



## MEMO OF SUPPORT

### [S983 \(Salazar\) / A466 \(Carroll\)](#)

*Closes Loophole Allowing LLCs and Corporate Entities to Be Used to Exceed State Limits on Campaign Contributions*

January 19, 2024

#### **TITLE OF BILL**

An act to amend the election law, in relation to political contributions by certain organizations.

#### **SUMMARY OF PROVISIONS**

Section 1 amends Election Law §14-116(2) to prohibit corporations, Limited Liability Companies (LLCs), Limited Liability Partnerships (LLPs), and partnerships from providing contributions, loans, loan guarantees, or securities to political candidates and committees. An exception is made for corporations, LLCs, LLPs, or partnerships that are political committees. The bill also adds a paragraph b stating that loans made to candidates or committees by persons, firms, or associations must be repaid by the date of the upcoming election, or else the loan will be considered a contribution.

Section 2 states that the bill takes effect immediately.

#### **STATEMENT OF SUPPORT**

Reinvent Albany supports this legislation because it closes an obvious loophole in laws limiting campaign contribution..

[Twenty-five states](#), the federal government, and New York City ban corporate contributions, but New York State permits corporations and LLCs to give up to \$5,000 annually. Through a loophole in NYS election law, an individual could form 20 LLCs and give \$5,000 through each one, totalling \$100,000 contributions and exerting even more influence over NYS campaign finance in circumvention of contribution limits.

Banning corporate and LLC contributions is the simplest way to close the loophole. We urge the Legislature to pass the bill, and the Governor to sign it.