

STATE OF NEW YORK

7066

IN SENATE

(Prefiled)

January 3, 2018

Introduced by Sen. KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the business corporation law, the cooperative corporations law, the not-for-profit corporation law, the railroad law, the transportation corporations law, the banking law and the limited liability company law, in relation to enacting the "corporate political activity accountability to shareholders act"

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "corporate political activity accountability to shareholders act".

3 § 2. The business corporation law is amended by adding a new section
4 631 to read as follows:

5 § 631. Political contributions.

6 (a) Definitions. When used in this section:

7 (1) The term "contribution" means any gift, subscription, outstanding
8 loan, advance, deposit of money or any thing of value provided to a
9 political committee, party committee, constituted committee or duly
10 constituted subcommittee of a county committee, as those terms are
11 defined in article fourteen of the election law, in support or oppo-
12 sition to a candidate for public or party office, referendum, political
13 party, electioneering communication or any communication made to the
14 general public intended to encourage the public to contact a government
15 official, candidate for public or party office or political party
16 regarding pending legislation, public policy or a government rule or
17 regulation;

18 (2) The term "independent expenditure" means an expenditure made by a
19 person for an audio or video communication to a general public audience
20 via broadcast, cable or satellite or a written communication to a gener-
21 al public audience via advertisements, pamphlets, circulars, flyers,
22 brochures, letterheads or other printed matter and statements or infor-
23 mation conveyed to five hundred or more members of a general public

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

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1 audience by computer or other electronic devices which: (i) expressly
2 advocates the election or defeat of a clearly identified candidate or
3 the success or defeat of a ballot proposal and (ii) such candidate, the
4 candidate's political committee or its agents, or a political committee
5 formed to promote the success or defeat of a ballot proposal or its
6 agents, did not authorize, request, suggest, foster or cooperate in any
7 such communication. Independent expenditures do not include: (A) a
8 communication appearing in a written news story, commentary, or editori-
9 al or distributed through the facilities of any broadcasting station,
10 cable or satellite unless such publication or facilities are owned or
11 controlled by any political party, political committee or candidate; or
12 (B) a communication that constitutes a candidate debate or forum; or (C)
13 a communication which constitutes an expenditure made by an entity
14 required to report such expenditure with a board of elections.

15 (b) Notwithstanding any other limits on corporate contributions to, or
16 expenditures on behalf of, candidates for public or party office, poli-
17 tical committees, party committees or ballot referendum, before a corpo-
18 ration or any of its subsidiaries may make a contribution or independent
19 expenditure, the corporation shall, at least annually, obtain the prior
20 authorization by vote of a majority of the shares cast on such resol-
21 ution to make contributions or independent expenditures up to a stated
22 aggregate annual amount.

23 (c) Any corporation, either by itself or its subsidiaries, making a
24 contribution or independent expenditure shall at least annually disclose
25 to its shareholders and file with the secretary of state an accounting
26 of the contributions and independent expenditures used for such
27 purposes, including:

- 28 (1) the date of the contribution or independent expenditure;
29 (2) the amount of the contribution or independent expenditure;
30 (3) the identity of the recipient of the contribution, or if an inde-
31 pendent expenditure, the identity of the candidate, referendum, poli-
32 tical party, pending legislation, public policy or a government rule or
33 regulation supported or opposed; and
34 (4) the business rationale for each such contribution or independent
35 expenditure.

36 (d) The secretary of state shall post each corporation's annual
37 disclosure on the website maintained by the secretary of state.

38 (e) The attorney general may commence an action or special proceeding
39 to enforce the provisions of this section.

40 § 3. The business corporation law is amended by adding a new section
41 1321 to read as follows:

42 § 1321. Political contributions.

43 (a) Definitions. When used in this section:

44 (1) The term "contribution" means any gift, subscription, outstanding
45 loan, advance, deposit of money or any thing of value provided to a
46 political committee, party committee, constituted committee or duly
47 constituted subcommittee of a county committee, as those terms are
48 defined in article fourteen of the election law, in support or oppo-
49 sition to a candidate for public or party office, referendum, political
50 party, electioneering communication or any communication made to the
51 general public intended to encourage the public to contact a government
52 official, candidate for public or party office or political party
53 regarding pending legislation, public policy or a government rule or
54 regulation;

55 (2) The term "independent expenditure" means an expenditure made by a
56 person for an audio or video communication to a general public audience

1 via broadcast, cable or satellite or a written communication to a gener-
2 al public audience via advertisements, pamphlets, circulars, flyers,
3 brochures, letterheads or other printed matter and statements or infor-
4 mation conveyed to five hundred or more members of a general public
5 audience by computer or other electronic devices which: (i) expressly
6 advocates the election or defeat of a clearly identified candidate or
7 the success or defeat of a ballot proposal and (ii) such candidate, the
8 candidate's political committee or its agents, or a political committee
9 formed to promote the success or defeat of a ballot proposal or its
10 agents, did not authorize, request, suggest, foster or cooperate in any
11 such communication. Independent expenditures do not include: (A) a
12 communication appearing in a written news story, commentary, or editori-
13 al or distributed through the facilities of any broadcasting station,
14 cable or satellite unless such publication or facilities are owned or
15 controlled by any political party, political committee or candidate; or
16 (B) a communication that constitutes a candidate debate or forum; or (C)
17 a communication which constitutes an expenditure made by an entity
18 required to report such expenditure with a board of elections.

19 (b) Notwithstanding any other limits on corporate contributions to, or
20 expenditures on behalf of, candidates for public or party office, poli-
21 tical committees, party committees or ballot referendum, before a
22 foreign corporation doing business in the state in accordance with
23 section thirteen hundred one of this article may make a contribution or
24 independent expenditure in New York, the foreign corporation shall, at
25 least annually, obtain the prior authorization by vote of a majority of
26 the shares cast on such resolution to make contributions or independent
27 expenditures up to a stated aggregate annual amount.

28 (c) Any foreign corporation, either by itself or its subsidiaries,
29 making a contribution or independent expenditure in New York shall at
30 least annually disclose to its shareholders and file with the secretary
31 of state an accounting of the contributions and independent expenditures
32 used for such purposes, including:

33 (1) the date of the contribution or independent expenditure;

34 (2) the amount of the contribution or independent expenditure;

35 (3) the identity of the recipient of the contribution, or if an inde-
36 pendent expenditure, the identity of the candidate, referendum, poli-
37 tical party, pending legislation, public policy or a government rule or
38 regulation supported or opposed; and

39 (4) the business rationale for each such contribution or independent
40 expenditure.

41 (d) The secretary of state shall post each foreign corporation's annu-
42 al disclosure on the website maintained by the secretary of state.

43 (e) The attorney general may commence an action or special proceeding
44 to enforce the provisions of this section.

45 § 4. The business corporation law is amended by adding a new section
46 1517 to read as follows:

47 § 1517. Political contributions.

48 (a) Definitions. When used in this section:

49 (1) The term "contribution" means any gift, subscription, outstanding
50 loan, advance, deposit of money or any thing of value provided to a
51 political committee, party committee, constituted committee or duly
52 constituted subcommittee of a county committee, as those terms are
53 defined in article fourteen of the election law, in support or oppo-
54 sition to a candidate for public or party office, referendum, political
55 party, electioneering communication or any communication made to the
56 general public intended to encourage the public to contact a government

1 official, candidate for public or party office or political party
2 regarding pending legislation, public policy or a government rule or
3 regulation;

4 (2) The term "independent expenditure" means an expenditure made by a
5 person for an audio or video communication to a general public audience
6 via broadcast, cable or satellite or a written communication to a gener-
7 al public audience via advertisements, pamphlets, circulars, flyers,
8 brochures, letterheads or other printed matter and statements or infor-
9 mation conveyed to five hundred or more members of a general public
10 audience by computer or other electronic devices which: (i) expressly
11 advocates the election or defeat of a clearly identified candidate or
12 the success or defeat of a ballot proposal and (ii) such candidate, the
13 candidate's political committee or its agents, or a political committee
14 formed to promote the success or defeat of a ballot proposal or its
15 agents, did not authorize, request, suggest, foster or cooperate in any
16 such communication. Independent expenditures do not include: (A) a
17 communication appearing in a written news story, commentary, or editori-
18 al or distributed through the facilities of any broadcasting station,
19 cable or satellite unless such publication or facilities are owned or
20 controlled by any political party, political committee or candidate; or
21 (B) a communication that constitutes a candidate debate or forum; or (C)
22 a communication which constitutes an expenditure made by an entity
23 required to report such expenditure with a board of elections.

24 (b) Notwithstanding any other limits on professional service corpo-
25 ration contributions to, or expenditures on behalf of, candidates for
26 public or party office, political committees, party committees or ballot
27 referendum, before a professional service corporation may make a
28 contribution or independent expenditure, the professional service corpo-
29 ration shall, at least annually, obtain the prior authorization by vote
30 of a majority of the shares cast on such resolution to make contrib-
31 utions or independent expenditures up to a stated aggregate annual
32 amount.

33 (c) Any professional service corporation, either by itself or its
34 subsidiaries, making a contribution or independent expenditure shall at
35 least annually disclose to its shareholders and file with the secretary
36 of state an accounting of the contributions and independent expenditures
37 used for such purposes, including:

38 (1) the date of the contribution or independent expenditure;

39 (2) the amount of the contribution or independent expenditure;

40 (3) the identity of the recipient of the contribution, or if an inde-
41 pendent expenditure, the identity of the candidate, referendum, poli-
42 tical party, pending legislation, public policy or a government rule or
43 regulation supported or opposed; and

44 (4) the business rationale for each such contribution or independent
45 expenditure.

46 (d) The secretary of state shall post each professional service corpo-
47 ration's annual disclosure on the website maintained by the secretary of
48 state.

49 (e) The attorney general may commence an action or special proceeding
50 to enforce the provisions of this section.

51 § 5. The business corporation law is amended by adding a new section
52 1534 to read as follows:

53 § 1534. Political contributions.

54 (a) Definitions. When used in this section:

55 (1) The term "contribution" means any gift, subscription, outstanding
56 loan, advance, deposit of money or any thing of value provided to a

1 political committee, party committee, constituted committee or duly
2 constituted subcommittee of a county committee, as those terms are
3 defined in article fourteen of the election law, in support or oppo-
4 sition to a candidate for public or party office, referendum, political
5 party, electioneering communication or any communication made to the
6 general public intended to encourage the public to contact a government
7 official, candidate for public or party office or political party
8 regarding pending legislation, public policy or a government rule or
9 regulation;

10 (2) The term "independent expenditure" means an expenditure made by a
11 person for an audio or video communication to a general public audience
12 via broadcast, cable or satellite or a written communication to a gener-
13 al public audience via advertisements, pamphlets, circulars, flyers,
14 brochures, letterheads or other printed matter and statements or infor-
15 mation conveyed to five hundred or more members of a general public
16 audience by computer or other electronic devices which: (i) expressly
17 advocates the election or defeat of a clearly identified candidate or
18 the success or defeat of a ballot proposal and (ii) such candidate, the
19 candidate's political committee or its agents, or a political committee
20 formed to promote the success or defeat of a ballot proposal or its
21 agents, did not authorize, request, suggest, foster or cooperate in any
22 such communication. Independent expenditures do not include: (A) a
23 communication appearing in a written news story, commentary, or editori-
24 al or distributed through the facilities of any broadcasting station,
25 cable or satellite unless such publication or facilities are owned or
26 controlled by any political party, political committee or candidate; or
27 (B) a communication that constitutes a candidate debate or forum; or (C)
28 a communication which constitutes an expenditure made by an entity
29 required to report such expenditure with a board of elections.

30 (b) Notwithstanding any other limits on foreign professional service
31 corporation contributions to, or expenditures on behalf of, candidates
32 for public or party office, political committees, party committees or
33 ballot referendum, before a foreign professional service corporation, as
34 defined by subdivision (d) of section fifteen hundred twenty-five of
35 this article, may make a contribution or independent expenditure in New
36 York, the foreign professional service corporation shall, at least annu-
37 ally, obtain the prior authorization by vote of a majority of the shares
38 cast on such resolution to make contributions or independent expendi-
39 tures up to a stated aggregate annual amount.

40 (c) Any foreign professional service corporation, either by itself or
41 its subsidiaries, making a contribution or independent expenditure in
42 New York shall at least annually disclose to its shareholders and file
43 with the secretary of state an accounting of the contributions and inde-
44 pendent expenditures used for such purposes, including:

45 (1) the date of the contribution or independent expenditure;

46 (2) the amount of the contribution or independent expenditure;

47 (3) the identity of the recipient of the contribution, or if an inde-
48 pendent expenditure, the identity of the candidate, referendum, poli-
49 tical party, pending legislation, public policy or a government rule or
50 regulation supported or opposed; and

51 (4) the business rationale for each such contribution or independent
52 expenditure.

53 (d) The secretary of state shall post each foreign professional
54 service corporation's annual disclosure on the web site maintained by
55 the secretary of state.

1 (e) The attorney general may commence an action or special proceeding
2 to enforce the provisions of this section.

3 § 6. The cooperative corporations law is amended by adding a new
4 section 78 to read as follows:

5 § 78. Political contributions. 1. Definitions. When used in this
6 section:

7 (a) The term "contribution" means any gift, subscription, outstanding
8 loan, advance, deposit of money or any thing of value provided to a
9 political committee, party committee, constituted committee or duly
10 constituted subcommittee of a county committee, as those terms are
11 defined in article fourteen of the election law, in support or oppo-
12 sition to a candidate for public or party office, referendum, political
13 party, electioneering communication or any communication made to the
14 general public intended to encourage the public to contact a government
15 official, candidate for public or party office or political party
16 regarding pending legislation, public policy or a government rule or
17 regulation;

18 (b) The term "independent expenditure" means an expenditure made by a
19 person for an audio or video communication to a general public audience
20 via broadcast, cable or satellite or a written communication to a gener-
21 al public audience via advertisements, pamphlets, circulars, flyers,
22 brochures, letterheads or other printed matter and statements or infor-
23 mation conveyed to five hundred or more members of a general public
24 audience by computer or other electronic devices which: (i) expressly
25 advocates the election or defeat of a clearly identified candidate or
26 the success or defeat of a ballot proposal and (ii) such candidate, the
27 candidate's political committee or its agents, or a political committee
28 formed to promote the success or defeat of a ballot proposal or its
29 agents, did not authorize, request, suggest, foster or cooperate in any
30 such communication. Independent expenditures do not include: (A) a
31 communication appearing in a written news story, commentary, or editori-
32 al or distributed through the facilities of any broadcasting station,
33 cable or satellite unless such publication or facilities are owned or
34 controlled by any political party, political committee or candidate; or
35 (B) a communication that constitutes a candidate debate or forum; or (C)
36 a communication which constitutes an expenditure made by an entity
37 required to report such expenditure with a board of elections.

38 2. Notwithstanding any other limits on cooperative corporation
39 contributions to or expenditures on behalf of political candidates,
40 political committees, party committees, or ballot referendums, before a
41 cooperative corporation may make a contribution or independent expendi-
42 ture, the cooperative corporation shall at least annually obtain the
43 prior authorization by vote of a majority of the shares or members cast
44 on such resolution to make contributions or independent expenditures, up
45 to a stated aggregate annual amount.

46 3. Any cooperative corporation, either by itself or its subsidiaries,
47 making a contribution or independent expenditure shall, at least annual-
48 ly, disclose to its shareholders and file with the secretary of state an
49 accounting of the contributions and independent expenditures used for
50 such purposes, including:

51 (a) the date of the contribution or independent expenditure;

52 (b) the amount of the contribution or independent expenditure;

53 (c) the identity of the recipient of the contribution, or if an inde-
54 pendent expenditure, the identity of the candidate, referendum, poli-
55 tical party, pending legislation, public policy or a government rule or
56 regulation supported or opposed; and

1 (d) the business rationale for each such contribution or independent
2 expenditure.

3 4. The secretary of state shall post each cooperative corporation's
4 annual disclosure on the website maintained by the secretary of state.

5 5. The attorney general may commence an action or special proceeding
6 to enforce the provisions of this section.

7 § 7. The not-for-profit corporation law is amended by adding a new
8 section 522 to read as follows:

9 § 522. Political contributions.

10 (a) Definitions. When used in this section:

11 (1) The term "contribution" means any gift, subscription, outstanding
12 loan, advance, deposit of money or any thing of value provided to a
13 political committee, party committee, constituted committee or duly
14 constituted subcommittee of a county committee, as those terms are
15 defined in article fourteen of the election law, in support or oppo-
16 sition to a candidate for public or party office, referendum, political
17 party, electioneering communication or any communication made to the
18 general public intended to encourage the public to contact a government
19 official, candidate for public or party office or political party
20 regarding pending legislation, public policy or a government rule or
21 regulation;

22 (2) The term "independent expenditure" means an expenditure made by a
23 person for an audio or video communication to a general public audience
24 via broadcast, cable or satellite or a written communication to a gener-
25 al public audience via advertisements, pamphlets, circulars, flyers,
26 brochures, letterheads or other printed matter and statements or infor-
27 mation conveyed to five hundred or more members of a general public
28 audience by computer or other electronic devices which: (i) expressly
29 advocates the election or defeat of a clearly identified candidate or
30 the success or defeat of a ballot proposal and (ii) such candidate, the
31 candidate's political committee or its agents, or a political committee
32 formed to promote the success or defeat of a ballot proposal or its
33 agents, did not authorize, request, suggest, foster or cooperate in any
34 such communication. Independent expenditures do not include: (A) a
35 communication appearing in a written news story, commentary, or editori-
36 al or distributed through the facilities of any broadcasting station,
37 cable or satellite unless such publication or facilities are owned or
38 controlled by any political party, political committee or candidate; or
39 (B) a communication that constitutes a candidate debate or forum; or (C)
40 a communication which constitutes an expenditure made by an entity
41 required to report such expenditure with a board of elections.

42 (b) Notwithstanding any other limits on not-for-profit corporation
43 contributions to, or expenditures on behalf of, candidates for public or
44 party office, political committees, party committees or ballot referen-
45 dum, before a not-for-profit corporation or any of its subsidiaries may
46 make a contribution or independent expenditure, the not-for-profit
47 corporation shall, at least annually, obtain the prior authorization by
48 vote of a majority of the members voting on such resolution to make
49 contributions or independent expenditures up to a stated aggregate annu-
50 al amount.

51 (c) Any not-for-profit corporation, either by itself or its subsid-
52 aries, making a contribution or independent expenditure shall at least
53 annually disclose to its members and file with the secretary of state an
54 accounting of the contributions and independent expenditures used for
55 such purposes, including:

56 (1) the date of the contribution or independent expenditure;

1 (2) the amount of the contribution or independent expenditure;
2 (3) the identity of the recipient of the contribution, or if an inde-
3 pendent expenditure, the identity of the candidate, referendum, poli-
4 tical party, pending legislation, public policy or a government rule or
5 regulation supported or opposed; and

6 (4) the business rationale for each such contribution or independent
7 expenditure.

8 (d) The secretary of state shall post each not-for-profit corpo-
9 ration's annual disclosure on the website maintained by the secretary of
10 state.

11 (e) The attorney general may commence an action or special proceeding
12 to enforce the provisions of this section.

13 § 8. The railroad law is amended by adding a new section 35 to read as
14 follows:

15 § 35. Political contributions. 1. Definitions. When used in this
16 section:

17 (a) The term "contribution" means any gift, subscription, outstanding
18 loan, advance, deposit of money or any thing of value provided to a
19 political committee, party committee, constituted committee or duly
20 constituted subcommittee of a county committee, as those terms are
21 defined in article fourteen of the election law, in support or oppo-
22 sition to a candidate for public or party office, referendum, political
23 party, electioneering communication or any communication made to the
24 general public intended to encourage the public to contact a government
25 official, candidate for public or party office or political party
26 regarding pending legislation, public policy or a government rule or
27 regulation;

28 (b) The term "independent expenditure" means an expenditure made by a
29 person for an audio or video communication to a general public audience
30 via broadcast, cable or satellite or a written communication to a gener-
31 al public audience via advertisements, pamphlets, circulars, flyers,
32 brochures, letterheads or other printed matter and statements or infor-
33 mation conveyed to five hundred or more members of a general public
34 audience by computer or other electronic devices which: (i) expressly
35 advocates the election or defeat of a clearly identified candidate or
36 the success or defeat of a ballot proposal and (ii) such candidate, the
37 candidate's political committee or its agents, or a political committee
38 formed to promote the success or defeat of a ballot proposal or its
39 agents, did not authorize, request, suggest, foster or cooperate in any
40 such communication. Independent expenditures do not include: (A) a
41 communication appearing in a written news story, commentary, or editori-
42 al or distributed through the facilities of any broadcasting station,
43 cable or satellite unless such publication or facilities are owned or
44 controlled by any political party, political committee or candidate; or
45 (B) a communication that constitutes a candidate debate or forum; or (C)
46 a communication which constitutes an expenditure made by an entity
47 required to report such expenditure with a board of elections.

48 2. Notwithstanding any other limits on railroad corporation contrib-
49 utions to or expenditures on behalf of political candidates, political
50 committees, party committees, or ballot referendums, before a railroad
51 corporation may make a contribution or independent expenditure, the
52 railroad corporation shall at least annually obtain the prior authori-
53 zation by vote of a majority of the shares or members cast on such
54 resolution to make contributions or independent expenditures, up to a
55 stated aggregate annual amount.

1 3. Any railroad corporation, either by itself or its subsidiaries,
2 making contributions or independent expenditures shall, at least annual-
3 ly, disclose to its shareholders and file with the secretary of state an
4 accounting of the contributions and independent expenditures used for
5 such purposes, including:

6 (a) the date of the contribution or independent expenditure;

7 (b) the amount of the contribution or independent expenditure;

8 (c) the identity of the recipient of the contribution, or if an inde-
9 pendent expenditure, the identity of the candidate, referendum, poli-
10 tical party, pending legislation, public policy or a government rule or
11 regulation supported or opposed; and

12 (d) the business rationale for each such contribution or independent
13 expenditure.

14 4. The secretary of state shall post each railroad corporation's annu-
15 al disclosure on the website maintained by the secretary of state.

16 5. The attorney general may commence an action or special proceeding
17 to enforce the provisions of this section.

18 § 9. The transportation corporations law is amended by adding a new
19 section 7 to read as follows:

20 § 7. Political contributions. (a) Definitions. When used in this
21 section:

22 (1) The term "contribution" means any gift, subscription, outstanding
23 loan, advance, deposit of money or any thing of value provided to a
24 political committee, party committee, constituted committee or duly
25 constituted subcommittee of a county committee, as those terms are
26 defined in article fourteen of the election law, in support or oppo-
27 sition to a candidate for public or party office, referendum, political
28 party, electioneering communication or any communication made to the
29 general public intended to encourage the public to contact a government
30 official, candidate for public or party office or political party
31 regarding pending legislation, public policy or a government rule or
32 regulation;

33 (2) The term "independent expenditure" means an expenditure made by a
34 person for an audio or video communication to a general public audience
35 via broadcast, cable or satellite or a written communication to a gener-
36 al public audience via advertisements, pamphlets, circulars, flyers,
37 brochures, letterheads or other printed matter and statements or infor-
38 mation conveyed to five hundred or more members of a general public
39 audience by computer or other electronic devices which: (i) expressly
40 advocates the election or defeat of a clearly identified candidate or
41 the success or defeat of a ballot proposal and (ii) such candidate, the
42 candidate's political committee or its agents, or a political committee
43 formed to promote the success or defeat of a ballot proposal or its
44 agents, did not authorize, request, suggest, foster or cooperate in any
45 such communication. Independent expenditures do not include: (A) a
46 communication appearing in a written news story, commentary, or editori-
47 al or distributed through the facilities of any broadcasting station,
48 cable or satellite unless such publication or facilities are owned or
49 controlled by any political party, political committee or candidate; or
50 (B) a communication that constitutes a candidate debate or forum; or (C)
51 a communication which constitutes an expenditure made by an entity
52 required to report such expenditure with a board of elections.

53 (b) Notwithstanding any other limits on transportation corporation
54 contributions to, or expenditures on behalf of, candidates for public or
55 party office, political committees, party committees or ballot referen-
56 dum, before a transportation corporation or any of its subsidiaries may

1 make a contribution or independent expenditure, the transportation
2 corporation shall, at least annually, obtain the prior authorization by
3 vote of a majority of the shares cast on such resolution to make
4 contributions or independent expenditures up to a stated aggregate annu-
5 al amount.

6 (c) Any transportation corporation, either by itself or its subsid-
7 aries, making contributions or independent expenditures shall at least
8 annually disclose to its shareholders and file with the secretary of
9 state an accounting of the contributions and independent expenditures
10 used for such purposes, including:

11 (1) the date of the contribution or independent expenditure;

12 (2) the amount of the contribution or independent expenditure;

13 (3) the identity of the recipient of the contribution, or if an inde-
14 pendent expenditure, the identity of the candidate, referendum, poli-
15 tical party, pending legislation, public policy or a government rule or
16 regulation supported or opposed; and

17 (4) the business rationale for each such contribution or independent
18 expenditure.

19 (d) The secretary of state shall post each transportation corpo-
20 ration's annual disclosure on the website maintained by the secretary of
21 state.

22 (e) The attorney general may commence an action or special proceeding
23 to enforce the provisions of this section.

24 § 10. The banking law is amended by adding a new section 5017 to read
25 as follows:

26 § 5017. Political contributions. 1. Definitions. When used in this
27 section:

28 (a) The term "contribution" means any gift, subscription, outstanding
29 loan, advance, deposit of money or any thing of value provided to a
30 political committee, party committee, constituted committee or duly
31 constituted subcommittee of a county committee, as those terms are
32 defined in article fourteen of the election law, in support or oppo-
33 sition to a candidate for public or party office, referendum, political
34 party, electioneering communication or any communication made to the
35 general public intended to encourage the public to contact a government
36 official, candidate for public or party office or political party
37 regarding pending legislation, public policy or a government rule or
38 regulation;

39 (b) The term "independent expenditure" means an expenditure made by a
40 person for an audio or video communication to a general public audience
41 via broadcast, cable or satellite or a written communication to a gener-
42 al public audience via advertisements, pamphlets, circulars, flyers,
43 brochures, letterheads or other printed matter and statements or infor-
44 mation conveyed to five hundred or more members of a general public
45 audience by computer or other electronic devices which: (i) expressly
46 advocates the election or defeat of a clearly identified candidate or
47 the success or defeat of a ballot proposal and (ii) such candidate, the
48 candidate's political committee or its agents, or a political committee
49 formed to promote the success or defeat of a ballot proposal or its
50 agents, did not authorize, request, suggest, foster or cooperate in any
51 such communication. Independent expenditures do not include: (A) a
52 communication appearing in a written news story, commentary, or editori-
53 al or distributed through the facilities of any broadcasting station,
54 cable or satellite unless such publication or facilities are owned or
55 controlled by any political party, political committee or candidate; or
56 (B) a communication that constitutes a candidate debate or forum; or (C)

1 a communication which constitutes an expenditure made by an entity
2 required to report such expenditure with a board of elections.

3 2. Notwithstanding any other limits on corporation contributions to or
4 expenditures on behalf of political candidates, political committees,
5 party committees, or ballot referendums, before a corporation may make a
6 contribution or independent expenditure, the corporation shall at least
7 annually obtain the prior authorization by vote of a majority of the
8 shares or members cast on such resolution to make contributions or inde-
9 pendent expenditures, up to a stated aggregate annual amount.

10 3. Any corporation, either by itself or its subsidiaries, making a
11 contribution or independent expenditure shall, at least annually,
12 disclose to its shareholders and file with the secretary of state an
13 accounting of the contributions and independent expenditures used for
14 such purposes, including:

15 (a) the date of the contribution or independent expenditure;

16 (b) the amount of the contribution or independent expenditure;

17 (c) the identity of the recipient of the contribution, or if an inde-
18 pendent expenditure, the identity of the candidate, referendum, poli-
19 tical party, pending legislation, public policy or a government rule or
20 regulation supported or opposed; and

21 (d) the business rationale for each such contribution or independent
22 expenditure.

23 4. The secretary of state shall post each corporation's annual disclo-
24 sure on the website maintained by the secretary of state.

25 5. The attorney general may commence an action or special proceeding
26 to enforce the provisions of this section.

27 § 11. The limited liability company law is amended by adding a new
28 section 510 to read as follows:

29 § 510. Political contributions. (a) Definitions. When used in this
30 section:

31 (1) The term "contribution" means any gift, subscription, outstanding
32 loan, advance, deposit of money or any thing of value provided to a
33 political committee, party committee, constituted committee or duly
34 constituted subcommittee of a county committee, as those terms are
35 defined in article fourteen of the election law, in support or oppo-
36 sition to a candidate for public or party office, referendum, political
37 party, electioneering communication or any communication made to the
38 general public intended to encourage the public to contact a government
39 official, candidate for public or party office or political party
40 regarding pending legislation, public policy or a government rule or
41 regulation;

42 (2) The term "independent expenditure" means an expenditure made by a
43 person for an audio or video communication to a general public audience
44 via broadcast, cable or satellite or a written communication to a gener-
45 al public audience via advertisements, pamphlets, circulars, flyers,
46 brochures, letterheads or other printed matter and statements or infor-
47 mation conveyed to five hundred or more members of a general public
48 audience by computer or other electronic devices which: (i) expressly
49 advocates the election or defeat of a clearly identified candidate or
50 the success or defeat of a ballot proposal and (ii) such candidate, the
51 candidate's political committee or its agents, or a political committee
52 formed to promote the success or defeat of a ballot proposal or its
53 agents, did not authorize, request, suggest, foster or cooperate in any
54 such communication. Independent expenditures do not include: (A) a
55 communication appearing in a written news story, commentary, or editori-
56 al or distributed through the facilities of any broadcasting station,

1 cable or satellite unless such publication or facilities are owned or
2 controlled by any political party, political committee or candidate; or
3 (B) a communication that constitutes a candidate debate or forum; or (C)
4 a communication which constitutes an expenditure made by an entity
5 required to report such expenditure with a board of elections.

6 (b) Notwithstanding any other limits on contributions to, or expendi-
7 tures on behalf of, candidates for public or party office, political
8 committees, party committees or ballot referendum, before a limited
9 liability company may make a contribution or independent expenditure,
10 the limited liability company shall, at least annually, obtain the prior
11 authorization by vote of a majority of the members or managers cast on
12 such resolution to make contributions or independent expenditures up to
13 a stated aggregate annual amount.

14 (c) Any limited liability company, either by itself or its subsid-
15 iaries, making a contribution or independent expenditure shall at least
16 annually disclose to its members or managers and file with the secretary
17 of state an accounting of the contributions and independent expenditures
18 used for such purposes, including:

19 (1) the date of the contribution or independent expenditure;

20 (2) the amount of the contribution or independent expenditure;

21 (3) the identity of the recipient of the contribution, or if an inde-
22 pendent expenditure, the identity of the candidate, referendum, poli-
23 tical party, pending legislation, public policy or a government rule or
24 regulation supported or opposed; and

25 (4) the business rationale for each such contribution or independent
26 expenditure.

27 (d) The secretary of state shall post each limited liability company's
28 annual disclosure on the website maintained by the secretary of state.

29 (e) The attorney general may commence an action or special proceeding
30 to enforce the provisions of this section.

31 § 12. Severability. If any clause, sentence, paragraph, section or
32 part of this act shall be adjudged by any court of competent jurisdic-
33 tion to be invalid and after exhaustion of all further judicial review,
34 the judgment shall not affect, impair or invalidate the remainder there-
35 of, but shall be confined in its operation to the clause, sentence,
36 paragraph, section or part of this act directly involved in the contro-
37 versy in which the judgment shall have been rendered.

38 § 13. This act shall take effect on the first of August next succeed-
39 ing the date on which it shall have become a law.