



NEW YORK STATE SENATOR

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Times Union OpEd: Close the LLC Loophole For Good

DANIEL SQUADRON, BRIAN KAVANAGH April 12, 2016

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Another multibillion dollar budget, with many of the details hammered out at the last minute.

So, what's in those billions? There are some notable victories, including a historic minimum wage increase and paid family leave, plus funds to keep our children in school, our social services running, and countless other critical government operations in order.

But this year's budget also gives New Yorkers a big reason to question whether we'll ever achieve the level of integrity in state government that one would hope for. Months after the convictions of leaders of both houses of the Legislature, and days before their sentencings, Albany's ethics laws remain unchanged.

This session is perhaps most notable for the fact that, so far, it seems the Republican Senate majority will once again block any substantive efforts to regain the public trust that has been so thoroughly tarnished.

At the center of the corruption trials of both former leaders loomed the LLC loophole. Wrongly created by a Board of Elections ruling, it undermines the purpose and letter of the state's campaign finance law, and allows virtually unlimited, often anonymous corporate dollars to be funneled through limited liability companies and drown out the voice of everyday New Yorkers.

Just how bad is the LLC loophole? In 2014, median LLC contributions were six times greater than those of individuals. It's been reported that in that same year, donors with LLC in their names gave more than \$20 million to state and local campaigns — \$15 million of which came from donations exceeding the \$5,000 corporate donor limit.

Closing the LLC loophole has been endorsed by good government groups and editorial boards across the state, including the Times Union's. We've carried bills in our respective legislative houses to close the loophole for many years. Last year, the Assembly passed our bill by a wide margin, with broad bipartisan support. The Senate majority used disingenuous

interpretations of arcane rules to block the bill from coming to a vote.

This year, Gov. Andrew Cuomo once again included legislation to close the LLC loophole in the Executive Budget and said in his State of the State speech that he would sign legislation closing the loophole the same day it came to his desk. Assembly Speaker Carl Heastie also recommitted to closing the loophole in his opening remarks for the 2016 session, and the Assembly passed it once again as part of a broad ethics package, this time nearly unanimously. Democratic Senate Minority Leader Andrea Stewart-Cousins supports closing the loophole, and her conference has put forward an extensive ethics package that includes it. On the other hand, the Senate Republican majority doesn't have an ethics package. They, alone, insist that we should continue to allow LLC money to pervert our political process. After what has happened in Albany, it's shocking.

There are just 23 scheduled legislative session days left. Then, 213 legislators will go back to their districts. The Senate Republican majority has a small window to do right by millions of New Yorkers who expect us to fix what's broken, and create a system that encourages ethical, responsible service by their representatives. Let's close the LLC loophole, once and for all.

State Sen. Daniel Squadron, D-Brooklyn, represents the 26th Senate district. Assemblyman Brian Kavanagh, D-Manhattan, represents the 74th Assembly district.

RELATED LEGISLATION

2015-S60B

-
- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to political contributions

December 17, 2014

In Senate Committee Codes

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Do you support this bill?