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Title: A Local Law to amend the administrative code of the city of New York, in relation to the sale of tax liens and in rem foreclosure actions on class 1 properties and class 2 properties that are residential condominiums or residential cooperatives and have been deemed abandoned.

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Int. No. 337

By Council Members Fidler, Gennaro, James, Nelson and Weprin

A Local Law to amend the administrative code of the city of New York, in relation to the sale of tax liens and in rem foreclosure actions on class 1 properties and class 2 properties that are residential condominiums or residential cooperatives and have been deemed abandoned.

Be it enacted by the Council as follows:

Section 1. Subdivision a of section 11-319 of the administrative code of the city of New York, as amended by local law number 36 for the year 2001, is amended to read as follows:

a. A tax lien or tax liens on a property or any component of the amount thereof may be sold by the city as authorized by subdivision b of this section, when such tax lien or tax liens shall have remained unpaid in whole or in part for one year, provided, however, that a tax lien or tax liens on any class 1 property or on class 2 property that is a residential condominium or residential cooperative, as such classes of property are defined in subdivision 1 of section 1802 of the real property tax law, may be sold by the city only when the real property tax component of such tax lien or tax liens shall have remained unpaid in whole or in part for three years,

except that a tax lien or tax liens on any class 1 property or on class 2 property that is a residential condominium or residential cooperative and has been deemed to be abandoned may be sold by the city when the real property tax component of such tax lien or tax liens shall have remained unpaid in whole or in part for eighteen months and after such sale, shall be transferred, in the manner provided by this chapter. A tax lien or tax liens on any property classified as a class 2 property, except a class 2 property that is a residential condominium or residential cooperative, or class 3 property, as such classes of property are defined in subdivision 1 of section 1802 of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale. Notwithstanding any provision of this subdivision to the contrary, any such tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component. A tax lien or tax liens on a property classified as a class 4 property, as such class of property is defined in subdivision 1 of section 1802 of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component or sewer rents component or sewer surcharges component or water rents component as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, provided, however, that any tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component, sewer rents component, sewer surcharges component or water rents component. For purposes of this subdivision, the words “real property tax” shall not include an assessment or charge upon property imposed pursuant to section 25-411 of the administrative code. A sale of a tax lien or tax liens shall include, in addition to such lien or liens that have remained unpaid in whole or in part for one year, or, in the case of any class 1 property or on class 2 property that is a residential condominium or residential cooperative, when the real property tax component of such lien or liens has remained unpaid in whole or in part for three years except, in the case of any class 1 property or on class 2 property that is a residential condominium or residential cooperative and has been

deemed to be abandoned, when the real property tax component of such tax lien or tax liens shall have remained unpaid in whole or in part for eighteen months, any taxes, assessments, sewer rents, sewer surcharges, water rents, any other charges that are made a lien subject to the provisions of this chapter, the costs of any advertisements and notices given pursuant to this chapter, any other charges that are due and payable, a surcharge pursuant to section 11-332 of this chapter, and interest and penalties thereon or such component of the amount thereof as shall be determined by the commissioner of finance. For the purposes of this chapter, a class 1 property or class 2 property that is a residential condominium or residential cooperative shall be deemed to be “abandoned” when (a) the entranceways to a dwelling on such property have been sealed in any fashion or there is evidence that they had been sealed; (b) when a dwelling on such property has been determined to be vacant, whether or not such dwelling has been sealed; or (c) when it has been determined that no one with legal responsibility for the operation and maintenance of a dwelling on such property is operating or maintaining such dwelling. In making a determination pursuant to paragraph c of this subdivision, consideration shall be given to such criteria as whether required repairs are being made on a regular and routine basis, services such as heat and hot water are being regularly and routinely provided, rent is being collected on a regular basis, responses are being made to summonses and notices of violation issued with respect to such dwelling or the property is otherwise not being operated and maintained in accordance with the requirements of law.

§2. Subdivision a of section 11-354 of the administrative code of the city of New York, as amended by local law number 37 for the year 1996, is amended to read as follows:

(a) Notwithstanding any other provision of law and notwithstanding any omission to hold a tax lien sale, whenever any tax, assessment, sewer rent, sewer surcharge, water rent, any charge that is made a lien subject to the provisions of this chapter or chapter four of this title, or interest and penalties thereon, has been due and unpaid for a period of at least one year from the date on which the tax, assessment or other legal charge represented thereby became a lien, or, in the case of any class one property or any class two property that is a residential condominium or residential cooperative, other than one which has been deemed abandoned, as such

classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, or in the case of a multiple dwelling owned by a company organized pursuant to article XI of the private housing finance law with the consent and approval of the department of housing preservation and development, for a period of at least three years from the date on which the tax, assessment or other legal charge became a lien, the city, as owner of a tax lien, may maintain an action in the supreme court to foreclose such lien. However, in the case of any class 1 property or class 2 property that is a residential condominium or residential cooperative and has been deemed to be abandoned, whenever any tax, assessment, sewer rent, sewer surcharge, water rent, any charge that is made a lien subject to the provisions of this chapter or chapter four of this title, or interest and penalties thereon, has been due and unpaid for a period of at least eighteen months from the date on which the tax, assessment or other legal charge became a lien, where such tax lien has not been sold, the city, as owner of a tax lien, shall maintain an action in the supreme court to foreclose such lien. Such action shall be governed by the procedures set forth in section 11-335 of this chapter; provided, however, that such parcel shall only be sold to the highest responsible bidder. Such purchaser shall be deemed qualified as a responsible bidder pursuant to such criteria as are established in rules promulgated by the commissioner of finance after consultation with the commissioner of housing preservation and development.

§3. Section 11-401 of the administrative code of the city of New York, as amended by local law number 37 for the year 1996, is amended by adding thereto a new subdivision 5 to read as follows:

5. “Abandoned.” (a) the entranceways to a dwelling that is a class one property or a class 2 property that is a residential condominium or a residential cooperative have been sealed in any fashion or there is evidence that they had been sealed; (b) when such dwelling has been determined to be vacant, whether or not such dwelling has been sealed; or (c) when it has been determined that no one with legal responsibility for the operation and maintenance of such dwelling is operating or maintaining such dwelling. In making a determination pursuant to item c of this subdivision, consideration shall be given to such criteria as whether required repairs are being made on a regular and routine basis, services such as heat and hot water are being

regularly and routinely provided, rent is being collected on a regular basis, responses are being made to summonses and notices of violation issued with respect to such dwelling or the property is otherwise not being operated and maintained in accordance with the requirements of law.

§4. Subdivision b of section 11-404 of the administrative code of the city of new York, as amended by local law number 37 for the year 1996, is amended to read as follows:

b. A tax lien on any class one property or any class two property that is a residential condominium or residential cooperative, other than one which has been deemed abandoned, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, and on any multiple dwelling owned by a company organized pursuant to article XI of the private housing finance law with the consent and approval of the department of housing preservation and development, shall not be foreclosed in the manner provided in this chapter until such tax lien has been due and unpaid for a period of at least three years from the date on which the tax, assessment or other legal charge represented thereby became a lien. A tax lien on any class one property or any two property that is a residential condominium or residential cooperative that has been deemed to be abandoned, shall be foreclosed in the manner provided in this chapter when such tax lien has been due and unpaid for a period of at least eighteen months from the date on which the tax, assessment or other legal charge represented thereby became a lien and such tax lien has not been sold.

§5. This local law shall take effect immediately upon its enactment into law.

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