

A hand in a dark suit jacket is shown from the wrist up, pointing upwards with the index finger. The years 2021, 2022, 2023, 2024, and 2025 are overlaid on the hand, with 2024 being the largest and most prominent. The background is a blurred outdoor scene with trees and a bright sky.

BUSINESS IN 2024

WEEKLY WEBINAR SERIES



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Your Host



Gabriel S. Oberfield

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TODAY'S AGENDA

Gabe Oberfield – (12:00PM-12:05PM)

- **Welcome Back**
- **Agenda – What's in Store, for 2024**

Roger Bearden – (12:05PM-12:15PM)

- **New York State Legislative and Regulatory Affairs – Context, and a Look, Ahead**

Seth Gilbertson – (12:15PM-12:25PM)

- **Higher Education – What's Ahead**

Kyle Skillman – (12:25PM-12:35PM)

- **The Year, Ahead, in Collegiate Sports Law**

Delaney Knapp and Tom Clifford – (12:35PM-12:45PM)

- **The Corporate Transparency Act, and Exceptions for Exempt Organizations**

G. Oberfield – (12:45PM)

- **Questions / Wrap Up**

NYS Government and Regulatory Affairs – What's in Store for 2024?



Roger A. Bearden

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Political Calendar for 2024

- Two special elections for Congress, one in Long Island and one in Buffalo
- Congressional redistricting (again) after Court of Appeals decision
- Presidential election and state elections for Senate and Assembly
- Law moves most elections for county executives, county legislators, town supervisors and town elected officials from odd to even years; Individuals elected after Jan. 1, 2025 will have their terms shortened to match up with an even-year election cycle

Key Policy Milestones for 2024

- Governor's State of the State, January 9, 2024, contains the Governor's key policy priorities for 2024
- State of the State previews include:
 - Consumer Protection & Affordability Agenda
 - Back to Basics Plan to Improve Reading Proficiency
 - Maternal and Infant Mortality Crisis
 - NY SWIMS: the New York Statewide Investment In More Swimming
- Budget release, on or before Tuesday, January 16, 2024, typically includes not only the budget, but significant policy legislation as well

2024: Key Issues?

- Housing
- Migrants
- Mental health
- Education
- Healthcare workforce
- Artificial intelligence

A Productive Legislative Session in 2024?

- 2022
 - 841 signed bills
 - 199 vetoed bills
 - 115 signed bills with chapter amendments
- 2023
 - 774 signed bills
 - 151 vetoed bills
 - 93 signed bills with chapter amendments
- 2024
 - ??

2024: Reviving Vetoes?

- Grieving Families Act, to change the state's wrongful death statute by letting families recover damages for emotional suffering
- Campaign finance reform, which would have allowed political contributions of any size to be matched with \$250 in public funding
- Consent to jurisdiction, which would have required foreign companies that register to do business or are designated to do business in New York to automatically consent to the jurisdiction of the courts in the State
- Ban on non-compete agreements, which would have prohibited all non-compete agreements in New York

2024: New Laws Impacting Business and Labor

- Governor signed the Limited Liability Company (LLC) transparency act, but limited access only to those in government who have a law enforcement interest in the information, eliminating the public database
- Governor signed bill enhancing labor protections for freelance workers, subject to chapter amendment to limit impact on NYS Department of Labor
- Newly-enacted law limits use of Non-Disclosure Agreements in settlement of discrimination claims

2024: New Laws Impacting Schools

- School Voter Registration Access Program in education law requiring school districts, boards of cooperative educational services, charter schools, and nonpublic schools to adopt a policy to promote student voter registration and preregistration
- All private middle and high schools will be required to provide free menstrual hygiene products in student bathrooms. Public schools serving the sixth through 12th grades have been required to provide these products statewide since 2018

2024: New Laws Impacting Health

- Establishes the lesbian, gay, bisexual and transgender, and people living with HIV long-term care facility residents' bill of rights
- Enhances the scope of health equity impact assessments to require consideration of reproductive health services and maternal health care

Looking Forward

- Our government and regulatory affairs team will continue to monitor legislative and regulatory developments that may impact our clients
- In a busy political year, we anticipate significant and somewhat unpredictable activity

A Look Ahead at Higher Education Legal Developments in 2024



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- Political turbulence – focused on the role of higher education in society
- Title IX regulatory changes
- Continued grappling with the effects of AI
- Labor unrest with the confluence of unionization efforts and downsizing
- More mergers and closures
- Adjustments to the first academic cycle post affirmative action

The Year Ahead in Collegiate Sports Law



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Corporate Transparency Act Exempts Most (But Not All) Nonprofits



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Corporate Transparency Act

- Effective January 1, 2024
- Enacted to create transparency regarding entity ownership and, thereby, help the United States government protect the financial system from being used for illicit activities
- Requires the vast majority of corporations, limited liability companies, and other qualifying entities to report information concerning their beneficial ownership to the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN)

Exemptions

- Fortunately, because many tax-exempt organizations already publicly report an abundance of information to the Internal Revenue Service and other regulators, most are exempt from CTA reporting (along with their affiliates), with a few important exceptions

Exemptions (continued)

- Tax-Exempt Orgs: Organizations described in Section 501(c) of the Internal Revenue Code (Code) and exempt from federal income tax under Code Section 501(a);
 - 501(c)(3) charitable, educational, religious, etc. organizations
 - 501(c)(4) social welfare organizations
 - 501(c)(6) business leagues and/or trade associations
 - 501(c)(7) social clubs
 - 501(c)(13) cemeteries
- Wholly-Owned Subsidiaries: Subsidiaries whose ownership interests are entirely controlled or wholly owned by a tax-exempt entity (i.e., single-member LLCs with a tax-exempt parent);

Exemptions (continued)

- Political Organizations: Political organizations, as defined in Code Section 527(e)(1), that are exempt from tax under Code Section 527(a);
- Split Interest Trusts (like charitable lead and remainder trusts);
- Inactive entities that (i) existed on or before January 1, 2020, (ii) are not engaged in active business, (iii) are not owned by a foreign person, (iv) have not sent or received more than \$1,000 in the prior 12 months, and (v) do not hold any type of assets.

Newly Formed Organizations

- Nonprofit organizations who have tax-exempt applications pending with the IRS are not exempt from the CTA. Processing time for tax-exempt applications varies but is generally between 6 and 9 months. Thus, if the nonprofit was formed on or after January 1, 2024, it is subject to the CTA and **must file the required information within 90 days after formation.**
- Once the IRS exemption determination letter is received, the organization should then file an updated report with FinCEN within **30 days**, indicating that it obtained tax-exempt status and is newly-exempt from the reporting requirements.

Not Exempt or Pending Exemption

- A nonprofit organization formed prior to January 1, 2024, which has either not submitted a tax-exempt application with the IRS or which has an application currently pending with the IRS, will have **until January 1, 2025, before it is required to comply with the CTA.**
 - If such organization submits its tax-exempt application early in 2024, it may be able to avoid the CTA's reporting requirements, but it will need to closely monitor the calendar to ensure that it receives a determination letter from the IRS recognizing its exemption prior to the end of the year.
- Nonprofits which have not and never intend to file for tax exemption (for example, some housing development fund companies) will need to comply with the CTA going forward.

Revocation

- If an organization has its tax-exempt status revoked by the IRS, it will have **180 days from the date of revocation** to comply with the CTA.
- If the organization's tax-exempt status is not reinstated within that 180-day period (which is often the case), then it will need to comply with the CTA's reporting requirements.
- Accordingly, we recommend promptly filing the required information after receiving IRS notice of exemption revocation.

Organizations “On the Shelf”

- Larger nonprofits often operate within a network of affiliated organizations which work together to support their exempt purpose and mission.
- Sometimes, these subsidiary organizations may no longer be integral to the network, may be temporarily inactive, or may be in consideration for dissolution.
- “Parent” nonprofits should therefore review their organizational chart and determine if there are any subsidiary or affiliated organizations which qualify for the CTA’s “inactive” exemption, or if not, which organizations might now be subject to additional reporting requirements.

Your Questions



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New York Employment Law: The Essential Guide

NYS Bar Association Members can buy the book from the bar [here](#).

Non-NYS Bar Association Members can purchase through Amazon [here](#).

Thank You

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It is not to be considered as legal advice.
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