

TEXT OF PROPOSED REGULATIONS

13 NYCRR Sections 91.6-91.12 are renumbered to sections 91.7-91.13.

A new section 91.6 is added to title 13 to read as follows:

91.6 Annual Disclosure of Electioneering Activities by Non-501(c)(3) Registrants

(a) Definitions. For purposes of this section:

(1) "Annual Financial Report" means any report filed pursuant to section 91.5 or 91.7 of this part.

(2) "Covered organization" means any organization that is: (i) registered or required to be registered with the Attorney General pursuant to Article 7-A of the Executive Law and/or Article 8 of the Estates, Powers and Trusts Law; and (ii) not prohibited by Internal Revenue Code section 501(c) from participating in, or intervening in, any political campaign on behalf of, or in opposition to, any candidate for public office.

(3) "Election" means any general, special, or primary election for federal, state or local office, or at which any proposition, referendum or other question is submitted to the voters in any state or any locality in the United States.

(4) "New York Election" means only those general, special, or primary elections conducted by a New York state or local government entity for New York state or local office, or any election at which any New York state or local constitutional amendment, proposition, referendum or other question is submitted to the voters.

(5) "Election related expenditure" means (i) any expenditure made, liability incurred, or contribution provided for express election advocacy or election targeted issue advocacy; or (ii) any other transfer of funds, assets, services or any other thing of value to any individual, group, association, corporation whether organized for profit or not-for-profit, labor union, political committee, political action committee, or any other entity for the purpose of supporting or engaging in express election advocacy or election targeted issue advocacy by the recipient or a third party.

(6) "Express election advocacy" means any communication made at any time that:

(i) contains express words such as "vote," "oppose," "support," "elect," "defeat," or "reject," which call for the nomination, election or defeat of one or more clearly identified candidates, the election or defeat of one or

more political parties, or the passage or defeat of one or more constitutional amendments, propositions, referenda or other questions submitted to voters at any election; or

(ii) otherwise refers to or depicts one or more clearly identified candidates, political parties, constitutional amendments, propositions, referenda or other questions submitted to the voters in a manner that is susceptible of no reasonable interpretation other than as a call for the nomination, election or defeat of such candidates in an election, the election or defeat of such political parties, or the passage or defeat of such constitutional amendments, propositions, referenda or other questions submitted to the voters in any election.

(7) "Election targeted issue advocacy" means any communication other than express election advocacy made within one hundred eighty days of an election that:

(i) refers to one or more clearly identified candidates in that election;

(ii) depicts the name, image, likeness or voice of one or more clearly identified candidates in that election;

or

(iii) refers to any political party, constitutional amendment, proposition, referendum or other question submitted to the voters in that election.

(8) "Communication" means:

(i) paid advertisements broadcast over radio, television, cable, or satellite;

(ii) paid placement of content on the Internet or other electronic communication networks;

(iii) paid advertisements published in a periodical or on a billboard;

(iv) paid telephone communications to one thousand or more households;

(v) mailings sent or distributed to five thousand or more recipients; or

(vi) printed materials exceeding five thousand copies.

(9) "Covered donation" means any contribution, gift, loan, advance, or deposit of money or any thing of value made to a covered organization that is available to be used for a New York election related expenditure.

(b) Disclosure of Election Related Expenditures.

(1) The annual financial report filed by any covered organization shall include the amount and the percentage of total expenses during the reporting period that are election related expenditures.

(2) The annual financial report filed by any covered organization that has made New York election related expenditures in an aggregate amount or fair market value exceeding ten thousand dollars during the reporting period shall include an itemized schedule disclosing information related to each New York election related expenditure, unless the information is exempt from disclosure pursuant to paragraph d of this section. Such information shall include for each New York election related expenditure: (i) the amount or fair market value of any funds, services or assets provided, and any liabilities incurred; (ii) the date that such funds, services or assets were provided, and that any liabilities were incurred; (iii) the name and address of the recipients of the expenditure; and (iv) a clear description of the expenditure and its purpose, including support for or opposition to a candidate, political party, referendum or other question put before the voters in an election.

(c) Disclosures of Donations Related to New York Elections.

(1) The annual financial report filed by a covered organization that has made New York election related expenditures in an aggregate amount or fair market value exceeding ten thousand dollars during the reporting period shall include an itemized schedule disclosing information related to each covered donation it has received during the reporting period, unless the information is exempt from disclosure pursuant to paragraph d of this section. Such information shall include: (i) the name and address of each donor who made covered donations in an aggregate amount of one hundred dollars or more during the reporting period; (ii) the employer of each such individual donor, if reasonably available; and (iii) the date and amount of each such covered donation.

(2) If a covered organization keeps one or more segregated bank accounts containing funds used solely for New York election related expenditures, and makes all of its New York election related expenditures from such accounts, then the annual financial report must only include information specified in the preceding subparagraph concerning donations deposited into such accounts.

(d) Exceptions for Disclosures to Multiple Agencies. The annual financial report filed by a covered organization is not required to include the information specified by subparagraph two of paragraph b of this section, or paragraph c of this section, if: (i) any law or rule requires that such information be disclosed to any

other government agency that makes such information available to the public, and (ii) the covered organization is in compliance with the requirements of such law or rule at the time it files the annual financial report.

(e) Schedule to be Provided by the Attorney General. Upon adoption of this regulation, the Attorney General shall make available a schedule (“Electioneering Disclosure Schedule”) to the Annual Filing for Charitable Organizations and if necessary amend existing forms to allow covered organizations to make the disclosures required by this section.

(f) Guidance to be Provided by the Attorney General. Upon adoption of this regulation, the Attorney General shall make available to the public guidance concerning compliance with this rule.

(g) Public Disclosure. The Attorney General shall make information contained in the completed Electioneering Disclosure Schedule available to the public on the Attorney General’s website, except for:

- (1) information exempt from disclosure pursuant to any state or federal law;
- (2) information related to any covered donation received prior to the effective date of this rule; or
- (3) information the Attorney General deems exempt from disclosure pursuant to paragraph (h) of this section.

(h) Exemption from Public Disclosure.

(1) Notwithstanding paragraph g of this section, the Attorney General may, upon application by a donor or covered organization to be made in a form and manner prescribed by the Attorney General, grant an exemption and refrain from disclosing any information to the public related to any covered donation if the applicant shows by clear and convincing evidence that such disclosure will cause undue harm, threats, harassment or reprisals to any person or organization.

(2) An application for such exemption shall be submitted no later than forty-five days prior to the due date for the applicable annual filing. The Attorney General will inform the applicant and may inform other persons or organizations to which the exemption would apply, in writing, whether the application for exemption has been granted or denied. Any denial issued by the Attorney General shall include a statement of findings and conclusions, and the reasons or basis for the denial.

(3) The submission of an application does not relieve the covered organization of its obligation to timely file annual financial reports, including an Electioneering Disclosure Schedule disclosing all donors for which the covered organization has not sought exemption.

(4) To the extent permitted by federal and state law, the Attorney General will exempt from public disclosure all materials submitted in support of an application for an exemption; provided that the Attorney General may disclose such materials to a court in response to any judicial subpoena or court order. The Attorney General may publicly disclose that a covered organization has submitted one or more applications for an exemption, or that one or more of a covered organization's requests for an exemption has been granted or denied.

(i) Severability. If any provision in this section or the application of such provision to any persons or circumstances shall be held invalid, the validity of the remainder of the provisions and/or the applicability of such provisions to other persons or circumstances shall not be affected thereby.

Section 91.5(c)(2)(iii) is added to title 13 to read as follows:

Schedule EDS (Electioneering Disclosure Schedule) or a successor form is required for covered organizations that must file such form pursuant to section 91.6 of this part.

Section 91.7(b)(2)(iv) is added to title 13 to read as follows:

Schedule EDS (Electioneering Disclosure Schedule) or a successor form is required for covered organizations that must file such form pursuant to section 91.6 of this part.

The introductory paragraph to section 91.3 of title 13 is amended to read as follows:

Certain organizations are exempt from registration with the Attorney General. Unregistered organizations that are exempt from registration are not required to submit an exemption request to the Attorney General, except that an organization that receives a failure to register notice from the Attorney General but believes it is exempt from registration must claim an exemption from registration. Organizations that wish to request exemption from registration under Article 7-A or the EPTL or both, shall claim such exemption by completing the appropriate registration, amended registration or reregistration statement form, defined in sections 91.4, 91.[7]8 and 91.[8]9, respectively, of this Chapter, or a successor form, including the exemption request section of such

form, and attaching Schedule E (Request for Exemption for Charitable Organizations) or a successor form along with all required attachments listed in both the registration and exemption request forms.