



NEW YORK STATE SENATOR

Daniel L. Squadron

## Senator Squadron Urges Corps Cmte to Vote on "Llc Loophole" Bill as Required by Senate Rules

DANIEL L. SQUADRON May 11, 2015

| ISSUE: **ELECTIONS, ETHICS**

### **After Forced Vote Last Month, Corporations Cmte Must Consider Bill to Close Loophole LLCs Currently Treated as People -- Not Corporations -- Allowing Unlimited, Anonymous dollars to Flood Process**

ALBANY - State Senator Daniel Squadron today urged the Senate Majority to honor Senate rules by voting on his bill to close the LLC loophole in the Committee on Corporations, Authorities and Commissions. He sent a letter to Committee Chair Michael Ranzenhofer, reiterating that the bill is required to be considered in the Corporations Committee within two meetings of its referral by the Elections Committee.

Senator Squadron used a Motion for Committee Consideration to force a vote on S.60 in the Elections Committee last month, and the bill was referred to the Corporations Committee. By the narrowest interpretation of Senate rules, the Corporations Committee is required to consider S.60 in tomorrow's meeting -- its second meeting since the bill was approved in Elections. Tomorrow's agenda for the Corporations Committee does not include S.60.

"My bill is not on today's agenda. Can you please (a) clarify why that is, and (b) communicate the date when the bill will be heard in the Corporations Committee pursuant to my motion?" asked **Senator Squadron** in his letter. "At a time when New Yorkers have reason to question the integrity of their government, we need to restore the public's trust. As I have said before,

preserving the LLC loophole by using yet another loophole to dodge accountability will only give New Yorkers more reason to question this body. This loophole allows unlimited sums of anonymous dollars to undermine the entire political process."

**Assemblymember Kavanagh**, who sponsors the Assembly version of the bill, said, "We moved our bill in the Assembly rapidly through the Election Law, Codes, and Rules Committees to the floor and expect a vote of the full Assembly very soon. I thank Senator Squadron for his strong advocacy in the Senate and join him in calling upon the Senate Corporations Committee to bring the bill up for a vote as soon as possible."

**Assemblymember Simon** said, "I wholly support Senator Squadron's persistent efforts to get his bill to fix the LLC loophole passed, first by passing through the Elections Committee and now before the Corporations Committee. I am confident that the committee will acknowledge that New York's contribution limits exist for a reason – to ensure fairness. Those laws are meaningless if Limited Liability Corporations (LLCs) are free to exploit a loophole that treats them as if they were individuals. LLCs are not people, and should be treated as the corporations they are."

"While so many New York families are struggling just to make ends meet, CEO campaign contributors are dumping millions into campaign accounts and getting laws that only make them bigger profits," said **Karen Scharff, Executive Director of Citizen Action of New York**. "Our government needs to be responsive to voters, not campaign cash."

"With the increased attention which recent events have brought to the abuse of New York's campaign finance laws by Limited Liability Companies, it is increasingly urgent that the state senate take up S.60," said **Susan Lerner, Executive Director of Common Cause/NY**. "New Yorkers are counting on the Corporations Committee to take up this important issue and pass S.60 to the floor of the senate for full public discussion and a vote."

**Robert Weissman, President of Public Citizen**, said, "There's no point in having contribution limits if motivated super-rich people are easily able to circumvent them. That's why it's so imperative that New York close the LLC loophole. If we want a government that represents We the People, then we can't tolerate a campaign finance system dominated by tiny numbers of the super-rich."

Senate Bill S.60 would close a loophole which currently allows limited liability companies to contribute vast sums of money to candidates for state office. Due to this loophole in state election law, between 2005 and 2013, LLCs contributed over \$40 million to New York State candidates, parties and political action committees. According to Senate Rule VIII Section 3(e), "In the case of a bill that is referred to a standing committee having secondary reference, the bill shall be considered within the next two committee meetings."

The full letter is attached.