

5282--B

2009-2010 Regular Sessions

I N S E N A T E

April 27, 2009

Introduced by Sens. SQUADRON, KRUEGER, SERRANO -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged and said bill committed to the Committee on Elections -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the election law, in relation to establishing new contribution limits, expanding the types of organizations prohibited from making contributions and aggregating certain contributions

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 14-100 of the election law is amended by adding
2 three new subdivisions 12, 13 and 14 to read as follows:
3 12. "RELATED LIMITED LIABILITY COMPANY" MEANS A LIMITED LIABILITY
4 COMPANY THAT IS AN AFFILIATE OF A CORPORATION WITHIN THE MEANING OF
5 PARAGRAPH (A) OF SECTION NINE HUNDRED TWELVE OF THE BUSINESS CORPORATION
6 LAW. AS USED IN THIS ARTICLE, CORPORATION MEANS BOTH A FOR-PROFIT CORPO-
7 RATION WITHIN THE MEANING OF SUBPARAGRAPH FOUR OF PARAGRAPH (A) OF
8 SECTION ONE HUNDRED TWO OF THE BUSINESS CORPORATION LAW AS WELL AS A
9 NONPROFIT CORPORATION WITHIN THE MEANING OF SUBPARAGRAPH FIVE OF PARA-
10 GRAPH (A) OF SECTION ONE HUNDRED TWO OF THE NOT-FOR-PROFIT CORPORATION
11 LAW.
12 13. (1) "RELATED LIMITED LIABILITY PARTNERSHIP," CONSISTENT WITH
13 SECTION TEN OF THE PARTNERSHIP LAW, MEANS A PARTNERSHIP WITHOUT LIMITED
14 PARTNERS OPERATING UNDER AN AGREEMENT GOVERNED BY THE LAWS OF THIS
15 STATE, WHICH (A) IS NOT A PROFESSIONAL PARTNERSHIP UNDER THIS SECTION,
16 (B) IS AFFILIATED WITH A PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY,
17 FOREIGN PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY, PROFESSIONAL
18 SERVICE CORPORATION, FOREIGN PROFESSIONAL SERVICE CORPORATION, REGIS-
19 TERED LIMITED LIABILITY PARTNERSHIP THAT IS A PROFESSIONAL PARTNERSHIP

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 UNDER THIS SECTION OR A FOREIGN LIMITED LIABILITY PARTNERSHIP UNDER
2 CLAUSE (I) OR (II) OF THE EIGHTH UNDESIGNATED PARAGRAPH OF SECTION TWO
3 OF THE PARTNERSHIP LAW, AND (C) RENDERS SERVICES RELATED OR COMPLEMENTA-
4 RY TO THE PROFESSIONAL SERVICES RENDERED BY, OR PROVIDES SERVICES OR
5 FACILITIES TO, SUCH PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY,
6 FOREIGN PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY, PROFESSIONAL
7 SERVICE CORPORATION, FOREIGN PROFESSIONAL SERVICE CORPORATION, REGIS-
8 TERED LIMITED LIABILITY PARTNERSHIP OR FOREIGN LIMITED LIABILITY PART-
9 NERSHIP.

10 (2) FOR PURPOSES OF THIS SUBDIVISION, SUCH A PARTNERSHIP IS AFFILIATED
11 WITH A PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY, FOREIGN PROFES-
12 SIONAL SERVICE LIMITED LIABILITY COMPANY, PROFESSIONAL SERVICE CORPO-
13 RATION, FOREIGN PROFESSIONAL SERVICE CORPORATION, REGISTERED LIMITED
14 LIABILITY PARTNERSHIP OR FOREIGN LIMITED LIABILITY PARTNERSHIP IF (A) AT
15 LEAST A MAJORITY OF PARTNERS IN ONE PARTNERSHIP ARE PARTNERS IN THE
16 OTHER PARTNERSHIP, (B) AT LEAST A MAJORITY OF THE PARTNERS IN EACH PART-
17 NERSHIP ALSO ARE PARTNERS, HOLD INTERESTS OR ARE MEMBERS IN A LIMITED
18 LIABILITY COMPANY OR OTHER BUSINESS ENTITY, AND EACH PARTNERSHIP RENDERS
19 SERVICES PURSUANT TO AN AGREEMENT WITH SUCH LIMITED LIABILITY COMPANY OR
20 OTHER BUSINESS ENTITY, OR (C) THE PARTNERSHIPS OR THE PARTNERSHIP AND
21 SUCH PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY, SUCH FOREIGN
22 PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY, SUCH PROFESSIONAL
23 SERVICE CORPORATION, OR SUCH FOREIGN PROFESSIONAL SERVICE CORPORATION
24 ARE AFFILIATES WITHIN THE MEANING OF PARAGRAPH (A) OF SECTION NINE
25 HUNDRED TWELVE OF THE BUSINESS CORPORATION LAW.

26 14. "SINGLE SOURCE" MEANS ANY PERSON, PERSONS IN COMBINATION, OR ENTI-
27 TY WHO OR WHICH ESTABLISHES, MAINTAINS, OR CONTROLS ANOTHER ENTITY AND
28 EVERY ENTITY SO ESTABLISHED, MAINTAINED, OR CONTROLLED, INCLUDING EVERY
29 POLITICAL COMMITTEE ESTABLISHED, MAINTAINED, OR CONTROLLED BY THE SAME
30 PERSON, PERSONS IN COMBINATION, OR ENTITY. IF A CANDIDATE ACCEPTS MORE
31 THAN ONE CONTRIBUTION FROM A SINGLE SOURCE, THE CONTRIBUTIONS SHALL BE
32 TOTALED TO DETERMINE THE PARTICIPANT'S OR CANDIDATE'S COMPLIANCE WITH
33 THE APPLICABLE CONTRIBUTION LIMIT. A GENERAL PARTNER OR GENERAL MANAGER
34 AND EACH PARTNERSHIP AND LIMITED LIABILITY COMPANY IT CONTROLS SHALL BE
35 PRESUMED, IN THE ABSENCE OF EVIDENCE DEMONSTRATING THE CONTRARY, TO BE A
36 SINGLE SOURCE FOR THE PURPOSE OF COMPLIANCE WITH THE APPLICABLE CONTRIB-
37 UTION LIMIT.

38 S 2. Subdivisions 1 and 2 of section 14-116 of the election law,
39 subdivision 1 as redesignated by chapter 9 of the laws of 1978 and
40 subdivision 2 as amended by chapter 260 of the laws of 1981, are amended
41 and a new subdivision 3 is added to read as follows:

42 1. No corporation [or], joint-stock association, LIMITED LIABILITY
43 COMPANY, PROFESSIONAL LIMITED LIABILITY COMPANY, PARTNERSHIP OR LIMITED
44 LIABILITY PARTNERSHIP doing business in this state, except [a corpo-
45 ration or association] AN ENTITY organized or maintained for political
46 purposes only, shall directly or indirectly pay or use or offer, consent
47 or agree to pay or use any money or property for or in aid of any poli-
48 tical party, committee or organization, or for, or in aid of, any
49 [corporation, joint-stock or other association] ENTITY organized or
50 maintained for political purposes, or for, or in aid of, any candidate
51 for political office or for nomination for such office, or for any poli-
52 tical purpose whatever, or for the reimbursement or indemnification of
53 any person for moneys or property so used. Any officer, director, stock-
54 holder, MEMBER, PARTNER, attorney or agent of any corporation [or],
55 joint-stock association, LIMITED LIABILITY COMPANY, PROFESSIONAL LIMITED
56 LIABILITY COMPANY, PARTNERSHIP OR LIMITED LIABILITY PARTNERSHIP which

1 violates any of the provisions of this section, who participates in,
2 aids, abets or advises or consents to any such violations, and any
3 person who solicits or knowingly receives any money or property in
4 violation of this section, shall be guilty of a misdemeanor.

5 2. Notwithstanding the provisions of subdivision one of this section,
6 any corporation or an organization financially supported in whole or in
7 part, by such corporation, OR ANY LIMITED LIABILITY COMPANY, PROFES-
8 SIONAL LIMITED LIABILITY COMPANY, PARTNERSHIP OR LIMITED LIABILITY PART-
9 NERSHIP may make expenditures, including contributions, not otherwise
10 prohibited by law, for political purposes, in an amount not to exceed
11 five thousand dollars in the aggregate in any calendar year; provided
12 that no public utility shall use revenues received from the rendition of
13 public service within the state for contributions for political purposes
14 unless such cost is charged to the shareholders of such a public service
15 corporation.

16 3. FOR THE PURPOSES OF SUBDIVISION TWO OF THIS SECTION, ALL OF THE
17 COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS WITHIN THE MEAN-
18 ING OF SECTION ONE THOUSAND FIVE HUNDRED SIXTY-THREE OF THE INTERNAL
19 REVENUE CODE OF THE UNITED STATES SHALL BE DEEMED TO BE ONE CORPORATION,
20 AND PROVIDED FURTHER, CONTRIBUTIONS GIVEN BY A SUBSIDIARY OF A CORPO-
21 RATION THAT IS WHOLLY OR IN PART CONTROLLED BY THE CORPORATION, A
22 RELATED LIMITED LIABILITY PARTNERSHIP THAT IS WHOLLY OR IN PART
23 CONTROLLED BY THE CORPORATION, OR A RELATED LIMITED LIABILITY COMPANY
24 THAT IS WHOLLY OR IN PART CONTROLLED BY THE CORPORATION, ARE DEEMED TO
25 BE A CONTRIBUTION BY THE CORPORATION. ALL SINGLE SOURCES OF CONTRIB-
26 UTIONS, INCLUDING FROM AFFILIATED CORPORATE ENTITIES, WITHIN THE MEANING
27 OF PARAGRAPH (A) OF SECTION NINE HUNDRED TWELVE OF THE BUSINESS CORPO-
28 RATION LAW, TOGETHER MAY MAKE CONTRIBUTIONS, NOT OTHERWISE PROHIBITED BY
29 LAW, FOR POLITICAL PURPOSES, IN AN AMOUNT NOT TO EXCEED FIVE THOUSAND
30 DOLLARS IN THE AGGREGATE IN ANY CALENDAR YEAR.

31 S 3. Subdivision 2 of section 14-120 of the election law, as added by
32 chapter 79 of the laws of 1992, is amended and a new subdivision 3 is
33 added to read as follows:

34 2. Notwithstanding subdivision one of this section, a partnership, as
35 defined in section ten of the partnership law, [may be considered a
36 separate entity for the purposes of this section, and as such] may make
37 contributions in the name of said partnership without attributing such
38 contributions to the individual members of the partnership provided that
39 any such contribution made by a partnership to a candidate or to a poli-
40 tical committee, shall not exceed[, twenty-five hundred dollars. In the
41 event that such partnership contribution to any such candidate or poli-
42 tical committee exceeds twenty-five hundred dollars, the aggregate
43 amount of such contribution shall be attributed to each partner whose
44 share of the contribution exceeds ninety-nine dollars] FIVE THOUSAND
45 DOLLARS. ANY PARTNERSHIP THAT IS RELATED TO A CORPORATION WILL HAVE ITS
46 CONTRIBUTIONS AGGREGATED WITH THAT RELATED CORPORATION FOR THE PURPOSES
47 OF CALCULATING THE CONTRIBUTIONS GIVEN. INDIVIDUALS MAY NOT ESTABLISH A
48 PARTNERSHIP, AS DEFINED IN SECTION TEN OF THE PARTNERSHIP LAW, FOR THE
49 PURPOSE OF EVADING THE CONTRIBUTION LIMITS THAT WOULD OTHERWISE APPLY TO
50 SUCH INDIVIDUAL.

51 3. NOTWITHSTANDING SUBDIVISION ONE OF THIS SECTION, EVERY CONTRIBUTION
52 MADE BY A LIMITED LIABILITY COMPANY IS CONSIDERED TO BE A CONTRIBUTION
53 BY THE LIMITED LIABILITY COMPANY AS A WHOLE. INDIVIDUALS MAY NOT ESTAB-
54 LISH A LIMITED LIABILITY COMPANY FOR THE PURPOSE OF EVADING THE CONTRIB-
55 UTION LIMITS THAT WOULD OTHERWISE APPLY TO SUCH INDIVIDUAL.

1 S 4. This act shall take effect January 1, 2011; provided that
2 contributions legally received prior to the effective date of this act
3 may be retained and expended for lawful purposes and shall not provide
4 the basis for a violation of article 14 of the election law, as amended
5 by this act; and provided, further, that the state board of elections
6 shall notify all candidates and political committees of the applicable
7 provisions of this act within thirty days after this act shall have
8 become a law.