

2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

January 5, 2011

Introduced by Sens. SQUADRON, KRUEGER, SERRANO, STAVISKY -- read twice
and ordered printed, and when printed to be committed to the Committee
on Elections

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 ASSEM-
BLY, 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, UNLESS THE CONTEXT OTHERWISE
14 REQUIRES, A PARTNERSHIP (I) FORMED BY TWO OR MORE PERSONS PURSUANT TO
15 THE PARTNERSHIP LAW OR WHICH COMPLIES WITH SUBDIVISION (A) OF SECTION
16 121-1202 OF THE PARTNERSHIP LAW AND (II) HAVING ONE OR MORE GENERAL
17 PARTNERS AND ONE OR MORE LIMITED PARTNERS, WHICH (A) IS NOT A PROFES-
18 SIONAL PARTNERSHIP UNDER THIS SECTION, (B) IS AFFILIATED WITH A PROFES-
19 SIONAL SERVICE LIMITED LIABILITY COMPANY, FOREIGN PROFESSIONAL SERVICE
20 LIMITED LIABILITY COMPANY, PROFESSIONAL SERVICE CORPORATION, FOREIGN
21 PROFESSIONAL SERVICE CORPORATION, REGISTERED LIMITED LIABILITY PARTNER-
22 SHIP THAT IS A PROFESSIONAL PARTNERSHIP UNDER THIS SECTION OR A FOREIGN

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

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1 LIMITED LIABILITY PARTNERSHIP UNDER CLAUSE (I) OR (II) OF THE EIGHTH
2 UNDESIGNATED PARAGRAPH OF SECTION TWO OF THE PARTNERSHIP LAW, AND (C)
3 RENDERS SERVICES RELATED OR COMPLEMENTARY TO THE PROFESSIONAL SERVICES
4 RENDERED BY, OR PROVIDES SERVICES OR FACILITIES TO, SUCH PROFESSIONAL
5 SERVICE LIMITED LIABILITY COMPANY, FOREIGN PROFESSIONAL SERVICE LIMITED
6 LIABILITY COMPANY, PROFESSIONAL SERVICE CORPORATION, FOREIGN PROFES-
7 SIONAL SERVICE CORPORATION, REGISTERED LIMITED LIABILITY PARTNERSHIP OR
8 FOREIGN LIMITED LIABILITY PARTNERSHIP.

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

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

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

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

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

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

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

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

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

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

55 S 4. Severability. If any clause, sentence, paragraph, section or part
56 of this act shall be adjudged by any court of competent jurisdiction to

1 be invalid and after exhaustion of all further judicial review, the
2 judgment shall not affect, impair or invalidate the remainder thereof,
3 but shall be confined in its operation to the clause, sentence, para-
4 graph, section or part of this act directly involved in the controversy
5 in which the judgment shall have been rendered.
6 S 5. This act shall take effect January 1, 2012; provided that
7 contributions legally received prior to the effective date of this act
8 may be retained and expended for lawful purposes and shall not provide
9 the basis for a violation of article 14 of the election law, as amended
10 by this act; and provided, further, that the state board of elections
11 shall notify all candidates and political committees of the applicable
12 provisions of this act within thirty days after this act shall have
13 become a law.