

STATE OF NEW YORK

2895

2021-2022 Regular Sessions

IN SENATE

January 26, 2021

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,

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

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

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

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

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

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 for a stated busi-
28 ness purpose.

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

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

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

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

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

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

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

46 § 1517. Political contributions.

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

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

1 regarding pending legislation, public policy or a government rule or
2 regulation;

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

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

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

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

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

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

48 § 5. The business corporation law is amended by adding a new section
49 1534 to read as follows:

50 § 1534. Political contributions.

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

52 (1) The term "contribution" means any gift, subscription, outstanding
53 loan, advance, deposit of money or any thing of value provided to a
54 political committee, party committee, constituted committee or duly
55 constituted subcommittee of a county committee, as those terms are
56 defined in article fourteen of the election law, in support or oppo-

1 sition to a candidate for public or party office, referendum, political
2 party, electioneering communication or any communication made to the
3 general public intended to encourage the public to contact a government
4 official, candidate for public or party office or political party
5 regarding pending legislation, public policy or a government rule or
6 regulation;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 522. 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 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 not-for-profit corporation contributions to, or expenditures on behalf of, candidates for public or party office, political committees, party committees or ballot referendum, before a not-for-profit corporation or any of its subsidiaries may make a contribution or independent expenditure, the not-for-profit corporation shall, at least annually, obtain the prior authorization by vote of a majority of the members voting on such resolution to make contributions or independent expenditures up to a stated aggregate annual amount for a stated business purpose.

(c) Any not-for-profit corporation, either by itself or its subsidiaries, making a contribution or independent expenditure shall at least annually disclose to its members 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.

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

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

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

8 § 35. Political contributions. 1. Definitions. When used in this
9 section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

53 (c) Any transportation corporation, either by itself or its subsid-
54 aries, making contributions or independent expenditures shall at least
55 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.