

# 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 iaries, 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.