

By Mr. Valianti of Marlborough, petition of Daniel J. Valianti for legislation to regulate contributions made by domestic or foreign business organizations relative to future referendum procedures. Election Laws.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Four.

AN ACT PROVIDING FOR REFERENDUM REFORM.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 156B of the General Laws is amended
2 by inserting after section 75 the following section: —
3 Section 75A. No domestic or foreign business organization, as
4 defined by section 8A of chapter 55, or officer or agent acting on
5 its behalf, or trustee owning or holding the majority of its stock
6 shall, directly or indirectly, make or promise to make any
7 contribution or expenditure, or combination of contributions,
8 expenditures or both, of five thousand dollars or more for the
9 purpose of influencing or affecting the vote on any question
10 submitted to the voters without first obtaining express
11 authorization from the stockholders or other owners of the
12 organization with voting rights at a regular or special meeting.
13 Such authorization shall be in the form of a resolution, duly
14 adopted by a majority vote of those shareholders present and
15 voting at the regular or special meeting or completing and signing
16 proxies, which accurately describes the ballot question on which
17 the organization intends to make contributions or expenditures,
18 explains how the purposes of the organization will be furthered
19 by such contributions or expenditures, and sets an aggregate
20 spending limit on such contributions and expenditures. The
21 spending limit may be set at any level; provided, however, that
22 the spending limit must be a sum certain; and provided, further,
23 that the spending limit may not be exceeded without an additional
24 resolution increasing the limit.

25 Any resolution proposed pursuant to this section also shall
26 include the following words: "All expenditures made pursuant to
27 this resolution will be reported to the Massachusetts Office of
28 Campaign and Political Finance. Copies of all such reports may
29 be obtained from that office." That full text of any resolution
30 adopted pursuant to this section shall be included in the business
31 organization's annual report to stockholders or other owners.

32 Any business organization violating any provision of this
33 section shall be punished by a fine of not more than fifty thousand
34 dollars and any officer, director or agent of the business
35 organization violating any provision thereof or authorizing such
36 violation, or any person who violates or in any way knowingly
37 aids or abets the violation of any provision thereof, shall be
38 punished by a fine of not more than ten thousand dollars or by
39 imprisonment for not more than one year, or both.

40 The attorney general or any stockholder in the corporation may
41 enforce this section in an appropriate civil action. In addition to
42 equitable remedies, any such stockholder or stockholders shall
43 recover as damages twice the amount of the unauthorized
44 contribution or expenditure and a reasonable attorney's fees.

1 SECTION 2. Section 2 of chapter 268A of the General Laws
2 is hereby amended by striking out the words "five thousand" in
3 line 47 and substituting in their place the words "fifty thousand."

1 SECTION 3. Section 3 of chapter 268A of the General Laws
2 is hereby amended by striking out the words "three thousand" in
3 line 30 and substituting in their place the words "fifteen
4 thousand."