STATE OF NEW YORK

10354

IN ASSEMBLY

May 13, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Gallagher) -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the limited liability company law, in relation to liability for providing false or fraudulent information pertaining to beneficial owners of limited liability companies

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 215 of the limited liability company law, as added by a chapter of the laws of 2022 amending the limited liability company law relating to the disclosure of beneficial owners of limited liability companies, as proposed in legislative bills numbers S. 8439-A and A. 9415-B, is amended by adding a new subdivision (d) to read as follows:

(d) Any person who: (1) knowingly provides false or fraudulent beneficial ownership information; or (2) willfully fails to provide complete or updated information shall be guilty of a misdemeanor and liable to the state for a civil penalty of not more than ten thousand dollars and shall be prohibited from organizing, forming, registering, or managing any limited liability company or partnership in the state of New York for a period not less than one year or greater than five years. The department of state may withdraw or prohibit the authority of such entity to do business within the state for at least two years.

§ 2. Section 810 of the limited liability company law, as added by a chapter of the laws of 2022 amending the limited liability company law relating to the disclosure of beneficial owners of limited liability companies, as proposed in legislative bills numbers S. 8439-A and A. 9415-B, is amended by adding a new subdivision (d) to read as follows:

(d) Any person who: (1) knowingly provides false or fraudulent beneficial ownership information or (2) willfully fails to provide complete or updated information shall be guilty of a misdemeanor and liable to the state for a civil penalty of not more than ten thousand dollars and shall be prohibited from organizing, forming, registering, or managing any limited liability company or partnership in the state of New York for a period not less than one year or greater than five years. The

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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department of state may withdraw or prohibit the authority of such entity to transact business within the state of New York for at least two years.

§ 3. This act shall take effect on the ninetieth day after a chapter of the laws of 2022 amending the limited liability company law relating to the disclosure of beneficial owners of limited liability companies, as proposed in legislative bills numbers S. 8439-A and A. 9415-B, takes effect.