

# STATE OF NEW YORK

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2637

2021-2022 Regular Sessions

## IN SENATE

January 22, 2021

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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:

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

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

10 § 2. Paragraphs 6 and 7 of subdivision (e) of section 203 of the  
11 limited liability company law, as added by chapter 470 of the laws of  
12 1997, are amended and a new paragraph 8 is added to read as follows:

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

20 (7) any other provisions, not inconsistent with law, that the members  
21 elect to include in the articles or organization for the regulation of  
22 the internal affairs of the limited liability company, including, but  
23 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.

LBD04149-01-1

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

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

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

16 1. The treasurer of every political committee which, or any officer,  
17 member or agent of any such committee who, in connection with any  
18 election, receives or expends any money or other valuable thing or  
19 incurs any liability to pay money or its equivalent shall file state-  
20 ments sworn, or subscribed and bearing a form notice that false state-  
21 ments made therein are punishable as a class A misdemeanor pursuant to  
22 section 210.45 of the penal law, at the times prescribed by this article  
23 setting forth all the receipts, contributions to and the expenditures by  
24 and liabilities of the committee, and of its officers, members and  
25 agents in its behalf. Such statements shall include the dollar amount of  
26 any receipt, contribution or transfer, or the fair market value of any  
27 receipt, contribution or transfer, which is other than of money, the  
28 name and address of the transferor, contributor or person from whom  
29 received, and if the transferor, contributor or person is a political  
30 committee; the name of and the political unit represented by the commit-  
31 tee, the date of its receipt, the dollar amount of every expenditure,  
32 the name and address of the person to whom it was made or the name of  
33 and the political unit represented by the committee to which it was made  
34 and the date thereof, and shall state clearly the purpose of such  
35 expenditure. Any statement of campaign receipt that includes a contribu-  
36 tion from a limited liability company shall include the name of the  
37 registered agent for service of process filed with the secretary of  
38 state except that where no registered agent is so designated, one  
39 natural person who is associated with such limited liability company.

40 Any statement reporting a loan shall have attached to it a copy of the  
41 evidence of indebtedness. Expenditures in sums under fifty dollars need  
42 not be specifically accounted for by separate items in said statements,  
43 and receipts and contributions aggregating not more than ninety-nine  
44 dollars, from any one contributor need not be specifically accounted for  
45 by separate items in said statements, provided however, that such  
46 expenditures, receipts and contributions shall be subject to the other  
47 provisions of section 14-118 of this article.

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

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

1 setting forth the particulars specified by section 14-102 of this arti-  
2 cle, as to all moneys or other valuable things, paid, given, expended or  
3 promised by him or her to aid his or her own nomination or election, or  
4 to promote the success or defeat of a political party, or to aid or  
5 influence the nomination or election or the defeat of any other candi-  
6 date to be voted for at the election or primary election or at a conven-  
7 tion, including contributions to political committees, officers, members  
8 or agents thereof, and transfers, receipts and contributions to him or  
9 her to be used for any of the purposes above specified, or in lieu ther-  
10 eof, any such candidate may file such a sworn statement at the first  
11 filing period, on a form prescribed by the state board of elections that  
12 such candidate has made no such expenditures and does not intend to make  
13 any such expenditures, except through a political committee authorized  
14 by such candidate pursuant to this article. Such candidate may designate  
15 a committee of no less than three persons who shall be authorized to  
16 appoint and remove the treasurer of any authorized committee of the  
17 candidate. The designation or revocation of the committee shall be  
18 evidenced in a writing filed with the state board of elections by the  
19 candidate authorizing the committee. The candidate may revoke such  
20 designation at any time. A committee authorized by such a candidate may  
21 fulfill all of the filing requirements of this act on behalf of such  
22 candidate. Any statement of campaign receipt that includes a contribu-  
23 tion from a limited liability company shall include the name of the  
24 registered agent for service of process filed with the secretary of  
25 state except that where no registered agent is so designated, one  
26 natural person who is associated with such limited liability company.

27 § 5. This act shall take effect on the first of January next succeed-  
28 ing the date on which it shall have become a law.