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

8130

I N S E N A T E

June 13, 2016

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

AN ACT to amend the election law, in relation to independent expenditures during election campaigns

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

Section 1. Subdivision 1 of section 14-107 of the election law, as amended by section 8 of part CC of chapter 56 of the laws of 2015, is amended to read as follows:

1. For purposes of this article:

(a) "Independent expenditure" means an expenditure made by a person conveyed to five hundred or more members of a general public audience in the form of (i) an audio or video communication via broadcast, cable or satellite, (ii) a written communication via advertisements, pamphlets, circulars, flyers, brochures, letterheads or (iii) other published statements which: (i) irrespective of when such communication is made, contains words such as "vote," "oppose," "support," "elect," "defeat," or "reject," which call for the election or defeat of the clearly identified candidate, (ii) refers to and advocates for or against a clearly identified candidate or ballot proposal on or after January first of the year of the election in which such candidate is seeking office or such proposal shall appear on the ballot, or (iii) within sixty days before a general or special election for the office sought by the candidate or thirty days before a primary election, includes or references a clearly identified candidate. An independent expenditure shall not include communications where such candidate, the candidate's political committee or its agents, a party committee or its agents, or a constituted committee or its agents or a political committee formed to promote the success or defeat of a ballot proposal or its agents, did authorize, request, suggest, foster or cooperate in such communication.

(b) Independent expenditures do not include expenditures in connection with:

(i) a written news story, commentary, or editorial or a news story, commentary, or editorial distributed through the facilities of any

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

LBD15884-01-6

broadcasting station, cable or satellite unless such publication or facilities are owned or controlled by any political party, political committee or candidate; or

(ii) a communication that constitutes a candidate debate or forum; or

(iii) internal communication by members to other members of a membership organization of not more than five hundred members, for the purpose of supporting or opposing a candidate or candidates for elective office, provided such expenditures are not used for the costs of campaign material or communications used in connection with broadcasting, telecasting, newspapers, magazines, or other periodical publication, billboards, or similar types of general public communications; or

(iv) internal communications by members to other members of a membership organization of not more than five hundred members or communications by a corporation organized for charitable purposes pursuant to S501(c)(3) of the internal revenue code, within sixty days before a general or special election for the office sought by the candidate or thirty days before a primary election, that includes or references a clearly identified candidate but does not otherwise qualify as an independent expenditure under this section.

(v) a communication published on the Internet, unless the communication is a paid advertisement.

(c) For purposes of this section, the term "person" shall mean person, group of persons, corporation, unincorporated business entity, labor organization or business, trade or professional association, INDEPENDENT EXPENDITURE COMMITTEE or organization, or political committee; provided, however, that such definition shall not include any party or constituted committee, that is required to file disclosure reports under this chapter.

(D) INDEPENDENT EXPENDITURES SHALL NOT INCLUDE PAYMENTS OR EXPENDITURES WHERE COORDINATION OCCURS IN THE CREATION, FORMATION, OR OPERATION OF THE PERSON MAKING THE PAYMENT OR EXPENDITURE.

COORDINATION SHALL INCLUDE:

(I) THE CANDIDATE OR THE CANDIDATE'S AUTHORIZED COMMITTEE, OR AN AGENT OF THE CANDIDATE OR CANDIDATE'S AUTHORIZED COMMITTEE, PARTICIPATED IN THE CREATION OR FORMATION OF THE PERSON MAKING THE PAYMENT OR EXPENDITURE, DURING THE ELECTION CYCLE OF THE CANDIDATE INVOLVED, AND THE PAYMENT OR EXPENDITURE MADE IS FOR THE BENEFIT OF THAT CANDIDATE.

(II) THE CANDIDATE OR AN AGENT OF THE CANDIDATE APPEARS AT ANY EVENT, OTHER THAN A PUBLIC DEBATE OR AN EVENT THAT IS OPEN TO ALL CANDIDATES, HOSTED BY A PERSON MAKING A PAYMENT OR EXPENDITURE THAT BENEFITS THAT CANDIDATE DURING THE ELECTION CYCLE OF THE CANDIDATE INVOLVED.

(III) THE PERSON MAKING THE PAYMENT OR EXPENDITURE EMPLOYED OR RETAINED A PERSON WHO WAS EMPLOYED BY THE CANDIDATE, THE CANDIDATE'S AUTHORIZED COMMITTEE OR AN AGENT OF THE CANDIDATE OR HAS HELD A POLICY-MAKING, NON-ADMINISTRATIVE POSITION IN THE OFFICE OF THE CANDIDATE'S ELECTED OFFICE DURING THE ELECTION CYCLE OF THE CANDIDATE INVOLVED, AND THE PAYMENT OR EXPENDITURE IS MADE FOR THE BENEFIT OF THAT CANDIDATE.

(IV) THE PERSON MAKING THE PAYMENT OR EXPENDITURE IS A MEMBER OF THE CANDIDATE'S IMMEDIATE FAMILY OR IS ESTABLISHED, DIRECTED, OR MANAGED BY A MEMBER OF THE IMMEDIATE FAMILY OF THE CANDIDATE, AND THE PAYMENT OR EXPENDITURE IS MADE FOR THE BENEFIT OF THAT CANDIDATE.

(V) THE PERSON MAKING THE PAYMENT OR EXPENDITURE REPUBLISHES, DISSEMINATES, OR DISTRIBUTES, IN WHOLE OR IN PART, ANY VIDEO, AUDIO, WRITTEN, OR OTHER CAMPAIGN-RELATED MATERIAL PREPARED BY THE CANDIDATE OR THE CANDIDATE'S AUTHORIZED COMMITTEE OR BY AN AGENT OF THE CANDIDATE OR THE CANDIDATE'S AUTHORIZED COMMITTEE, FROM STRATEGIC INFORMATION, INCLUDING

BUT NOT LIMITED TO AUDIO RECORDINGS OR VIDEO FOOTAGE. THIS PARAGRAPH SHALL APPLY ONLY IF THE PERSON MAKING THE PAYMENT OR EXPENDITURE OBTAINS THE COMMUNICATION OR MATERIALS WITH CONSENT FROM THE CANDIDATE, THE CANDIDATE'S CAMPAIGN, OR AN AGENT OF THE CANDIDATE OR THE CANDIDATE'S CAMPAIGN AND THE PAYMENT OR EXPENDITURE IS MADE FOR THE BENEFIT OF THE CANDIDATE. INFORMATION SHALL NOT BE DEEMED STRATEGIC IF THE INFORMATION WAS OBTAINED FROM A PUBLICLY AVAILABLE SOURCE.

(VI) THE CANDIDATE OR THE CANDIDATE'S AUTHORIZED COMMITTEE, OR AN AGENT OF THE CANDIDATE OR THE CANDIDATE'S AUTHORIZED COMMITTEE, SHARES OR RENTS SPACE FOR A CAMPAIGN-RELATED PURPOSE WITH OR FROM THE PERSON MAKING THE PAYMENT OR EXPENDITURE BENEFITTING THE CANDIDATE.

(VII) THE PERSON MAKING THE PAYMENT OR EXPENDITURE BENEFITTING THE CANDIDATE, OR A DOMINANT INTEREST CONTRIBUTOR, HAS PARTICIPATED IN STRATEGIC DISCUSSIONS WITH THE CANDIDATE, THE CANDIDATE'S AUTHORIZED COMMITTEE, OR AN AGENT OF THE CANDIDATE OR THE CANDIDATE'S AUTHORIZED COMMITTEE DURING THE ELECTION CYCLE OF THE CANDIDATE INVOLVED. DISCUSSIONS SHALL BE DEEMED STRATEGIC IF INFORMATION ABOUT THE CANDIDATE'S OR OPPONENT'S CAMPAIGN PLANS, PROJECTS, OR ACTIVITIES THAT IS NOT OBTAINED FROM A PUBLIC AVAILABLE SOURCE IS CONVEYED TO THE PERSON MAKING THE PAYMENT OR EXPENDITURE.

(VIII) THE PERSON MAKING THE PAYMENT OR EXPENDITURE BENEFITTING THE CANDIDATE AND THE CANDIDATE OR THE CANDIDATE'S AUTHORIZED COMMITTEE KNOWINGLY RETAIN THE SAME INDIVIDUAL OR ENTITY TO PROVIDE PROFESSIONAL CAMPAIGN SERVICES DURING THE ELECTION CYCLE OF THE CANDIDATE INVOLVED, AND THE PROFESSIONAL CAMPAIGN SERVICES PROVIDER DISCLOSES STRATEGIC INFORMATION REGARDING ONE PARTY WITH THE OTHER PARTY. INFORMATION SHALL BE DEEMED STRATEGIC IF IT RELATES TO EITHER PARTY'S RESPECTIVE CAMPAIGN OR INDEPENDENT EXPENDITURE PLANS, PROJECTS, OR ACTIVITIES THAT IS NOT OBTAINED FROM A PUBLICLY AVAILABLE SOURCE. THIS SUBPARAGRAPH SHALL NOT PROHIBIT A CANDIDATE, A CANDIDATE'S AUTHORIZED COMMITTEE, OR AN AGENT OF THE CANDIDATE OR THE CANDIDATE'S AUTHORIZED COMMITTEE FROM RETAINING THE SAME PROFESSIONAL CAMPAIGN SERVICES PROVIDER AS THE PERSON MAKING THE PAYMENT OR EXPENDITURE BENEFITTING THE CANDIDATE UPON THE PROFESSIONAL CAMPAIGN SERVICES PROVIDER ENTERING INTO A CONFIDENTIALITY AGREEMENT WITH BOTH PARTIES EXPRESSLY STATING THAT IT WILL NOT DISCLOSE STRATEGIC INFORMATION REGARDING EACH PARTY WITH THE OTHER PARTY.

(IX) THE PERSON MAKING THE PAYMENT OR EXPENDITURE BENEFITTING THE CANDIDATE UTILIZES STRATEGIC INFORMATION OR DATA THAT IS NOT OTHERWISE AVAILABLE BY SUBSCRIPTION RELATED TO THE CANDIDATE FROM A PERSON WHO HAS BEEN PREVIOUSLY COMPENSATED, REIMBURSED OR RETAINED BY THE CANDIDATE AS A POLLSTER, CONSULTANT, POLITICAL, MEDIA OR FUNDRAISING ADVISOR, VENDOR OR CONTRACTOR DURING THE ELECTION CYCLE OF THE CANDIDATE INVOLVED. INFORMATION SHALL NOT BE DEEMED STRATEGIC IF THE INFORMATION WAS OBTAINED FROM A PUBLICLY AVAILABLE SOURCE.

(D-1) PARAGRAPH (D) OF THIS SUBDIVISION SHALL NOT BE READ TO LIMIT THE SCOPE OF PARAGRAPHS (A) AND (B) OF THIS SUBDIVISION IN ANY WAY.

(D-2) (I) FOR PURPOSES OF THIS SUBDIVISION, A "DOMINANT INTEREST CONTRIBUTOR" SHALL MEAN A CONTRIBUTOR WHO ACQUIRES A DOMINANT INTEREST IN THE PERSON MAKING THE PAYMENT OR EXPENDITURE BENEFITTING THE CANDIDATE, AND THE CONTRIBUTOR'S AGGREGATE CONTRIBUTION TO THE PERSON EXCEEDS THE CONTRIBUTION RECEIPT LIMIT APPLICABLE TO THE CANDIDATE WHO IS BENEFITTED BY THE COMMUNICATION DURING THE FOUR-MONTH PERIOD BEFORE ANY ELECTION IN WHICH THE CANDIDATE STANDS FOR NOMINATION.

(II) FOR PURPOSES OF THIS SUBDIVISION, "DOMINANT INTEREST" MEANS THAT THE PERSON MAKING THE PAYMENT OR EXPENDITURE EITHER:

A. RECEIVES TWENTY-FIVE PERCENT OR MORE OF ITS TOTAL CONTRIBUTIONS FOR ANY REPORTING PERIOD UNDER THIS ARTICLE WITHIN TWO YEARS OF THE GENERAL ELECTION, PRIMARY OR SPECIAL ELECTION IN WHICH THE CANDIDATE IS A CANDIDATE FOR NOMINATION OR ELECTION, FROM AN INDIVIDUAL CONTRIBUTOR THAT HAS CONTRIBUTED DIRECTLY TO DURING THE ELECTION CYCLE OF THE CANDIDATE INVOLVED, OR

B. RECEIVES FIFTY PERCENT OR MORE OF ITS TOTAL CONTRIBUTIONS FOR ANY REPORTING PERIOD UNDER THIS ARTICLE WITHIN TWO YEARS OF THE GENERAL ELECTION, PRIMARY OR SPECIAL ELECTION IN WHICH THE CANDIDATE IS A CANDIDATE FOR NOMINATION OR ELECTION, FROM A CONTRIBUTOR THAT IS AN ENTITY DURING THE ELECTION CYCLE INVOLVED

(E) THE FOLLOWING SHALL NOT BE COORDINATION:

(I) A CANDIDATE'S OR A POLITICAL PARTY COMMITTEE'S RESPONSE TO AN INQUIRY ABOUT THAT CANDIDATE'S OR POLITICAL PARTY COMMITTEE'S POSITIONS ON LEGISLATIVE OR POLICY ISSUES.

(II) A PUBLIC COMMUNICATION IN WHICH A CANDIDATE IS CLEARLY IDENTIFIED ONLY IN HIS OR HER CAPACITY AS THE OWNER OR OPERATOR OF A BUSINESS THAT EXISTED PRIOR TO THE CANDIDACY IS NOT A COORDINATED COMMUNICATION WITH RESPECT TO THE CLEARLY IDENTIFIED CANDIDATE IF: (I) THE MEDIUM, TIMING, CONTENT, AND GEOGRAPHIC DISTRIBUTION OF THE PUBLIC COMMUNICATION ARE CONSISTENT WITH PUBLIC COMMUNICATIONS MADE PRIOR TO THE CANDIDACY; AND (II) THE PUBLIC COMMUNICATION DOES NOT PROMOTE, SUPPORT, ATTACK, OR OPPOSE THAT CANDIDATE OR ANOTHER CANDIDATE IN THEIR CAPACITY AS CANDIDATES WHO SEEKS THE SAME OFFICE AS THAT CANDIDATE.

(F) FOR PURPOSES OF THIS SECTION, THE TERM "IMMEDIATE FAMILY" MEANS SPOUSE, CHILD, PARENT, GRANDPARENT, BROTHER, HALF-BROTHER, SISTER, OR HALF-SISTER OF THE CANDIDATE, AND THE SPOUSES OF SUCH PERSONS.

(G) FOR PURPOSES OF THIS SECTION, "AGENT" MEANS A PERSON AUTHORIZED BY THE CANDIDATE OR THE CANDIDATE'S AUTHORIZED COMMITTEE, WHO ACTS ON BEHALF OF OR AT THE DIRECTION OF A CANDIDATE OR THE CANDIDATE'S AUTHORIZED COMMITTEE; OR A PARTY COMMITTEE OR CONSTITUTED COMMITTEE ACTING ON BEHALF OF A CANDIDATE.

S 2. Subdivision 3 of section 14-107 of the election law, as added by section 4 of subpart C of part H of chapter 55 of the laws of 2014, is amended to read as follows:

3. [(a)] Any person prior to making any independent expenditure shall first register with the state board of elections as a political committee AND AS AN INDEPENDENT EXPENDITURE COMMITTEE in conformance with this article. Such person shall comply with all disclosure obligations required for political committees by law[.

(b) Any person who has registered with the state board of elections pursuant to paragraph (a) of this subdivision shall disclose to the state board of elections electronically, once a week on Friday any contribution to such person over one thousand dollars or expenditures by such person over five thousand dollars made prior to thirty days before any primary, general, or special election.

(c) Any person who has registered with the state board of elections pursuant to paragraph (a) of this subdivision shall disclose to the state board of elections electronically, within twenty-four hours of receipt, any contribution to such person over one thousand dollars or expenditure by such person over five thousand dollars made within thirty days before any primary, general, or special election.

(d) A knowing and willful violation of the provisions of this subdivision shall subject the person to a civil penalty equal to five thousand dollars or the cost of the communication, whichever is greater, in a special proceeding or civil action brought by the board or imposed

directly by the board of elections.] AND SHALL PROVIDE THE FOLLOWING ADDITIONAL INFORMATION UPON REGISTRATION:

(A) WHERE THE PERSON MAKING THE STATEMENT IS AN INDIVIDUAL, THE NAME, ADDRESS, OCCUPATION AND EMPLOYER OF THE PERSON.

(B) WHERE THE PERSON MAKING THE STATEMENT IS AN ENTITY, THE NAME AND EMPLOYER OF ANY INDIVIDUAL WHO EXERTS OPERATIONAL OR MANAGERIAL INFLUENCE OR CONTROL OVER THE ENTITY, AS WELL AS ANY SALARIED EMPLOYEE OF THE ENTITY. THE DISCLOSURES REQUIRED BY THIS PARAGRAPH SHALL INCLUDE THE NAME OF AT LEAST ONE NATURAL PERSON.

(C) IDENTIFY INDIVIDUALS NAMED IN PARAGRAPHS (A) AND (B) OF THIS SUBDIVISION WHO HAVE, DURING THE TWO-YEAR PERIOD BEFORE THE STATEMENT IS FILED, BEEN EMPLOYED OR RETAINED AS A POLITICAL, MEDIA, OR FUNDRAISING ADVISER OR CONSULTANT FOR A CANDIDATE, ANY ENTITY DIRECTLY CONTROLLED BY A CANDIDATE, OR ANY PARTY COMMITTEE OR CONSTITUTED COMMITTEE, OR HAVE HELD A FORMAL POSITION IN THE OFFICE OF A CANDIDATE'S ELECTED OFFICE, OR ANY PARTY COMMITTEE OR CONSTITUTED COMMITTEE, AND THE NAME OF THE RELEVANT EMPLOYER.

(D) A LIST OF INDIVIDUALS NAMED IN PARAGRAPHS (A), (B) AND (C) OF THIS PARAGRAPH WHO ARE MEMBERS OF A CANDIDATE'S IMMEDIATE FAMILY.

(E) THE INFORMATION PROVIDED PURSUANT TO THIS SUBDIVISION SHALL BE UPDATED WITHIN TWENTY-FOUR HOURS OF ANY CHANGE IN OWNERSHIP OR CONTROL OF ANY REGISTERED ENTITY.

S 3. Subdivision 4 of section 14-107 of the election law, as added by section 4 of subpart C of part H of chapter 55 of the laws of 2014, is amended to read as follows:

4. (A) REQUIRED DISCLOSURES. (I) ANY PERSON WHO HAS REGISTERED PURSUANT TO SUBDIVISION THREE OF THIS SECTION SHALL DISCLOSE TO THE STATE BOARD OF ELECTIONS ELECTRONICALLY, ONCE A WEEK ON MONDAY ANY CONTRIBUTION TO SUCH PERSON OVER ONE THOUSAND DOLLARS OR EXPENDITURES BY SUCH PERSON OVER FIVE THOUSAND DOLLARS MADE DURING THE REPORTING PERIOD.

(II) ANY PERSON WHO HAS REGISTERED WITH THE STATE BOARD OF ELECTIONS PURSUANT TO SUBDIVISION THREE OF THIS SECTION SHALL DISCLOSE TO THE STATE BOARD OF ELECTIONS ELECTRONICALLY, WITHIN TWENTY-FOUR HOURS OF RECEIPT, ANY CONTRIBUTION TO SUCH PERSON OVER ONE THOUSAND DOLLARS MADE WITHIN THIRTY DAYS BEFORE ANY PRIMARY, GENERAL, OR SPECIAL ELECTION.

(B) The disclosures required by [subdivision three] PARAGRAPH (A) of this [section] SUBDIVISION shall include, in addition to any other information required by law:

[(a)] (I) the name, address, occupation and employer of the person making the statement;

[(b) the name, address, occupation and employer of the person making the independent expenditure;

(c) the name, address, occupation and employer of any person providing a contribution, gift, loan, advance or deposit of one thousand dollars or more for the independent expenditure, or the provision of services for the same, and the date it was given;

(d)] (II) FOR EACH EXPENDITURE OR PAYMENT MADE: (1) the dollar amount paid for each independent expenditure, the name and address of the person or entity receiving the payment, the date the payment was made and a description of the independent expenditure; [and

(e)] (2) the election to which the independent expenditure pertains and the name of the clearly identified candidate or the ballot proposal referenced AND WHETHER THE CANDIDATE OR BALLOT PROPOSAL IS SUPPORTED OR OPPOSED; AND

(3) A LIST OF ALL EXPENDITURES BY AND LIABILITIES OF THE PERSON, AND OF ITS OFFICERS, MEMBERS AND AGENTS IN ITS BEHALF, INCURRED DURING THE RELEVANT REPORTING PERIOD.

(III) FOR EACH CONTRIBUTION RECEIVED:

(1) THE NAME, ADDRESS, OCCUPATION AND EMPLOYER OF ANY PERSON PROVIDING A CONTRIBUTION, GIFT, LOAN, ADVANCE OR DEPOSIT OF ONE THOUSAND DOLLARS OR MORE FOR THE INDEPENDENT EXPENDITURE, OR THE PROVISION OF SERVICES FOR THE SAME, THE DATE IT WAS GIVEN;

(2) ANY SOLICITOR OF FUNDS MUST NOTIFY THE POTENTIAL DONOR THAT HIS OR HER FUNDS MAY ULTIMATELY BE PROVIDED TO A PERSON MAKING AN INDEPENDENT EXPENDITURE.

S 4. Section 14-107 of the election law is amended by adding a new subdivision 8 to read as follows:

8. (A) ALL CRIMINAL LIABILITY RELATED TO THIS SECTION SHALL REQUIRE KNOWING AND WILLFUL VIOLATIONS IN ACCORDANCE WITH SECTION 14-126 OF THIS ARTICLE.

(B) A KNOWING AND WILLFUL VIOLATION OF THE PROVISIONS OF SUBDIVISIONS THREE AND FOUR OF THIS SECTION SHALL SUBJECT THE PERSON TO A CIVIL PENALTY EQUAL TO FIVE THOUSAND DOLLARS OR THE COST OF THE COMMUNICATION, WHICHEVER IS GREATER, IN A SPECIAL PROCEEDING OR CIVIL ACTION BROUGHT BY THE BOARD.

S 5. The opening paragraph of paragraph 3 of subdivision 9 of section 14-100 of the election law, as amended by chapter 70 of the laws of 1983, is amended to read as follows:

any payment, by any person other than a candidate or a political committee authorized by the candidate, made in connection with the nomination for election or election of any candidate, INCLUDING ANY PAYMENT OR EXPENDITURE WHERE COORDINATION HAS OCCURRED AS DEFINED IN SECTION 14-107 OF THIS ARTICLE, or any payment made to promote the success or defeat of a political party or principle, or of any ballot proposal including but not limited to compensation for the personal services of any individual which are rendered in connection with a candidate's election or nomination without charge; provided however, that none of the foregoing shall be deemed a contribution if it is made, taken or performed by a candidate or his spouse or by a person or a political committee independent of the candidate or his agents or authorized political committees. For purposes of this article, the term "independent of the candidate or his agents or authorized political committees" shall mean that the candidate or his agents or authorized political committees did not authorize, request, suggest, foster or cooperate in any such activity; and provided further, that the term contribution shall not include:

S 6. Section 14-100 of the election law is amended by adding two new subdivisions 15 and 16 to read as follows:

15. "INDEPENDENT EXPENDITURE COMMITTEE" MEANS A POLITICAL COMMITTEE, THAT MAKES ONLY INDEPENDENT EXPENDITURES AS DEFINED IN THIS ARTICLE, AND DOES NOT COORDINATE WITH AND CONDUCTS ITS ACTIVITIES ENTIRELY INDEPENDENT OF CANDIDATES, CANDIDATE'S AUTHORIZED COMMITTEES OR AN AGENT OF THE CANDIDATE AS DEFINED IN PARAGRAPH (G) OF SUBDIVISION ONE OF SECTION 14-107 OF THIS ARTICLE.

16. "POLITICAL ACTION COMMITTEE" MEANS A POLITICAL COMMITTEE WHICH MAKES NO EXPENDITURES, TO AID OR TAKE PART IN THE ELECTION OR DEFEAT OF A CANDIDATE, OTHER THAN IN THE FORM OF CONTRIBUTIONS INCLUDING IN-KIND CONTRIBUTIONS TO CANDIDATES, CANDIDATE'S AUTHORIZED COMMITTEES, PARTY COMMITTEES, CONSTITUTED COMMITTEES, OR INDEPENDENT EXPENDITURE COMMITTEES WITH COMMON OPERATIONAL OR MANAGERIAL INFLUENCE OR CONTROL, AND

MAKES NO OTHER EXPENDITURES EXCEPT TO OPERATE THE POLITICAL ACTION COMMITTEE.

S 7. Section 14-112 of the election law, as amended by chapter 930 of the laws of 1981, is amended to read as follows:

S 14-112. Political committee authorization statement. Any political committee aiding or taking part in the election or nomination of any candidate, other than [by making contributions] A POLITICAL ACTION COMMITTEE, shall file, in the office in which the statements of such committee are to be filed pursuant to this article, either a sworn verified statement by the treasurer of such committee that the candidate has authorized the political committee to aid or take part in his election or that the candidate has not authorized the committee to aid or take part in his election.

S 8. Subdivision 1 of section 14-118 of the election law, as amended by chapter 156 of the laws of 2010, is amended to read as follows:

1. Every political committee shall have a treasurer and a depository, and shall cause the treasurer to keep detailed, bound accounts of all receipts, transfers, loans, liabilities, contributions and expenditures, made by the committee or any of its officers, members or agents acting under its authority or in its behalf. All such accounts shall be retained by a treasurer for a period of five years from the date of the filing of the final statement with respect to the election, primary election or convention to which they pertain. No officer, member or agent of any political committee shall receive any receipt, transfer or contribution, or make any expenditure or incur any liability until the committee shall have chosen a treasurer and depository and filed their names in accordance with this subdivision. There shall be filed in the office in which the committee is required to file its statements under section 14-110 of this article, within five days after the choice of a treasurer and depository, a statement giving the name and address of the treasurer chosen, the name and address of any person authorized to sign checks by such treasurer, the name and address of the depository chosen and the candidate or candidates or ballot proposal or proposals the success or defeat of which the committee is to aid or take part; provided, however, that such statement shall not be required of a constituted committee and provided further that a political ACTION committee which makes no expenditures, to aid or take part in the election or defeat of a candidate, other than in the form of contributions, shall not be required to list the candidates being supported or opposed by such committee AND SHALL ALSO DISCLOSE THE NAME AND EMPLOYER FOR ANY INDIVIDUAL WHO EXERTS OPERATIONAL OR MANAGERIAL INFLUENCE OR CONTROL OVER THE POLITICAL ACTION COMMITTEE AS WELL AS ANY SALARIED EMPLOYEE OF THE POLITICAL ACTION COMMITTEE. Such statement shall be signed by the treasurer and all other persons authorized to sign checks. Any change in the information required in any statement shall be reported, in an amended statement filed in the same manner and in the same office as an original statement filed under this section, within two days after it occurs, except that any change to the mailing address on any such statement filed at the state board may also be made in any manner deemed acceptable by the state board. Only a banking organization authorized to do business in this state may be designated a depository hereunder.

S 9. The election law is amended by adding a new section 14-107-a to read as follows:

S 14-107-A. PROHIBITED SPENDING BY INDEPENDENT EXPENDITURE COMMITTEES AND POLITICAL ACTION COMMITTEES. 1. AN INDEPENDENT EXPENDITURE COMMITTEE

SHALL NOT CONTRIBUTE TO ANY CANDIDATE, CONSTITUTED COMMITTEE, POLITICAL COMMITTEE, OR POLITICAL PARTY.

2. (A) A POLITICAL ACTION COMMITTEE SHALL NOT MAKE ANY INDEPENDENT EXPENDITURES OR CONTRIBUTIONS TO ANY INDEPENDENT EXPENDITURE COMMITTEE WITH COMMON OPERATIONAL OR MANAGERIAL INFLUENCE OR CONTROL.

(B) NO CANDIDATE, CANDIDATE'S AUTHORIZED COMMITTEE, PARTY COMMITTEE, OR CONSTITUTED COMMITTEE SHALL CONTRIBUTE TO AN INDEPENDENT EXPENDITURE COMMITTEE THAT IS MAKING EXPENDITURES BENEFITTING THE CANDIDATE OR THE CANDIDATE SUPPORTED BY THE RELEVANT PARTY.

S 10. Subdivision 10 of section 14-114 of the election law, as added by chapter 79 of the laws of 1992, is amended to read as follows:

10. a. No contributor may make a contribution to a party [or] COMMITTEE, constituted committee OR POLITICAL ACTION COMMITTEE and no such committee may accept a contribution from any contributor which, in the aggregate, is greater than sixty-two thousand five hundred dollars per annum.

b. At the beginning of each fourth calendar year, commencing in nineteen hundred ninety-five, the state board shall determine the percentage of the difference between the most recent available monthly consumer price index for all urban consumers published by the United States bureau of labor statistics and such consumer price index published for the same month four years previously. The amount of such contribution limit fixed in paragraph a of this subdivision shall be adjusted by the amount of such percentage difference to the closest one hundred dollars by the state board which, not later than the first day of February in each such year, shall issue a regulation publishing the amount of such contribution limit. Such contribution limit as so adjusted shall be the contribution limit in effect for any election held before the next such adjustment.

S 11. Section 14-126 of the election law is amended by adding a new subdivision 3-a to read as follows:

3-A. ANY PERSON WHO, ACTING AS OR ON BEHALF OF AN INDEPENDENT EXPENDITURE COMMITTEE OR A POLITICAL ACTION COMMITTEE, KNOWINGLY AND WILLFULLY VIOLATES THE PROVISIONS OF SECTION 14-107-A OF THIS ARTICLE SHALL BE SUBJECT TO A CIVIL PENALTY, UP TO ONE THOUSAND DOLLARS OR UP TO THE COST OF THE COMMUNICATION, WHICHEVER IS GREATER, TO BE RECOVERABLE IN A SPECIAL PROCEEDING OR CIVIL ACTION TO BE BROUGHT BY THE STATE BOARD OF ELECTIONS.

S 12. Severability. If any clause, sentence, subdivision, paragraph, section or part of this act be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

S 13. This act shall take effect immediately.