

A.8662A (Gallagher)/S.8432 (Holyman-Sigal)

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BILL

**A.8662A
(Gallagher)/S.8432
(Holyman-Sigal)**

SUBJECT

**Opposition to amending
the Limited Liability
Company Law to expand
beneficial ownership
disclosure requirements for
LLCs**

DATE

June 12, 2025

OPPOSE

The Business Council of New York State strongly opposes A.8662A (Gallagher) / S.8432 (Holyman-Sigal). This bill is a clear example of regulatory overreach that adds costly, confusing, and punitive requirements on businesses at a time when New York's economic competitiveness is already under serious strain. If enacted, this legislation will further accelerate the steady exodus of businesses from New York.

This bill would enshrine into state law a complex reporting regime based on the now receding federal Corporate Transparency Act (CTA). The federal government has effectively walked back implementation of the CTA for domestic businesses, recognizing that the rules were poorly constructed and burdensome. Rather than follow suit, New York is attempting to go in alone, codifying definitions and mandates that no longer apply at the federal level and applying them in ways that will uniquely and unfairly punish New York companies.

This is not a fix or a clarification. This is a significant expansion of the state's power to demand sensitive ownership information from thousands of legitimate LLCs, many of them small, local, family-run, or entrepreneurial businesses. The new definitions of "beneficial owner" and "reporting company" are broad and murky, sweeping in businesses that were never intended to be subject to this law and offering little guidance on how to comply. The bill empowers the Department of State to rewrite and enforce these rules through unchecked regulatory authority, creating a moving target for businesses that could change at the drop of a dime.

And let's be clear about what's really happening: the largest, most powerful financial institutions such as banks, broker-dealers, public utilities, insurance firms, and investment companies are carved out. The small and mid-sized LLCs that make up the backbone of New York's economy? They're left holding the bag. This is exactly why businesses are leaving New York or choosing not to come here in the first place. The state has become notorious for layering regulation on top of regulation, creating endless red tape, and offering little

certainty or relief. Business owners are tired of being treated like a problem to solve instead of a partner in economic growth. They are tired of watching the rules change mid-game. They are tired of footing the bill for Albany's mandates while being told it's all in the name of "transparency."

What this bill actually delivers is more compliance costs, more legal exposure, more time spent on paperwork, and more reasons to move jobs and investment elsewhere. And let's not pretend this is cost-free. Accountants, lawyers, and compliance officers will be needed to navigate this maze. That means real dollars out the door for businesses that already operate on tight margins. And for what? The federal government is no longer enforcing these rules. Other states aren't adopting them. This bill does nothing to improve public safety or economic integrity; it simply makes it harder to operate a business in New York.

There is no credible justification for this legislation. The federal framework it's based on is collapsing. There's no demonstrated benefit to state duplication. And there's no plan to ensure data security or protect businesses from misuse of their sensitive information. What this bill offers is more regulation for regulation's sake.

New York doesn't need more paperwork. It needs more private sector growth, more entrepreneurship, more job creation. A.8662A / S.8432 is a step in the wrong direction, away from affordability, away from competitiveness, and away from common sense. The Business Council of New York State strongly urge the Legislature to reject this bill.