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I N S E N A T E

June 7, 2016

Introduced by Sen. GALLIVAN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the limited liability company law and the election law, in relation to political contributions and expenditures by limited liability companies and other entities

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

1 Section 1. Section 201 of the limited liability company law is amended
2 to read as follows:
3 S 201. Purpose. A limited liability company may be formed under this
4 chapter for any lawful business purpose or purposes except to do in this
5 state any business for which another statute specifically requires some
6 other business entity or natural person to be formed or used for such
7 business; OR FORMED OR USED FOR THE SOLE PURPOSE OF MAKING POLITICAL
8 CONTRIBUTIONS OR EXPENDITURES UNLESS REGISTERED AS A POLITICAL COMMITTEE
9 OR INDEPENDENT EXPENDITURE COMMITTEE WITH THE BOARD OF ELECTIONS.
10 S 2. Paragraphs 6 and 7 of subdivision (e) of section 203 of the
11 limited liability company law, as added by chapter 470 of the laws of
12 1997, are amended and a new paragraph 8 is added to read as follows:
13 (6) if all or specified members are to be liable in their capacity as
14 members for all or specified debts, obligations or liabilities of the
15 limited liability company as authorized pursuant to section six hundred
16 nine of this chapter, a statement that all or specified members are so
17 liable for such debts, obligations or liabilities in their capacity as
18 members of the limited liability company as authorized pursuant to
19 section six hundred nine of this chapter; [and]
20 (7) any other provisions, not inconsistent with law, that the members
21 elect to include in the articles or organization for the regulation of
22 the internal affairs of the limited liability company, including, but
23 not limited to, (A) the business purpose for which the limited liability
24 company is formed, (B) a statement of whether there are limitations on
25 the authority of members or managers or a class or classes thereof to
26 bind the limited liability company and (C) any provisions that are
27 required or permitted to be included in the operating agreement of the

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

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1 limited liability company pursuant to section four hundred seventeen of
2 this chapter[.]; AND

3 (8) IF A LIMITED LIABILITY COMPANY IS FORMED AND REGISTERED IN A STATE
4 OTHER THAN NEW YORK, IT MUST REGISTER WITH THE SECRETARY OF STATE AND
5 MEET THE SAME FORMATION AND FILING REQUIREMENTS OF A LIMITED LIABILITY
6 COMPANY FORMED AND REGISTERED IN NEW YORK PRIOR TO MAKING POLITICAL
7 CONTRIBUTIONS OR EXPENDITURES FOR ANY STATE OR LOCAL CANDIDATE FOR
8 ELECTED OFFICE.

9 S 3. Subdivision 1 of section 14-102 of the election law, as amended
10 by chapter 8 of the laws of 1978 and as redesignated by chapter 9 of the
11 laws of 1978, is amended to read as follows:

12 1. The treasurer of every political committee which, or any officer,
13 member or agent of any such committee who, in connection with any
14 election, receives or expends any money or other valuable thing or
15 incurs any liability to pay money or its equivalent shall file state-
16 ments sworn, or subscribed and bearing a form notice that false state-
17 ments made therein are punishable as a class A misdemeanor pursuant to
18 section 210.45 of the penal law, at the times prescribed by this article
19 setting forth all the receipts, contributions to and the expenditures by
20 and liabilities of the committee, and of its officers, members and
21 agents in its behalf. Such statements shall include the dollar amount of
22 any receipt, contribution or transfer, or the fair market value of any
23 receipt, contribution or transfer, which is other than of money, the
24 name and address of the transferor, contributor or person from whom
25 received, and if the transferor, contributor or person is a political
26 committee; the name of and the political unit represented by the commit-
27 tee, the date of its receipt, the dollar amount of every expenditure,
28 the name and address of the person to whom it was made or the name of
29 and the political unit represented by the committee to which it was made
30 and the date thereof, and shall state clearly the purpose of such
31 expenditure. ANY STATEMENT OF CAMPAIGN RECEIPT THAT INCLUDES A CONTRIB-
32 UTION FROM A LIMITED LIABILITY COMPANY SHALL INCLUDE THE NAME OF THE
33 REGISTERED AGENT FOR SERVICE OF PROCESS FILED WITH THE SECRETARY OF
34 STATE EXCEPT THAT WHERE NO REGISTERED AGENT IS SO DESIGNATED, ONE
35 NATURAL PERSON WHO IS ASSOCIATED WITH SUCH LIMITED LIABILITY COMPANY.
36 Any statement reporting a loan shall have attached to it a copy of the
37 evidence of indebtedness. Expenditures in sums under fifty dollars need
38 not be specifically accounted for by separate items in said statements,
39 and receipts and contributions aggregating not more than ninety-nine
40 dollars, from any one contributor need not be specifically accounted for
41 by separate items in said statements, provided however, that such
42 expenditures, receipts and contributions shall be subject to the other
43 provisions of section 14-118 of this article.

44 S 4. Subdivision 1 of section 14-104 of the election law, as amended
45 by chapter 430 of the laws of 1997, is amended to read as follows:

46 1. Any candidate for election to public office, or for nomination for
47 public office at a contested primary election or convention, or for
48 election to a party position at a primary election, shall file state-
49 ments sworn, or subscribed and bearing a form notice that false state-
50 ments made therein are punishable as a class A misdemeanor pursuant to
51 section 210.45 of the penal law, at the times prescribed by this article
52 setting forth the particulars specified by section 14-102 of this arti-
53 cle, as to all moneys or other valuable things, paid, given, expended or
54 promised by him to aid his own nomination or election, or to promote the
55 success or defeat of a political party, or to aid or influence the nomi-
56 nation or election or the defeat of any other candidate to be voted for

1 at the election or primary election or at a convention, including
2 contributions to political committees, officers, members or agents thereof, and transfers, receipts and contributions to him to be used for any
3 of the purposes above specified, or in lieu thereof, any such candidate
4 may file such a sworn statement at the first filing period, on a form
5 prescribed by the state board of elections that such candidate has made
6 no such expenditures and does not intend to make any such expenditures,
7 except through a political committee authorized by such candidate pursuant to this article. A committee authorized by such a candidate may
8 fulfill all of the filing requirements of this act on behalf of such
9 candidate. ANY STATEMENT OF CAMPAIGN RECEIPT THAT INCLUDES A CONTRIBUTION FROM A LIMITED LIABILITY COMPANY SHALL INCLUDE THE NAME OF THE
10 REGISTERED AGENT FOR SERVICE OF PROCESS FILED WITH THE SECRETARY OF
11 STATE EXCEPT THAT WHERE NO REGISTERED AGENT IS SO DESIGNATED, ONE
12 NATURAL PERSON WHO IS ASSOCIATED WITH SUCH LIMITED LIABILITY COMPANY.
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14 S 5. This act shall take effect on the first of January next succeeding
15 the date on which it shall have become a law.
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