S T A T E O F N E W Y O R K

5127

2013-2014 Regular Sessions

I N S E N A T E

May 10, 2013

Introduced by Sens. GIPSON, ADDABBO, AVELLA, BRESLIN, GIANARIS, HOYLMAN, KRUEGER, O'BRIEN, SERRANO, SQUADRON, STAVISKY, STEWART-COUSINS -- 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 campaign funds for personal use

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

Section 1. Section 14-130 of the election law, as added by chapter 152 of the laws of 1985, is amended to read as follows:

S 14-130. Campaign funds for personal use. 1. Contributions received by a candidate or a political committee may ONLY be expended for [any lawful purpose. Such funds shall not be converted by any person to a personal use which is unrelated to a political campaign or the holding of a public office or party position] BONA FIDE PURPOSES DIRECTLY RELATED TO EITHER:

A. PROMOTING THE NOMINATION OR ELECTION OF A CANDIDATE; OR

B. PERFORMING DUTIES OF PUBLIC OFFICE OR PARTY POSITION WHICH ARE NOT PAID FOR OR ELIGIBLE FOR REIMBURSEMENT BY THE STATE OR ANY POLITICAL SUBDIVISION OR PRIVATE PARTY, AND ORDINARY AND NECESSARY EXPENSES RELATING TO THE HOLDING OF PUBLIC OFFICE OR PARTY POSITION.

2. CAMPAIGN FUNDS SHALL NOT BE CONVERTED TO PERSONAL USE, WHICH SHALL BE DEFINED AS EXPENDITURES THAT:

A. ARE FOR THE PERSONAL BENEFIT OF OR TO DEFRAY NORMAL LIVING EXPENSES OF THE CANDIDATE, OFFICEHOLDER, IMMEDIATE FAMILY OR DOMESTIC PARTNER OF EITHER OR ANY OTHER PERSON;

B. ARE USED TO FULFILL ANY COMMITMENT, OBLIGATION, OR EXPENSE THAT WOULD EXIST IRRESPECTIVE OF THE CANDIDATE'S CAMPAIGN OR DUTIES AS AN OFFICEHOLDER; OR

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

LBD10314-04-3

C. ARE PUT TO ANY USE FOR WHICH THE CANDIDATE OR OFFICEHOLDER WOULD BE REQUIRED TO TREAT THE AMOUNT OF THE EXPENDITURE AS GROSS INCOME UNDER SECTION 61 OF THE INTERNAL REVENUE CODE.

3. EXPENDITURES FOR PERSONAL USE SHALL ALSO INCLUDE, BUT ARE NOT LIMITED TO, EXPENDITURES FOR:

A. RESIDENTIAL OR HOUSEHOLD ITEMS, SUPPLIES, MAINTENANCE OR OTHER EXPENDITURES, INCLUDING MORTGAGE, RENT, UTILITIES, REPAIRS, OR IMPROVEMENTS FOR ANY PART OF ANY PERSONAL RESIDENCE OF A CANDIDATE OR OFFICEHOLDER, HIS OR HER IMMEDIATE FAMILY OR DOMESTIC PARTNER;

B. RENT OR UTILITY PAYMENTS THAT EXCEED FAIR MARKET VALUE FOR USE OF ANY PART OF ANY NON-RESIDENTIAL PROPERTY OWNED BY A CANDIDATE, OR A MEMBER OF A CANDIDATE'S FAMILY OR DOMESTIC PARTNER USED FOR CAMPAIGN PURPOSES;

C. SALARY AND OTHER FEES FOR BONA FIDE SERVICES TO A CAMPAIGN OR LEGISLATIVE OFFICE THAT EXCEED FAIR AND REASONABLE MARKET VALUE OF SUCH SERVICES;

D. INTEREST OR ANY OTHER FINANCE CHARGES FOR MONIES LOANED TO THE CAMPAIGN BY THE CANDIDATE OR THE SPOUSE OR DOMESTIC PARTNER OF SUCH CANDIDATE;

E. TUITION PAYMENTS;

F. DUES, FEES, OR GRATUITIES AT PRIVATE CLUBS, RECREATIONAL FACILITIES OR OTHER NONPOLITICAL ORGANIZATIONS, UNLESS CONNECTED TO A SPECIFIC WIDELY ATTENDED FUNDRAISING EVENT THAT TAKES PLACE ON THE ORGANIZATION'S PREMISES;

G. AUTOMOBILE PURCHASES OR LONG TERM LEASES; SHORT TERM CAR RENTALS AND CELLULAR EQUIPMENT AND SERVICES NOT USED EXCLUSIVELY FOR CAMPAIGN PURPOSES OR DUTIES AS AN OFFICEHOLDER;

H. ADMISSION TO SPORTING EVENTS, CONCERTS, THEATERS, OR OTHER FORMS OF ENTERTAINMENT, UNLESS PART OF A SPECIFIC CAMPAIGN OR OFFICEHOLDER RELATED ACTIVITY; AND

I. PAYMENT OF ANY FINES, FEES, OR PENALTIES ASSESSED PURSUANT TO THIS CHAPTER.

NOTHING IN THIS SECTION SHALL PROHIBIT A CANDIDATE FROM PURCHASING OFFICE EQUIPMENT WITH PERSONAL FUNDS AND LEASING OR RENTING SUCH EQUIPMENT OR PROPERTY TO A COMMITTEE WORKING WITH OR FOR THE CANDIDATE, PROVIDED THE CANDIDATE OR THE CAMPAIGN TREASURER SIGNS A WRITTEN LEASE OR RENTAL AGREEMENT AND FILES IT WITH THE APPROPRIATE REQUIRED CAMPAIGN FINANCIAL FILING WHICH SHALL INCLUDE THE LEASE OR RENTAL PRICE WHICH SHALL NOT EXCEED THE FAIR LEASE OR RENTAL VALUE OF THE EQUIPMENT OR IN THE AGGREGATE EXCEED THE COST OF ITS PURCHASE.

S 2. The election law is amended by adding a new section 14-132 to read as follows:

S 14-132. DISPOSITION OF CAMPAIGN FUNDS. UPON THE DEATH OF A CANDIDATE, FORMER CANDIDATE OR HOLDER OF ELECTIVE OFFICE, WHO RECEIVED CAMPAIGN CONTRIBUTIONS, ALL CONTRIBUTIONS SHALL BE DISPOSED OF WITHIN TWELVE MONTHS OF THE DEATH OF THE CANDIDATE PURSUANT TO SUBDIVISION ONE OF THIS SECTION.

1. ANY POLITICAL COMMITTEE REQUIRED TO DISPOSE OF FUNDS PURSUANT TO THIS SECTION SHALL, AT THE OPTION OF THE REPRESENTATIVE OF THE ESTATE OF THE CANDIDATE, OR THE TREASURER OF A POLITICAL COMMITTEE FORMED SOLELY TO PROMOTE THE PASSAGE OR DEFEAT OF A BALLOT PROPOSAL, DISPOSE OF SUCH FUNDS BY ANY OF THE FOLLOWING MEANS, OR ANY COMBINATION THEREOF:

A. RETURNING, PRO RATA, TO EACH CONTRIBUTOR THE FUNDS THAT HAVE NOT BEEN SPENT OR OBLIGATED;

B. DONATING THE FUNDS TO A CHARITABLE ORGANIZATION OR ORGANIZATIONS THAT MEET THE QUALIFICATIONS OF SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE;

C. DONATING THE FUNDS TO THE STATE UNIVERSITY;

D. DONATING THE FUNDS TO THE STATE'S GENERAL FUND;

E. TRANSFERRING THE FUNDS TO A POLITICAL PARTY COMMITTEE REGISTERED WITH THE STATE BOARD OF ELECTIONS; OR

F. CONTRIBUTING THE FUNDS TO A CANDIDATE OR POLITICAL COMMITTEE SUCH THAT THIS DOES NOT EXCEED THE LIMITS SET FORTH IN SECTION 14-114 OF THIS ARTICLE.

2. NO REPRESENTATIVE OF THE ESTATE OF A CANDIDATE OR POLITICAL COMMITTEE SHALL DISPOSE OF CAMPAIGN FUNDS BY MAKING EXPENDITURES FOR PERSONAL USE AS DEFINED IN SECTION 14-130 OF THIS ARTICLE.

S 3. This act shall take effect on the sixtieth day after it shall have become a law; provided, however, that the state board of elections shall notify all registered campaign committees of the applicable provisions of this act within thirty days after this act shall have become a law.