STATE OF NEW YORK

2637

2021-2022 Regular Sessions

IN SENATE

January 22, 2021

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

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

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

Section 1. Section 201 of the limited liability company law is amended to read as follows:

§ 201. Purpose. A limited liability company may be formed under this chapter for any lawful business purpose or purposes except to do in this state any business for which another statute specifically requires some other business entity or natural person to be formed or used for such business**; or formed or used for the sole purpose of making political contributions or expenditures unless registered as a political committee or independent expenditure committee with the board of elections**.

§ 2. Paragraphs 6 and 7 of subdivision (e) of section 203 of the limited liability company law, as added by chapter 470 of the laws of 1997, are amended and a new paragraph 8 is added to read as follows:

(6) if all or specified members are to be liable in their capacity as members for all or specified debts, obligations or liabilities of the limited liability company as authorized pursuant to section six hundred nine of this chapter, a statement that all or specified members are so liable for such debts, obligations or liabilities in their capacity as members of the limited liability company as authorized pursuant to section six hundred nine of this chapter; [~~and~~]

(7) any other provisions, not inconsistent with law, that the members elect to include in the articles or organization for the regulation of the internal affairs of the limited liability company, including, but not limited to, (A) the business purpose for which the limited liability

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

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company is formed, (B) a statement of whether there are limitations on the authority of members or managers or a class or classes thereof to bind the limited liability company and (C) any provisions that are required or permitted to be included in the operating agreement of the limited liability company pursuant to section four hundred seventeen of this chapter[~~.~~]**; and**

(8) if a limited liability company is formed and registered in a state other than New York, it must register with the secretary of state and meet the same formation and filing requirements of a limited liability company formed and registered in New York prior to making political contributions or expenditures for any state or local candidate for elected office.

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

1. The treasurer of every political committee which, or any officer, member or agent of any such committee who, in connection with any election, receives or expends any money or other valuable thing or incurs any liability to pay money or its equivalent shall file statements sworn, or subscribed and bearing a form notice that false statements made therein are punishable as a class A misdemeanor pursuant to section 210.45 of the penal law, at the times prescribed by this article setting forth all the receipts, contributions to and the expenditures by and liabilities of the committee, and of its officers, members and agents in its behalf. Such statements shall include the dollar amount of any receipt, contribution or transfer, or the fair market value of any receipt, contribution or transfer, which is other than of money, the name and address of the transferor, contributor or person from whom received, and if the transferor, contributor or person is a political committee; the name of and the political unit represented by the committee, the date of its receipt, the dollar amount of every expenditure, the name and address of the person to whom it was made or the name of and the political unit represented by the committee to which it was made and the date thereof, and shall state clearly the purpose of such expenditure. **Any statement of campaign receipt that includes a contribution from a limited liability company shall include the name of the registered agent for service of process filed with the secretary of state except that where no registered agent is so designated, one natural person who is associated with such limited liability company.** Any statement reporting a loan shall have attached to it a copy of the evidence of indebtedness. Expenditures in sums under fifty dollars need not be specifically accounted for by separate items in said statements, and receipts and contributions aggregating not more than ninety-nine dollars, from any one contributor need not be specifically accounted for by separate items in said statements, provided however, that such expenditures, receipts and contributions shall be subject to the other provisions of section 14-118 of this article.

§ 4. Subdivision 1 of section 14-104 of the election law, as amended by section 1 of part C of chapter 286 of the laws of 2016, is amended to read as follows:

1. Any candidate for election to public office, or for nomination for public office at a contested primary election or convention, or for election to a party position at a primary election, shall file statements sworn, or subscribed and bearing a form notice that false statements made therein are punishable as a class A misdemeanor pursuant to section 210.45 of the penal law, at the times prescribed by this article

setting forth the particulars specified by section 14-102 of this article, as to all moneys or other valuable things, paid, given, expended or promised by him or her to aid his or her own nomination or election, or to promote the success or defeat of a political party, or to aid or influence the nomination or election or the defeat of any other candidate to be voted for at the election or primary election or at a convention, including contributions to political committees, officers, members or agents thereof, and transfers, receipts and contributions to him or her to be used for any of the purposes above specified, or in lieu thereof, any such candidate may file such a sworn statement at the first filing period, on a form prescribed by the state board of elections that such candidate has made no such expenditures and does not intend to make any such expenditures, except through a political committee authorized by such candidate pursuant to this article. Such candidate may designate a committee of no less than three persons who shall be authorized to appoint and remove the treasurer of any authorized committee of the candidate. The designation or revocation of the committee shall be evidenced in a writing filed with the state board of elections by the candidate authorizing the committee. The candidate may revoke such designation at any time. A committee authorized by such a candidate may fulfill all of the filing requirements of this act on behalf of such candidate. **Any statement of campaign receipt that includes a contribution from a limited liability company shall include the name of the registered agent for service of process filed with the secretary of state except that where no registered agent is so designated, one natural person who is associated with such limited liability company.**

§ 5. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.