



NEW YORK STATE SENATOR
Daniel L. Squadron

Senator Squadron, Assemblymember Kavanagh Statement on Boe's Refusal to Close "Llc Loophole" at Today's Meeting

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MANHATTAN – Today, State Senator Daniel Squadron and Assemblymember Kavanagh released the following statement regarding the New York State Board of Elections' refusal to close the "LLC loophole" at today's meeting:

“It's disappointing that the Board of Elections missed this opportunity to close our state's gaping LLC loophole -- which governs the way limited liability companies participate in the political process -- while the issue was on their agenda. The BOE had the chance today to promptly make this fix by rescinding their misguided 1996 opinion to treat LLCs as individuals -- as advocated by two of the Commissioners -- by ruling that LLCs should be treated as corporations or partnerships, and by clarifying that a person may not use multiple LLCs to evade contribution limits.

The BOE instead chose to continue allowing unlimited sums of anonymous dollars to pervert the entire process. The board needs to explain why LLCs should not be subject to similar limits as those applied to corporations or partnerships.

Perversely, commissioners said today that it was 'inappropriate' for the loophole to be closed by the board, instead of legislatively, even though it was the board's 1996 decision that created it. Considering the overwhelming facts, we don't understand how the LLC loophole could be raised at a meeting of the Board, and not immediately rectified. The board should have responded substantively to letters from us, the Attorney General, and the Brennan Center. The BOE should have also taken into consideration that editorial boards across the state support this needed change.

We sponsor bills that would make this fix legislatively, and we will continue to push this legislation forward. The Governor has pledged his support to close the LLC loophole, either legislatively or administratively.

Today's decision is the clearest signal yet that this loophole has no legitimate justification that anyone is willing to articulate, and is used to protect shadowy donors."