

STATE OF NEW YORK

5642--A

2019-2020 Regular Sessions

IN ASSEMBLY

February 14, 2019

Introduced by M. of A. ROZIC, ABINANTI, COLTON, GALEF, JAFFEE, LIFTON, LUPARDO, PEOPLES-STOKES, L. ROSENTHAL -- Multi-Sponsored by -- M. of A. GLICK, SIMON, THIELE -- read once and referred to the Committee on Election Law -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

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

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

§ 631. Political contributions.

(a) Definitions. When used in this section:

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

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

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

LBD00804-03-9

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 corpo-
22 ration or any of its subsidiaries may make a contribution or independent
23 expenditure, the corporation shall, at least annually, obtain the prior
24 authorization by vote of a majority of the shares cast on such resol-
25 ution to make contributions or independent expenditures up to a stated
26 aggregate annual amount for a stated business purpose.

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

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

33 (2) the amount of the contribution or independent expenditure; and

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

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

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

42 § 3. The business corporation law is amended by adding a new section
43 1321 to read as follows:

44 § 1321. Political contributions.

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

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

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

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

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

- (1) the date of the contribution or independent expenditure;
- (2) the amount of the contribution or independent expenditure; and
- (3) the identity of the recipient of the contribution, or if an independent expenditure, the identity of the candidate, referendum, political party, pending legislation, public policy or a government rule or regulation supported or opposed.

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

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

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

§ 1517. Political contributions.

(a) Definitions. When used in this section:

(1) The term "contribution" means any gift, subscription, outstanding loan, advance, deposit of money or any thing of value provided to a political committee, party committee, constituted committee or duly constituted subcommittee of a county committee, as those terms are defined in article fourteen of the election law, in support or opposition to a candidate for public or party office, referendum, political party, electioneering communication or any communication made to the

1 general public intended to encourage the public to contact a government
2 official, candidate for public or party office or political party
3 regarding pending legislation, public policy or a government rule or
4 regulation;

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

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

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

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

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

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

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

52 § 1534. Political contributions.

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

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

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

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

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

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; and
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.

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

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

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

3 § 78. Political contributions. 1. Definitions. When used in this
4 section:

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

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

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

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

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

50 (b) the amount of the contribution or independent expenditure; and

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

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

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

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

5 § 522. 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
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 (b) Notwithstanding any other limits on not-for-profit corporation
39 contributions to, or expenditures on behalf of, candidates for public or
40 party office, political committees, party committees or ballot referen-
41 dum, before a not-for-profit corporation or any of its subsidiaries may
42 make a contribution or independent expenditure, the not-for-profit
43 corporation shall, at least annually, obtain the prior authorization by
44 vote of a majority of the members voting on such resolution to make
45 contributions or independent expenditures up to a stated aggregate annu-
46 al amount for a stated business purpose.

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

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

53 (2) the amount of the contribution or independent expenditure; and

54 (3) the identity of the recipient of the contribution, or if an inde-
55 pendent expenditure, the identity of the candidate, referendum, poli-

1 tical party, pending legislation, public policy or a government rule or
2 regulation supported or opposed.

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

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

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

10 § 35. Political contributions. 1. Definitions. When used in this
11 section:

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

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

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

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

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

1 (b) the amount of the contribution or independent expenditure; and
2 (c) 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.

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

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

10 § 9. The transportation corporations law is amended by adding a new
11 section 8 to read as follows:

12 § 8. Political contributions. (a) Definitions. When used in this
13 section:

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

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

45 (b) Notwithstanding any other limits on transportation corporation
46 contributions to, or expenditures on behalf of, candidates for public or
47 party office, political committees, party committees or ballot referen-
48 dum, before a transportation corporation or any of its subsidiaries may
49 make a contribution or independent expenditure, the transportation
50 corporation shall, at least annually, obtain the prior authorization by
51 vote of a majority of the shares cast on such resolution to make
52 contributions or independent expenditures up to a stated aggregate annu-
53 al amount for a stated business purpose.

54 (c) Any transportation corporation, either by itself or its subsid-
55 aries, making contributions or independent expenditures shall at least
56 annually disclose to its shareholders and file with the secretary of

1 state an accounting of the contributions and independent expenditures
2 used for such purposes, including:

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

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

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

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

16 § 5017. Political contributions. 1. Definitions. When used in this
17 section:

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

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

49 2. Notwithstanding any other limits on corporation contributions to or
50 expenditures on behalf of political candidates, political committees,
51 party committees, or ballot referendums, before a corporation may make a
52 contribution or independent expenditure, the corporation shall at least
53 annually obtain the prior authorization by vote of a majority of the
54 shares or members cast on such resolution to make contributions or inde-
55 pendent expenditures, up to a stated aggregate annual amount for a stat-
56 ed business purpose.

1 3. Any corporation, either by itself or its subsidiaries, making a
2 contribution or independent expenditure shall, at least annually,
3 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; and

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.

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

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

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

18 § 510. Political contributions. (a) Definitions. When used in this
19 section:

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

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

51 (b) Notwithstanding any other limits on contributions to, or expendi-
52 tures on behalf of, candidates for public or party office, political
53 committees, party committees or ballot referendum, before a limited
54 liability company may make a contribution or independent expenditure,
55 the limited liability company shall, at least annually, obtain the prior
56 authorization by vote of a majority of the members or managers cast on

1 such resolution to make contributions or independent expenditures up to
2 a stated aggregate annual amount for a stated business purpose.

3 (c) Any limited liability company, either by itself or its subsid-
4 aries, making a contribution or independent expenditure shall at least
5 annually disclose to its members or managers and file with the secretary
6 of state an accounting of the contributions and independent expenditures
7 used for such purposes, including:

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

9 (2) the amount of the contribution or independent expenditure; and

10 (3) the identity of the recipient of the contribution, or if an inde-
11 pendent expenditure, the identity of the candidate, referendum, poli-
12 tical party, pending legislation, public policy or a government rule or
13 regulation supported or opposed.

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

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

18 § 12. Severability. If any clause, sentence, paragraph, section or
19 part of this act shall be adjudged by any court of competent jurisdic-
20 tion to be invalid and after exhaustion of all further judicial review,
21 the judgment shall not affect, impair or invalidate the remainder there-
22 of, but shall be confined in its operation to the clause, sentence,
23 paragraph, section or part of this act directly involved in the contro-
24 versy in which the judgment shall have been rendered.

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