

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:

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

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

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

10 B. PERFORMING DUTIES OF PUBLIC OFFICE OR PARTY POSITION WHICH ARE NOT
11 PAID FOR OR ELIGIBLE FOR REIMBURSEMENT BY THE STATE OR ANY POLITICAL
12 SUBDIVISION OR PRIVATE PARTY, AND ORDINARY AND NECESSARY EXPENSES RELAT-
13 ING TO THE HOLDING OF PUBLIC OFFICE OR PARTY POSITION.

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

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

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

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

LBD10314-04-3

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

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

6 A. RESIDENTIAL OR HOUSEHOLD ITEMS, SUPPLIES, MAINTENANCE OR OTHER
7 EXPENDITURES, INCLUDING MORTGAGE, RENT, UTILITIES, REPAIRS, OR IMPROVE-
8 MENTS FOR ANY PART OF ANY PERSONAL RESIDENCE OF A CANDIDATE OR OFFICE-
9 HOLDER, HIS OR HER IMMEDIATE FAMILY OR DOMESTIC PARTNER;

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

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

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

20 E. TUITION PAYMENTS;

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

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

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

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

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

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

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

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

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

- 1 B. DONATING THE FUNDS TO A CHARITABLE ORGANIZATION OR ORGANIZATIONS
- 2 THAT MEET THE QUALIFICATIONS OF SECTION 501(C) (3) OF THE INTERNAL
- 3 REVENUE CODE;
- 4 C. DONATING THE FUNDS TO THE STATE UNIVERSITY;
- 5 D. DONATING THE FUNDS TO THE STATE'S GENERAL FUND;
- 6 E. TRANSFERRING THE FUNDS TO A POLITICAL PARTY COMMITTEE REGISTERED
- 7 WITH THE STATE BOARD OF ELECTIONS; OR
- 8 F. CONTRIBUTING THE FUNDS TO A CANDIDATE OR POLITICAL COMMITTEE SUCH
- 9 THAT THIS DOES NOT EXCEED THE LIMITS SET FORTH IN SECTION 14-114 OF THIS
- 10 ARTICLE.
- 11 2. NO REPRESENTATIVE OF THE ESTATE OF A CANDIDATE OR POLITICAL COMMIT-
- 12 TEE SHALL DISPOSE OF CAMPAIGN FUNDS BY MAKING EXPENDITURES FOR PERSONAL
- 13 USE AS DEFINED IN SECTION 14-130 OF THIS ARTICLE.
- 14 S 3. This act shall take effect on the sixtieth day after it shall
- 15 have become a law; provided, however, that the state board of elections
- 16 shall notify all registered campaign committees of the applicable
- 17 provisions of this act within thirty days after this act shall have
- 18 become a law.