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I N A S S E M B L Y

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Introduced by M. of A. LANCMAN, SKARTADOS, JACOBS, MAISEL, KOON, CASTRO, TITONE, KAVANAGH -- Multi-Sponsored by -- M. of A. GLICK, PHEFFER, THIELE -- read once and referred to the Committee on Election Law

AN ACT to amend the business corporation law, the cooperative corporations law, the not-for-profit corporation law, the railroad law, the transportation corporations law, the banking law, the religious corporations law and the limited liability company law, in relation to political contributions by corporations

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

1 Section 1. This act shall be known and may be cited as the "corporate
2 political activity accountability to shareholders act".

3 S 2. The business corporation law is amended by adding a new section
4 521 to read as follows:

5 S 521. POLITICAL CONTRIBUTIONS.

6 (A) NOTWITHSTANDING ANY OTHER LIMITS ON CORPORATE CONTRIBUTIONS TO OR
7 EXPENDITURES ON POLITICAL CANDIDATES, POLITICAL COMMITTEES OR BALLOT
8 REFERENDUMS, BEFORE A CORPORATION MAY MAKE A FINANCIAL CONTRIBUTION TO A
9 POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO
10 A CANDIDATE OR BALLOT REFERENDUM, THE CORPORATION SHALL AT LEAST ANNUAL-
11 LY OBTAIN THE PRIOR AUTHORIZATION OF A MAJORITY OF THE SHAREHOLDERS OF
12 SUCH CORPORATION TO MAKE FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN
13 SUPPORT OR OPPOSITION TO POLITICAL CANDIDATES, OR PARTY COMMITTEES, OR
14 BALLOT REFERENDUMS, UP TO A STATED AGGREGATE ANNUAL AMOUNT.

15 (B) ANY CORPORATION MAKING A FINANCIAL CONTRIBUTION TO A POLITICAL
16 CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO A CANDI-
17 DATE OR BALLOT REFERENDUM SHALL AT LEAST ANNUALLY DISCLOSE TO ITS SHARE-
18 HOLDERS AND FILE WITH THE SECRETARY OF STATE AN ACCOUNTING OF ITS FUNDS
19 USED FOR SUCH PURPOSES, INCLUDING (I) THE IDENTITY OF ANY CANDIDATE,
20 PARTY COMMITTEE OR ORGANIZATION RECEIVING SUCH FUNDS AND THE AMOUNT
21 RECEIVED, AND (II) THE BUSINESS RATIONALE FOR EACH SUCH CONTRIBUTION.

22 S 3. The cooperative corporations law is amended by adding a new
23 section 78 to read as follows:

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

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1 S 78. POLITICAL CONTRIBUTIONS. 1. NOTWITHSTANDING ANY OTHER LIMITS ON
2 CORPORATE CONTRIBUTIONS TO OR EXPENDITURES ON POLITICAL CANDIDATES,
3 POLITICAL COMMITTEES OR BALLOT REFERENDUMS, BEFORE A COOPERATIVE CORPO-
4 RATION MAY MAKE A FINANCIAL CONTRIBUTION TO A CANDIDATE OR PARTY COMMIT-
5 TEE OR IN SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM,
6 THE COOPERATIVE CORPORATION SHALL AT LEAST ANNUALLY OBTAIN THE PRIOR
7 AUTHORIZATION OF A MAJORITY OF THE SHAREHOLDERS OR MEMBERS OF SUCH
8 CORPORATION TO MAKE FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN SUPPORT OR
9 OPPOSITION TO POLITICAL CANDIDATES, OR PARTY COMMITTEES, OR BALLOT
10 REFERENDUMS, UP TO A STATED AGGREGATE ANNUAL AMOUNT.

11 2. ANY COOPERATIVE CORPORATION MAKING A FINANCIAL CONTRIBUTION TO A
12 POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO
13 A CANDIDATE OR BALLOT REFERENDUM SHALL AT LEAST ANNUALLY DISCLOSE TO ITS
14 SHAREHOLDERS AND FILE WITH THE SECRETARY OF STATE AN ACCOUNTING OF ITS
15 FUNDS USED FOR SUCH PURPOSES, INCLUDING (A) THE IDENTITY OF ANY CANDI-
16 DATE, PARTY COMMITTEE OR ORGANIZATION RECEIVING SUCH FUNDS AND THE
17 AMOUNT RECEIVED, AND (B) THE BUSINESS RATIONALE FOR EACH SUCH CONTRIB-
18 UTION.

19 S 4. The not-for-profit corporation law is amended by adding a new
20 section 523 to read as follows:

21 S 523. POLITICAL CONTRIBUTIONS.

22 (A) NOTWITHSTANDING ANY OTHER LIMITS ON CORPORATE CONTRIBUTIONS TO OR
23 EXPENDITURES ON POLITICAL CANDIDATES, POLITICAL COMMITTEES OR BALLOT
24 REFERENDUMS, BEFORE A NOT-FOR-PROFIT CORPORATION MAY MAKE A FINANCIAL
25 CONTRIBUTION TO A CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPO-
26 SITION TO A CANDIDATE OR BALLOT REFERENDUM, THE NOT-FOR-PROFIT CORPO-
27 RATION SHALL AT LEAST ANNUALLY OBTAIN THE PRIOR AUTHORIZATION OF A
28 MAJORITY OF THE SHAREHOLDERS OR MEMBERS OF SUCH CORPORATION TO MAKE
29 FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN SUPPORT OR OPPOSITION TO POLI-
30 TICAL CANDIDATES, OR PARTY COMMITTEES, OR BALLOT REFERENDUMS, UP TO A
31 STATED AGGREGATE ANNUAL AMOUNT.

32 (B) ANY NOT-FOR-PROFIT CORPORATION MAKING A FINANCIAL CONTRIBUTION TO
33 A POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION
34 TO A CANDIDATE OR BALLOT REFERENDUM SHALL AT LEAST ANNUALLY DISCLOSE TO
35 ITS SHAREHOLDERS OR MEMBERS AND FILE WITH THE SECRETARY OF STATE AN
36 ACCOUNTING OF ITS FUNDS USED FOR SUCH PURPOSES, INCLUDING (I) THE IDEN-
37 TITY OF ANY CANDIDATE, PARTY COMMITTEE OR ORGANIZATION RECEIVING SUCH
38 FUNDS AND THE AMOUNT RECEIVED, AND (II) THE CORPORATE RATIONALE FOR EACH
39 SUCH CONTRIBUTION.

40 S 5. The railroad law is amended by adding a new section 35 to read as
41 follows:

42 S 35. POLITICAL CONTRIBUTIONS. 1. NOTWITHSTANDING ANY OTHER LIMITS
43 ON CORPORATE CONTRIBUTIONS TO OR EXPENDITURES ON POLITICAL CANDIDATES,
44 POLITICAL COMMITTEES OR BALLOT REFERENDUMS, BEFORE A RAILROAD CORPO-
45 RATION MAY MAKE A FINANCIAL CONTRIBUTION TO A CANDIDATE OR PARTY COMMIT-
46 TEE OR IN SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM,
47 THE RAILROAD CORPORATION SHALL AT LEAST ANNUALLY OBTAIN THE PRIOR
48 AUTHORIZATION OF A MAJORITY OF THE SHAREHOLDERS OR MEMBERS OF SUCH
49 CORPORATION TO MAKE FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN SUPPORT OR
50 OPPOSITION TO POLITICAL CANDIDATES, OR PARTY COMMITTEES, OR BALLOT
51 REFERENDUMS, UP TO A STATED AGGREGATE ANNUAL AMOUNT.

52 2. ANY RAILROAD CORPORATION MAKING A FINANCIAL CONTRIBUTION TO A POLI-
53 TICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO A
54 CANDIDATE OR BALLOT REFERENDUM SHALL AT LEAST ANNUALLY DISCLOSE TO ITS
55 SHAREHOLDERS OR MEMBERS AND FILE WITH THE SECRETARY OF STATE AN ACCOUNT-
56 ING OF ITS FUNDS USED FOR SUCH PURPOSES, INCLUDING (A) THE IDENTITY OF

1 ANY CANDIDATE, PARTY COMMITTEE OR ORGANIZATION RECEIVING SUCH FUNDS AND
2 THE AMOUNT RECEIVED, AND (B) THE BUSINESS RATIONALE FOR EACH SUCH
3 CONTRIBUTION.

4 S 6. The transportation corporations law is amended by adding a new
5 section 7 to read as follows:

6 S 7. POLITICAL CONTRIBUTIONS. (A) NOTWITHSTANDING ANY OTHER LIMITS ON
7 CORPORATE CONTRIBUTIONS TO OR EXPENDITURES ON POLITICAL CANDIDATES,
8 POLITICAL COMMITTEES OR BALLOT REFERENDUMS, BEFORE A TRANSPORTATION
9 CORPORATION MAY MAKE A FINANCIAL CONTRIBUTION TO A CANDIDATE OR PARTY
10 COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFER-
11 ENDUM, THE TRANSPORTATION CORPORATION SHALL AT LEAST ANNUALLY OBTAIN THE
12 PRIOR AUTHORIZATION OF A MAJORITY OF THE SHAREHOLDERS OR MEMBERS OF SUCH
13 CORPORATION TO MAKE FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN SUPPORT OR
14 OPPOSITION TO POLITICAL CANDIDATES, OR PARTY COMMITTEES, OR BALLOT
15 REFERENDUMS, UP TO A STATED AGGREGATE ANNUAL AMOUNT.

16 (B) ANY TRANSPORTATION CORPORATION MAKING A FINANCIAL CONTRIBUTION TO
17 A POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION
18 TO A CANDIDATE OR BALLOT REFERENDUM SHALL AT LEAST ANNUALLY DISCLOSE TO
19 ITS SHAREHOLDERS OR MEMBERS AND FILE WITH THE SECRETARY OF STATE AN
20 ACCOUNTING OF ITS FUNDS USED FOR SUCH PURPOSES, INCLUDING (I) THE IDEN-
21 TITY OF ANY CANDIDATE, PARTY COMMITTEE OR ORGANIZATION RECEIVING SUCH
22 FUNDS AND THE AMOUNT RECEIVED, AND (II) THE BUSINESS RATIONALE FOR EACH
23 SUCH CONTRIBUTION.

24 S 7. The banking law is amended by adding a new section 5017 to read
25 as follows:

26 S 5017. POLITICAL CONTRIBUTIONS. 1. NOTWITHSTANDING ANY OTHER LIMITS
27 ON CORPORATE CONTRIBUTIONS TO OR EXPENDITURES ON POLITICAL CANDIDATES,
28 POLITICAL COMMITTEES OR BALLOT REFERENDUMS, BEFORE A CORPORATION MAY
29 MAKE A FINANCIAL CONTRIBUTION TO A CANDIDATE OR PARTY COMMITTEE OR IN
30 SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM, THE CORPO-
31 RATION SHALL AT LEAST ANNUALLY OBTAIN THE PRIOR AUTHORIZATION OF A
32 MAJORITY OF THE SHAREHOLDERS OR MEMBERS OF SUCH CORPORATION TO MAKE
33 FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN SUPPORT OR OPPOSITION TO POLI-
34 TICAL CANDIDATES, OR PARTY COMMITTEES, OR BALLOT REFERENDUMS, UP TO A
35 STATED AGGREGATE ANNUAL AMOUNT.

36 2. ANY CORPORATION MAKING A FINANCIAL CONTRIBUTION TO A POLITICAL
37 CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO A CANDI-
38 DATE OR BALLOT REFERENDUM SHALL AT LEAST ANNUALLY DISCLOSE TO ITS SHARE-
39 HOLDERS OR MEMBERS AND FILE WITH THE SECRETARY OF STATE AN ACCOUNTING OF
40 ITS FUNDS USED FOR SUCH PURPOSES, INCLUDING (A) THE IDENTITY OF ANY
41 CANDIDATE, PARTY COMMITTEE OR ORGANIZATION RECEIVING SUCH FUNDS AND THE
42 AMOUNT RECEIVED, AND (B) THE BUSINESS RATIONALE FOR EACH SUCH CONTRIB-
43 UTION.

44 S 8. The religious corporations law is amended by adding a new section
45 28 to read as follows:

46 S 28. POLITICAL CONTRIBUTIONS. 1. NOTWITHSTANDING ANY OTHER LIMITS
47 ON CORPORATE CONTRIBUTIONS TO OR EXPENDITURES ON POLITICAL CANDIDATES,
48 POLITICAL COMMITTEES OR BALLOT REFERENDUMS, BEFORE A RELIGIOUS CORPO-
49 RATION MAY MAKE A FINANCIAL CONTRIBUTION TO A CANDIDATE OR PARTY COMMIT-
50 TEE OR IN SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM,
51 THE RELIGIOUS CORPORATION SHALL AT LEAST ANNUALLY OBTAIN THE PRIOR
52 AUTHORIZATION OF A MAJORITY OF THE TRUSTEES OR MEMBERS OF SUCH CORPO-
53 RATION TO MAKE FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN SUPPORT OR
54 OPPOSITION TO POLITICAL CANDIDATES, OR PARTY COMMITTEES, OR BALLOT
55 REFERENDUMS, UP TO A STATED AGGREGATE ANNUAL AMOUNT.

2. ANY RELIGIOUS CORPORATION MAKING A FINANCIAL CONTRIBUTION TO A POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM SHALL AT LEAST ANNUALLY DISCLOSE TO ITS TRUSTEES OR MEMBERS AND FILE WITH THE SECRETARY OF STATE AN ACCOUNTING OF ITS FUNDS USED FOR SUCH PURPOSES, INCLUDING (A) THE IDENTITY OF ANY CANDIDATE, PARTY COMMITTEE OR ORGANIZATION RECEIVING SUCH FUNDS AND THE AMOUNT RECEIVED, AND (B) THE CORPORATE RATIONALE FOR EACH SUCH CONTRIBUTION.

S 9. The business corporation law is amended by adding a new section 1321 to read as follows:

S 1321. POLITICAL CONTRIBUTIONS.

(A) NOTWITHSTANDING ANY OTHER LIMITS ON CORPORATE CONTRIBUTIONS TO OR EXPENDITURES ON POLITICAL CANDIDATES, POLITICAL COMMITTEES OR BALLOT REFERENDUMS, BEFORE A FOREIGN CORPORATION MAY MAKE A FINANCIAL CONTRIBUTION TO A POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM IN NEW YORK, THE FOREIGN CORPORATION SHALL AT LEAST ANNUALLY OBTAIN THE PRIOR AUTHORIZATION OF A MAJORITY OF THE SHAREHOLDERS OF SUCH CORPORATION TO MAKE FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN SUPPORT OR OPPOSITION TO POLITICAL CANDIDATES, OR PARTY COMMITTEES, OR BALLOT REFERENDUMS, UP TO A STATED AGGREGATE ANNUAL AMOUNT.

(B) ANY FOREIGN CORPORATION MAKING A FINANCIAL CONTRIBUTION TO A POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM IN NEW YORK SHALL AT LEAST ANNUALLY DISCLOSE TO ITS SHAREHOLDERS AND FILE WITH THE SECRETARY OF STATE AN ACCOUNTING OF ITS FUNDS USED FOR SUCH PURPOSES, INCLUDING (I) THE IDENTITY OF ANY CANDIDATE, PARTY COMMITTEE OR ORGANIZATION RECEIVING SUCH FUNDS AND THE AMOUNT RECEIVED, AND (II) THE BUSINESS RATIONALE FOR EACH SUCH CONTRIBUTION.

S 10. The limited liability company law is amended by adding a new section 510 to read as follows:

S 510. POLITICAL CONTRIBUTIONS. (A) NOTWITHSTANDING ANY OTHER LIMITS ON CORPORATE CONTRIBUTIONS TO OR EXPENDITURES ON POLITICAL CANDIDATES, POLITICAL COMMITTEES OR BALLOT REFERENDUMS, BEFORE A LIMITED LIABILITY COMPANY MAY MAKE A FINANCIAL CONTRIBUTION TO A POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM, THE LIMITED LIABILITY COMPANY SHALL AT LEAST ANNUALLY OBTAIN THE PRIOR AUTHORIZATION OF A MAJORITY OF THE MEMBERS OR MANAGERS OF SUCH COMPANY TO MAKE FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN SUPPORT OR OPPOSITION TO POLITICAL CANDIDATES, OR PARTY COMMITTEES, OR BALLOT REFERENDUMS, UP TO A STATED AGGREGATE ANNUAL AMOUNT.

(B) ANY LIMITED LIABILITY COMPANY MAKING A FINANCIAL CONTRIBUTION TO A POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM SHALL AT LEAST ANNUALLY DISCLOSE TO ITS SHAREHOLDERS AND FILE WITH THE SECRETARY OF STATE AN ACCOUNTING OF ITS FUNDS USED FOR SUCH PURPOSES, INCLUDING (I) THE IDENTITY OF ANY CANDIDATE, PARTY COMMITTEE OR ORGANIZATION RECEIVING SUCH FUNDS AND THE AMOUNT RECEIVED, AND (II) THE BUSINESS RATIONALE FOR EACH SUCH CONTRIBUTION.

S 11. The business corporation law is amended by adding a new section 1517 to read as follows:

S 1517. POLITICAL CONTRIBUTIONS.

(A) NOTWITHSTANDING ANY OTHER LIMITS ON CORPORATE CONTRIBUTIONS TO OR EXPENDITURES ON POLITICAL CANDIDATES, POLITICAL COMMITTEES OR BALLOT REFERENDUMS, BEFORE A PROFESSIONAL SERVICE CORPORATION MAY MAKE A FINANCIAL CONTRIBUTION TO A POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN

1 SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM, THE
2 PROFESSIONAL SERVICE CORPORATION SHALL AT LEAST ANNUALLY OBTAIN THE
3 PRIOR AUTHORIZATION OF A MAJORITY OF THE SHAREHOLDERS OF SUCH CORPO-
4 RATION TO MAKE FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN SUPPORT OR
5 OPPOSITION TO POLITICAL CANDIDATES, OR PARTY COMMITTEES, OR BALLOT
6 REFERENDUMS, UP TO A STATED AGGREGATE ANNUAL AMOUNT.

7 (B) ANY PROFESSIONAL SERVICE CORPORATION MAKING A FINANCIAL CONTRIB-
8 UTION TO A POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT OF OR
9 OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM SHALL AT LEAST ANNUALLY
10 DISCLOSE TO ITS SHAREHOLDERS AND FILE WITH THE SECRETARY OF STATE AN
11 ACCOUNTING OF ITS FUNDS USED FOR SUCH PURPOSES, INCLUDING (I) THE IDEN-
12 TITY OF ANY CANDIDATE, PARTY COMMITTEE OR ORGANIZATION RECEIVING SUCH
13 FUNDS AND THE AMOUNT RECEIVED, AND (II) THE BUSINESS RATIONALE FOR EACH
14 SUCH CONTRIBUTION.

15 S 12. The business corporation law is amended by adding a new section
16 1534 to read as follows:

17 S 1534. POLITICAL CONTRIBUTIONS.

18 (A) NOTWITHSTANDING ANY OTHER LIMITS ON CORPORATE CONTRIBUTIONS TO OR
19 EXPENDITURES ON POLITICAL CANDIDATES, POLITICAL COMMITTEES OR BALLOT
20 REFERENDUMS, BEFORE A FOREIGN PROFESSIONAL SERVICE CORPORATION MAY MAKE
21 A FINANCIAL CONTRIBUTION TO A POLITICAL CANDIDATE OR PARTY COMMITTEE OR
22 IN SUPPORT OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM IN NEW
23 YORK, THE FOREIGN PROFESSIONAL SERVICE CORPORATION SHALL AT LEAST ANNU-
24 ALLY OBTAIN THE PRIOR AUTHORIZATION OF A MAJORITY OF THE SHAREHOLDERS OF
25 SUCH CORPORATION TO MAKE FINANCIAL CONTRIBUTIONS DIRECTLY TO OR IN
26 SUPPORT OR OPPOSITION TO POLITICAL CANDIDATES, OR PARTY COMMITTEES, OR
27 BALLOT REFERENDUMS, UP TO A STATED AGGREGATE ANNUAL AMOUNT.

28 (B) ANY FOREIGN PROFESSIONAL SERVICE CORPORATION MAKING A FINANCIAL
29 CONTRIBUTION TO A POLITICAL CANDIDATE OR PARTY COMMITTEE OR IN SUPPORT
30 OF OR OPPOSITION TO A CANDIDATE OR BALLOT REFERENDUM IN NEW YORK SHALL
31 AT LEAST ANNUALLY DISCLOSE TO ITS SHAREHOLDERS AND FILE WITH THE SECRE-
32 TARY OF STATE AN ACCOUNTING OF ITS FUNDS USED FOR SUCH PURPOSES, INCLUD-
33 ING (I) THE IDENTITY OF ANY CANDIDATE, PARTY COMMITTEE OR ORGANIZATION
34 RECEIVING SUCH FUNDS AND THE AMOUNT RECEIVED, AND (II) THE BUSINESS
35 RATIONALE FOR EACH SUCH CONTRIBUTION.

36 S 13. This act shall take effect immediately.