



CASTLEWORKS REAL ESTATE REVIEW

Winter/Spring 2024

ARE YOU THINKING OF SELLING YOUR PRIMARY RESIDENCE?

THE AMENDED NEW YORK STATE PROPERTY DISCLOSURE LAW IS EFFECTIVE MARCH 2024

Governor Hochul signed new legislation in September 2023 amending the Property Condition Disclosure Act. This law pertains to the sale of real property in New York State. Therefore, it affects people who are selling their primary residences after March 20, 2024. In the past individuals could give a \$500 credit to the purchaser in lieu of completely disclosing the property condition. This practice will be eliminated under this new legislation and sellers must complete the property condition disclosure statement. This disclosure statement describes the condition of the property as well as the flood history, and whether it is in a designated flood zone. Sellers who provide inaccurate information under this disclosure statement may now be subject to legal action that results in damages to the purchaser of the property. Sales involving executors, trustees or other fiduciaries are exempt from this disclosure requirement. In addition, cooperatives and condominiums are also exempt. Sellers should carefully review this new disclosure with their attorneys when they are involved in the sale of their primary residence.

THE NEW CORPORATE TRANSPARENCY ACT

Individuals who own or oversee a corporation, LLC, or a registered business must file an ownership report with the financial crime's enforcement network beginning January 1, 2024. Failure to do so may result in fines up to \$10,000 in criminal prosecution. This new Corporate Transparency Act requires most business entities, especially small ones, to file a beneficial ownership information report. The report identifies the business "beneficial owners" meaning people that own 25% or greater interest in the business. Limited liability companies that were already in existence must file no later than January 1, 2025. The beneficial owners must provide their full legal name, date of birth, current address, and proper identification such as driver's license or unexpired passport.

The report must be filed within 90 days from the date of creation or registration. In addition to information about the owners, the report should provide information about the company, including the name and entity d/b/a name, as well as the physical address or principal place of business, the jurisdiction of formation, and the taxpayer identification number.

There are certain companies and entities that may be exempt from filing. In order to be exempt, all six of the following requirements must be met: (1) The company has been in existence since at least January 1, 2022; (2) The entity isn't engaged in an active business; (3) The entity isn't owned by a foreign person, directly or indirectly, wholly or partially; (4) The entity has not experienced any change in ownership in the preceding 12 month period; (5) The entity hasn't received any amount greater than \$1,000 either directly or through any financial account; (6) The entity doesn't otherwise hold any kind of asset including any ownership interest in any corporation, limited liability, company, or other similar entity.

For further information contact

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