12 solicit or receive such payment or contribution from such  
 13 corporation ~~or such holders of a majority of such stock~~."

14 Section 2. There is a new R.C.M. section that reads as  
 15 follows: Definitions. As used in section 23-4744:  
 16 (1) "Small business corporation" means a domestic  
 17 corporation which does not have:

- 18 (a) more than 10 shareholders;  
 19 (b) as a shareholder a person (other than an estate)  
 20 who is not an individual;  
 21 (c) a nonresident alien of the United States as a  
 22 shareholder; and  
 23 (d) more than one class of stock.  
 24 (2) "Domestic corporation" means a corporation  
 25 incorporated under the laws of Montana.

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1 (3) "Individual" means a human being.

2 Section 3. This act is effective on January 1, 1976.

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