



NEW YORK STATE SENATOR

Daniel L. Squadron

Squadron Forces "LLC Loophole" Vote In Senate Elections Comm

DANIEL L. SQUADRON May 9, 2016

| ISSUE: **LLC LOOPHOLE, ETHICS REFORM, ALBANY REFORM, REFORM, CAMPAIGN FINANCE**



Squadron, Kaminsky, Senators, Good Gov Groups Urge Full Senate Passage

Squadron: "Bring LLC Loophole closure and ethics reform to the floor"

ALBANY – Today State Senator Daniel Squadron, State Senator Todd Kaminsky, State Senators Liz Krueger, Gustavo Rivera, Neil Breslin, Velmanette Montgomery, George Latimer, and Brad Hoylman, Assemblymembers Brian Kavanaugh and Jo Anne Simon, Citizen Action NY, League of Women Voters of NYS, Common Cause/NY, and Citizens Union urged Senate passage of Squadron's bill to close the LLC Loophole (S60B/A6975C-Kavanaugh).

Squadron used a Motion for Committee Consideration to force a vote on the bill at Monday's Senate Elections Committee.

Squadron and the Senate Democratic Conference have repeatedly pushed to close the LLC Loophole, while Senate Republicans have repeatedly blocked the bill and attempted to distract from the issue.

"Public distrust of our state government is no game, but the Senate Majority has too often used inside baseball gamesmanship to block real reform," said **State Senator Daniel Squadron**. "No one defends the LLC Loophole on its merits -- yet it stays open. I urge the Elections Committee to pass S60B directly to the floor and Leader Flanagan to call it up for a vote of the full Senate. After the last year of scandal, if a majority of my colleagues are willing to publicly defend the status quo, so be it. But this broken system must no longer be protected by backroom political games. I thank Senator Kaminsky and my Democratic Conference colleagues, Assemblymembers Kavanagh and Simon, Citizen Action NY, Common Cause/NY, League of Women Voters of NYS, Citizen Union, NYPIRG, Reinvent Albany, the Brennan Center, and all those who continue to push for real reform."

"We cannot allow dark money to eclipse the will of voters," said **State Senator Todd Kaminsky**. "This massive loophole must be closed in order to restore integrity to our elections and return the power of the political process to New Yorkers."

"If we are going to restore public confidence in our state government, it essential that the Republican Senate Majority join the Assembly and the Governor to pass this legislation to close the LLC loophole, one of the most egregious gaps in the laws that are intended to ensure the integrity of our campaign finance system," said **Assemblymember Brian Kavanagh, who sponsors the bill in the Assembly**.

“The people of New York are sick and tired of hearing endless stories of corruption coming from Albany, but never a word about passing reforms. The LLC loophole is a prime example – legalized corruption that gives undue influence to the few, while hurting the interests of everyday New Yorkers. It’s time to give this bill a vote on the Senate floor and send it to the Governor's desk, and show the people of this state that Albany can fix its broken system,” said **State Senator Liz Krueger**.

State Senator Brad Hoylman said: “The LLC loophole was ‘Exhibit A’ in the government’s successful prosecutions of former Assembly Speaker Silver and former Senate Majority Leader Skelos. Companies routinely circumvent New York's campaign contribution limits by giving through multiple LLC entities, which has damaged the integrity of our elections and given certain interests outsized influence in both chambers of the legislature. It's high time this practice be outlawed once and for all.”

“I am pleased to support Senator Squadron and his Senate colleagues in pursuing closure of the LLC Loophole. If there is anything recent events have taught us, it’s that we need to limit the outsized influence of wealthy corporate donors, who have been able to influence lawmakers by making virtually unlimited campaign contributions to candidates – often without even disclosing their identities. Closing the LLC loophole is the single most impactful way to get big, opaque money out of politics,” said **Assemblymember Jo Anne Simon**.

“Billionaires are able to push their profit-driven agenda ahead of the needs of ordinary New Yorkers by pouring money into elections,” said **Jessica Wisneski, Legislative and Campaigns Director for Citizen Action of New York**. “New Yorkers are demanding their democracy back. That can start with closing the LLC loophole right now.”

“The League is pleased to finally see movement on a crucial piece of legislation. Until we eliminate the LLC loophole, large flows of unattributed money from special interest groups

can continue to influence the actions of our state elected officials. We applaud Senator Squadron and Assemblyman Kavanagh for their work on this very important issue. A New Yorker should not have to pay to have his or her voice heard by our state legislators,” said **Barbara Bartoletti, Legislative Director of the League of Women Voters of New York State.**

“The State Board of Elections' outrageous decision to grant favorable campaign contribution status to LLCs has helped contribute to some of the biggest scandals in New York's political history,” said **Blair Horner, NYPIRG Executive Director.** “The failure of the Board to clean up its own mess leaves legislation as the only option. We urge the Senate to move the Squadron bill.”

“A crime-wave of corruption has engulfed Albany yet rather than address it, the Senate plays hot potato with a key reform which would seriously reduce the influence of money in politics. A jury of Senator Skelos' peers were unequivocal that business as usual in Albany is unacceptable. It's time for the Senate to catch up with their constituents,” said **Susan Lerner, Executive Director Common Cause/NY.**

“Closing the LLC loophole is essential to healing a corruption-plagued Albany,” said **Dick Dadey, Executive Director of Citizens Union.** “We urge the Elections Committee to pass Senator Squadron’s legislation, and the full Senate and Assembly to pass this critical reform that would improve our campaign finance and ethics laws by reducing the influence of big contributions on the decisions made by our elected officials.”

The LLC Loophole, wrongly created by a Board of Elections ruling, allows virtually unlimited, often anonymous corporate dollars to be contributed in state elections. Squadron has secured co-sponsorship from 25 Senate colleagues, including Democratic Conference Leader Stewart-Cousins. The measure has also been included in the Democratic Conference’s ethics reform package. The Assembly has passed the bill, and the Governor has indicated he would

sign legislation the day it was passed. This year, Squadron proposed a floor amendment to close the LLC Loophole in the state budget and filed the Motion for Committee Consideration, which required S60B to be placed on the Election Committee agenda within 45 days. Last session, the Senate Majority used a disingenuous interpretation of the Motion for Committee Consideration to kill the bill in secondary committee. This year, the Election Committee agenda indicates the bill will be referenced to the Codes Committee, a different secondary committee than it was sent to last year. It is not clear why the bill would be sent to Codes.

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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

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Relates to [political contributions](#)

December 17, 2014

In Senate Committee [Codes](#)

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Do you support this bill?