

THE COUNCIL

Minutes of the Proceedings for the
STATED MEETING
of
Sunday, June 30, 2024, 2:21 p.m.
Meeting of the Budget Adoption

The Majority Leader (Council Member Farías)
presiding as the Acting President Pro Tempore

Council Members

Adrienne E. Adams, *The Speaker*

Shaun Abreu	Jennifer Gutiérrez	Keith Powers
Joann Ariola	Shahana K. Hanif	Lincoln Restler
Alexa Avilés	Kamillah M. Hanks	Kevin C. Riley
Diana I. Ayala	Robert F. Holden	Carlina Rivera
Chris Banks	Crystal Hudson	Yusef Salaam
Joseph C. Borelli	Rita C. Joseph	Rafael Salamanca, Jr
Erik D. Bottcher	Shekar Krishnan	Pierina A. Sanchez
Justin L. Brannan	Linda Lee	Lynn C. Schulman
Gale A. Brewer	Farah N. Louis	Althea V. Stevens
Selvena N. Brooks-Powers	Kristy Marmorato	Sandra Ung
Tiffany L. Cabán	Christopher Marte	Nantasha M. Williams
David M. Carr	Julie Menin	Julie Won
Carmen N. De La Rosa	Francisco P. Moya	Kalman Yeger
Eric Dinowitz	Mercedes Narcisse	Susan Zhuang
Amanda C. Farías	Sandy Nurse	
Oswald J. Feliz	Chi A. Ossé	
James F. Gennaro	Vickie Paladino	

Absent: Council Member Vernikov;

Excused: Council Member Mealy.

The Majority Leader (Council Member Farías) assumed the chair as the Acting President Pro Tempore and Presiding Officer for these proceedings. Following the gaveling-in of the Meeting and the recitation of the Pledge of Allegiance, the Roll Call for Attendance was called by the City Clerk and the Clerk of the Council (Mr. McSweeney).

After consulting with the City Clerk and Clerk of the Council (Mr. McSweeney), the presence of a quorum was announced by the Majority Leader and the Acting President Pro Tempore (Council Member Farías).

There were 49 Council Members marked present at this Stated Meeting held in the Council Chambers at City Hall, New York, N.Y. (including Council Members Feliz, Moya, and Won who participated remotely).

INVOCATION

The Invocation was delivered by Pastor Paul B Mitchell, Changing Lives Christian Center located at 1848 Linden Blvd, Brooklyn, N.Y. 11207.

Speaker Adams, Majority Leader Farías,
and the Body of the Council,
thank you for this opportunity.

Please bow your heads.
Almighty God, our Father,
we praise and thank you for this great day.
Lord, you've said that in all of our ways,
we should first acknowledge you,
and if so did, you would direct our path so, Lord,
I pray that you would direct and grant your public servants
the ability to unite with their Colleagues and partners
in the spirit of cooperation and mutual respect.
Guide them each with your wisdom
each and every single day of their public lives.
I pray they will work together across party lines
and in cooperation with unity
to maximize the productivity of our great city
and for the benefit of all the residents who live and work in it
and, Father, bless them with empathy and understanding
that they may govern with empathy
and consider the needs of all people,
especially the marginalized and vulnerable.
Help them to bridge divides
and foster unity among diverse communities,
working towards a common good for all of our citizens.
Surround them now, Lord, with wise counselors
who will offer sound advice and support their efforts
to govern justly and, Lord, I pray now for their protection.
Protect them, protect their families from all dangers and harm.
As they navigate the complexities of governance,
may they navigate with integrity,
make decisions with compassion,
and govern with humility.
I pray this in Jesus's name.
Amen.

Council Member Banks moved to spread the Invocation in full upon the record.

MESSAGES & PAPERS FROM THE MAYOR

M-54

Communication from the Mayor - Submitting amended certificate setting forth the maximum amount of debt and reserves which the City, and the NYC Municipal Water Finance Authority and the New York City Transitional Finance Authority may soundly incur for capital projects for Fiscal Year 2025 and the ensuing three fiscal years, and the maximum amount of appropriations and expenditures for capital projects which may soundly be made during each fiscal year, pursuant to Section 250 of the New York City Charter.

June 30, 2024

Honorable Members of the Council

Honorable Brad Lander, Comptroller

Honorable Vanessa L. Gibson, Bronx Borough President
 Honorable Antonio Reynoso, Brooklyn Borough President
 Honorable Mark D. Levine, Manhattan Borough President
 Honorable Donovan Richards, Queens Borough President
 Honorable Vito Fossella, Staten Island Borough President

Honorable Members of the City Planning Commission

Ladies and Gentlemen:

This certificate amends my previous certificate submitted to you, dated April 24, 2024. I hereby certify that, as of this date, in my opinion, the City of New York (the "City"), the New York City Municipal Water Finance Authority and the New York City Transitional Finance Authority may soundly issue debt and expend reserves to finance total capital expenditures of the City for fiscal year 2025 and the ensuing three fiscal years, in maximum annual amounts as set forth below:

2025	\$14,182 Million
2026	15,284 Million
2027	16,449 Million
2028	16,958 Million

Certain capital expenditures are herein assumed to be financed from the proceeds of sale of bonds by the City and the New York City Transitional Finance Authority. Amounts of expenditures to be so financed have been included in the total amounts listed above and are estimated to be as follows in fiscal years 2025 — 2028:

2025	\$11,771 Million
2026	12,723 Million
2027	13,842 Million
2028	14,146 Million

Certain water and sewer capital expenditures are herein assumed to be financed from the proceeds of the sale of bonds by the New York City Municipal Water Finance Authority. Amounts of expenditures to be so financed have been included in the total amounts listed in the first paragraph hereof and are estimated to be as follows in fiscal years 2025 — 2028:

2025	\$2,411	Million
2026	2,561	Million
2027	2,607	Million
2028	2,812	Million

I further certify that, as of this date, in my opinion, the City may newly appropriate in the Capital Budget for fiscal year 2025, and may include in the capital program for the ensuing three fiscal years, amounts to be funded by City debt, New York City Transitional Finance Authority debt or, with respect to water and sewer projects, debt of the New York City Municipal Water Finance Authority, not to exceed the following:

2025	\$14,234	Million
2026	18,027	Million
2027	16,113	Million
2028	17,187	Million

Sincerely,

Eric Adams
Mayor

Received, Ordered, Printed and Filed.

COMMUNICATION FROM CITY, COUNTY & BOROUGH OFFICES

Preconsidered M-55

Communication from the Office of Management & Budget - Transfer City funds between various agencies in Fiscal Year 2024 to implement changes to the City's expense budget, pursuant to Section 107(b) of the New York City Charter (MN-7).

June 29, 2024

TO THE CITY COUNCIL

Dear Council Members:

In accordance with Section 107(b) of the New York City Charter, I request your approval to transfer City funds between various agencies in fiscal year 2024 to implement changes in the City's expense budget.

This modification (MN-7) will implement expense budget changes which were reflected in the City's Adopted Financial Plan and in addition, as requested by the City Council, this modification reflects the funding for the reallocation of City Council initiatives that were included in the FY 2024 Adopted Budget.

Appendix A details State, Federal and other funds impacted by these changes. Your approval of modification MN-7 is respectfully requested.

Sincerely,

Jacques Jiha, Ph.D.
Budget Director

(For text of the MN-7 and Appendix A numbers, please see the New York City Council website at <https://council.nyc.gov/> for the respective attachments section of the [Preconsidered M-55](#) & [Res. No. 494 of 2024](#) files)

Referred to the Committee on Finance.

Preconsidered M-56

Communication from the Office of Management & Budget - Appropriation of new City revenues in fiscal year 2024 in the amount of \$372.2 million, pursuant to Section 107(e) of the New York City Charter. (MN-8).

June 29, 2024

TO THE CITY COUNCIL

Dear Council Members:

In accordance with Section 107(e) of the New York City Charter, I seek your approval to appropriate new City revenues in fiscal year 2024 in the amount of \$372.2 million.

This modification (MN-8) implements revenue budget changes reflected in the City's Adopted Financial Plan. The \$372.2 million of new revenues will be used pay for Medical Assistance, Department of Parks and Recreation funding, subway safety plan and the Department for the Aging funding. The new revenue will also partially pay prepay fiscal year 2025 debt service in fiscal year 2024.

Your approval of modification MN-8 is respectfully requested.

Sincerely,

Jacques Jiha, Ph.D.
Budget Director

(For text of the MN-8 numbers, please see the New York City Council website at <https://council.nyc.gov/> for the respective attachments section of the [Preconsidered M-56](#) & [Res. No. 495 of 2024](#) files)

Referred to the Committee on Finance.

REPORTS OF THE STANDING COMMITTEES

Report of the Committee on Finance

Report for Int. No. 962

Report of the Committee on Finance in favor of approving and adopting, a Local Law to amend the administrative code of the city of New York, in relation to the resolution and enforcement of property tax collection and preservation of housing for certain properties.

The Committee on Finance, to which the annexed proposed local law was referred on June 20, 2024 (Minutes, page 2497), respectfully

REPORTS:

I. INTRODUCTION

On June 30, 2024, the Committee on Finance (Committee), chaired by Council Member Justin Brannan will hold a hearing to vote on Introduction No. 962, sponsored by Council Members Brannan, Nurse, and Williams, in relation to the resolution and enforcement of property tax collection and preservation of housing for certain properties. The Committee first heard this bill Preconsidered on June 18, 2024.

II. PROPERTY TAX LIEN BACKGROUND

A lien is a legal claim against real property for unpaid property taxes, water, sewer or other property charges, as well as the interest due on these taxes and charges.¹ When outstanding amounts above a legally specified threshold have been delinquent for a legally specified period of time, and the City has mailed notice to the property owner, the City of New York is allowed to sell the lien(s) to an authorized third party, who becomes the “tax lien purchaser.”² The new tax lien purchaser then has the authority to collect the money that was previously owed to the City, plus other fees and interest.³

In the City’s lien sale program, the tax lien purchaser is a statutory trust (the Trust), set up and “closely monitored” by the City to ensure that the Trust is acting in compliance with the trust documents.⁴ The Trust must resolve the outstanding debts in a “professional, fair, but unambiguous manner.”⁵ After the liens are sold to the Trust, the Trust only owns the liens, not the underlying property itself. Thus, the property owner still holds title to the property and may pay off the liens to the Trust.⁶

The Trust engages ratings agencies to examine the credit quality of liens that are collateralized, and subsequently sells bonds to investors to pay the City a “cash-advance” for the lien purchase.⁷ The Trust will then hire professional servicers to attempt to collect the delinquent taxes and charges.⁸ Once a sufficient amount is collected to retire the Trust’s bonds (i.e. pay back the investors), the residual amount is paid to the City.⁹ If

¹ See generally, NYC Administrative Code, Title 11, Chapter 3.

² See NYC Administrative Code § 11-332.

³ *Id.*

⁴ New York City Department of Finance, *Report of the Lien Sale Task Force* (September 2016), available at

http://www1.nyc.gov/assets/finance/downloads/pdf/reports/lien_sale_report/lien_sale_task_force_report.pdf (last accessed June 4, 2024).

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

the property owner does not voluntarily redeem their lien or enter into a forbearance agreement within one year after the date the liens were sold, it is then that the liens become subject to foreclosure.¹⁰

III. LEGISLATIVE HISTORY

In 1996, the Council adopted Local Law No. 26 of 1996, which provided that “a tax lien or tax liens on a property or any component of the amount thereof may be sold by the city 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....” Local Law No. 26 did not permit the City to sell *any* tax lien or tax liens that did not contain a real property tax component. In other words, tax liens on any property that were comprised solely of unpaid water and sewer charges and/or non-property tax lienable charges could not be sold by the City.¹¹

In 1997, and again in 2001, the Council enacted legislation that extended the Commissioner’s authority to sell tax liens.¹² Together, these local laws excluded from the lien sale property owned by a company organized pursuant to article XI of the State Private Housing Finance Law (Housing Development Fund Corporations-HDFCs), and allowed the sale of liens on Class 4 properties with only a water or sewer component so long as the property was in arrears for a minimum of one year. In 2006, after a series of amendments and extensions, the tax lien program, pursuant to Local Law 2 of 2006, was extended until August 31, 2006.¹³

In 2007 the Council enacted Local Law 68, which reauthorized and extended the Commissioner’s authority to sell tax liens based on delinquent property taxes or delinquent water and sewer charges until December 31, 2010.¹⁴ This legislation authorized the Commissioner for the first time to conduct stand-alone lien sales of delinquent water and sewer charges on certain residential properties.

In 2011, the Council again enacted legislation that extended the Commissioner’s authority to sell tax liens.¹⁵ Local Law 15 of 2011 made significant changes to the lien sale law, as described in more detail below, and added a host of property owner protections that had never before existed in the law. The legislation also authorized the Commissioner to sell liens for delinquent charges pursuant to the Emergency Repair Program and the Alternative Enforcement Program. The Commissioner’s authority to sell tax liens under Local Law 15 expired on December 31, 2014.

The Council next extended the Commissioner’s authority in January 2015 with the enactment of Local Law 14 of 2015.¹⁶ This renewed the program until December 31, 2016.¹⁷ Additionally, Local Law 14 excluded certain properties impacted by Superstorm Sandy from lien sales, provides that certain notices be provided to not-for-profits, required a report to the Council by lien sale servicers containing specified property details for each lien, and authorized Council Members to request outreach sessions with DOF, DEP and HPD.¹⁸ Finally, Local Law 14 established a temporary lien sale task force to be comprised of ten members (representatives of the Mayor, Mayor’s Office of Management and Budget, DOF, HPD, DEP, and five Council members) to review and evaluate the lien sale program in an effort to ensure that it is “fair, efficient and effective” and to present the findings of the Task Force in a report issued to the Mayor and the Speaker.¹⁹

In 2016, the Council again enacted legislation that extended the Commissioner’s authority to sell tax liens. Local Law 4 of 2017 made several changes to the tax lien sale and allowed for greater flexibility with payment plans, including the option of monthly payments and a one-time opportunity to enter into a second payment plan if the property owner has defaulted on a previous plan. The legislation also made changes to the notification and

¹⁰ *Id.*

¹¹ *See* Local Law 26 of 1996.

¹² *See* Local Law 98 of 1997 and Local Law 26 of 2001.

¹³ *See* NYC Administrative Code § 11-319(b).

¹⁴ *See* Local Law 68 of 2007.

¹⁵ *See* Local Law 15 of 2011.

¹⁶ *See* Local Law 14 of 2015.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

communication requirements, including the provision of written notification to the owner when a property is removed from the lien sale due to payment or any other reason, expansion of the use of telephone and email as outreach methods, and connecting property owners to financial counseling resources. Local Law 4 also mandated greater data collection and reporting on the impact of the lien sale, including the reporting of currently available data on the charges accrued to properties after the lien sale, mortgage and title transfers of properties included in the lien sale, and surveys to determine the circumstances that lead property owners to fall behind on municipal charges. Finally, the legislation allowed emergency repair charges of at least \$1,000, that had remained unpaid for at least one year, to trigger lien sale eligibility for non-owner occupied one-, two-, and three-family homes.

Prior to the COVID-19 outbreak, New York City was scheduled to hold its annual tax lien sale in May 2020.²⁰ However, in response to the public health and economic crises resulting from the pandemic, Mayor de Blasio announced that he was postponing the tax lien sale until August 2020. Mayor de Blasio subsequently further extended the postponement of the tax lien sale until September 25, 2020 to offer economic relief to New Yorkers during the pandemic.²¹ Simultaneously, Governor Cuomo issued an Executive Order suspending the City's ability to conduct the tax lien sale until after the end of the State declaration of emergency.²² The State declaration of emergency expired on June 24, 2021.²³

In 2021, the Council enacted legislation to reinstate the Commissioner's authority to sell tax liens for a one year period, expiring in February 2022.²⁴ Local Law 24 of 2021 made several changes to the tax lien sale, such as exempting Class 1, 2, or 4 properties from the lien sale where the property owner owns 10 or fewer units and such owner submits a COVID-19 related hardship declaration to DOF. Further changes included raising the property tax debt eligibility threshold for Class 1 and condominium/cooperative properties to \$5,000, increasing the water debt eligibility threshold for 2- and 3-family homes to \$3,000; increasing income eligibility threshold for DOF's Property Tax and Interest Deferral (PTAID) Program to \$86,400, created a new interest rate tier for properties assessed between \$250,000 and \$450,000, and mandated outreach sessions during the tax lien sale period.

Local Law 24 of 2021 also established a temporary task force to review the tax lien sale program to ensure the collection of delinquent lienable charges is fair, efficient, and effective, with a final report due November 1, 2021. The task force released draft proposals in October 2021, but failed to reach consensus and did not submit its final report by the November due date.^{25 26}

²⁰ Transcript: *Mayor de Blasio Holds Media Availability at the USTA Billie Jean King National Tennis Center* (Mar. 31, 20), available at <https://www1.nyc.gov/office-of-the-mayor/news/213-20/transcript-mayor-de-blasio-holds-media-availabilitiy-the-usta-billie-jean-king-national-tennis> (last accessed on June 4, 2024).

²¹ Press Release, New York City Mayor Bill de Blasio, *Mayor de Blasio Announces Delay of Tax Lien Sale Until September 25, 2020* (Sept. 4, 20), available at <https://www1.nyc.gov/office-of-the-mayor/news/641-20/mayor-de-blasio-delay-tax-lien-sale-until-september-25-2020> (last accessed on June 4, 2024).

²² New York State Governor Andrew M. Cuomo, Executive Order No. 202.60: Continuing Temporary Suspension and Modification of Laws Relating to the Disaster Emergency (Sept. 2, 20) available at https://www.governor.ny.gov/sites/default/files/atoms/files/EO_202.60.pdf (last accessed on June 4, 2024).

²³ Press Release, New York State Governor Andrew M. Cuomo, *Governor Cuomo Announces New York Ending COVID-19 State Disaster Emergency on June 24* (Jun. 23, 21), available at <https://www.governor.ny.gov/news/governor-cuomo-announces-new-york-ending-covid-19-state-disaster-emergency-june-24> (last accessed on June 4, 2024).

²⁴ See Local Law 24 of 2021.

²⁵ New York City Department of Finance, *Draft Proposals of the Tax Lien Sale Task Force* (Oct. 20), available at https://www.nyc.gov/assets/finance/downloads/pdf/lien_sale/2021/tax-lien-draft-proposals.pdf (last accessed June 4, 2024).

²⁶ Samantha Maldonado, *Tax Lien Sales Tick Toward Expiration Date Without Alternative in Sight, The City* (Jan. 27, 2022), ("A 12-member task force convened as required by the law, with a mandate of submitting a report to the mayor and City Council with recommendations how the city could improve and replace the system. The task force issued some draft proposals in October but did not reach consensus on any of the ideas, and the task force never submitted the report, which was due in November.") available at <https://www.thecity.nyc/2022/01/27/tax-lien-sales-expiration/> (last accessed June 4, 2024).

IV. NEW YORK CITY LIEN SALE PROGRAM

a. Overview

The tax lien sale is administered by DOF, which sells liens for overdue property taxes, water and sewer charges, and other property charges to a non-profit trust.²⁷ The agency sends out four warning notices to property owners starting three months prior to the sale, alerting them that the property is at risk of having liens sold.²⁸ According to DOF, typically over 80 percent of property owners who receive warning notices, pay the full amount owed, enter into a payment plan, or obtain an exemption that removes them from the at-risk pool.²⁹

Currently, the threshold amounts and years overdue that once met, make a property eligible for the lien sale depend on the particular type of property:³⁰

Property Type	Property Tax Debt		Water/Sewer Debt		Emergency Repair and Alternative Enforcement Program Charges***	
	Minimum Amount	Years Overdue	Minimum Amount	Years Overdue	Minimum Amount	Years Overdue
1-Family House	\$5,000	3	n/a*	n/a	\$1,000**	1**
2-3-Family House	\$5,000	3	\$3,000	1	\$1,000**	1**
Residential Condominium & Residential Cooperation	\$5,000	3	\$1,000	1	\$1,000	1
Housing Development Fund Corporation (HDFC) Rentals	\$5,000	2	\$5,000	2	\$5,000	2
Other Class 2 Properties (non-HDFC rentals 4+ Family)	\$1,000	1	\$1,000	1	\$1,000	1
Class 4 Properties	\$1,000	1	\$1,000	1	\$1,000	1

²⁷ Press Release, New York City Mayor Bill de Blasio, *Mayor de Blasio Announces Postponement of Annual Tax Lien Sale Until September* (Jul. 7, 20), available at <https://www1.nyc.gov/office-of-the-mayor/news/503-20/mayor-de-blasio-postponement-annual-tax-lien-sale-until-september> (last accessed on June 4, 2024).

²⁸ *Id.*

²⁹ *Id.*

³⁰ See NYC Administrative Code § 11-319(a).

*Although the water/sewer debt may not be sold, DEP may report it to a credit reporting agency if the charges remain delinquent.

**Only applies to 2-3-Family non-owner-occupied homes in Alternative Enforcement Program and 1 to 3 Family non-owner-occupied homes in Emergency Repair Program.

***Only charges posted on or after January 1, 2006 may be included.

However, certain properties remain exempt from lien sales. Liens on owner-occupied one, two, and three-family homes and residential condominiums for which the property owner qualifies for the senior citizen homeowners' exemption, the disabled homeowners' exemption, New York State real property tax credit for homeowners 'Circuit Breaker' and/or certain veteran exemptions may not be sold.³¹ Active duty military personnel may also request exclusions from the tax lien sale by completing an affidavit.³² In addition, various City agencies have the authority to remove liens from the lien sale list in their discretion.

As mentioned previously, the lien sale process begins with a 90-day notice of intention to sell the liens that is sent to the property in question.³³ The notice indicates that to avoid the sale of a lien on the property, the debt must be resolved within 90 days.³⁴ Liens may be sold even in cases where the individual is contesting the assessed value of the property or the amount of other charges.³⁵ A property owner can resolve the debt either by paying the full amount, arranging a payment agreement, or bringing a payment agreement in default up to date.³⁶ Individuals may make these payments online, by mail, or in person at DOF offices.³⁷

If the debt is not resolved within the prescribed period, the City will sell the lien(s) to a single authorized buyer.³⁸ Within 90 days following the sale, the DOF will notify all property owners by mail of the terms and conditions under which the lien was sold, the name and address of the new lienholder, and the name of the lienholder's authorized representative.³⁹ After a lien is sold, the property owner owes the taxes, charges, and accrued interest to the new lienholder.⁴⁰ The amount on the lien increases once it is sold by the City, and lienholders are authorized to charge a surcharge on the entire lien amount, interest (compounded daily and payable semi-annually), and administrative costs of the sale (including the costs to cover the notice and advertisement fees).⁴¹ The authorized representative of the new lienholder will contact the property owner regarding the arrangement of payments after the sale.⁴²

The aggregate amount of each tax lien transferred to the lienholder is due and payable one year from the date of the sale. Until such aggregate amount is fully paid and discharged, the lienholder is entitled to receive interest on the aggregate amount from the date of sale and apply a semi-annual interest rate.⁴³ Foreclosure proceedings may begin as early as where the semi-annual interest payment is not paid within 30 days of the payment due date or current taxes or charges remain unpaid for six months before the lien is paid in full.⁴⁴

³¹ New York City Department of Finance, Report of the Lien Sale Task Force (September 2016), available at http://www1.nyc.gov/assets/finance/downloads/pdf/reports/lien_sale_report/lien_sale_task_force_report.pdf (last accessed on June 13, 2024).

³² *Id.*

³³ *Id.* at *supra* fn 4.

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

b. Impact of the Lien Sale Program

According to a report by the Coalition for Affordable Homes, the City's tax lien sales have historically disproportionately hit communities of color, seniors, and lower-income homeowners the hardest.⁴⁵ The neighborhoods that are hardest hit by the sale of liens on one-to-four family homes, co-ops, and condos are areas where at least fifty percent of the homeowners were non-white and/or Hispanic – 57 percent of liens sold in the 2021 sale were located in census tracts that meet this qualification.⁴⁶ The report also found that 26 percent of liens sold were in census tracts where at least fifty percent of homeowners reported a 2020 household income of \$75,000 or less, while 19 percent of liens sold were in census tracts where at least forty percent of the homeowners were 65 years of age or older.⁴⁷

According to a 2016 study by the NYU Furman Center, East New York in Brooklyn and the neighborhoods of Jamaica and Hollis in southeast Queens have had the highest numbers of tax liens on Class 1 properties sold.⁴⁸ Between 2010 and 2015, 1,390 properties in just these two community districts have had at least one tax lien sold, which makes it 18 percent of all tax liens on tax Class 1 properties in just two out of 56 community districts in the Bronx, Brooklyn, Queens, and Manhattan.⁴⁹ Eastern Brooklyn and southeast Queens has among the highest concentrations of black and Hispanic homeowners in the City.⁵⁰ They were also the epicenters of the mortgage foreclosure crisis, and continue to struggle with some of the highest foreclosure rates in the City.⁵¹

According to the report, the lien sale also destabilizes an additional segment of properties in these distressed communities: those without mortgages.⁵² Many seniors who have paid off their mortgage no longer have their property taxes paid through a mortgage escrow account, leaving no one to cover missed property tax payments in the event they occur and exposing their properties to risk of foreclosure as a result of the tax lien sale.⁵³

c. Property Tax Delinquency

One goal of the tax lien sale program was to increase property tax collections and thereby lower the delinquency rate. According to the 1999 Mayor's Management Report, the real property tax delinquency rate was almost five percent in the early to mid-1990s, before implementation of the tax lien sale program.⁵⁴

Although the delinquency rates have dropped significantly since the implementation of the lien sale program, the rate has gradually increased in recent years. The following tables provide a comparison of the property tax delinquency rates for Fiscal 2023, 2022, and 2021, as provided in DOF's Fiscal 2024 Annual Property Tax Report:⁵⁵

⁴⁵ The Coalition for Affordable Homes, *Unfair Deals: The Truth About NYC Tax Lien Sales* (Apr. 24), available at <https://static1.squarespace.com/static/66030e92b5a3b450b27c4a04/t/660f1a4d0dd9694ac1479f22/1712265806869/CNYCN-Unfair+Deals-The+Truth+About+NYC+Tax+Liens+Sales.pdf> (last accessed on June 13, 2024).

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ Furman Center, *Selling the Debt: Properties Affected by the Sale of New York City Tax Liens* (Jul. 16), available at https://furmancenter.org/files/NYU_Furman_Center_SellingtheDebt_28JULY2016.pdf (last accessed on June 13, 2024)

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.* at *supra* fn 45.

⁵³ *Id.*

⁵⁴ The City of New York, *Mayor's Management Report Fiscal 1999*, available at http://www1.nyc.gov/assets/operations/downloads/pdf/mmr/0999_summary.pdf (last accessed on December 8, 2020).

⁵⁵ The City of New York, Department of Finance, Division of Tax Policy and Data Analytics, *Annual Report of the New York City Property Tax, Fiscal Year 2024*, available at https://www.nyc.gov/assets/finance/downloads/pdf/reports/reports-property-tax/nyc_property_fy24.pdf (last accessed on June 13, 2024).

Quarter	Parcels ³			Delinquency (\$ millions)			Delinquency Rate (Percent of Final Levy Billed) ⁴		
	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021
First Quarter	37,548	32,990	40,813	\$187.1	\$150.8	\$189.8	1.37%	1.18%	1.40%
Second Quarter	39,950	36,742	42,725	\$62.5	\$54.4	\$60.5	2.60%	2.30%	2.65%
Third Quarter	64,544	57,003	57,727	\$335.2	\$257.0	\$321.6	2.44%	2.03%	2.35%
Fourth Quarter	80,851	73,410	72,669	\$123.7	\$113.2	\$111.5	5.05%	5.01%	4.97%
Total				\$708.5	\$575.5	\$683.4	2.20%	1.91%	2.15%

Tax Class	Number of Parcels			Delinquency (\$ millions)			Delinquency Rate (Percent of Final Levy Billed) ⁴		
	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021
Class One	49,390	45,285	47,925	\$165.6	\$143.3	\$156.0	3.45%	3.16%	3.38%
Class Two	27,052	21,614	21,428	\$324.8	\$222.7	\$249.4	2.58%	1.91%	2.12%
Class Three	21	10	3	\$0.2	\$0.6	\$0.0	0.01%	0.03%	0.00%
Class Four	12,898	15,802	15,395	\$217.9	\$208.9	\$278.0	1.75%	1.79%	2.10%
Total	89,361	82,711	84,751	\$708.5	\$575.5	\$683.4	2.20%	1.91%	2.15%

Borough	Number of Parcels			Delinquency (\$ millions)			Delinquency Rate (Percent of Final Levy Billed) ⁴		
	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021
Manhattan	13,409	11,846	12,158	\$261.1	\$218.6	\$278.6	1.38%	1.23%	1.45%
Bronx	9,770	8,594	8,897	\$68.8	\$54.4	\$54.1	3.66%	3.16%	3.04%
Brooklyn	30,257	28,680	28,819	\$197.8	\$155.5	\$187.5	3.94%	3.39%	4.06%
Queens	27,599	25,462	26,248	\$149.5	\$121.1	\$132.9	2.83%	2.47%	2.65%
Staten Island	8,326	8,129	8,629	\$31.2	\$25.8	\$30.3	2.73%	2.40%	2.78%
Total	89,361	82,711	84,751	\$708.5	\$575.5	\$683.4	2.20%	1.91%	2.15%

According to the report, the delinquency rate has increased from 2.15 percent in Fiscal Year 2021 to 2.20 percent in Fiscal Year 2023, as of June 30.⁵⁶ Additionally, in Fiscal 2023, the number of delinquent parcels increased by 8.04 percent, while the delinquent amount increased by \$132.9million.⁵⁷ For Class 1 properties, the number of delinquent parcels has also increased by 9.1 percent, to 49,390, while the amount delinquent increased by 15.5 percent, to \$165.6 million.⁵⁸

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.*

V. THE 2021 TAX LIEN SALE⁵⁹

On December 17, 2021, DOF held a lien sale pursuant to Local Law 24 of 2021.⁶⁰ Only liens from unpaid property taxes were sold, while liens resulting from unpaid water or sewer bills were not included in the sale.

VI. LEGISLATION

Int. No. 962

Section 1 of the bill would add a new § 11-129.1 to the Administrative Code of the City of New York (“Administrative Code”), to require that the Department of Finance (“DOF”) send a notification to an owner of real property, no later than 45 days after the date on which an installment of real property tax is due, for which the amount of real property tax liens exceeds \$100. Such notification would be required to include a summary of all tax liens for such property, excluding any liens arising from the nonpayment of sewer rents, sewer surcharges, or water rents and interest and penalties thereon. The notification must also include guidance regarding obtaining information from the Department of Environmental Protection (“DEP”) about liens arising from the nonpayment of sewer rents, sewer surcharges or water rents.

Section 2 of the bill would remove the requirement that the DOF Commissioner, provide a notice included with the notice of value sent to property owners relating to the tax lien sale process to any property owner. This notice shall include but not be limited to actions a homeowner can take if a lien is sold on the property and actions a homeowner can take to have the lien excluded from a lien sale.

Section 3 of the bill is reserved.

Section 4 of the bill would prohibit the otherwise eligible sale of a tax lien if the lien is on real property designated as vacant land on the most recent assessment roll delivered to City Council, and which a Mayor-designated agency determined is economically impracticable or infeasible to develop. The section would also allow, on and after July 1, 2024, the City to sell a subsequent tax lien on any Class 1 property that is not vacant land or any Class 2 property that is a residential condominium or residential cooperative only when the real property tax part of the lien remains unpaid for three years and is equal to or greater than \$5,000. This section would authorize the DOF Commissioner, on behalf of the City, to conduct a tax lien sale through and including December 31, 2028.

Section 5 would require DOF, no less than 90 days preceding the date of a tax lien sale, to compile and transmit to the Department of Housing Preservation and Development (“HPD”) a list of properties that (i) are multiple dwellings and classified as Class 2, (ii) have been included in the notice of sale required pursuant to subdivision a of such section at least two times in the preceding four notices of sale, and (iii) are subject to no less than one tax lien resulting from the nonpayment of taxes with a cumulative lien to value ratio of 15% or greater. Except for any property already subject to enhanced enforcement, HPD would be required to use best efforts to inspect each property on such list prior to a tax lien sale for violations of the Housing Maintenance Code and to provide information about HPD’s ABCs of Housing to all dwelling units in such property. The properties on the list transmitted to HPD pursuant to this new requirement would remain subject to enforcement as authorized by the Administrative Code. Not later than 120 days after the date of a lien sale, HPD is to submit a report to the City Council that provides information about housing violations for each property so inspected. The new subdivision a-2 would require the DOF Commissioner, no later than 90 days preceding the date of a tax lien sale, to submit a report to the City Council relating to properties included in the notice of sale that are designated as vacant land on the final assessment roll delivered most recently to the City Council pursuant to § 11-218 of the Administrative Code.

Section 6 would replace the requirement that an exemption eligibility checklist be included in the notice of the DOF Commissioner’s intent to sell the tax lien with a requirement that the notice include information about: the opportunity for an owner of real property to request removal of such lien pursuant to subdivision b of new § 11-412.3, the opportunity for an owner of certain Class 1 property to choose to subject such property to the

⁵⁹ The City of New York, Department of Finance, *Lien Sales*, available at <https://www.nyc.gov/site/finance/property/property-lien-sales.page> (last accessed on June 5, 2024).

⁶⁰ *Id* at *supra* fn 24.

summary foreclosure action set forth in new § 11-412.5, and the installment agreements authorized by §§ 11-322 and 11-322.1. This section would also amend subdivision b of § 11-320 to require that such notice include the amount that, if paid, would render such a tax lien ineligible to be sold and an indication that, upon request by an owner, DOF shall provide information and application forms for exemptions that would allow, if applicable, such a tax lien to be excluded from a tax lien sale. This section also allows owners to submit on any date applications for the senior citizen homeowner exemption and the exemption for persons with disabilities for purposes of an exclusion from a tax lien sale. This section also requires DOF to provide to the City Council 90, 60, 30 and 10 days before a tax lien sale information, disaggregated by Council district, related to those properties that received a notice that the property was subject to an upcoming tax lien sale

Section 7 would require the DOF Commissioner notify an owner of a property whose lien had been included in the notice of the tax lien sale when, prior to the date of sale, such lien has been removed from the lien sale pursuant to subdivision b of new § 11-412.3. This section would also require the Commissioner include information in outreach sessions about the opportunity for an owner of real property to request removal of a tax lien from the lien sale pursuant to subdivision b of § 11-412.3 and the opportunity for an owner of certain Class 1 property to elect to subject such property to the summary foreclosure action set forth in new § 11-412.5.

Section 8 would require notices to be provided in any of the designated citywide languages, along with an electronic link to copies of the notice in the same languages.

Section 9 would require DOF's notice to the Council of properties sold in the lien sale to include the sum of the tax lien or tax liens noticed for sale, disaggregated by the property descriptions, along with the reasons provided for removal of any tax lien from a tax lien sale, based on records maintained by DOF, and other specific information on a quarterly basis about each tax lien sold to a tax lien purchaser, including information about its status.

Section 10 would require effective July 1, 2024, HPD make good faith efforts to conduct outreach to owners of a Class 1 or Class 2 property that is a residential condominium or cooperative with tax liens that are included in the notice of sale for the purpose of assisting those owners with applications for any exemption, credit or benefit that would exclude the property for a tax lien sale, and to other parties who have registered with, or provided notice to, DOF in order to receive communications about such property. This section also requires HPD to report to the City Council on these outreach efforts that HPD conducted the prior year.

Section 11 would require that, when an owner submits a signed and complete or signed but incomplete application for an installment agreement to DOF, the sale of the property's tax lien will be cancelled, except that such lien may be included in a subsequent tax lien sale if a completed application is not submitted within 45 days of the request for additional information. DOF would be required to cancel the sale of such tax lien only once in any five year period.

Sections 12 through 22 amend § 11-322.1 of the Administrative Code regarding hardship installment agreements authorized pursuant to that section, as follows:

- Sections 13, 16, and 20 would amend §§ 11-322.1(c)(3), (h)(2)(b), (j)(1), and (j)(6) to modify the income eligibility threshold for installment agreements entered into or renewed pursuant to this section to be equal to the applicable income standard established by paragraph (b) of subdivision 4 of section 425 of the Real Property Tax Law. Section 20 would also require installment agreement terms of repayment to include the percentage of taxes and charges that form the basis of the agreed deferral installment agreement.
- Sections 14 and 22 would add §§ 11-322.1(f-1) and (n-1) to set forth the eligibility criteria for entering into a deferral installment agreement, and the requirements of such agreement, respectively. Specifically, to be eligible for such agreement, the assessed value of a property must be \$250,000 or less and an applicant must demonstrate that their real-property tax burden exceeds 10% of the combined income of all the owners of such property, as calculated using a formula described in new subdivision f-1. An owner who enters into a deferral installment agreement, would agree to pay, on an annual basis, at least 10% of the combined income of all such owners or \$1,500, whichever is greater. Similar to all the agreements authorized by this section, the taxes, assessments or other charges that are a lien on the property continue to accrue interest after the date of the installment agreement.

- Section 17 would amend § 11-322.1(h) to authorize DOF to promulgate rules to allow owners to self-certify, for the purposes of the annual renewal of a hardship installment agreement, that the property continues to be their primary residence and that their income does not exceed a specified threshold.
- Section 18 would amend § 11-322.1(i)(2) by requiring DOF withdraw a property from the tax lien sale whose owner has submitted a signed, but incomplete, application for a hardship installment agreement no more than once in any five year period.
- Section 19 would add § 11-322.1(i)(3), which would clarify that a property subject to an installment agreement pursuant to § 11-322.1 may be sold only in accordance with the process set forth in paragraph 2 of subdivision k of this section.
- Sections 12, 15, and 21 would amend §§ 11-322.1(b), (g)(3), and (k)(2) to make technical, conforming requirements.

Section 23 would add § 11-332(c) to provide that for any tax lien sold after July 1, 2024, the holder of a tax lien certificate may not collect the 5% surcharge where the owner of the property subject to the tax lien meets certain requirements, the holder received all other amounts they are entitled to, and the holder has not commended foreclosure to receive those amounts.

Section 24 would add four new sections — §§ 11-412.3, 11-412.4, 11-412.5 and 11-412.6 — to the Administrative Code to establish two tools to support the City’s ability to enforce the collection of real property taxes and to provide relief to vulnerable homeowners whose tax liens are at risk of being sold in a tax lien sale or whose tax liens have been sold but could avail themselves of an opportunity to have the liens foreclosed and remain living in their property.

- Subdivision a of § 11-412.3 would provide definitions for purposes of §§ 11-412.3 through 11-412.6 of the Administrative Code. Section 11-412.3 would further prohibit the sale of a tax lien or tax liens on any Class 1 property, other than property held in the condominium or cooperatives form of ownership, or any dwelling unit in a condominium that would otherwise be eligible to be sold in the tax lien sale when the owner of such property or such dwelling unit requests that such tax lien be removed from such sale, as long as specified conditions relating to primary residence of the owner and income thresholds of the household of such owner are satisfied. With limited exceptions, § 11-412.3 authorizes DOF to remove such tax lien no more than three times within a 36-month period from the date the tax lien was removed for the first time, except that such 36 month period shall be tolled for the duration of time in which such property is subject to an installment agreement that is not in default pursuant to sections 11-322 or 11-322.1, or is subject to an exemption, credit or other benefit that that would entitle the property to be excluded from a tax lien sale. This section also directs DOF to establish rules for submitting a request that tax liens be removed from the tax lien sale and the appeal of a denial of such a request.
- Section 11-412.4 would authorize the owner of a Class 1 property (other than property held in the condominium or cooperative form of ownership) whose tax lien or tax liens have been sold in a tax lien sale to elect to subject such tax lien or tax liens to a summary foreclosure action, as long as certain criteria – including criteria relating to primary residence, income of the household of such owner, and consultation with an attorney regarding such election – are met and that certain agreements are made. Specifically, § 11-412.4 would require that the owner of such property enter into an agreement with a “qualified preservation purchaser” (“QPP”) – defined as a housing development fund company pursuant to Article 11 of the Private Housing Finance Law (“PHFL”) – provided that upon the delivery of the deed conveying title for such property to the QPP, the QPP would, in turn, agree to lease such property to the owner for a period of 99 years and to enter into a regulatory agreement with HPD requiring that such property serve as affordable housing. In addition, the QPP would be required to execute notes in favor of the City and the New York City Water Board (the “City note”) and a note in favor of the tenant (the “Tenant note”). The amount of the City note would be equivalent to the amount of the outstanding tax liens on such property prior to the date of the conveyance of title to the QPP, including the amount of any lien owed to the Water Board. The amount of the Tenant note would be equivalent to a formula as defined by the term “sales price equity.” However, if the provisions in the regulatory agreement requiring that such property serve as affordable housing have been invalidated, the amount of such note would be adjusted to be equivalent to a formula as defined by the term “synthetic equity.” In calculating

the sales price equity or synthetic equity, there is to be no duplication of costs or amounts that is deducted from the price for which the property has been sold or the market value of such property, as referenced in the definitions of sales price equity and synthetic equity. Upon the tenant vacating the property, the QPP would be required to terminate the lease and pay the amount due on the Tenant note. Lastly, § 11-412.4 would require that DOF provide notice to the owner of such property of the option to elect the summary foreclosure action within 6 months after the date of the lien sale, specifying the requirement to consult with an attorney prior to making such election (the services of which shall be offered by DOF to the owner of such property at no cost, subject to appropriation), and providing information about the consequences of such summary foreclosure action along with information about the lease that would be offered to the owner by the Qualified Preservation Purchaser.

- Section 11-412.5 would establish the procedures and requirements for the voluntary summary foreclosure action, including that such action be commenced upon the preparation and filing in the office of the county clerk of the county in which the property is situated of a notice of summary foreclosure action. Such notice would be required to be published in specified locations for certain periods of time. Section 11-412.5 would allow an interested party, other than the owner, to object to and stay the summary foreclosure action and to redeem the property by paying all taxes and charges contained in the notice of summary foreclosure action. Section 11-412.5 would also provide for a final judgment awarding possession of any property not so redeemed or stayed, and execution by the DOF Commissioner of a deed conveying full and complete title to the property to the QPP that agreed to lease such property to the former owner.
- Section 11-412.6 would provide that the DOF Commissioner may, prior to final judgment, discontinue the summary foreclosure action in certain circumstances, and sets forth the requirements and procedures for effectuating such a discontinuance.

Section 25 would amend § 11-416 and § 11-417 of the Administrative Code, relating to the mailing of tax bills and other notices to owners of real property and relating to the mailing of notices to other interested persons, respectively, to align the language of such sections with contemporary practice.

Section 26 would add an unconsolidated provision that directs the Mayor and the Council to establish a temporary 10-member task force to review, evaluate and provide recommendations regarding the “task force subjects of inquiry,” as set forth in this section.

Section 27 would require DOF to publish on its website specific documents for each trust created by the City or in which the City has an ownership or residual interest for the purposes of a negotiated sale. The posting shall happen no later than 30 days after the effective date of each document, and no identifying information specific to any property or property owner shall be posted except for ZIP code and a randomly generated identifier.

Section 28 provides that the local law would take effect 90 days after it becomes law, provided that DOF and HPD may promulgate rules or take other measures necessary to implement the law prior to the effective dates; subdivision b, paragraph 3 of subdivision g, paragraph 1 of subdivision j, and paragraph 2 of subdivision k of section 11-322.1 of the administrative code of the city of New York as amended by sections 12, 15, 20, 21 of this local law and subdivisions f-1 and n-1 of section 11-322.1 of such code, as added by sections 14 and 22 of this local law, shall not take effect until 180 days after it becomes law; and Section 26 of this local law takes effect immediately.

(The following is the text of the Fiscal Impact Statement for Int. No. 962:)



**THE COUNCIL OF THE CITY OF NEW YORK
FINANCE DIVISION**

**TANISHA EDWARDS, CFO AND DEPUTY CHIEF OF
STAFF TO THE SPEAKER**

RICHARD LEE, DIRECTOR

FISCAL IMPACT STATEMENT

INTRODUCTION NO. 962

COMMITTEE: Finance

TITLE: A Local Law to amend the administrative code of the city of New York, in relation to the resolution and enforcement of property tax collection and preservation of housing for certain properties.

SPONSOR(S): Council Members Brannan, Nurse, Williams, Farías and Hudson.

SUMMARY OF LEGISLATION: This bill would make substantial changes to the way the City addresses property tax and water & sewer delinquencies to protect at-risk homeowners and tenants while encouraging the timely collection of outstanding debts from property owners who have the means to pay. These changes include extensive reforms to the tax lien sale process, additional notification and outreach requirements, the creation and expansion of various methods for property owners to resolve their delinquency and expanded reporting requirements coupled with a task force to identify further improvements.

First, the bill would take several steps to reduce the number of properties that would be subject to enforcement action. This includes a provision requiring the City's Department of Finance (DOF) to send late notices to property owners after a bill is unpaid for 45 days, aligning with practices already in place at the City's Department of Environmental Protection (DEP). The bill would also limit the types of liens that would be eligible for sale by excluding the liens on undevelopable vacant land from sale and by raising the threshold of when subsequent property tax liens can be sold for Class 1, cooperatives and condominiums to mirror the threshold of initial liens, which is 3 years of delinquency and \$5,000 in debt, up from the current 1 year threshold (and any amount of debt).

Second, the bill makes several changes to the outreach and notification process that precedes any lien sale. The City will be required to make good faith efforts to contact Class 1, cooperative and condominium property owners of properties in the lien sale, through in person and telephone, to inform them relevant services and provide assistance with applications. This provision aligns with a commitment by the Administration to dedicate \$2 million annually to third party community-based organizations to assist with outreach. In addition, warning notices about the lien sale will now be required to include the minimum payment needed to remove the property from lien sale at risk pool in addition to the full amount owed, making it a bit easier for property owners to remove the risk of a lien on their property being sold.

Third, the bill establishes several new programs for property owners, in particular certain homeowners with incomes below the Enhanced STAR (E-STAR) threshold (currently \$98,700, but is automatically updated every year pursuant to an index set in State law), to resolve their delinquency status. This includes the creation of Easy Exit, whereby Class 1 and Class 2 condominium homeowners with incomes below the E-STAR threshold, and who use their homes as their primary residence, would now be able to request to have their home removed from

the lien sale up to three times over a 36-month period. The income threshold for the hardship installment plans (commonly known as PT AID) will be raised to the E-STAR threshold, up from the current \$86,400 level. In addition, a new hardship plan is created based on the circuit breaker proposed by the NYC Advisory Commission on Property Tax Reform. This plan would allow homeowners, with incomes below the E-STAR threshold, to defer any property taxes that exceed 10 percent of their income, though with a minimum annual payment of \$1,500. The bill also creates a new preservation track for homeowners, with incomes below E-STAR, who have exhausted all other options and are at risk of losing their home to foreclosure. Those homeowners would have the option to resolve their debt and stay in their home, by electing to transfer the title to a Qualified Preservation Purchaser (QPP) via the City’s in rem foreclosure process. The QPP would sign a regulatory agreement with the City’s Department of Housing Preservation and Development (HPD) and the property would be eligible for an Article XI tax break. The QPP then would sign a 99-year lease with the homeowner that would be affordable and would include an ability to transfer the lease to their heirs. The homeowner would also receive a limited equity note that could be redeemed when the original homeowner or their heirs, decide to vacate the property. At that point, the QPP would be able to resell the home to a new homeowner as part of an affordable program.

For homeowners whose liens are sold, there are a few reforms that would make it easier to avoid foreclosure. First, the bill would allow any homeowner to submit an application for a tax break that would exempt them from the lien sale up to 90-days after the sale has occurred. If that homeowner is found to qualify for the exemption, the sale of their lien would be defected. Other homeowners, with incomes below the E-STAR threshold, would be able to have the 5 percent surcharge that gets added on when a lien is sold waived, if they are able to resolve all other debts with the trust.

Additional provisions would require HPD to inspect Class 2 multiple dwellings with high levels of debt that have appeared on the lien sale list at least twice over a four-year period, provide tenant rights information to all tenants in those buildings, and report the results of those inspections. The bill would also create and expand various reporting requirements to the City Council on outcomes of lien sales, the status of properties with liens sold to City-owned trusts, and the documents and agreements that govern the trusts.

Finally, the bill would allow the Commissioner of DOF to conduct the lien sale up through December 31, 2028, and would establish a temporary 10-member task force comprised of City Council and Mayoral appointees to evaluate the City created trusts, and explore reforms or potential replacements to the trusts that could improve outcomes on collecting debts, preventing future delinquencies, and bolstering affordable housing and homeownership goals.

EFFECTIVE DATE: This bill would take effect 90 days after it becomes law, provided that DOF and HPD may promulgate rules as necessary for the implementation of this local law before it shall take effect, and provided that subdivision b, paragraph 3 of subdivision g, paragraph 1 of subdivision j, and paragraph 2 of subdivision k of section 11-322.1 of the administrative code of the city of New York as amended by sections 12, 15, 20, 21 of this local law and subdivisions f-1 and n-1 of section 11-322.1 of such code, as added by sections 14 and 22 of this local law, shall not take effect until 180 days after it becomes law; and provided that section 26 of this local law takes effect immediately.

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED: Fiscal 2025

FISCAL IMPACT STATEMENT:

	Effective FY25	FY Succeeding Effective FY26	Full Fiscal Impact FY25
Revenues	\$352,800,000	\$324,000,000	\$352,800,000
Expenditures	\$715,000	\$715,000	\$715,000
Net	\$352,085,000	\$323,285,000	\$352,085,000

IMPACT ON REVENUES: The Fiscal 2025 revenue impact associated with this bill is estimated at \$352.8 million. This figure excludes revenues from the collection of outstanding water and sewer charges, which go to the New York City Water Board. This revenue impact for Fiscal 2025 reflects the fact that the City has not embarked on any concerted effort to collect delinquent property tax and other related charges since the last lien sale in December 2021, resulting in higher than typical uncollected prior year charges that the next lien sale will be able to collect. Therefore, revenues in Fiscal 2026 and subsequent years are projected to be somewhat lower at \$324 million as lien sale revenues begin to reflect a more typical revenue stream of an annual lien sale and will not have as much of prior accumulated debts to collect. The City's adopted financial plan currently reflects \$183 million of the \$352.8 million fiscal impact in Fiscal 2025 and \$80 million of the \$324 million revenue impact in Fiscal 2026.

The revenues from the lien sale stem from both voluntary payments triggered by the notification and outreach efforts to avoid the sale of liens on the property as well as revenues from the sale of any remaining property tax liens. It is projected that the delinquency rate will be normalized from the anticipated 2.4% in Fiscal 2025 without a lien sale down to approximately 1.6% which is the annual average delinquency rate that was experienced during the last five fiscal years when a lien sale took place. This delinquency reduction in Fiscal 2025 in addition to the anticipated collection for prior year debts account for a total of \$334 million in property tax charges that is expected to be collected with the passing of this bill due to outreach efforts, installment agreements, voluntary full or partial payments to avoid the lien sale and the sale of any remaining property tax liens following the notification period. Total estimated emergency repair program charges that are expected to be collected is \$12.3 million, and another \$6.5 million to be collected due to other property related charges in Fiscal 2025 based on the average collections from the last five lien sales.

While the collection of water and sewer charges do not impact the City's budget, this Fiscal Impact Statement provides some background on the collection of those charges for the New York City Water Board for context. DEP estimates there are currently over 19,000 parcels with an aggregate delinquent balance of \$556 million that could be included in the lien sale pool based on the criteria for water and sewer debt. In prior lien sales, on average over 14,000 parcels with \$196 million in water and sewer charges were included in the at-risk pool, which resulted in \$126 million in additional annual revenues for the Water Board.

IMPACT ON EXPENDITURES: It is estimated that passing this bill would cost the City \$185,000 in additional personnel services (PS) to cover the hiring needs of DOF for 2 additional staff members to assist in the reporting and customer service elements of the bill in Fiscal 2025. In addition, the cost associated with this bill for other than personnel services (OTPS) is estimated at \$530,000 to cover for the cost of approximately 530,000 past-due notices that is anticipated to be sent by DOF per year, including the cost of postage and return envelopes. In aggregate, total annual PS and OTPS expenditures associated with this bill are projected to be at \$715,000 in Fiscal 2025 and each of the subsequent years.

In addition, the Council expects that the Administration will spend \$2 million in expense on outreach activities per the agreement surrounding the deal, but this is not required directly by the legislation.

HPD will be able to execute the reporting and inspection provisions required by the bill with existing resources, and therefore does not anticipate any additional personnel services cost associated with this bill.

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: General Fund

SOURCE OF INFORMATION: New York City Council Finance Division
Department of Finance (DOF)
Department of Environmental Protection (DEP)
Department of Housing Preservation & Development (HPD)

ESTIMATE PREPARED BY: Andrew Wilber, Supervising Economist
Dilara Dimnaku, Chief Economist/Assistant Director

ESTIMATE REVIEWED BY: Emre Edev, Deputy Director
Mike Twomey, Assistant Counsel
Jonathan Rosenberg, Managing Director

LEGISLATIVE HISTORY: This bill was heard as a pre-considered introduction by the Committee on Finance on June 18, 2024 and laid over. It was then introduced by the Council on June 20, 2024 and referred to the Committee on Finance. It will be considered by the Committee on June 30, 2024, upon successful vote by the Committee, Introduction 962 will be submitted to the full Council for a vote on June 30, 2024.

DATE PREPARED: June 29, 2024.

(The following is the text of a Memo in Support from the Office of the Mayor:)

MEMORANDUM IN SUPPORT

TITLE: A LOCAL LAW to amend the administrative code of the city of New York, in relation to the resolution and enforcement of property tax collection and preservation of housing for certain properties.

SUMMARY OF PROVISIONS:

Section one of the bill would amend chapter 1 of title 11 of the Administrative Code of the City of New York (“Administrative Code”) to add a new § 11-129.1 to require that the Department of Finance (“DOF”) send a notification, no later than 45 days after the date on which an installment of real property tax is due pursuant to paragraph (b) of subdivision 2 of § 1519-a of the New York City Charter (“Charter”), in the case of real property with an assessed value of \$250,000 or less, or pursuant to paragraph (b) of subdivision 3 of such § 1519-a, in the case of real property with an assessed value of more than \$250,000, to each owner of any such property for which the amount of real property tax liens exceeds \$100. Such notification would be required to include a summary of all tax liens for such property, excluding any liens arising from the nonpayment of sewer rents, sewer surcharges, or water rents and interest and penalties thereon, and guidance regarding obtaining information from the Department of Environmental Protection (“DEP”) about liens arising from the nonpayment of sewer rents, sewer surcharges or water rents.

Section two of the bill would amend the opening paragraph of subdivision a of § 11-245.8 of the Administrative Code to remove the requirement that the Commissioner of Finance, no later than October 31 of each year, provide a notice relating to the tax lien sale process to any property owner where the value of tax liens, excluding liens arising from the nonpayment of sewer rents, sewer charges, or water rents, exceeds \$1,000. Section two also requires that the notice sent to all property owners by DOF include information about the options established pursuant to sections 11-412.3, 11-412.4 and 11-412.5 of the Administrative Code.

Section three of the bill would remove the requirement in subdivision c of section 11-245.8 of the Administrative Code, relating to certain contact information that is required to be included on the notice due on October 31 to account for the removal of such notice by section two of the bill.

Section four of the bill would amend subdivisions a, a-1, a-2, a-3, a-4, a-5 and b of § 11-319 of the Administrative Code. The amendment to subdivision a of § 11-319 would provide that the real property tax component of a tax lien otherwise eligible to be sold pursuant to such subdivision may not, as of the effective date of the law, be sold on any real property designated as vacant land on the final assessment roll delivered most recently to the City Council pursuant to § 11-218 of the Administrative Code and the development of which an agency designated by the Mayor has determined is economically impracticable or infeasible due to the size, shape, applicable zoning, configuration or topography of such property. The amendment to subdivision a would also provide that the sewer rents component, sewer surcharges component or water rents component of a tax lien

otherwise eligible to be sold may not be sold on any class two residential condominium that is receiving certain enumerated exemptions.

The amendment to subdivision a-1 would provide that, on and after July 1, 2024, the City may sell a subsequent tax lien on any class one property that is not vacant land or any class two property that is a residential condominium or residential cooperative only when the real property tax component of such lien remains unpaid for three years and equals or exceeds \$5,000. Subdivision a-1 would also provide that, beginning July 1, 2024, a subsequent tax lien on any real property that is designated as vacant land and the development of which an agency designated by the Mayor has deemed impracticable may not be sold.

Subdivisions a-2 and a-3 are amended to exclude from the tax lien sale the water rents, sewer rents and sewer surcharges components of a tax lien on any class two residential condominium that is receiving certain enumerated exemptions. Subdivisions a-2 and a-3 are amended to exclude from the tax lien sale the water rents, sewer rents and sewer surcharges components of a tax lien on any vacant real property the development of which an agency designated by the Mayor has deemed impracticable.

Subdivisions a-4 and a-5 are amended to exclude from the tax lien sale the emergency repair charges or alternative enforcement expenses and fees component of a tax lien on any vacant real property the development of which an agency designated by the Mayor has deemed impracticable.

The amendment to subdivision b would authorize the Commissioner of Finance, on behalf of the City, to conduct a tax lien sale through and including December 31, 2028.

Section five would amend § 11-320 of the Administrative Code to add new subdivisions a-1 and a-2. New subdivision a-1 would require DOF, no less than 90 days preceding the date of a tax lien sale, to compile and transmit to the Department of Housing Preservation and Development (“HPD”) a list of properties that are multiple dwellings and classified as class two, have been included in the notice of sale required pursuant to subdivision a of such section at least two times in the preceding four notices of sale, and are subject to no less than one tax lien resulting from the nonpayment of taxes with a cumulative lien to value ratio of 15% or greater. With the exception of any property already subject to enhanced enforcement, HPD would be required to make best efforts to inspect each property on such list for violations of the Housing Maintenance Code prior to the date of the tax lien sale. During the course of such inspections, HPD would be required to provide information about HPD’s ABCs of Housing to all dwelling units in such property. The properties on the list transmitted to HPD pursuant to new subdivision a-1 would remain subject to enforcement as authorized by the Administrative Code. New subdivision a-1 would also require that, no later than 120 days after the date of sale, HPD submit a rental watchlist to the Speaker of the Council, providing various information about the properties that were inspected, including the borough, block, lot and address; the number of apartment units and owner of record for each property; a description of violations issued; information relating to the ratio of the sum of open hazardous and immediately hazardous Housing Maintenance Code violations; and whether each such property is subject to a vacate order.

A new subdivision a-2 would require the Commissioner of Finance, no later than 90 days preceding the date of a tax lien sale, to submit a report to the Speaker of the Council relating to properties included in the notice of sale that are designated as vacant land on the final assessment roll delivered most recently to the City Council pursuant to § 11-218 of the Administrative Code.

Section six would amend paragraph one of subdivision b of § 11- 320 to require that the notice of the Commissioner of Finance’s intent to sell the tax lien include the amount that, if paid, would render such a tax lien ineligible to be sold. Section six would also amend paragraph two of subdivision b of § 11-320 to replace the requirement that an exemption eligibility checklist be included in such notice with a requirement that such notice include information about the opportunity for an owner of certain real property to request removal of such lien pursuant to subdivision b of new § 11-412.3, information about the opportunity for an owner of certain property classified as class one to elect to subject such property to the summary foreclosure action set forth in

new § 11-412.5, information about the installment agreements authorized by §§ 11-322 and 11-322.1, an indication that, upon request by an owner, DOF shall provide information regarding, and applications forms for, exemptions that would allow, if applicable, such a tax lien to be excluded from a tax lien sale and information about any organization with which the City has contracted to assist with required outreach to owners.

Section six would also amend paragraph two of subdivision b to provide that an owner may submit, on any date, an application for the senior citizen homeowner exemption or the exemption for persons with disabilities, set forth in §§ 11-245.3 and 11-245.4, respectively, for purposes of excluding a tax lien from the tax lien sale. This amendment would require that DOF submit to the Council a list of all properties noticed for sale containing specific information about each property not later than 10, 30, 60 and 90 days prior to the date of sale of a tax lien.

Section seven would amend subdivision c-1 of § 11-320 of the Administrative Code to require that the Commissioner of Finance notify an owner of a property whose lien had been included in the notice of the tax lien sale when, prior to the date of sale, such lien has been removed from the lien sale pursuant to subdivision b of new § 11-412.3. Section seven would also amend subdivision j of § 11-320 to require that the Commissioner include information in outreach sessions about the opportunity for an owner of real property to request removal of a tax lien from the lien sale pursuant to subdivision b of § 11-412.3.

Section eight would amend § 11-320 of the Administrative Code by adding a new subdivision f-1 to require that any notice provided to a property owner, an owner's designee, or another person with an interest in the real property, must also be available in any designated citywide language.

Section nine would amend § 11-320 of the Administrative Code by amending the reporting requirements in subdivisions g and i and the outreach requirements of subdivision j. Section nine would amend subdivision g regarding the required components of the report DOF is required to submit to the Council no later than 120 days after the date of sale. Specifically, DOF would be required to notify the Council of the following information: the sum of the tax liens noticed for sale, disaggregated by properties with liens for emergency repair charges or alternative enforcement expenses and fees and certain properties that are organized pursuant to Article XI of the Private Housing Finance Law; and the reasons for the removal of a tax lien from the sale. Section nine would amend subdivision i regarding the requirements for the quarterly report that DOF submits to the Speaker of the Council by directing DOF to provide additional information about the date that the tax liens were sold, whether any tax lien was transferred to another entity, dates upon which certain foreclosure events occurred, the amount collected by the purchaser from the property owners and the outstanding balance on the tax lien. Finally, section nine would amend subdivision j to provide that outreach sessions conducted by DOF include information about: the option for certain tax liens to be removed from the tax lien sale pursuant to subdivision b of section 11-412.3 and the summary foreclosure action option.

Section ten would amend § 11-320 of the Administrative Code by adding a new subdivision l to require that, commencing July 1, 2024, HPD make good faith efforts to conduct outreach to owners of a class one or class two property that is a residential condominium or cooperative with tax liens that are included in the notice of sale and to other parties who have registered with, or provided notice to, DOF in order to receive communications about such property. HPD would also be required to submit an annual report to the Council on these outreach efforts.

Section eleven would amend the opening paragraph of subdivision b of § 11-322 to provide that when an owner submits either a signed complete, or a signed but incomplete, application for an installment agreement to DOF, the sale of the tax lien on the property will be cancelled, except that for incomplete applications, such lien may be included in a subsequent tax lien sale if a completed application is not submitted within 45 days of the request for additional information. DOF would be required to cancel the sale of such tax lien only once in any five-year period.

Sections twelve through twenty-two amend § 11-322.1 of the Administrative Code regarding hardship installment agreements authorized pursuant to such section.

- Sections thirteen, sixteen, and twenty would amend paragraph 3 of subdivision c of § 11-322.1, subparagraph (b) of paragraph 2 of subdivision h of such section, and paragraphs 1 and 6 of subdivision j of such section to modify the income eligibility threshold for installment agreements entered into or renewed pursuant to such section, to be equal to the applicable income standard established by paragraph (b) of subdivision 4 of section 425 of the Real Property Tax Law.
- Sections fourteen and twenty-two would amend § 11-322.1 by adding new subdivisions f-1 and n-1, respectively, to set forth the eligibility criteria for entering into a deferral installment agreement and the requirements of such agreement. Specifically, to be eligible for such agreement, the assessed value of a property must be \$250,000 or less and an applicant must demonstrate that their real-property tax burden exceeds 10% of the combined income of all the owners of such property, as calculated using a formula described in new subdivision f-1. An owner who enters into a deferral installment agreement, would agree to pay, on an annual basis, at least 10% of the combined income of all such owners or \$1,500, whichever is greater. Similar to all the agreements authorized by this section, the taxes, assessments or other charges that are a lien on the property continue to accrue interest after the date of the installment agreement.
- Section seventeen would amend subdivision h of § 11-322.1 to authorize DOF to promulgate rules to allow owners to self-certify, for the purposes of the annual renewal of a hardship installment agreement, that the property continues to be their primary residence and that their income does not exceed a specified threshold.
- Section eighteen would amend paragraph 2 of subdivision i of § 11-322.1 by providing that DOF is not required to withdraw a property from the tax lien sale whose owner has submitted a signed, but incomplete, application for a hardship installment agreement more than once in any five year period.
- Section nineteen would amend subdivision i of § 11-322.1 by adding a new paragraph 3 to clarify that a property that is subject to an installment agreement pursuant to § 11-322.1 may be sold only in accordance with the process set forth in paragraph 2 of subdivision k of this section.
- Sections twelve, fifteen and twenty-one would amend subdivision b of § 11-322.1, paragraph 3 of subdivision g of such section, and paragraph 2 of subdivision k of such section, to make technical, conforming requirements.

Section twenty-three would amend § 11-332 by adding new subdivisions c and d to provide that for any tax lien sold after July 1, 2024, the holder of a tax lien certificate may not collect the 5% surcharge set forth in subdivision b of such section where the owner of the property subject to the tax lien submits documentation demonstrating that such owner meets certain requirements described in subdivision d of § 11-332, including requirements related to the satisfaction of such owner's tax lien debt. These requirements could be satisfied, in relevant part, by making payments through an installment agreement. The eligibility requirements in subdivision d are similar to the requirements that make an owner of property eligible to request that a tax lien be removed from a tax lien sale pursuant to new § 11-412.3.

Section twenty-four would add four new sections — §§ 11-412.3, 11-412.4, 11-412.5 and 11-412.6 — to chapter 4 of title 11 of the Administrative Code to establish two tools to support the City's ability to enforce the collection of real property taxes and to provide relief to vulnerable homeowners whose tax liens are at risk of being sold in a tax lien sale or whose tax liens have been sold but could avail themselves of an opportunity to have the liens foreclosed and remain living in their property.

- Subdivision a of § 11-412.3 would provide definitions for purposes of §§ 11-412.3 through 11-412.6 of the Administrative Code. Section 11-412.3 would further prohibit the sale of a tax lien or tax liens on any class one property, other than property held in the condominium or cooperatives form of ownership, or any dwelling unit in a condominium that would otherwise be eligible to be sold in the tax lien sale when the owner of such property or such dwelling unit requests that such tax lien be removed from such sale, provided specified conditions relating to primary residence of the owner and income thresholds of the household of such owner are satisfied. With limited exceptions, § 11-412.3 authorizes DOF to remove such tax lien no more than three times within a thirty-six month period from the date the tax lien was removed for the first time. The thirty-six month period would be tolled for the duration of time that a property is subject to an installment agreement that is not in default pursuant to § 11-322 or 11-322.1 or is otherwise subject to any exemption, credit or other benefit that operates to exclude the property from a tax lien sale. It also directs DOF to establish rules for the submission of a request that tax liens be removed from the tax lien sale and the appeal of a denial of a request that tax liens be removed from the tax lien sale.
- Section 11-412.4 would authorize the owner of a class one property (other than property held in the condominium or cooperative form of ownership) whose tax lien or tax liens have been sold in a tax lien sale to elect to subject such tax lien or tax liens to a summary foreclosure action, provided that certain criteria – including criteria relating to primary residence, income of the household of such owner and consultation with an attorney regarding such election – are met and that certain agreements are made. Specifically, § 11-412.4 would require that the owner of such property enter into an agreement with a “qualified preservation purchaser” (“QPP”) – defined as a housing development fund company pursuant to Article 11 of the Private Housing Finance Law (“PHFL”) – provided that upon the delivery of the deed conveying title to such property to the QPP, the QPP, in turn, would agree to lease such property to the owner for a period of 99 years and to enter into a regulatory agreement with HPD requiring that such property serve as affordable housing.
- In addition, the QPP would be required to execute notes – notes in favor of the City and the New York City Water Board (the “City note”) and a note in favor of the tenant. The amount of the City note would be equivalent to the amount of the outstanding tax liens on such property prior to the date of the conveyance of title to the QPP, including the amount of any lien owed to the Water Board. The amount of the note in favor of the tenant would be equivalent to a formula set forth in the definition of the term “sales price equity.” However, if the provisions in the regulatory agreement requiring that such property serve as affordable housing have been invalidated, the amount of such note would be adjusted to be equivalent to a formula set forth in the definition of the term “synthetic equity.” Upon the tenant vacating the property, the QPP would be required to terminate the lease and pay the amount due on the note executed to the tenant.
- Section 11-412.4 would also require that DOF provide notice to the owner of such property of the option to elect the summary foreclosure action within 30 days after the date of the lien sale, specifying the requirement to consult with an attorney prior to making such election, and providing information about the consequences of such summary foreclosure action and certain terms of the lease . Subject to appropriations, DOF would be required to make available the services of an attorney to an owner of a property who elects the summary foreclosure action option at no cost to such owner.
- Lastly, § 11-412.4 would require HPD to make efforts to select a QPP for at least 12 months from the date of the owner’s election to pursue a summary foreclosure action. During that 12-month period, a purchaser of the tax lien on the property would be prohibited from foreclosing on such tax lien. Once a QPP has been selected, the sale of a tax lien on the property will be deemed defective.
- Section 11-412.5 would establish the procedures and requirements for the voluntary summary foreclosure action, including that such action be commenced upon the preparation and filing in the office of the county clerk of the county in which the property is situated of a notice of summary foreclosure

action. Such notice would be required to be published in specified locations for certain periods of time. Section 11-412.5 would allow an interested party, other than the owner, to object to and stay the summary foreclosure action and to redeem the property by paying all taxes and charges contained in the notice of summary foreclosure action. Section 11-412.5 would also provide for a final judgment awarding possession of any property not so redeemed or stayed, and execution by the Commissioner of Finance of a deed conveying full and complete title to the property to the QPP that agreed to lease such property to the former owner.

- Section 11-412.6 would provide that the Commissioner of Finance may, prior to final judgment, discontinue the summary foreclosure action in certain circumstances, and sets forth the requirements and procedures for effectuating such a discontinuance.

Section twenty-five would amend § 11-416 of the Administrative Code, relating to the mailing of tax bills and other notices to owners of real property, and § 11-417 of such Code, relating to the mailing of notices to other interested persons, to align the language of such sections with contemporary practice.

Section twenty-six would add an unconsolidated provision that directs the Mayor and the Council to establish a temporary 10-member task force to evaluate and provide recommendations regarding whether the City's collection of delinquent real property taxes and other charges could be conducted fairly and effectively without the sale of tax liens to a trust created by the City or in which the City has an ownership or residual interest, among other subjects of inquiry.

Section twenty-seven would add an unconsolidated provision that directs DOF to publish various documents written by each trust that is created by the City for the purposes of a negotiated sale. Section twenty-eight sets forth the effective date.

REASONS FOR SUPPORT:

This bill is necessary to support the enforcement of the collection of real property taxes in the City of New York—the single largest source of City revenues. It does so by striking a careful balance between protecting the local property tax base and protecting the most vulnerable homeowners by creating new pathways for such owners to resolve the tax delinquency on their property.

The fiscal year 2024 property tax levy is \$35 billion dollars. This bill is necessary to ensure this critical revenue stream to fund City services. From fiscal years 2012 to 2018, when the City conducted annual enforcement actions, the City's uncollected property taxes remained consistent at around \$300 million dollars per year. However, in the following five-year period from fiscal years 2019 through 2023, authorization for the full set of property tax enforcement tools was generally not available. During that time period, the amount of uncollected property taxes increased by around \$370 million. Further erosion to the property tax base is likely if such enforcement authority is not restored. However, this restoration must be accompanied by stronger homeowner protections.

The homeowner protections contemplated in this bill are varied and extensive.

First, the request for removal from the lien sale option allows owners of certain class one properties and owners of dwelling units in a condominium to request that the DOF remove the tax liens on their homes from the tax lien sale up to three times. By creating this removal option and prohibiting the sale of subsequent tax liens on class one property that do not independently meet the statutory criteria for the tax lien sale, this bill would ensure that owners of such property and dwelling units at risk of having their tax liens sold have ample time and opportunity to avoid inclusion in a lien sale while they work to resolve their outstanding tax delinquencies.

Second, for owners of class one property that is not held in the condominium or cooperative form of ownership and that is in the most severe financial distress, this bill would create a new lifeline for homeowners to extinguish

their existing debt and partner with a QPP – a housing development fund company (“HDFC”), including a community land trust that has incorporated as an HDFC – to ensure that they can continue living in their homes for the long term and pass on their leasehold interest in the property to their heirs. While title to the property would be conveyed to the QPP as a result of the summary foreclosure action, the bill requires that the QPP provide the former homeowner with a long-term lease to the property. The choice to partner with a QPP is purely voluntary.

In addition to requiring that the QPP provide the former homeowner with a long-term lease, the bill also requires that the QPP provide the former homeowner or current tenant with a mechanism by which she can recoup any equity she had in such property. Accordingly, the bill requires the QPP, upon written direction by the tenant and after such tenant has vacated the property, to terminate the lease of such tenant and pay the amount due on the note executed in favor of the tenant. The amount due will be an amount equal to the “sales price equity” unless the affordability restrictions on such property have been voided. The “sales price equity” is an amount derived by subtracting the repair liens on the property, City note, administrative costs, and any other outstanding liens, charges or fees due to the QPP from the price for which the property is sold or could be sold, in accordance with the terms of the regulatory agreement.

This formula will allow a tenant to capture appreciation, if any, in the value of a property that had been the subject of a summary foreclosure action. In the event that restrictions contained in the regulatory agreement requiring operation of the property as affordable housing are voided, the bill requires that the amount of such note be adjusted to reflect the “synthetic equity.” This amount is derived by subtracting the sum of the repair liens on the property, the City note, costs, and any other outstanding liens, charges or fees due to the QPP from the market value of the property, as reflected on the tax assessment rolls at the time the property is conveyed to the QPP. The requirement that the QPP pay the amount due on the note executed in favor of the tenant — whether the “sales price equity” or the “synthetic equity”— ensures that there is a mechanism for the recoupment of equity by the former homeowner. The delineation of the components of the costs that are subtracted from the price for which the property is, or could be, sold, as applicable, in the definition of “sales price equity” and “synthetic equity,” demonstrates that the components of the costs are distinct.

The option for a summary foreclosure action would work in tandem with the option to have DOF remove the tax lien on an owner’s property from the tax lien sale up to three times, such that a tax lien could not be sold where an owner has exercised their option to request removal from the tax lien sale; and if an owner has exhausted that option and the tax lien is sold, such owner can still retain possession of and equity in their property by electing to partner with a QPP as part of a summary foreclosure action, provided the owner makes such election within six months of the sale.

This bill promotes the provision of valuable information about these new tools to homeowners. Furthermore, this bill requires that the homeowners who elect to partner with a QPP will have conferred with an attorney about this election to ensure that an owner making this election is doing so having considered all the consequences it implicates.

Finally, by increasing the property tax and interest deferral (“PT AID”) payment plan income threshold and fixing the threshold at the same level as the enhanced STAR program eligibility threshold, this bill will expand opportunities for homeowners, including those who are elderly or who are experiencing hardship, to obtain manageable installment agreements to pay their existing tax liability. This bill also expands the PT AID Program to allow certain owner-occupied properties to defer annual property tax beyond 10% of the cumulative sum of owners’ annual incomes until the future, subject to certain minimum payment requirements, allowing these owners greater flexibility in managing their expenses.

These rigorous reforms are the product of a deliberate partnership between the Council and the Administration, informed by community advocates, allowing the City to ensure fair and responsible tax enforcement and provide robust protections for those unable to meet their obligations.

Accordingly, the Mayor urges the earliest possible favorable consideration of this legislation.

Respectfully submitted,

Connor Martinez
Legislative Representative

Accordingly, this Committee recommends its adoption.

(The following is the text of Int. No. 962:)

Int. No. 962

By Council Members Brannan, Nurse, Williams, Farías, Hudson and Sanchez.

A Local Law to amend the administrative code of the city of New York, in relation to the resolution and enforcement of property tax collection and preservation of housing for certain properties

Be it enacted by the Council as follows:

Section 1. Chapter 1 of title 11 of the administrative code of the city of New York is amended by adding a new section 11-129.1 to read as follows:

§ 11-129.1 Department of finance notification to property owners regarding tax liens. a. No later than 45 days after the date on which each installment of real property tax is due pursuant to paragraph (b) of subdivision 2 of section 1519-a of the charter, the department of finance shall send a notification to each owner of real property with an assessed value of two hundred fifty thousand dollars or less where the amount of tax liens arising as a result of the nonpayment of taxes on such property exceeds \$100.

b. No later than 45 days after the date on which each installment of real property tax is due pursuant to paragraph (b) of subdivision 3 of section 1519-a of the charter, the department of finance shall send a notification to each owner of real property with an assessed value of more than two hundred fifty thousand dollars where the amount of tax liens arising as a result of the nonpayment of taxes on such property exceeds \$100.

c. A notification required pursuant to subdivision a or b of this section shall include a summary of all tax liens on such property, other than a tax lien arising as a result of the nonpayment of sewer rents, sewer surcharges, or water rents and interest and penalties thereon, as such terms are defined in section 11-301. Such notification shall advise an owner of real property regarding obtaining information from the department of environmental protection about any such tax lien arising as a result of the nonpayment of sewer rents, sewer surcharges, or water rents.

d. Each notification required pursuant to this section shall be in writing and sent in the manner provided in section 11-129.

e. Failure by the department of finance to send a notification as required by this section shall not:

- 1. create any liability for the city of New York;*
- 2. affect the obligation of an owner to pay any such installment;*
- 3. prevent or otherwise affect the levy, collection and enforcement of taxes on such property; or*
- 4. prevent or otherwise affect the accrual of any interest imposed for the nonpayment of taxes.*

§ 2. The opening paragraph of subdivision a of section 11-245.8 of the administrative code of the city of New York, as amended by local law number 24 for the year 2021, is amended to read as follows:

The commissioner of finance or his or her designee, shall provide a notice relating to the lien sale process to all property owners, included with the notice of value sent to property owners by the department of finance pursuant to section 1511 of the New York city charter [and, in addition, no later than October thirty-first of each year, to any property owner who is delinquent in the payment of any real property taxes, assessments, or any other charges that are made a lien subject to the provisions of chapter three of this title, except sewer rents, sewer charges and water rents, if such delinquency, in the aggregate, equals or exceeds the sum of one thousand dollars]. This notice shall include, but not be limited to, actions homeowners can take if a lien is sold on such property; the type of debt that can be sold in a lien sale; a timeline of statutory notifications required pursuant to section 11-320 of this title; a clear, concise explanation of the consequences of the sale of a tax lien; the telephone number and electronic mail address of the employee or employees designated pursuant to subdivision f of section 11-320 of this title; a conspicuous statement that an owner of any class of property may enter into a payment plan for the satisfaction of delinquent real property taxes, assessments, sewer rents, sewer surcharges, water rents, and any other charges that are made a lien subject to the provisions of chapter three of this title, or exclusion from the tax lien sale; credits and property tax exemptions that may exclude certain class one real property from a tax lien sale; *a clear and conspicuous statement describing the option for an owner of certain real property to request that the tax lien or tax liens on such property be removed from a sale of tax liens pursuant to subdivision b of section 11-412.3 of this title; a clear and conspicuous statement describing the option for an owner of certain real property to elect the summary foreclosure action set forth in sections 11-412.4 and 11-412.5 of this title;* and clear and concise instructions on how an owner of any class of property may register to receive information from the department, through electronic mail, regarding outreach sessions relating to the sale of tax liens conducted pursuant to subdivision j of section 11-320 of this title. Such notice shall also include information on the following real property tax credits or real property tax exemptions:

§ 3. Subdivision c of section 11-245.8 of the administrative code of the city of New York, as amended by local law number 80 for the year 2020, is amended to read as follows:

c. [The notice that is required, pursuant to this section, to be provided by the commissioner of finance or his or her designee no later than October thirty-first of each year shall include contact information for the office of financial empowerment at the department of consumer and worker protection.] Reserved.

§ 4. Subdivisions a, a-1, a-2, a-3, a-4, a-5 and the opening paragraph of subdivision b of section 11-319 of the administrative code of the city of New York, subdivisions a, a-2 and a-3 as amended by local law number 24 for the year 2021, subdivisions a-1 and a-5 as amended by local law number 15 for the year 2011, subdivision a-4 as amended by local law number 4 for the year 2017, and the opening paragraph of subdivision b as amended by local law number 24 for the year 2021, are amended to read as follows:

a. [A] *Except as provided by sections 11-412.3 and 11-412.4 of this title, 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 one property or on class two property that is a residential condominium or residential cooperative, as such classes of property are defined in subdivision one of section eighteen hundred two 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 and, in the case of any such class one property that is not vacant land or any such class two property that is a residential condominium or residential cooperative, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, equals or exceeds the sum of five thousand dollars, or, in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, for two years, and equals or exceeds the sum of five thousand dollars or, in the case of abandoned class one property or abandoned class two property that is a residential condominium or residential cooperative, for eighteen months, and after such sale, shall be transferred, in the manner provided by this chapter, and provided, further, however, that (i) the real property tax component of such tax lien may not be sold pursuant to this subdivision on any: (A) residential real property in class one or a real property in class two that is a residential condominium that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to section four hundred fifty-eight of the real property tax law with respect to real property purchased with payments received as prisoner of war compensation from the United States government, or pursuant to paragraph (b) or (c) of subdivision two of section four hundred*

fifty-eight-a of the real property tax law, or where the owner of such residential real property in class one is receiving benefits in accordance with department of finance memorandum 05-3, or any successor memorandum thereto, relating to active duty military personnel, or where the owner of such residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date; [or] (B) real property that was granted an exemption pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law in one of the two fiscal years preceding the date of such sale, provided that: (1) such exemption was granted to such real property upon the application of a not-for-profit organization that owns such real property on or after the date on which such real property was conveyed to such not-for-profit organization; (2) the real property tax component of such lien arose on or after the date on which such real property was conveyed to such not-for-profit organization; and (3) such not-for-profit organization is organized or conducted for one of the purposes described in paragraph a or paragraph b of subdivision 1 of section 11-246 of this [chapter] title; or (C) real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property, and (ii) the sewer rents component, sewer surcharges component or water rents component of such tax lien may not be sold pursuant to this subdivision on any one family residential real property in class one or on any two or three family residential real property in class one or on any real property in class two that is a residential condominium that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to section four hundred fifty-eight of the real property tax law with respect to real property purchased with payments received as prisoner of war compensation from the United States government, or pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law, or where the owner of any two or three family residential real property in class one is receiving benefits in accordance with department of finance memorandum 05-3, or any successor memorandum thereto, relating to active duty military personnel, or where the owner of any two or three family residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date. A tax lien or tax liens on any property classified as a class two property, except a class two property that is a residential condominium or residential cooperative, or a class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, or class three property, as such classes of property are defined in subdivision one of section eighteen hundred two 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 four property, as such class of property is defined in subdivision one of section eighteen hundred two 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 or emergency repair charges component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, 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, water rents component or emergency repair charges 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 one property or class two 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, or, in the case of any class two residential property owned by a company organized

pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, when the real property tax component of such lien or liens has remained unpaid in whole or in part for two years, and equals or exceeds the sum of five thousand dollars, 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. The commissioner of finance may promulgate rules defining "abandoned" property, as such term is used in this subdivision.

a-1. A subsequent tax lien or tax liens on a property or any component of the amount thereof may be sold by the city pursuant to this chapter, provided, however, that notwithstanding any provision in this chapter to the contrary, such tax lien or tax liens may be sold regardless of whether such tax lien or tax liens have remained unpaid in whole or in part for one year and, notwithstanding any provision in this chapter to the contrary[.],: (A) in the case of any class one property or class two property that is a residential condominium or residential cooperative or, beginning January first, two thousand twelve, in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, such tax lien or tax liens may be sold if the real property tax component of such tax lien or tax liens has remained unpaid in whole or in part for one year[.]; and (B) *beginning July first, two thousand twenty-four, in the case of any class one property that is not vacant land, or class two property that is a residential condominium or residential cooperative, such tax lien or tax liens may be sold only if the real property tax component of such tax lien or tax liens has remained unpaid in whole or in part for three years and equals or exceeds the sum of five thousand dollars;* provided, further, however, that (i) the real property tax component of such tax lien may not be sold pursuant to this subdivision on any residential real property in class one that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to section four hundred fifty-eight of the real property tax law with respect to real property purchased with payments received as prisoner of war compensation from the United States government, or pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law, or where the owner of such residential real property in class one is receiving benefits in accordance with department of finance memorandum 05-3, or any successor memorandum thereto, relating to active duty military personnel, or where the owner of such residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date and (ii) the sewer rents component, sewer surcharges component or water rents component of such tax lien may not be sold pursuant to this subdivision on any one family residential real property in class one or on any two or three family residential real property in class one that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to section four hundred fifty-eight of the real property tax law with respect to real property purchased with payments received as prisoner of war compensation from the United States government, or pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law, or where the owner of any two or three family residential real property in class one is receiving benefits in accordance with department of finance memorandum 05-3, or any successor memorandum thereto, relating to active duty military personnel, or where the owner of any two or three family residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date; *and (C) beginning July first, two thousand twenty-four, in the case of any real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property, such tax lien or tax liens may not be sold.* For purposes of this subdivision, the term "subsequent tax lien or tax liens" shall mean any tax lien or tax liens on property that become such on or after the date of sale of any tax lien or tax liens on such property that have been sold pursuant to this chapter, provided that the prior tax lien or tax liens remain unpaid as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale of the subsequent tax lien or tax liens. A subsequent tax lien or tax liens on any property classified as a class two property, except a class two property

that is a residential condominium or residential cooperative, or a class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, or class three property, as such classes of property are defined in subdivision one of section eighteen hundred two 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 subsequent tax lien or tax liens on a property classified as a class four property, as such class of property is defined in subdivision one of section eighteen hundred two 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 or emergency repair charges component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, 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, water rents component or emergency repair charges 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. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

a-2. In addition to any sale authorized pursuant to subdivision a or subdivision a-1 of this section and notwithstanding any provision of this chapter to the contrary, beginning on December first, two thousand seven, the water rents, sewer rents and sewer surcharges components of any tax lien on any class of real property, as such real property is classified in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter, where such water rents, sewer rents or sewer surcharges component of such tax lien, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale: (i) shall have remained unpaid in whole or in part for one year and (ii) equals or exceeds the sum of one thousand dollars or, beginning on March first, two thousand eleven, in the case of any two or three family residential real property in class one, for one year, and equals or exceeds the sum of two thousand dollars, or, beginning on January first, two thousand twenty-one, in the case of any two or three family residential real property in class one, for one year, and equals or exceeds the sum of three thousand dollars, or, beginning on January first, two thousand twelve, in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, for two years, and equals or exceeds the sum of five thousand dollars; provided, however, that such water rents, sewer rents or sewer surcharges component of such tax lien may not be sold pursuant to this subdivision on: (A) any one family residential real property in class one or [on] any two or three family residential real property in class one *or a real property in class two that is a residential condominium* that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to section four hundred fifty-eight of the real property tax law with respect to real property purchased with payments received as prisoner of war compensation from the United States government, or pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law, or where the owner of any two or three family residential real property in class one is receiving benefits in accordance with department of finance memorandum 05-3, or any successor memorandum thereto, relating to active duty military personnel, or where the owner of any two or three family residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date; *or (B) real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property.* After such

sale, any such water rents, sewer rents or sewer surcharges component of such tax lien may be transferred in the manner provided by this chapter.

a-3. In addition to any sale authorized pursuant to subdivision a or subdivision a-1 of this section and notwithstanding any provision of this chapter to the contrary, beginning on December first, two thousand seven, a subsequent tax lien on any class of real property, as such real property is classified in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for one year, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of one thousand dollars or beginning on March first, two thousand eleven, in the case of any two or three family residential real property in class one, a subsequent tax lien on such property may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for one year, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of two thousand dollars, or, beginning on January first, two thousand twenty-one, in the case of any two or three family residential real property in class one, a subsequent tax lien on such property may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for one year, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of three thousand dollars, or, beginning on January first, two thousand twelve, in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, a subsequent tax lien on such property may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for two years, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of five thousand dollars; provided, however, that such subsequent tax lien may not be sold pursuant to this subdivision on: (A) any one family residential real property in class one or [on] any two or three family residential real property in class one *or a real property in class two that is a residential condominium* that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to section four hundred fifty-eight of the real property tax law with respect to real property purchased with payments received as prisoner of war compensation from the United States government, or pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law, or where the owner of any two or three family residential real property in class one is receiving benefits in accordance with department of finance memorandum 05-3, or any successor memorandum thereto, relating to active duty military personnel, or where the owner of any two or three family residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date; *or (B) real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property.* After such sale, any such subsequent tax lien, or any component of the amount thereof, may be transferred in the manner provided by this chapter. For purposes of this subdivision, the term "subsequent tax lien" shall mean the water rents, sewer rents or sewer surcharges component of any tax lien on property that becomes such on or after the date of sale of any water rents, sewer rents or sewer surcharges component of any tax lien on such property that has been sold pursuant to this chapter, provided that the prior tax lien remains unpaid as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale of the subsequent tax lien. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

a-4. In addition to any sale authorized pursuant to subdivision a, a-1, a-2 or a-3 of this section and notwithstanding any provision of this chapter to the contrary, beginning on March first, two thousand eleven, the emergency repair charges component or alternative enforcement expenses and fees component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, or where such alternative enforcement expenses and fees are made a lien pursuant

to section 27-2153 of this code, of any tax lien on any class of real property, as such real property is defined in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter, where such emergency repair charges component or alternative enforcement expenses and fees component of such tax lien, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale: (i) shall have remained unpaid in whole or in part for one year, and (ii) equals or exceeds the sum of one thousand dollars or, beginning on January first, two thousand twelve, in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, for two years, and equals or exceeds the sum of five thousand dollars; provided, however, that such emergency repair charges component or alternative enforcement expenses and fees component of such tax lien may only be sold pursuant to this subdivision on any one, two or three family residential real property in class one, where such one, two or three family residential property in class one is not the primary residence of the owner; *provided, however, that the emergency repair charges component or alternative enforcement expenses and fees component of such tax lien may not be sold pursuant to this subdivision on any real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property.* After such sale, any such emergency repair charges component or alternative enforcement expenses and fees component of such tax lien may be transferred in the manner provided by this chapter.

a-5. In addition to any sale authorized pursuant to subdivision a, a-1, a-2 or a-3 of this section and notwithstanding any provision of this chapter to the contrary, beginning on March first, two thousand eleven, a subsequent tax lien on any class of real property, or beginning on January first, two thousand twelve in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, a subsequent tax lien on such property, may be sold by the city pursuant to this chapter, regardless of the length of time such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid, and regardless of the amount of such subsequent tax lien. After such sale, any such subsequent tax lien, or any component of the amount thereof, may be transferred in the manner provided by this chapter. For purposes of this subdivision, the term "subsequent tax lien" shall mean the emergency repair charges component or alternative enforcement expenses and fees component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, or where such alternative enforcement expenses and fees are made a lien pursuant to section 27-2153 of this code, of any tax lien on property that becomes such on or after the date of sale of any emergency repair charges component or alternative enforcement expenses and fees component, of any tax lien on such property that has been sold pursuant to this chapter, provided that the prior tax lien remains unpaid as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale of the subsequent tax lien; *and provided further, that the emergency repair charges component or alternative enforcement expenses and fees component of such tax lien may not be sold pursuant to this subdivision on any real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property.* Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

b. The commissioner of finance, on behalf of the city, may sell tax liens, either individually, in combinations, or in the aggregate, pursuant to the procedures provided herein. The commissioner of finance shall establish the terms and conditions of a sale of a tax lien or tax liens. [Enactment of the local law that added this sentence shall be deemed to constitute authorization by the council for the commissioner of finance to conduct a sale or sales of tax liens through and including a date that is one year after the date of enactment of the local law that added this sentence. Subsequent to one year after the date of enactment of the local law that added the preceding sentence, the city shall not have the authority to sell tax liens.] *Enactment of the local law that added this sentence shall be deemed to constitute authorization by the council for the commissioner of finance to conduct a sale or*

sales of tax liens through and including December thirty-first, two thousand twenty-eight. Subsequent to December thirty-first, two thousand twenty-eight, the city shall not have the authority to sell tax liens.

§ 5. Section 11-320 of the administrative code of the city of New York is amended by adding two new subdivisions a-1 and a-2 to read as follows:

a-1. Housing inspections. 1. Not less than ninety days preceding the date of sale of a tax lien or tax liens, the commissioner of finance shall compile a list that includes any property that:

(i) has been included in the notice of sale required pursuant to subdivision a of this section at least two times in the preceding four notices of sale published pursuant to such subdivision a; and

(ii) is a multiple dwelling classified as class two, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law; and

(iii) is subject to a tax lien or tax liens resulting from the nonpayment of taxes against the owner of such property with a cumulative lien or liens to value ratio, as determined by the commissioner of finance, equal to or greater than fifteen percent.

2. For each property included on the list compiled pursuant to paragraph one of this subdivision, the commissioner of finance shall include the address and borough, block and lot of such property.

3. Upon compilation of such list, the commissioner of finance shall transmit such list to the department of housing preservation and development, and the department of housing preservation and development shall inspect each property on such list for violations of the housing maintenance code, as appropriate, provided that such property has not been inspected by such department within the past year pursuant to: (i) paragraph (2) of subdivision (b) of section 27-2033.1; (ii) section 27-2041.2; (iii) subdivision (c) of section 27-2091; (iv) section 27-2153; (v) article seven-A of the real property actions and proceedings law; or (vi) any other enhanced enforcement program established to secure compliance with the requirements of the housing maintenance code or other state or local laws imposing maintenance requirements on dwellings. The department of housing preservation and development shall make best efforts to conduct such inspections prior to the date of sale of a tax lien on a list compiled pursuant to this subdivision. During the course of any such inspection, such department shall distribute a notice regarding such department's housing information guide to all dwelling units within such property. Any notice required by this subdivision shall also be available in any of the designated citywide languages as defined in section 23-1101. Failure by the department of housing preservation and development to distribute such notice shall not affect the validity of any sale of tax liens pursuant to this chapter.

4. No later than one hundred twenty days after the date of sale, the department of housing preservation and development shall submit to the speaker of the council a rental watchlist report that provides, for each property inspected pursuant to paragraph three of this subdivision: (i) the borough, block, lot number, and address for such property, (ii) the number of apartment units and the owner of record for such property, and (iii) a description of all housing maintenance code violations issued for such property, if any. For each such property, such report shall also indicate whether such property:

(A) contains not more than nineteen units and the ratio of the sum of open hazardous and immediately hazardous housing maintenance code violations on such property to dwelling units located within such property exceeds five;

(B) contains more than nineteen units and the ratio of the sum of open hazardous and immediately hazardous housing maintenance code violations on such property to dwelling units located within such property exceeds three; or

(C) is subject to a vacate order issued pursuant to subdivision (b) of section 27-2139.

a-2. Report on vacant land. Not less than ninety days preceding the date of sale, the commissioner of finance shall submit a report to the speaker of the council including any property that has been included in the notice of sale required pursuant to subdivision a of this section and that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title, provided that failure to submit such report shall not affect the validity of any sale of tax liens pursuant to this chapter. For each such property, the report shall:

1. list the borough, block, lot, square footage, and zoning district;

2. indicate whether the total square footage of such property exceeds one thousand seven hundred square feet;

3. indicate whether the length and width of such property exceeds seventeen feet; and

4. indicate whether such property is located within a residential zoning district.

§ 6. Paragraphs 1, 2, and 3 of subdivision b of section 11-320 of the administrative code of the city of New York, paragraph 1 as amended by local law number 15 for the year 2011, paragraph 2 and 3 as added by local law number 15 for the year 2011, and subparagraph (i) of such paragraph 2 as amended by local law number 147 for the year 2013, are amended to read as follows:

1. A tax lien shall not be sold unless the commissioner of finance, or his or her designee, notifies the owner of record at the address of record and any other person who has registered pursuant to section 11-309 of this chapter, or *who has provided notice to the commissioner of finance* pursuant to section 11-416 or 11-417 of this title, by first class mail, of the intention to sell the tax lien. If no such registrations have been filed then such commissioner, or his or her designee, shall notify the person whose name and address, if any, appears in the latest annual record of assessed valuations, by first class mail, of the intention to sell the tax lien. Such mailed notice shall include a description of the property by block and lot and such other identifying information as the commissioner of finance may deem appropriate, the amount of the tax lien, including all taxes, assessments, sewer rents, sewer surcharges, water rents, any other charges that are made a lien subject to the provisions of this chapter, *the amount that, if paid, would render such tax lien ineligible to be sold in accordance with section 11-319 of this chapter*, as well as an estimate of the costs of any advertisements and notices given pursuant to this chapter, any other charges that are due and payable on the date specified in such publication, a surcharge pursuant to section 11-332 of this chapter if the tax lien is sold, and interest and penalties thereon, and shall be mailed to such owner and such other persons four times: not less than ninety, sixty, thirty and ten days prior to the date of sale. Such notice shall state that if [default continues to be made in] payment of the [amounts due on such property] *amount that would render such tax lien ineligible to be sold in accordance with section 11-319 of this chapter is not made*, the tax lien on such property shall be sold as provided in section 11-319 of this chapter. If, notwithstanding such notice, the owner shall continue to refuse or neglect to pay the amounts due on such property, the commissioner of finance may sell the tax lien on such property as provided in section 11-319 of this chapter.

2. (i) [Such notices shall also include, with respect to any property owner in class one or class two, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, an exemption eligibility checklist. The exemption eligibility checklist shall also be posted on the website of the department no later than the first business day after March fifteenth of every year prior to the date of sale, and shall continue to be posted on such website until ten days prior to the date of sale. Within ten business days of receipt of a completed exemption eligibility checklist from such property owner, provided that such receipt occurs prior to the date of sale of any tax lien or tax liens on his or her property, the department of finance shall review such checklist to determine, based on the information provided by the property owner, whether such property owner could be eligible for any exemption, credit or other benefit that would entitle them to be excluded from a tax lien sale and, if the department determines that such property owner could be eligible for any such exemption, credit or other benefit, shall mail such property owner an application for the appropriate exemption, credit or other benefit. If, within twenty business days of the date the department mailed such application, the department has not received a completed application from such property owner, the department shall mail such property owner a second application, and shall telephone the property owner, if the property owner has included his or her telephone number on the exemption eligibility checklist.

(ii) Any [such property] owner *of property classified as class one or class two, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law*, who [returns to the department of finance a completed exemption eligibility checklist prior to the date of sale of any tax lien or tax liens on his or her property and who subsequently] submits a completed application for [the appropriate] an exemption, credit or other benefit *that would operate to exclude any tax lien or tax liens on such property from a tax lien sale* either prior to, on or up to ninety days after [such] *the date of sale of any such tax lien or tax liens*, shall have his or her application reviewed by the department of finance. If, prior to the date of sale, the department of finance determines that such [property] owner is qualified for such exemption, credit or other benefit or will be qualified as of the date of sale, then the tax lien or tax liens on his or her property shall not be sold on such date. If, on or after the date of sale, the department of finance determines that such [property] owner is or was qualified for such exemption, credit or other benefit as of the date of sale, then any tax lien or tax liens on his or her property that were sold shall be deemed defective.

(iii) Not later than thirty days prior to such date of sale, the department of finance shall submit to the council a list, disaggregated by council district, of all properties for which property owners returned a completed

eligibility checklist to the department of finance at least thirty-five days prior to the date of sale, but for which property owners have not yet submitted a completed application for the appropriate exemption, credit or other benefit.

(iv) Not later than thirty days after such date of sale, the department of finance shall submit to the council a list, disaggregated by council district, of all properties for which property owners returned a completed eligibility checklist to the department of finance prior to the date of sale, but for which property owners have not yet submitted a completed application for the appropriate exemption, credit or other benefit.

(v) Upon the written or verbal request of such [property] owner, the department of finance shall provide prompt assistance to such [property] owner in completing an application for [the appropriate] *such an* exemption, credit or other benefit. *Notwithstanding subdivision 4 of section 11-245.3, an owner may on any date submit an application for the senior citizen homeowner exemption provided by such section for purposes of exclusion from a tax lien sale of a tax lien or tax liens on the property of such owner as described in this subparagraph. Notwithstanding subdivision 4 of section 11-245.4, an owner may on any date submit an application for the exemption for persons with disabilities provided by such section for purposes of exclusion from a tax lien sale of a tax lien or tax liens on the property of such owner as described in this subparagraph.*

(ii) *The notice required pursuant to this subdivision shall also include, with respect to any owner of property classified as class one, as such class is defined in subdivision one of section eighteen hundred two of the real property tax law, other than property held in the cooperative or condominium form of ownership, and with respect to any owner of a dwelling unit in a condominium, information about the option for the tax lien or tax liens on such property or such dwelling unit to be removed from a sale of tax liens pursuant to subdivision b of section 11-412.3 of this title, provided that such owner satisfies the requirements described in paragraphs 1 through 3 of subdivision c of such section, and provided further that the department may remove such tax lien or tax liens on such property or such dwelling unit no more than three times and that such department shall not remove any such tax lien later than thirty-six months after such department has removed such tax lien for the first time, except as otherwise provided in subdivision b of section 11-412.3.*

(iii) *The notice required by this subdivision shall also include, with respect to an owner of property classified as class one, as such class is defined in subdivision one of section eighteen hundred two of the real property tax law, information about the option for an owner of such property to elect to subject such tax lien or tax liens on such property to the summary foreclosure action set forth in section 11-412.5 of this title, provided that such owner satisfies the requirements described in paragraphs 1 through 5 of subdivision b of section 11-412.4 of this title.*

(iv) *The notice required by this subdivision shall also include information regarding installment agreements authorized by sections 11-322 and 11-322.1 of this chapter and provide instructions for owners to request applications for such installment agreements or to request further guidance from the department about such agreements.*

(v) *The notice required by this subdivision shall indicate that, upon request by an owner, the department shall provide information regarding, and applications forms for, exemptions that would allow, if applicable, any tax lien or tax liens on such property to be excluded from a tax lien sale.*

(vi) *The notice required by this subdivision shall also provide the contact information for any organization with which the city has contracted to assist with any outreach and engagement required by such subdivision.*

(vii) *Not later than ninety days, sixty days, thirty days and ten days prior to the date of sale of a tax lien or tax liens, the department of finance shall submit to the council a list, disaggregated by council district, of all properties noticed for sale pursuant to paragraph 1 of subdivision b of this section containing the following information for each property on such list:*

(a) *the street address and the borough, block, and lot of such property;*

(b) *the property owners of record;*

(c) *the community board and community board district within which such property is located;*

(d) *the amount that, if paid, would render the tax lien or tax liens on such property ineligible to be sold in accordance with section 11-319 of this chapter; and*

(e) *the sum of the tax lien or tax liens on such property, disaggregated by the amount of the lien arising from the nonpayment of property taxes, the amount of any lien arising from the nonpayment of water and sewer charges, provided that the department of environmental protection has provided such information to the*

department of finance, the amount of any lien arising from emergency repair program charges, and the amount of any other lien that contributes to the sum of the tax lien or tax liens on the property.

3. The notice provided not less than ninety days prior to the date of sale shall also include information relating to the lien sale process, including, but not limited to, actions homeowners can take if a lien is sold on such property; the type of debt that can be sold in a lien sale; a timeline of statutory notifications required pursuant to this section; a clear, concise explanation of the consequences of the sale of a tax lien; the telephone number and electronic mail address of the employee or employees designated pursuant to subdivision f of this section; a conspicuous statement that the owner of the property may enter into a payment plan for exclusion of a tax lien from the tax lien sale; and credits and property tax exemptions that may exclude certain class one real property from a tax lien sale. Such notice shall also include information on the following real property tax exemptions, credit or other benefit:

- (i) the senior citizen homeowner exemption pursuant to section 11-245.3 of this title;
- (ii) the exemption for persons with disabilities pursuant to section 11-245.4 of this title;
- (iii) the exemption for veterans pursuant to section four hundred fifty-eight of the real property tax law, with respect to real property purchased with payments received as prisoner of war compensation from the United States government;
- (iv) the exemption for veterans pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law;
- (v) the state circuit breaker income tax credit pursuant to subsection (e) of section six hundred six of the tax law; and
- (vi) the active duty military personnel benefit pursuant to department of finance memorandum 05-3, or any successor memorandum thereto[.

Upon such property owner's written request, or verbal request to 311 or any employee designated pursuant to subdivision f of this section, a Chinese, Korean, Russian or Spanish translation of such notice shall be provided promptly to such property owner]; *and*

(vii) any program authorized by the New York city water board and administered by the department of environmental protection that would exclude such property from the sale of tax liens.

§ 7. Subdivision c-1 of section 11-320 of the administrative code of the city of New York, as added by local law number 4 for the year 2017, is amended to read as follows:

c-1. Where a tax lien on property in the city has been noticed for sale pursuant to subdivision b of this section and such lien, prior to the date of sale, has been paid, *has been removed from such sale pursuant to subdivision b of section 11-412.3 of this title* or is otherwise determined by the commissioner not to be eligible to be sold, the commissioner shall promptly provide written notification to the owner of such property that such lien will not be or was not included in such sale and the reason therefor.

§ 8. Section 11-320 of the administrative code of the city of New York is amended by adding a new subdivision f-1 to read as follows:

f-1. Any notice to a property owner required by this section and any notice to a person who has registered pursuant to section 11-309 of this chapter, or who has provided notice to the commissioner of finance pursuant to section 11-416 or section 11-417 of this title shall also be available in any of the designated citywide language as defined in section 23-1101, and such notice shall indicate such availability.

§ 9. Subdivisions g, i, and j of section 11-320 of the administrative code of the city of New York, subdivision g as amended by local law number 45 for the year 2019, subdivision i as added by local law number 14 for the year 2015, and subdivision j as amended by local law number 24 for the year 2021, are amended to read as follows:

g. No later than one hundred twenty days after the [tax lien] *date of sale*, the commissioner of finance shall submit to the council a list of all properties, identified by block and lot, noticed for sale pursuant to subdivision b of this section. Such list shall also include a description of the disposition of such properties that shall include, but not be limited to, [whether an owner entered into a payment plan with the city pursuant to section 11-322 or 11-322.1 of this chapter, whether an owner satisfied the tax lien or liens, whether ownership of the property was transferred, provided that such information is available to the city, or whether the property was distressed, as defined in subdivision four of section 11-401 of this title, or removed from the sale pursuant to the discretion of the commissioner of the department of housing preservation and development] *the sum of the tax lien or tax liens noticed for sale, disaggregated by the groups of properties described in subparagraphs (i) and (ii) of*

paragraph 1 of subdivision h of this section; the reasons provided for removal of any tax lien from a tax lien sale, based on records maintained by the department of finance, including but not limited to, payment, entry into installment agreement, and removal pursuant to section 11-412.3 of this title.

i. On a quarterly basis, a purchaser of tax liens shall provide to the *speaker of the council* a property status report. For each property, such report shall include: (1) information about such property, including property tax class; property type; description of the tax lien or tax liens that have been sold to such purchaser on such property pursuant to this chapter, including the amount of the tax lien or tax liens *sold*, the costs of any advertisements and notices given pursuant to this chapter; the amount of the surcharge pursuant to section 11-332 of this chapter; *the date that the tax lien or tax liens were sold by the city*; [and] the amount of interest and penalties thereon; *and if applicable, whether a tax lien or tax liens was transferred to another entity*; and (2) the status of the tax lien or tax liens, including foreclosure information *such as the start date of the foreclosure proceeding and the date the property was foreclosed upon*, if applicable; whether the property owner entered into an installment agreement; whether the property owner is current on such installment agreement; *the amount collected by such purchaser from the property owner*; *the outstanding balance on the tax lien or tax liens*; and whether the tax lien or tax liens on such property have been deemed defective, and, if so, the reason any such lien was deemed defective. Each property listed in the report shall be identified by block and lot.

j. At the request of a council member, the commissioner of finance, in consultation with the commissioner of housing preservation and development and the commissioner of environmental protection, may conduct outreach sessions in the district of such council member, provided, however, that, the commissioner of finance shall conduct such outreach sessions in the ten council districts with the greatest number of properties for which a notice of intention to sell a tax lien has been mailed ninety days prior to the date of sale pursuant to paragraph one of subdivision b of this section, and provided, further, however, that, such commissioner shall conduct additional outreach sessions in the five council districts with the greatest number of properties for which a notice of intention to sell a tax lien has been mailed ninety days prior to the date of sale pursuant to such paragraph. To the extent practicable, the commissioner of finance shall schedule the outreach sessions in the five council districts described in the preceding sentence such that one occurs prior to the mailing of the notice of intention to sell a tax lien that is required to be mailed thirty days prior to the date of sale pursuant to paragraph one of subdivision b of this section and one occurs subsequent to such mailing. The scope of such outreach sessions shall include, but need not be limited to, (i) actions property owners can take if a lien is sold on such property; (ii) the type of tax lien or tax liens that can be sold in a tax lien sale; (iii) installment agreement information, including informing attendees in such outreach sessions of their option to enter into an installment agreement for exclusion from the tax lien sale with no down payment, with options for income-based installment agreements or installment agreements with a term of up to ten years; (iv) credits and property tax exemptions that may exclude a property from a tax lien sale; (v) distribution of a customer survey to property owners who have received notice of the intention to sell a tax lien on their property, in order to determine the circumstances that led to the creation of the lien; [and] (vi) *information about the option for the tax lien or tax liens on a property classified as class one, other than property held in the cooperative or condominium form of ownership, and on a dwelling unit in a condominium, to be removed from the tax lien sale pursuant to subdivision b of section 11-412.3 of this title*; (vii) *information about the option for an owner of certain class one property to elect to subject such property to the summary foreclosure action set forth in section 11-412.5 of this title*; and (viii) any other credit or residential real property tax exemption information, which, in the discretion of the commissioner, should be included in such outreach sessions. The commissioner shall make a good faith effort to have a financial counselor available at such outreach sessions. No later than ninety days after the tax lien sale, the commissioner of finance shall submit to the council a report on the number of outreach sessions performed in each council district during the ninety-day period preceding the tax lien sale. Such report shall include: (i) the number of installment agreements begun by property owners or, as defined in subdivision b of section 11-322 of this chapter, other eligible persons, acting on behalf of property owners at each outreach session; (ii) the number of property tax exemption applications begun at each outreach session; (iii) the total number of attendees at each outreach session; (iv) the number of outreach sessions at which a financial counselor was available; (v) the number of property owners, or other eligible persons acting on behalf of property owners, who consulted a financial counselor at each outreach session at which a financial counselor was available; and (vi) the results of such surveys. Such report and the results of each outreach session shall be disaggregated by council district.

§ 10. Section 11-320 of the administrative code of the city of New York is amended by adding a new subdivision l to read as follows:

l. Beginning July first, two thousand twenty-four, the commissioner of housing preservation and development, in consultation with the commissioner of finance and the commissioner of environmental protection, shall make good faith efforts to establish a procedure to contact the owner of record of any class one property or class two property that is a residential condominium or residential cooperative that has been included in the notice of sale required pursuant to subdivision a of this section, and any other person who has registered pursuant to section 11-309 of this chapter or who has provided notice to the commissioner of finance pursuant to section 11-416 or section 11-417 of this title in relation to such property, to inform them of relevant homeownership counseling and support services that the city, or a not-for-profit organization identified by the commissioner of housing preservation and development, provides and to assist in submitting any application for any exemption, credit or other benefit that would operate to exclude the property from a tax lien sale. The commissioner of housing preservation and development shall prioritize, to the extent practicable, in-person interactions and telephonic communications, but may also include electronic communications and mailings. No later than one year after the enactment of the local law that added this subdivision, and annually thereafter, the commissioner of housing preservation and development shall provide a report to the speaker of the council regarding the outreach described in this subdivision that was conducted during the prior year, including a summary of the outreach activities and the number of homeowners reached. In determining the most effective way to provide such outreach, the commissioner of housing preservation and development may prioritize contacting owners of record of, and such other persons who have registered pursuant to section 11-309 of this chapter or who have provided notice to the commissioner of finance pursuant to section 11-416 or section 11-417 of this title for, properties located in the council districts, as determined by the commissioner of housing preservation and development, with the greatest number of class one properties and class two properties that are residential condominiums or residential cooperatives for which a notice of intention to sell a tax lien has been mailed, the council districts with the lowest average median income, as determined by such commissioner, or properties for which such commissioner determines the owners of such property have a cumulative income below a threshold determined by such commissioner. Failure by the department of housing preservation and development to contact any such owner or any such person shall not affect the validity of any sale of tax liens pursuant to this chapter.

§ 11. The opening paragraph of subdivision b of section 11-322 of the administrative code of the city of New York, as amended by local law number 4 for the year 2017, is amended to read as follows:

In accordance with rules promulgated by the commissioners of finance and environmental protection, a property owner, or other eligible person, as defined by rule, acting on behalf of an owner, may enter into agreements with the departments of finance and environmental protection for the payment in installments of any delinquent real property taxes, assessments, sewer rents, sewer surcharges, water rents, or any other charges that are made a lien subject to the provisions of this chapter, *provided that any agreement with the department of environmental protection shall be subject to title 2-A of article 5 of the public authorities law and the rules of the New York city water board.* The proposed sale of a tax lien or tax liens on property shall be cancelled when a property owner, or other eligible person acting on behalf of an owner, enters into an agreement with the respective agency for the payment of any such lien. *Such proposed sale of a tax lien or tax liens on property shall be cancelled when such property owner, or such other eligible person acting on behalf of such owner, submits either a signed complete application or a signed, but incomplete application to the department of finance, for such an agreement, provided that such department shall not be required to cancel such proposed sale due to the submission of a signed, but incomplete application more than once in any five year period. The tax lien or tax liens on such property may be included in the tax lien sale subsequent to the next tax lien sale if a completed application is not submitted within 45 days of the date the request was sent for additional information or the application was denied.* Such rules shall also provide that such property owners or such other eligible persons be given information regarding eligibility for real property tax exemption programs prior to entering into such agreements. As used in this subdivision, the term "other eligible person" shall include a fiduciary, as defined in paragraph three of subdivision (a) of section 11-1.1 of the estates, powers and trusts law, acting with respect to the administration of the property of an estate of a decedent who owned the real property as to which an agreement under this subdivision is sought, or on behalf of a beneficiary of such real property from such estate. Any rules promulgated in accordance with this subdivision defining "other eligible person"

shall include in such definition the means by which a beneficiary of real property of the estate of a decedent who owned real property as to which an agreement under this subdivision is sought meets the definition of "other eligible person." Such means shall include the furnishing of any death certificates or other relevant documents that substantiate the claim of a beneficiary that they are the legal owner of the property. Notwithstanding any other provision of this section, no more than one such agreement with each respective agency may be in effect for a property at any one time.

§ 12. Subdivision b of section 11-322.1 of the administrative code of the city of New York, as added by local law number 45 for the year 2019, is amended to read as follows:

b. A property owner who satisfies the requirements described in subdivision c and d, e [or] f, *or f-1* of this section may enter into an agreement with the department pursuant to this section for the payment in installments of real property taxes, assessments or other charges that are made a lien subject to the provisions of this chapter, except for sewer rents, sewer surcharges or water rents. The entry into an installment agreement pursuant to this section shall not suspend the accrual of interest charged against the property pursuant to section 11-301. A property owner may only have one installment agreement with the department in effect at any one time.

§ 13. Paragraph 3 of subdivision c of section 11-322.1 of the administrative code of the city of New York, as amended by local law number 24 for the year 2021, is amended to read as follows:

3. The combined income of the applicant and of all the additional property owners may not exceed [\$86,400] *the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law* for the income tax year immediately preceding the date of the application for the installment agreement. The department shall promulgate rules that establish a process for an applicant to seek an exception from the requirement that income information from all additional property owners be provided in cases of hardship.

§ 14. Section 11-322.1 of the administrative code of the city of New York is amended by adding a new subdivision f-1 to read as follows:

f-1. Eligibility requirement for deferral installment agreement. In addition to the requirements set forth in subdivision c of this section, to be eligible to enter into a deferral installment agreement pursuant to subdivision n-1 of this section, the assessed value of the property that would be subject to such agreement must be two hundred fifty thousand dollars or less and the applicant must demonstrate to the department that the quotient of the most recent installment of tax due pursuant to subdivision 2 of section 1519-a of the charter divided by one quarter of the combined income of such applicant and of all the additional property owners exceeds 10 percent.

§ 15. Paragraph 3 of subdivision g of section 11-322.1 of this section, as added by local law number 45 for the year 2019, is amended to read as follows:

3. An applicant may select a monthly or quarterly payment schedule and may also select the amount that is required to be paid under the applicable installment agreement pursuant to the options available pursuant to subdivision l, m [or] n *or n-1*.

§ 16. Subparagraph (b) of paragraph 2 of subdivision h of section 11-322.1 of the administrative code of the city of New York, as added by local law number 45 for the year 2019, is amended to read as follows:

(b) the combined income of such applicant and of all the additional property owners does not exceed [\$58,399] *the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law* for the income tax year immediately preceding the date of the renewal of such installment agreement, except that an applicant for the renewal of a fixed length income-based installment agreement pursuant to subdivision m of this section is not required to submit income information.

§ 17. Subdivision h of section 11-322.1 of the administrative code of the city of New York is amended by adding a new paragraph 3 to read as follows:

3. The department may promulgate rules that establish a process for an applicant to make the demonstration required by paragraph 2 of this subdivision by self-certification.

§ 18. Paragraph 2 of subdivision i of section 11-322.1 of the administrative code of the city of New York, as added by local law number 45 for the year 2019, is amended to read as follows:

2. A property for which an application has been submitted that contains proof of income and, for a senior low-income installment agreement described in subdivision l, proof of age, and that is signed, but is otherwise incomplete, shall be withdrawn from the next tax lien sale, *provided that such department shall not be required to withdraw a property due to the submission of a signed, but otherwise incomplete application more than once in any five year period.* Such property, however, may be included in the tax lien sale subsequent to the next tax

lien sale if a completed application is not submitted within 45 days from the date of the additional information request notice sent to the applicant by the department or if the completed application is denied.

§ 19. Subdivision i of section 11-322.1 of the administrative code of the city of New York is amended by adding a new paragraph 3 to read as follows:

3. A tax lien or tax liens on a property for which an installment agreement has been executed may be sold only in accordance with paragraph 2 of subdivision k of this section.

§ 20. Paragraphs 1 and 6 of subdivision j of section 11-322.1 of the administrative code of the city of New York, as added by local law number 45 for the year 2019, are amended to read as follows:

1. Each approved installment agreement shall set forth terms of repayment, including (i) the frequency of payments, (ii) the percentage of the taxes and charges that forms the basis of the required payment for the senior low-income installment agreement described in subdivision l, or the percentage of the combined income of the property owners for the income tax year immediately preceding the initial application that forms the basis of the required payment for the installment agreement for the fixed length income-based[and], the extenuating circumstances income-based installment agreements *and the deferral installment agreement* described in subdivision m [and], n *and n-1* respectively, (iii) the payment schedule and (iv) the payment amount.

6. If the combined income of all of the property owners exceeds [\$58,399] *the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law* for the income tax year immediately preceding the date of making a renewal application pursuant to subdivision h of this section, the applicant shall pay all taxes and charges imposed against the property after the date of such renewal application as such taxes and charges become due, in addition to the payment amount set forth in such installment agreement.

§ 21. Paragraph 2 of subdivision k of section 11-322.1 of the administrative code of the city of New York, as added by local law number 45 for the year 2019, is amended to read as follows:

2. If an installment agreement is terminated, all taxes and charges that accrued before such termination are required to be paid. If such taxes and charges are not paid within nine months of such termination, the tax lien or tax liens on such property may be sold. Notwithstanding the preceding sentence, if an agreement is terminated pursuant to subparagraph (c) of paragraph 1 of this subdivision, a surviving spouse has 18 months from the death of the applicant to pay all taxes and charges on such property before the tax lien or tax liens on such property may be sold. If such surviving spouse is a property owner he or she may enter into a separate installment agreement pursuant to section 11-322 or subdivision l, m [or], n *or n-1* of this section, as long as he or she meets the eligibility requirements for the respective installment agreement.

§ 22. Section 11-322.1 of the administrative code of the city of New York is amended by adding a new subdivision n-1 to read as follows:

n-1. Deferral installment agreement. 1. At the option of the applicant, a deferral installment agreement may provide for payments for a fixed period of time or for payments without a fixed period of time. If the applicant selects an installment agreement with a fixed period of time, the applicant may select the term of the agreement. The applicant may switch from an installment agreement without a fixed time period to an installment agreement with a fixed time period, or from an installment agreement with a fixed time period to an installment agreement without a fixed time period, at any point during the installment agreement.

2. A deferral installment agreement shall provide for the payment of both a percentage of taxes and charges that have accrued, if any, and a percentage of taxes and charges that will accrue after the date of the installment agreement.

3. The annual payment amount required pursuant to this subdivision shall be based on the greater of: (i) 10 percent of the combined income of the applicant and of all the additional property owners; or (ii) \$1,500.

§ 23. Section 11-332 of the administrative code of the city of New York is amended by adding new subdivisions c and d to read as follows:

c. Notwithstanding any other provision of this chapter, for any tax lien sold after July 1, 2024, the holder of a tax lien certificate shall not be entitled to collect the portion of any tax lien representing the surcharge set forth in subdivision b of this section for any tax lien certificate for which:

1. an owner of the property described in the tax lien certificate submits documentation demonstrating that such owner satisfies the criteria described in subdivision d of this section; and

2. such holder receives all other amounts that such holder is entitled to receive pursuant to this section and such holder has not commenced a foreclosure proceeding to receive such amounts.

d. 1. The owner:

(i) has used such property as their primary residence for an uninterrupted period of 12 months immediately preceding the date on which such owner makes the submission required by subdivision c of this section, provided that a hospitalization or temporary stay in a nursing home or rehabilitation facility for a period of not more than three years shall not be considered a change in primary residence; or

(ii) has received a real property tax exemption pursuant to section 425 of the real property tax law or a school tax relief credit pursuant to subsection (eee) of section 606 of the tax law for such property for the fiscal year immediately preceding the fiscal year in which such owner makes the submission required by subdivision c of this section;

2. The income of the household of such owner, as defined by rule of the department considering the purposes of tax collection and the procedures described in section 11-412.3 and section 11-412.4 of this title, shall be no greater than the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law; and

3. The owner of such property does not own any real property classified as class one, class two or class four property in the city of New York other than the property described in the tax lien certificate.

§ 24. Chapter 4 of title 11 of the administrative code of the city of New York is amended by adding new sections 11-412.3, 11-412.4, 11-412.5, and 11-412.6 to read as follows:

§ 11-412.3 *Removal of certain tax liens from the tax lien sale for certain properties.*

a. Definitions. For the purposes of this section and sections 11-412.4, 11-412.5, and 11-412.6, the following terms have the following meanings:

Arm's length transaction. The term "arm's length transaction" means a sale or a transfer of a fee interest in property or in a dwelling unit in good faith and for valuable consideration, that reflects the fair market value of such property or such dwelling unit, in the open market, between two informed and willing parties, where neither is under any compulsion to participate in the transaction, unaffected by any unusual conditions indicating a reasonable possibility that the sale or transfer was made for the purpose of permitting the original owner to avoid the effect of the limitation on the number of times that the department of finance may remove a tax lien or tax liens from the tax lien sale pursuant to subdivision b of this section. The following sales or transfers shall be presumed not to be arm's length transactions unless adequate documentation is provided demonstrating that the sale or transfer was not conducted, in whole or in part, for the purpose of permitting the original owner to avoid the effect of the limitation on the number of times that the department of finance may remove a tax lien or tax liens from the tax lien sale pursuant to subdivision b of this section:

1.a sale or transfer between relatives; or

2.a sale or transfer between a related corporate entity or partners or principals of a business or corporate entity; or

3.a sale or transfer affected by other facts or circumstances that would indicate that such sale or transfer is entered into for the primary purpose of permitting the original owner to avoid the effect of the limitation on the number of times that such department may remove a tax lien or tax liens from the tax lien sale pursuant to subdivision b of this section.

City note. The term "city note" means: (i) a note provided to the city of New York by a qualified preservation purchaser in the amount of the outstanding tax liens on a property as of the date immediately preceding the date of the delivery of the deed conveying full and complete title to such property to such qualified preservation purchaser pursuant to subdivision j of section 11-412.5 of this chapter, other than outstanding sewer rents, sewer surcharges, or water rents, as such terms are defined in section 11-301 of this title, on such property; and (ii) a note provided to the New York city water board by a qualified preservation purchaser in the amount of the outstanding sewer rents, sewer surcharges, or water rents, as such terms are defined in section 11-301 of this title, as of such date.

Department. The term "department" means the department of finance.

Dwelling unit. The term "dwelling unit" means a dwelling unit in a condominium.

Income. The term "income" means the adjusted gross income for federal income tax purposes as reported on an owner's federal or state income tax return for the most recent calendar year or fiscal year for which an owner filed a federal or state income tax return, subject to any subsequent amendments or revisions; provided that if no such return was filed during the previous five calendar years, "income" means the adjusted gross income that would have been so reported if such a return had been filed.

Limited equity property. The term “limited equity property” means a real property that is subject to all of the restrictions contained in the regulatory agreement described in paragraph (1) of subdivision a of section 11-412.4 of this chapter.

Owner. The term “owner” means a natural person who has a fee interest in a property or a dwelling unit.

Property. The term “property” means real property classified as class one pursuant to section 1802 of the real property tax law, except any such property held in the cooperative or condominium form of ownership.

Qualified preservation purchaser. The term “qualified preservation purchaser” means a housing development fund company, as defined in section 572 of the private housing finance law.

Real property classified as class one, class two or class four property. The term “real property classified as class one, class two or class four property” means property classified as class one, class two or class four property, as such classes of property are defined in subdivision 1 of section 1802 of the real property tax law.

Sales price equity. The term “sales price equity” means the difference, if any, after subtracting: (i) the sum of: (A) any lien on such property created by the execution of a note for the purpose of obtaining financing to be used solely to repair or rehabilitate such property as of the date the sales price equity is paid to the tenant; (B) the city note; (C) administrative costs, as specified in the regulatory agreement described in paragraph (1) of subdivision a of section 11-412.4 of this chapter; and (D) any other outstanding liens, charges or fees, including but not limited to rent charges, due to a qualified preservation purchaser under a lease for such property, or pursuant to the terms of such regulatory agreement, as of such date, from (ii) the price for which such property has been sold by such qualified preservation purchaser as a limited equity property, in accordance with such regulatory agreement, provided that if such property has not been sold by such qualified preservation purchaser as a limited equity property, the price shall be the price for which such property could be sold as a limited equity property in accordance with such regulatory agreement.

Synthetic equity. The term “synthetic equity” means the difference, if any, after subtracting: (i) the sum of: (A) any lien on such property created by the execution of a note for the purpose of obtaining financing to be used solely to repair or rehabilitate such property as of the date the synthetic equity is paid to the tenant; (B) the city note; (C) administrative costs, as specified in the regulatory agreement described in paragraph (1) of subdivision a of section 11-412.4 of this chapter; and (D) any other outstanding liens, charges or fees, including but not limited to rent charges, due to a qualified preservation purchaser under a lease for such property, or pursuant to the terms of such regulatory agreement, as of such date; from (ii) the market value of such property, as reflected on the final assessment roll delivered most recently by the department to the city council pursuant to section 11-218 of this title, as of the date of the delivery of the deed conveying full and complete title to the qualified preservation purchaser pursuant to subdivision j of section 11-412.5 of this chapter.

Tax lien. The term “tax lien” has the same meaning as provided in section 11-301 of this title.

Tenant. The term “tenant” means the owner, as of the date and time on which title for the property in which such owner had a fee interest was conveyed to the qualified preservation purchaser pursuant to the summary foreclosure action set forth in section 11-412.5.

b. Removal from the tax lien sale. Notwithstanding any inconsistent provision of section 11-319 of this title to the contrary, the tax lien or tax liens on a property or on a dwelling unit shall not be sold pursuant to such section when the owner of such property or such dwelling unit requests that such tax lien or tax liens be removed from a sale of tax liens, provided that such property or dwelling unit satisfies the requirements described in paragraphs 1 through 3 of subdivision c of this section, and provided, further, that the department may remove a tax lien or tax liens from a sale of tax liens, pursuant to this subdivision, no more than three times and that such department shall not remove any such tax lien later than thirty-six months after the date of sale immediately succeeding the date such department has removed such tax lien or such tax liens for the first time, provided that such thirty-six month period shall be tolled for the duration of time in which such property is subject to an installment agreement that is not in default pursuant to sections 11-322 or 11-322.1 or is subject to any exemption, credit or other benefit that would operate to exclude the property from a tax lien sale. Where such property or dwelling unit has been sold pursuant to an arm’s length transaction or all tax liens on such property or such dwelling unit have been satisfied, the tax lien or tax liens on such property or on such dwelling unit shall not be sold pursuant to section 11-319 when the owner of such property or such dwelling unit requests that such tax lien or tax liens be removed from a sale of tax liens, provided that such property or dwelling unit satisfies the requirements described in the preceding sentence. Any removals of a tax lien or tax liens on such property or such dwelling unit pursuant to this subdivision prior to such transaction or prior to the satisfaction

of such liens shall not be considered in determining whether the department may remove a tax lien or tax liens on a property or on a dwelling unit from a sale of tax liens pursuant to this subdivision. The department of finance shall review any request to be removed from a sale of tax liens pursuant to this subdivision that is submitted prior to the date of sale of any such tax lien or tax liens, provided that if the department of finance determines, after the date of such a sale, that a property, for which a request was submitted prior to such a sale, satisfies the requirements described in paragraphs 1 through 3 of subdivision c of this section, then such tax lien or tax liens shall be deemed defective.

c. Requirements for removal of a tax lien or tax liens from a sale of tax liens. Eligibility for removal of a tax lien or tax liens on a property or on a dwelling unit from a sale of tax liens pursuant to subdivision b of this section requires that an owner of such property or such dwelling unit demonstrates the following:

1. The owner:

(a) has used such property or such dwelling unit as their primary residence for an uninterrupted period of 12 months immediately preceding the request by such owner for removal of a tax lien or tax liens from a sale of tax liens, provided that a hospitalization or temporary stay in a nursing home or rehabilitation facility for a period of not more than three years shall not be considered a change in primary residence; or

(b) has received a real property tax exemption pursuant to section 425 of the real property tax law or a school tax relief credit pursuant to subsection (eee) of section 606 of the tax law for such property or such dwelling unit for the fiscal year immediately preceding the fiscal year in which such owner requested removal of a tax lien or tax liens from a sale of tax liens;

2. The income of the household of such owner, as defined by rule of the department considering the purposes of tax collection and the procedures described in subdivision b of this section and in section 11-412.4, shall be no greater than the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law; and

3. The owner of such property or such dwelling unit does not own any real property classified as class one, class two or class four property in the city of New York other than the property or dwelling unit on which the tax lien or tax liens are sought to be removed from the sale of tax liens.

d. The department shall promulgate rules establishing procedures for requesting that a tax lien or tax liens on a property or a dwelling unit be removed from a sale of tax liens and appealing a denial of a request that a tax lien or tax liens on a property or a dwelling unit be removed from a sale of tax liens. Such rules may include a time period within which the department will respond to a request, by an owner of a property or a dwelling unit, that such tax lien or tax liens be removed, a time period within which an owner could appeal a denial of such request, and a time period within which such department will respond to such appeal.

§ 11-412.4 Voluntary in-rem action for certain properties. a. Summary foreclosure, conveyance of title to qualified preservation purchaser. No later than 6 months, after the date of sale, as defined in subdivision e of section 11-320 of this title, of a tax lien or tax liens on a property, as defined in section 11-412.3 of this chapter, the owner of such property may elect to subject such tax lien or tax liens on such property to the summary foreclosure action set forth in section 11-412.5 of this chapter, provided that the criteria described in paragraphs 1 through 5 of subdivision b of this section are satisfied at the time of such election, and, provided further, that upon selection of the qualified preservation purchaser, such owner and such qualified preservation purchaser agree that, upon the delivery of a deed conveying to such qualified preservation purchaser full and complete title to such property, pursuant to subdivision j of section 11-412.5 of this chapter, such qualified preservation purchaser shall lease such property to the tenant for a period of at least 99 years, and the qualified preservation purchaser further agrees:

1. to enter into a regulatory agreement with the department of housing preservation and development requiring operation of the property as housing for low income persons and families, as provided under article 11 of the private housing finance law, and such other conditions as such department may require;

2. to execute a city note and to record the lien created by such note, in a first priority position, against such property, provided that such lien may be subordinated to a lien created by a note executed subsequent to the date of delivery of such deed for the purpose of obtaining financing to be used solely to repair or rehabilitate such property;

3. to execute a note to the tenant in an amount equal to the sales price equity of such property and record the lien created by such note, in a second priority position, against such property, provided that:

(a) in the event the restrictions contained in the regulatory agreement between the qualified preservation purchaser and the department of housing preservation and development requiring operation of the property as housing for low income persons and families, as provided under article 11 of the private housing finance law, have been voided, nullified or otherwise made inapplicable to such property, the amount of such note shall be adjusted to reflect the synthetic equity;

(b) such lien may be subordinated to a lien created by a note executed subsequent to the date of delivery of such deed for the purposes of obtaining financing to be used solely to repair or rehabilitate such property; and

(c) the amount payable on such note may be reduced upon agreement between the tenant and the qualified preservation purchaser and subject to the conditions in such regulatory agreement; and

4. to take the following actions, upon written direction by the tenant and after such tenant has vacated the property: (i) terminate the lease of such tenant; and (ii) pay the amount due on the note executed to the tenant and pay the amount due on any note that was executed subsequent to the date of delivery of such deed for the purpose of obtaining financing to be used solely to repair or rehabilitate such property, or authorize a person to pay such notes on behalf of such qualified preservation purchaser, provided that the department of housing preservation and development may require the satisfaction of any other note executed by such qualified preservation purchaser that has created a lien against such property.

b. Requirements to subject a tax lien or tax liens to the summary foreclosure action set forth in section 11-412.5 of this chapter. Eligibility to subject a tax lien or tax liens on a property to the summary foreclosure process set forth in section 11-412.5 of this chapter requires that the owner of such property demonstrates the following:

1. The property has served as the primary residence of such owner for an uninterrupted period of 12 months immediately preceding the date such owner signs the form described in paragraph 1 of subdivision d of this section indicating their electing to subject the tax lien or tax liens on such property to the summary foreclosure action set forth in section 11-412.5, provided that a hospitalization or temporary stay in a nursing home or rehabilitation facility for a period of not more than three years shall not be considered a change in primary residence;

2. The income of the household of such owner, as defined by rule of the department considering the purposes of tax collection and the procedures described in subdivision b of section 11-412.3 and this section, shall be no greater than the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law;

3. The owner of such property does not own any real property classified as class one, class two, or class four property in the city of New York other than the property for which such owner seeks to subject the tax lien or tax liens to the summary foreclosure action set forth in section 11-412.5;

4. The owner of such property certifies that there are no mortgages, liens or encumbrances on such property other than the tax lien or tax liens on such property; and

5. The owner of such property certifies that such owner has consulted with an attorney regarding their election of the summary foreclosure action.

c. Subject to appropriations, the department, or another agency designated by the mayor, shall make available the services of an attorney to an owner of property who elects to subject the tax lien or tax liens on such property to the summary foreclosure action for the purpose of satisfying the requirement described in paragraph 5 of subdivision b of this section and shall make available such services at no cost to such owner.

d. The department, in consultation with the department of housing preservation and development, shall notify the owner of a property about the option to elect to subject the tax lien or tax liens on such property to the summary foreclosure action set forth in section 11-412.5 within 30 days after the date of sale, as defined in subdivision e of section 11-320 of this title, of such tax lien or tax liens on such property. Such notification shall include, but not be limited to, the following:

1. information about the consequences of the tax lien sale for such owner;

2. information about eligibility requirements to elect the summary foreclosure action, including the requirement that such owner consult with an attorney prior to certifying their election to subject the tax lien or tax liens on such property to such summary foreclosure action, and the consequences of such summary foreclosure action for such owner;

3. information about the lease that a qualified preservation purchaser would make available to a tenant, after such property would be conveyed to such qualified preservation purchaser pursuant to subdivision j of

section 11-412.5, including but not limited to, the affordability of such lease to such tenant and to the heirs of such tenant and the ability of a tenant or the heirs of such tenant to terminate such lease and to be paid the amount due on the note executed to such tenant by such qualified preservation purchaser; and

4. this statement: "PLEASE READ THIS NOTIFICATION CAREFULLY. YOU SHOULD IMMEDIATELY CONTACT AN ATTORNEY OR YOUR LOCAL LEGAL AID OFFICE TO GET ADVICE ON HOW TO PROTECT YOURSELF. YOU SHOULD SPEAK WITH AN ATTORNEY TO UNDERSTAND THE SUMMARY FORECLOSURE ACTION AND TO EVALUATE WHETHER IT IS IN YOUR INTEREST TO ELECT THIS OPTION. IN ADDITION TO SEEKING ASSISTANCE FROM AN ATTORNEY OR YOUR LOCAL LEGAL AID OFFICE, THERE ARE GOVERNMENT AGENCIES AND NON-PROFIT ORGANIZATIONS THAT YOU MAY CONTACT FOR INFORMATION ABOUT THE CONSEQUENCES OF THE TAX LIEN SALE AND THE SUMMARY FORECLOSURE ACTION. THE CITY OF NEW YORK MAY BE ABLE TO ASSIST WITH EXPENSES ASSOCIATED WITH CONSULTING WITH AN ATTORNEY. PLEASE CONTACT THE DEPARTMENT OF FINANCE FOR MORE INFORMATION."

e. The department shall develop forms in which:

1. the owner of a property shall certify: (i) their election to subject the tax lien or tax liens on such property to the summary foreclosure action set forth in section 11-412.5 of this chapter; (ii) that such election has been made after consultation with an attorney; (iii) their election to forego the option to interpose an answer to such action; and (iv) their decision to forego any further option to pay all unpaid tax lien or tax liens on such property together with interest thereon;

2. the qualified preservation purchaser, as designated by the commissioner of housing preservation and development, shall commit to lease the property to the tenant after such property has been conveyed to such qualified preservation purchaser pursuant to subdivision j of section 11-412.5 of this chapter;

3. such qualified preservation purchaser shall commit to enter into a regulatory agreement with the department of housing preservation and development requiring the operation of such property as housing for low income persons and families, as provided under article 11 of the private housing finance law, and to execute a city note and to record the lien created by such note against such property; and

4. such qualified preservation purchaser shall commit to execute a note to the tenant in an the amount equal to the sales price equity of such property and to record the lien created by such note against such property, provided that in the event the restrictions contained in the regulatory agreement between the qualified preservation purchaser and the department of housing preservation and development requiring operation of the property as housing for low income persons and families, as provided under article 11 of the private housing finance law, have been voided, nullified or otherwise made inapplicable to such property, the amount of such note shall be adjusted to reflect the synthetic equity.

f. Selection of qualified preservation purchaser for a property. The department of housing preservation and development shall select a qualified preservation purchaser by any method it determines will best meet the purposes of such selection process, including, without limitation, selection by a request for qualifications process, a request for proposals process, a pre-qualified list, a request for offer process, or by direct selection of an entity determined by such department to be qualified. Such selected qualified preservation purchaser shall: (i) be seized of an estate in fee simple absolute in such property upon the delivery of a deed conveying to such qualified preservation purchaser full and complete title to such property, pursuant to subdivision j of section 11-412.5 of this chapter; (ii) lease such property to the tenant; (iii) enter into a regulatory agreement with the department of housing preservation and development requiring operation of the property as housing for low income persons and families, as provided under article 11 of the private housing finance law, and such other conditions as such department may require; (iv) execute a city note and record the lien created by such note, in a first priority position, against such property; and (v) execute a note to the tenant in an the amount equal to the sales price equity of such property, and record the lien created by such note, in a second priority position, against such property, provided that in the event the restrictions contained in the regulatory agreement between the qualified preservation purchaser and the department of housing preservation and development requiring operation of the property as housing for low income persons and families, as provided under article 11 of the private housing finance law, have been voided, nullified or otherwise made inapplicable to such property, the amount of such note shall be adjusted to reflect the synthetic equity. The criteria for selection of a qualified preservation purchaser shall include: financial capacity, ability to work with governmental and community organizations, experience owning and managing residential property, including experience with affordable

housing, ability to ensure that such property is used for affordable housing, and such other criteria as the department may provide by rule and, may include the preference of such tenant.

g. Subsequent to an election, pursuant to subdivision a of this section, by an owner to subject the tax lien or tax liens on a property to the summary foreclosure action set forth in section 11-412.5 of this chapter, the department of housing preservation and development shall make efforts to select a qualified preservation purchaser for a period not less than 12 months commencing on the date of such election. During such 12-month period, a purchaser of a tax lien or tax liens on a property for which an owner has made such an election shall not maintain an action to foreclose upon such tax lien or tax liens. Upon selection of a qualified preservation purchaser by the department of housing preservation and development, any sale of such tax lien or tax liens shall be deemed defective.

§ 11-412.5 Summary foreclosure action. With the exception of sections 11-408, 11-415, 11-419, and 11-421, sections 11-404 through 11-427 of this chapter shall not apply to the process described in this section.

a. Preparation of notification of summary foreclosure action. Upon receipt by the commissioner of finance of signed and notarized copies of the forms described in subdivision e of section 11-412.4 of this chapter, and upon the completion of reasonable efforts by the commissioner of finance to confirm that there are no mortgages, liens or encumbrances on the property that is the subject of the summary foreclosure action, the commissioner of finance shall prepare a notice of the summary foreclosure action. Such notice shall bear a caption containing the number of such summary foreclosure action, the borough or the section of a tax map or portion of a section of a tax map in which such property is located, the class of such property, and a statement of the rate at which interest will be computed for the liens it includes. Such notification shall include (i) a brief description of such property to be known as "description of property", in a manner sufficient to identify the property, including block and lot number, street and street number, or in the absence of such information the parcel or tract identification number shown on a tax map or on a map filed in the county clerk's or register's office; and (ii) a statement of the amounts and dates of all unpaid tax liens that are subject to foreclosure as of the date of receipt by the commissioner of the forms described in subdivision d of section 11-412.4 of this chapter.

b. Filing of notice of summary foreclosure action. Two duplicate originals of the notice of the summary foreclosure action, prepared pursuant to subdivision a of this section, verified by the commissioner of finance or a subordinate designated by the commissioner, shall be filed in the office of the clerk of the county in which the property is situated. Such filing shall constitute and have the same force and effect as the filing and recording in such office of a notice of pendency of action and as the filing in the supreme court in such county of a complaint by the city as to the property described in such notice, to enforce the payment of the delinquent taxes, assessments or other lawful charges that have accumulated and become liens against such property.

c. Docketing of property by county clerk. Each county clerk with whom such a notice of the summary foreclosure action is filed shall, on the date of said filing, place and thereafter maintain one duplicate original copy thereof, as separately and permanently bound by the commissioner of finance, adjacent to and together with the block index of notices of pendency of action and each county clerk shall, on the date of said filing or as soon thereafter as with due diligence is practicable, docket the property described in said block index of notices of pendency of action, which shall constitute due filing, recording and indexing of the notice constituting such delinquent taxes in lieu of any other requirement under rule 6511 of the civil practice law and rules or otherwise.

d. Filing by commissioner of finance. The commissioner of finance shall file a copy of each notice of the summary foreclosure action, certified as such copy by him or her or a subordinate designated by the commissioner, in the borough office of the department of finance in the borough in which the property listed therein is situated and in the office of the corporation counsel. The validity of any proceeding hereunder shall not be affected by any omission or error of the commissioner of finance in the designation of a street or street number or by any other similar omission or error.

e. Public notice of summary foreclosure. Upon the filing of a notice of the summary foreclosure action in the office of the county clerk, the commissioner of finance forthwith shall cause a notice of foreclosure to be posted on the department's website for 6 successive weeks and published at least once a week for 6 successive weeks in the City Record and, subject to section 91 of the judiciary law, in 1 newspaper, which may be a law journal, to be designated by the commissioner of finance, which is published in and is circulated throughout the county in which the affected property is located. If there are no newspapers published in such county, the commissioner of finance may designate a newspaper published in the city of New York which is circulated throughout the affected county.

1. Such notice of foreclosure shall clearly indicate that it is a notice of a summary foreclosure action of the tax liens on the property subject to the summary foreclosure action; the borough or the section of a tax map or portion of a section of a tax map in which the property subject to the summary foreclosure action is located, the class of such property, and a brief description of such property, sufficient to identify such property, including the block and lot number, street and street number, or in the absence of such information the parcel or tract identification number shown on a tax map or on a map filed in the county clerk's or register's office; where and when the notice of the summary foreclosure action was filed; the general nature of the information contained in such notice; that the filing of the notice of the summary foreclosure action constitutes commencement of a foreclosure action by the city in the supreme court for the particular county and a notice of pendency of action against the property subject to such summary foreclosure action; that such action is against the property only and no personal judgment will be entered; that such notice of the summary foreclosure action will be available for inspection at the borough office of the department of finance in the borough in which said property is located and on the department's website until a specified date at least 10 weeks after the date of first publication; that until such date such property may be redeemed by any person, other than the owner of such property, claiming to have an interest in such property by paying all taxes and charges contained in such notice of the summary foreclosure action together with interest thereon; that during said period of redemption and for an additional period of 20 days after said last date for redemption any person, other than the owner of the property, having an interest in such property may file with the appropriate county clerk and serve upon the corporation counsel a verified answer setting forth in detail the full name of said answering party, the nature and amount of their interest or lien and any legal defense against foreclosure; and that in the absence of redemption or answer a judgment of foreclosure may be taken by default.

2. The commissioner of finance shall cause a copy of such notice of foreclosure to be posted in the office of the commissioner of finance, in the county courthouse of the county in which the property subject to the summary foreclosure action is situated and at 3 other conspicuous places in the borough in which the affected property is located.

f. Redemption. 1. After the filing of a notice of the summary foreclosure action and until a date at least 10 weeks after the first publication of the public notice of foreclosure, as determined by the commissioner of finance and specified in the said notice, a person, other than the owner of the property, claiming to have an interest in such property may redeem it by paying all taxes and charges contained in said notice of foreclosure together with interest thereon.

2. Upon such redemption the commissioner of finance shall deliver to the corporation counsel a certificate of redemption. The corporation counsel shall file such certificate with the clerk of the county in which said notice of the summary foreclosure action was filed. The filing of such certificate shall constitute and be deemed a discontinuance of the summary foreclosure action, and the county clerk shall thereupon note such redemption and discontinuance in the copy of such notice of the summary foreclosure action maintained by such clerk adjacent to the county clerk's block index of notices of pendency of action and shall cancel and discharge any notations of the filing of such notice of the summary foreclosure action that may appear in any other books, records, indices and dockets maintained in said clerk's office. The commissioner of finance shall also deliver a duplicate original certificate of redemption to the person who has redeemed.

3. When the time to redeem in the summary foreclosure action has expired, any person, other than the owner of the property, claiming to have an interest in the property included in said action shall have the right to make a late redemption payment to the commissioner of finance. Such late redemption payment shall consist of all taxes and charges owing on said property and the lawful interest thereon to the date of payment. Such late redemption payment shall be made in cash, by certified check, or by another means authorized by rule of the department and shall be accepted by the commissioner of finance at any time after the last day to redeem up to the date on which the commissioner is advised by the corporation counsel that the preparation of the judgment of foreclosure in the summary foreclosure action has been commenced. Upon receipt of such late redemption payment, the commissioner of finance shall issue a certificate of discontinuance of the summary foreclosure action pursuant to the provisions of section 11-412.6.

g. Stay where answer is interposed; installment agreements authorized. If a duly verified answer is served upon the corporation counsel by any interested party, other than the owner, not later than 20 days after the last date for redemption, such party shall have the right to a stay of the summary foreclosure action upon written demand therefor filed with or made a part of such answer. The corporation counsel shall have a right to a stay

of such action upon written demand to the owner of the property that is the subject of the summary foreclosure action and to the answering party and filed with the court.

1. When such answer is interposed, the court shall summarily hear and determine the issues raised by the complaint and answer in the manner as it hears and determines other actions, except as otherwise provided herein. Proof that the taxes which made said property subject to the summary foreclosure action hereunder together with interest thereon, were paid before filing of the summary foreclosure action or that the property was not subject to tax shall constitute a complete defense.

2. No counterclaim may be asserted in an answer interposed in an action brought pursuant to this section. Where a counterclaim is asserted in an answer brought pursuant to this subdivision, the city may disregard that portion of the answer and shall suffer no legal penalty or impediment in the prosecution of its summary foreclosure action for its failure to reply or respond thereto. Where an answer contains only a counterclaim and no other defenses the city may proceed with the summary foreclosure action without the need for moving against the answer.

3. Where a verified answer alleges a substantial equity over the city's lien for taxes, the interested party who has interposed such answer may demand additional time in which to pay the taxes and interest or to have the property sold with all taxes and interest to be paid out of the proceeds of such sale. Upon such demand such interested party shall have the right to an extension of time for such purpose not in excess of 6 months from the last day to interpose an answer. Where a mortgagee or lienor who has interposed such answer commences a proceeding to foreclose their mortgage or lien and it appears that with due diligence such proceeding cannot be concluded in time to allow the payment of taxes within the aforesaid 6 month period, the court may, on application before the end of said 6 month period, authorize an additional period during which such proceeding may be concluded and the taxes, together with interest, paid.

4. Where an answer of the type described in paragraph 3 of this subdivision is interposed and taxes are paid within the period set forth in such paragraph, the commissioner of finance shall issue a certificate of discontinuance as to the property on which such payment has been made pursuant to the provisions of section 11-412.6. When taxes are not paid within the period set forth in such paragraph 3, it shall be deemed that there was no equity over the city's tax lien and the answer shall be deemed to be without merit. The city in that event may proceed with the summary foreclosure action without moving against the answer interposed by the interested party.

5. All answers interposed in a summary foreclosure action and all affidavits and other papers pertaining to any litigation involving such answers or to any proceeding brought pursuant to this section shall bear a caption containing the number of the summary foreclosure action, the borough section of a tax map or portion of a section of a tax map affected, and the section, block and lot numbers of the parcel or parcels in issue.

6. Any interested party, other than the owner, who has interposed an answer as to the summary foreclosure action, or any other party interested in such property, shall have the right, at any time prior to the final disposition of a motion to strike such answer, to pay all taxes, assessments and other legal charges and interest owing on such property. Where all delinquent taxes, assessments and other legal charges together with lawful interest thereon, where required, are paid, the commissioner of finance shall issue a certificate of discontinuance as to such property pursuant to the provisions of section 11-412.6. Such party may also pay such taxes, assessments and other legal charges and interest by an installment agreement. The terms of such agreement shall be consistent with the provisions of subparagraphs (a) and (b) of this paragraph. The request of an answering party for an installment agreement shall constitute a withdrawal of such party's answer. An installment agreement requested by an interested party other than the answering party shall require the consent of said answering party which shall also constitute a withdrawal of such party's answer. The stay provided for in subparagraph (c) of this paragraph shall be continued during the term of all installment agreements entered into pursuant to this paragraph. Where a default has occurred as to a property that was the subject of a summary foreclosure action which has been stayed pursuant to subparagraph (c) of this paragraph, the corporation counsel shall cause to be entered a supplemental judgment of foreclosure as to such property immediately on notification by the commissioner of finance of such default. Where such installment agreement is paid in full, the commissioner of finance shall discontinue the summary foreclosure action by issuing a certificate of discontinuance pursuant to the provisions of section 11-412.6.

(a) The first installment of an installment agreement entered into pursuant to this paragraph shall be paid upon the filing of the installment agreement with the commissioner and shall be in an amount equal to not less

than fifteen percent of the total amount of the delinquent taxes, assessments or other legal charges and interest. The remaining installments shall be payable quarterly on the first day of July, October, January and April over a period that shall not exceed ten years.

(b) As a condition of entering into any agreement under this paragraph or under paragraph 4 of subdivision j of this section, the commissioner shall have received from the party requesting to pay such taxes, assessments and other legal charges and interest by an installment agreement an affidavit stating that each tenant located on the property has been notified by certified mail that an application for an installment agreement will be made and that a copy of a standard agreement form has been included with such notification. Any false statement in such affidavit shall not be grounds to cancel the agreement or affect its validity in any way.

(c) The corporation counsel shall have the right to a stay of the summary foreclosure action as to any property as to which, before the final judgment authorizing the award of possession of such property was entered, pursuant to subdivision j of this section, an agreement was duly made, executed and filed by any interested party, other than the owner, with the commissioner of finance for the payment of the delinquent taxes, assessments or other legal charges and interest thereon, in installments.

h. Preference over other actions.

1. Any summary foreclosure action brought pursuant to section 11-412.5 shall be given preference over all other causes and actions arising pursuant to state or local law.

2. Actions brought pursuant to section 11-412.5 shall take precedence over any proceeding brought to foreclose a mortgage or other lien involving the same property. A property described in a notice of summary foreclosure action which is sold in a mortgage foreclosure sale held after such notice is filed may not be sold subject to taxes even if judgment has not yet been entered in the summary foreclosure action. All unpaid taxes and interest thereon must be paid, in full or by installment agreement pursuant to the provisions of this section, out of the proceeds of such sale regardless of whether the mortgage foreclosure lis pendens was filed before or after the filing of the notice of summary foreclosure action, regardless of whether any party to the mortgage foreclosure proceeding has interposed an answer in the summary foreclosure action and regardless of any terms to the contrary in the judgment in the mortgage foreclosure proceeding.

i. Presumption of validity. It shall not be necessary for the city to plead or prove the various steps, procedures and notices for the assessment and levy of the taxes, assessments or other lawful charges against the property and all such taxes, assessments or other lawful charges and the lien thereof shall be presumed to be valid. A defendant alleging any jurisdictional defect or invalidity in such taxes, assessments or other lawful charges or in the foreclosure thereof must particularly specify in his or her answer such jurisdictional defect or invalidity and must affirmatively establish such defense. A judgment of foreclosure granted in the summary foreclosure action brought pursuant to this section, which contains recitals that any acts were done or proceedings had which were necessary to give the court jurisdiction or power to grant such judgment of foreclosure, shall be presumptive evidence that such acts were duly performed or proceedings duly had, if such judgment of foreclosure shall have been duly entered or filed in the office of the clerk of the county in which the action was pending and wherein such judgment was granted. The provisions of this section shall apply to and be valid and effective with respect to all defendants even though one or more of them be infants, incompetents, absentees or non-residents of the state of New York.

j. Final judgment and release of property in exceptional circumstances. Notwithstanding any other provision of law to the contrary:

1. The court shall determine upon proof and shall make a finding upon such proof whether there has been due compliance by the city with the applicable provisions of this section, sections 11-412.4, and 11-412.6.

2. The court shall make a final judgment authorizing the award of possession of the property not redeemed as provided in this section and as to which no answer is interposed as provided herein, and authorizing the commissioner of finance to prepare, execute and cause to be recorded a deed conveying full and complete title to the qualified preservation purchaser that committed to lease such property to the tenant upon the delivery of such deed to such qualified preservation purchaser. Any such conveyance to a qualified preservation purchaser shall be for an existing use.

3. Following the expiration of the 4-month period prescribed in paragraph 4 of this subdivision, but not more than 8 months after the date on which, pursuant to paragraph 2 of this subdivision, the final judgment authorizing the award of possession of the property was entered, the commissioner of finance may execute a deed, pursuant to paragraph 2 of this subdivision, with respect to such property. The owner of said property

shall continue to have all of the rights, liabilities, responsibilities, duties and obligations of an owner of such property, including, but not limited to, maintaining such property in compliance with the housing maintenance, building and fire codes, and all other applicable laws, unless and until the commissioner of finance has prepared and executed a deed conveying to the qualified preservation purchaser full and complete title to such property. Upon the execution of such deed, the qualified preservation purchaser shall be seized of an estate in fee simple absolute in such land and all persons, including the state of New York, infants, incompetents, absentees and non-residents who may have had any right, title, interest, claim, lien or equity of redemption in or upon such lands shall be barred and forever foreclosed of all such right, title, interest, claim, lien or equity of redemption. The appointment and tenure of receivers, trustees or any other persons, including administrators under article 7-A of the real property actions and proceedings law, appointed by an order of a court to manage real property, shall terminate when title to such property vests in the qualified preservation purchaser pursuant to the provisions of this section. After such termination, said receivers, trustees or administrators shall be accountable to the courts that appointed them for the faithful performance of their fiduciary obligations during the term of their appointment and to the qualified preservation purchaser for any rents and income received by them for any period subsequent to the date of the vesting of title in such qualified preservation purchaser.

4. Within 4 months after the date on which, pursuant to paragraph 2 of this subdivision, the final judgment authorizing the award of possession of the property was entered, any person, other than the owner, claiming to have an interest in such property shall have the right to make a payment to the commissioner of finance consisting of all taxes, assessments and other legal charges owing on said property, and the lawful interest thereon to the date of payment. Such payment shall be made in cash, by certified check, or by another means authorized by rule by the department. Within such 4 month period, such interested person may also request an installment agreement from the commissioner of finance. Such agreement shall require the payment at such time of a first installment equal to fifty percent of all taxes, assessments and other legal charges, and the lawful interest thereon, then owing on such property, and the payment of the balance of such taxes, assessments and other legal charges and interest in 4 equal quarterly installments together with all current taxes, assessments and other legal charges that accrue during such period. Upon receipt of payment in full of the amount specified in the first sentence of this paragraph, the commissioner of finance shall direct the corporation counsel to prepare and cause to be entered an order discontinuing the summary foreclosure action as to said property, cancelling the notice of pendency of such action as to said property and vacating and setting aside the final judgment. Upon the execution of an installment agreement and payment of the amounts due at the time such agreement is executed as provided in this paragraph, the commissioner of finance shall direct the corporation counsel to prepare and cause to be entered an order vacating and setting aside the final judgment. The entry of either such order shall restore all parties, including owners, mortgagees and any and all lienors, receivers and administrators and encumbrancers, to the status they held immediately before such final judgment was entered. Where the commissioner of finance approves an application requesting an installment agreement pursuant to this paragraph, the order vacating and setting aside the final judgment shall provide that in the event of any default as to the payment of either quarterly installments or current taxes, assessments or other legal charges during the term of such agreement, the corporation counsel, immediately upon notification by the commissioner of finance of such default, shall cause to be entered as to such property a supplemental judgment of foreclosure in the summary foreclosure action which authorizes the commissioner of finance to prepare, execute and cause to be recorded a deed conveying to the qualified preservation purchaser full and complete title to such lands. Upon the entry of such supplemental judgment, the provisions of paragraph 3 of this subdivision, this paragraph, and subdivisions k and l of this section shall apply in the same manner as such paragraphs and such subdivisions would have applied had no payment been made nor installment agreement executed during the 4-month period specified in this subdivision.

k. Every judgment entered pursuant to the provisions of this section shall be presumptive evidence that the action and all proceedings therein and all proceedings prior thereto from and including the assessment of the lands affected and all notices required by law were regular and in accordance with all provisions of law relating thereto. After 4 months from the date of entry of the final judgment authorizing the award of possession of the property pursuant to the provisions of this section, the presumption shall be conclusive. No action to vacate such judgment, or set aside a deed given pursuant to such judgment, may be maintained unless the action is commenced and a notice of pendency of the action is filed in the office of the proper county clerk prior to the time that the presumption becomes conclusive as aforesaid. Should a qualified preservation purchaser to whom

the property has been conveyed pursuant to this section receive notice of a lawsuit or proceeding to vacate a judgment or set aside a deed, such qualified preservation purchaser shall send to the corporation counsel within 10 days of their receipt a copy of any papers served on such qualified preservation purchaser in such lawsuit or proceeding.

l. If the commissioner of finance does not execute a deed conveying to the qualified preservation purchaser the property within 8 months after the entry of final judgment authorizing the award of possession of such property pursuant to paragraph 2 of subdivision j of this section, the commissioner of finance shall direct the corporation counsel to prepare and cause to be entered an order discontinuing the summary foreclosure action as to said property, canceling the notice of pendency of such action as to said property and vacating and setting aside said final judgment. The entry of such order shall restore all parties, including owners, mortgagees and any and all lienors, receivers and administrators and encumbrancers, to the status they held immediately before such final judgment was entered.

m. The validity of any proceeding hereunder shall not be affected by any omission or error of the commissioner of finance in the designation of a street or street number or by any other similar omission or error.

§ 11-412.6 Discontinuance of summary foreclosure action. a. The commissioner of finance may, prior to final judgment, discontinue the summary foreclosure action described in section 11-412.5 for any of the following reasons, (i) a question which the commissioner deems meritorious has been raised as to the validity of the tax liens affecting the property, (ii) the commissioner of finance has accepted a payment of all taxes and interest which rendered the property subject to such summary foreclosure action because the records in the commissioner's office indicated that the principal amount of such taxes was exceeded by the principal amount of subsequent taxes which would not have rendered the property subject to such summary foreclosure and which had been paid prior to the commencement of such summary foreclosure action or (iii) in cases where the summary foreclosure action cannot be maintained such as, but not limited thereto, where the charges which rendered a property subject to foreclosure hereunder have been cancelled or were paid before the commencement of the summary foreclosure action but such payment was not reported or did not clear for payment until after the commencement of said action.

b. To effectuate such discontinuance the commissioner of finance shall deliver a certificate of discontinuance to the corporation counsel who shall file it in the office of the county clerk in which the notice of the summary foreclosure action was filed. The filing of such certificate with such county clerk shall effect a discontinuance of the summary foreclosure action as to the affected parcel, and the county clerk shall thereupon note such discontinuance in the copy of the notice of the summary foreclosure action maintained by him or her adjacent to the county clerk's block index of notices of pendency of action and shall cancel and discharge any and all notations of the filing of said notice of the summary foreclosure action that may appear in any other books, records, indices and dockets maintained in said clerk's office.

c. The commissioner of finance shall also deliver a duplicate original certificate of discontinuance to the person entitled to such discontinuance.

d. The commissioner of finance shall issue a certificate of discontinuance whenever taxes and interest are paid, cancelled, liquidated or otherwise lawfully disposed of as to any parcel subject to a summary foreclosure action which had been stayed pursuant to subdivision g of section 11-412.5 because an answer or litigation was pending.

§ 25. Sections 11-416 and 11-417 of the administrative code of the city of New York are amended to read as follows:

§ 11-416 [Owner's registration cards; mailing] *Mailing tax bills and notices to [registered] owners [or their designees] of real property. a. [The commissioner of finance shall maintain a file of owner's registration cards submitted by owners of real property. Each such owner's registration card shall be signed by the owner or a duly authorized representative and shall state the date on which it was filed, the owner's full name and post office address and a description of the premises by reference to the section, block, and lot numbers on the tax map.*

b.] The commissioner of finance shall mail bills for taxes, charges and assessments to all owners [who have filed owner's registration cards as herein provided] who have notified the commissioner of finance in writing or electronically of the owner's mailing address for communications from the commissioner, at the address so provided, or, if no mailing address has been so provided, to the owner of record at the property address, if any, appearing in the latest assessment roll, but the failure of the commissioner of finance so to mail such bill shall not invalidate or otherwise affect the tax, charge or assessment represented thereby nor prevent the accruing of

any interest or penalty imposed for the non-payment thereof, nor prevent or stay proceedings under this chapter, nor [effect] affect the title of the plaintiff or any purchaser under such proceedings.

[c.]*b.* The commissioner of finance shall also mail notice of foreclosure and any other process required by this chapter to all owners who have [filed owner's registration cards] *notified the commissioner of finance in writing or electronically of the owner's mailing address for communications from the commissioner, at the address so provided*, whenever [the parcels as to which such cards were filed are] a property is included in a list of delinquent taxes filed pursuant to this chapter. The failure to receive such notice or process as herein provided shall not affect the validity of any action or proceeding brought pursuant to this chapter.

[d. An owner who files an owner's registration card may also designate thereon the full name and post office address of a mortgagee, lienor or other person to receive bills and notices. Where such designation is made, the commissioner of finance shall not mail any bills and notices to the owner but shall mail all bills and notices to the owner's designee.]

§ 11-417 [In rem cards; mailing] *Mailing* notices to other interested persons. [a. The commissioner of finance shall, in addition to the file maintained by him or her pursuant to section 11-416 of this chapter, maintain a file of in rem cards submitted by any person having an interest in real property who is not entitled to have tax bills mailed to him or her by the commissioner of finance, including mortgagees, lienors, encumbrancers and owners who have filed owner's registration cards designating someone else to receive bills and notices. Each such in rem card shall be signed by the person filing such card or a duly authorized representative, shall contain a description of the premises by reference to the section, block and lot numbers on the tax map and shall state the date on which said card was filed, the full name and post office address of the person filing said card and the nature of the interest said person has in said premises.

b.] The commissioner of finance shall mail a notice of foreclosure and any other process required by this chapter to each person [who has filed an in rem card] *who is not entitled to have tax bills mailed to such person by the commissioner of finance, but who has notified the commissioner of finance in writing or electronically that he or she has an interest in real property, including the interest of a mortgagee, lienor or encumbrancer, and who has requested the commissioner of finance to mail a notice to him or her at a designated mailing address, at the address so provided*, whenever the [parcels to which such cards refer are] property in which the person has an interest is included in a list of delinquent taxes filed pursuant to this chapter. However, failure to receive such notice or process shall not affect the validity of any proceeding brought pursuant to this chapter.

§ 26. a. The mayor and council shall establish a temporary task force to review the task force subjects of inquiry.

b. The task force shall consist of 10 members, as follows: the commissioner of environmental protection or his or her designee, the director of management and budget or his or her designee, the commissioner of finance or his or her designee, 2 members appointed by the mayor and 5 members appointed by the speaker of the council, 4 of whom must be a member or an employee of the council, and one of whom must be a member of the public with knowledge and experience in areas relevant to the task force subjects of inquiry. Members shall serve without compensation. The members of the task force shall be appointed no later than August 31, 2024. The chairperson shall be elected from among the members. Any vacancy shall be filled in the same manner as the original appointment for the remainder of the unexpired term. The director of management and budget, the commissioners of finance and environmental protection, and the speaker of the council may provide staff to assist the task force in the execution of its duties pursuant to this section. Members of the task force shall serve until the task force submits recommendations to the mayor and the speaker of the council pursuant to subdivision e of this section, after which time such temporary task force shall cease to exist.

c. No later than September 15, 2024, the task force shall hold its initial meeting and thereafter shall meet at least monthly, except as otherwise determined by such task force, to review, evaluate and make recommendations for legislative amendments and changes in administrative policy in relation to the task force subjects of inquiry and such other matters as the task force deems appropriate.

d. No later than May 1, 2025, the task force shall hold a public hearing to receive written and in-person comments and testimony. The task force's preliminary recommendations shall be made publicly available at least twenty days prior to such public hearing.

e. No later than September 15, 2025, the temporary task force shall submit written recommendations to the mayor and the speaker of the council regarding task force subjects of inquiry.

f. For the purposes of this section, the term "task force subjects of inquiry" shall include:

1. the effects of any trust created by the city or in which the city has an ownership or residual interest for the purposes of a negotiated sale pursuant to paragraph 2 of subdivision b of section 11-319 of the administrative code of the city of New York that was established on or before the effective date of this section;
2. potential reforms of such trusts that would:
 - (a) ensure the collection of tax liens is performed in an efficient, timely, and fair manner;
 - (b) reduce the risk that tax liens are sold to such a trust repeatedly in connection with the same property;
 - (c) preserve and produce affordable housing and promote homeownership; and
 - (d) improve transparency of operations and outcomes in the collection of tax liens;
3. whether alternatives to such trust exist, or could be developed, that would have an effect similar to the potential reforms described in paragraph 2 of this subdivision; and
4. any other related subject matters deemed relevant by the task force.

§ 27. a. For each trust created by the city or in which the city has an ownership or residual interest for the purposes of a negotiated sale pursuant to paragraph 2 of subdivision b of section 11-319 of the administrative code of the city of New York that was established on or before July 1, 2024, the department of finance shall, no later than August 1, 2024, publish on its website the following documents:

1. The declaration and agreement of trust, as such declaration and agreement may have been amended or restated;
2. Any purchase agreements, servicing agreements, paying agent and custody agreement, copies of any indenture or bonds, and bond purchase agreements, as each of such documents may have been amended or restated; and
3. The certificate of trust filed with the secretary of state of New York.

b. For any such trust created by the city or in which the city has an ownership or residual interest for the purposes of a negotiated sale pursuant to paragraph 2 of subdivision b of section 11-319 of the administrative code of the city of New York that is established after July 1, 2024, the department of finance shall publish on its website the documents described in paragraphs 1, 2 and 3 of subdivision b of this section no later than 30 days after the effective date of each such document.

c. Notwithstanding any provision of this section, no information shall be posted online that specifically identifies any property or property owner, except by zip code and a randomly generated identifier.

§ 28. This local law takes effect 90 days after it becomes law, except that:

- (a) the department of finance and the department of housing preservation and development may take such measures as are necessary for the implementation of this local law, including the promulgation of rules, before such date;
- (b) subdivision b, paragraph 3 of subdivision g, paragraph 1 of subdivision j, and paragraph 2 of subdivision k of section 11-322.1 of the administrative code of the city of New York, as amended by sections twelve, fifteen, twenty, and twenty-one of this local law, respectively and subdivisions f-1 and n-1 of section 11-322.1 of such code, as added by sections fourteen and twenty-two of this local law, respectively shall take effect 180 days after they become law; and
- (c) section twenty-six of this local law takes effect immediately.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

At this point, the Speaker (Council Member Adams) announced that the following items had been **preconsidered** by the Committee on Finance and had been favorably reported for adoption.

Report for Res. No. 482

REPORT OF THE COMMITTEE ON FINANCE IN FAVOR OF APPROVING A RESOLUTION COMPUTING AND CERTIFYING ADJUSTED BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2025 TO THE STATE BOARD OF REAL PROPERTY TAX SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW.

The Committee on Finance, to which the annexed preconsidered resolution was referred on June 30, 2024, respectfully

REPORTS:

Introduction. The above-captioned resolution completes the two-step certification required by Section 1803-a of the Real Property Tax Law to establish the Class Shares for Fiscal 2025. Class Shares refer to the proportion of the levy payable by each of the City's four classes of property.

In a separate resolution, the Council certified the Current Base Proportions (CBP) for Fiscal 2025 (the "CBP Resolution"). The above-captioned resolution adjusts the CBPs based on updated data made available upon the release of the Final Assessment Roll by the New York City Department of Finance on May 24, 2024. This fulfills the second and final of the Council's certifications required by the State Board of Real Property Tax Services (SBRPTS) to set the Class Shares for the coming fiscal year levy. The final set of proportions certified in the above-referenced resolution establishes the Adjusted Base Proportions (ABP), or final Class Shares.

Recall from the CBP Resolution Report, certifying the CBPs sets the general baseline for the Class Shares by updating the Class Shares from the previous year to reflect fluctuations in Market Values between the assessment roll for the base period, 1989, and the latest roll for which SBRPTS has established class equalization rates, 2023. The above-captioned resolution then alters the CBPs to comply with rules governing how the Class Shares respond to physical property changes like construction and demolition, and changes in tax class status.¹ The result of these alterations to the CBPs produce the ABPs, or final Class Shares.

Analysis. The calculations shown on the SBRPTS Form RP-6702, attached to the above-captioned resolution, modify the share for each class to reflect the impact of physical changes on proportions of the levy payable by each tax class. For Fiscal 2025, the total value of assessments in each tax class undergoes a slight fluctuation caused by physical changes to property, which alters the proportion of the levy payable by each class. The Fiscal 2025 ABPs decrease relative to the Fiscal 2025 CBPs for all classes except for Class 3. Table 1 below provides the breakdown of changes between the Fiscal 2025 CBPs and ABPs. Tables 2 and 3 provide the year-to-year changes in the ABPs and tax rates, respectfully.

¹ The alterations to the CBPs required by the SBRPTS are designed to separate the effects of physical changes from equalization changes made by local assessors.

Table 1

Comparison of Fiscal 2025 CBPs and ABPs			
Class	CBP	ABP	Change
1	15.1368	14.8873	- 0.2495
2	38.5476	38.5052	- 0.0423
3	7.8970	8.3362	+ 0.4392
4	38.4186	38.2713	- 0.1473
Total	100.0000	100.0000	

Table 2

Comparison of Class Shares for Fiscal 2024 and Fiscal 2025			
Class	Fiscal 2024	Fiscal 2025	Percent Change
1	14.4160	14.8873	- 3.3
2	39.3886	38.5052	- 2.2
3	7.5211	8.3362	+ 10.8
4	38.6743	38.2713	- 1.0
Total	100.0000	100.0000	

Table 3

Comparison of Tax Rates for Fiscal 2024 and Fiscal 2025 (Per \$100 Assessed Value)			
Class	Fiscal 2024	Fiscal 2025	Percent Change
1	\$20.085	\$20.899	+ 4.1
2	12.502	12.296	- 1.6
3	12.094	11.639	- 3.8
4	10.592	10.686	+ 0.9

Accordingly, this Committee recommends its adoption.

(The following is the text of Res. No. 482:)

Preconsidered Res. No. 482

RESOLUTION COMPUTING AND CERTIFYING ADJUSTED BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2025 TO THE STATE BOARD OF REAL PROPERTY TAX SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW.

By Council Member Brannan.

WHEREAS, This Resolution, dated June 30, 2024, computes and certifies the adjusted base proportion of each class of real property for the fiscal year beginning on July 1, 2024 and ending on June 30, 2025 (“Fiscal 2025”) to the State Board of Real Property Tax Services (“SBRPTS”) pursuant to Section 1803-a of the Real Property Tax Law; and

WHEREAS, On May 24, 2024, pursuant to Section 1514 of the New York City Charter, the Commissioner of the Department of Finance delivered to the Council the certified assessment rolls for all real property assessable for taxation in the City in each borough thereof for Fiscal 2025, a certified copy of which is in the Office of the Clerk of the City pursuant to Section 516 of the Real Property Tax Law (the "Fiscal 2025 Assessment Rolls"); and

WHEREAS, Pursuant to Section 1803-a(1) of the Real Property Tax Law the Council adopts herewith a resolution in which the Council computed and certified the current base proportion, the current percentage and the base percentage of each class of real property in the City for Fiscal 2025 (the "Current Base Proportion Resolution"); and

WHEREAS, Section 1803-a(5) of the Real Property Tax Law requires the Council, subsequent to the filing of the final Fiscal 2025 Assessment Rolls, to adjust current base proportions computed pursuant to the Current Base Proportion Resolution to reflect additions to and removals from the Fiscal 2025 Assessment Rolls as described therein (each such current base proportion so adjusted to be known as an "Adjusted Base Proportion"); and

WHEREAS, Within five days upon determination of the Adjusted Base Proportions, Section 1803-a(6) of the Real Property Tax Law, requires the Council to certify, to the SBRPTS, the Adjusted Base Proportion for each class of real property applicable to the City, the assessed value of all property in each class of real property, the net change in assessed value for each class on the Fiscal 2025 Assessment Rolls resulting from the additions to or removals from the Fiscal 2025 Assessment Rolls as described above, and the net change in assessed value for each class on the Fiscal 2025 Assessment Rolls resulting from changes other than those referred to above;

NOW, THEREFORE, be it resolved by The Council of The City of New York as follows:

Section 1. Computation and Certification of Adjusted Base Proportions and Related Information for Fiscal 2025. (a) The Council hereby computes and certifies the Adjusted Base Proportion for each class of real property applicable to the City, the assessed value of all property in each class of real property, the net change in assessed value for each class on the Fiscal 2025 Assessment Rolls resulting from the additions to or removals from the Fiscal 2025 Assessment Rolls as described in Section 1803-a(5) of the Real Property Tax Law, and the net change in assessed value for each class on the Fiscal 2025 Assessment Rolls resulting from changes other than those described in Section 1803-a(5) of the Real Property Tax Law, as shown on SBRPTS Form RP-6702, attached hereto as Exhibit A and incorporated herein by reference (the "ABP Certificate").

(b) The Clerk of the Council is hereby authorized and directed to execute the ABP Certificate and to file it with the SBRPTS no later than five days after the date hereof.

Section 2. Effective Date. This resolution shall take effect as of the date hereof.

ATTACHMENT: Exhibit A - the ABP Certificate

(For text of Exhibit A Chart, known as the "ABP Certificate", please refer to the legislation section of the New York City Council website at <https://council.nyc.gov> and search in the attachments section of the [Res. No. 482 of 2024](#) file)

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM: 15-2-0; *Negative*: David M. Carr and Kamillah M. Hanks; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

At this point, the Speaker (Council Member Adams) announced that the following items had been **preconsidered** by the Committee on Finance and had been favorably reported for adoption.

Report for Res. No. 483

REPORT OF THE COMMITTEE ON FINANCE IN FAVOR OF APPROVING A RESOLUTION COMPUTING AND CERTIFYING BASE PERCENTAGE, CURRENT PERCENTAGE AND CURRENT BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2025 TO THE STATE BOARD OF REAL PROPERTY TAX SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW.

The Committee on Finance, to which the annexed preconsidered resolution was referred on June 30, 2024, respectfully

REPORTS:

Introduction. Section 1803-a of the Real Property Tax Law requires the City Council to certify a set of calculations from the State Board of Real Property Tax Services ("SBRPTS") used to determine the Class Shares for the upcoming fiscal year's levy. Class Shares refer to the proportion of the levy payable by each of the City's four classes of property. The SBRPTS requires two certifications from the Council in order to finalize the Class Shares. Passing the above-captioned resolution fulfills the first certification by setting the Current Base Proportions (CBP). Certifying the CBPs sets the general baseline for the Class Shares by updating the final Class Shares from the previous year to reflect fluctuations in Market Values between the assessment roll for the base period, 1989, and the latest roll for which SBRPTS has established class equalization rates, 2023.

The second certification requires a separate, companion resolution to set the Adjusted Base Proportions (ABP). The ABPs are like the CBPs, except they include alterations to the proportions that comply with rules

governing how the Class Shares respond to physical property changes like construction and demolition, and changes in tax class status.²

See Exhibit A for definitions of terms used in the analysis below.

Analysis. This year, changes in market values and the State's class equalization rates described above produce a prospective CBP balance that increases the proportion payable by Class 1 from last year, and decreases the proportions for Classes 2, 3, and 4. Refer to Column R of SBRPTS Form RP-6700 attached to the above-captioned resolution.

Pursuant to Section 1803-a(1)(c) of the Real Property Tax Law, if the increase in any class exceeds five percent, the Council is directed to shift the excess (and only the excess) to any other class or classes so long as the shift does not cause the CBP of any other class to increase by more than five percent. Only Class 1 exceeds this cap. Therefore, in the above-captioned resolution, the excess proportion from Class 1 is shifted to Classes 3 and 4. The chart below outlines how shifting the excess Class 1 proportion alters the finalized CBPs.

Class	Percent Change Before Shifting Excess to Classes 3 & 4	Percent Change After Shifting Excess to Classes 3 & 4
1	+ 27.6	+ 5.0
2	- 2.1	- 2.1
3	- 12.5	+ 5.0
4	- 5.7	- 0.7

As mentioned before, the SBRTS requires a second certification that establishes the finalized Class Shares, or ABP. The proportions derived in the ABP certification, if passed in a companion resolution, become the final proportions of the levy payable by each of the City's four tax classes in Fiscal 2025.

EXHIBIT A

"Class equalization rate" represents the percentage that the total assessed value of each class is of the market value of the class, as shown in SBRPTS sample studies.

"Base percentage" represents the percentage of total market value that each class constitutes in the 1989 base tax roll. The 1989 base tax roll is the one that was used in setting the tax levy for Fiscal 1990.

"Current percentage" is similar to the base percentage, but applies to the most recent year for which the SBRPTS has established class equalization rates (in this case, the Calendar Year 2023 assessment roll).

"Local base proportions" are the class tax shares used to fix the tax rates for Fiscal 1991.

² The alterations to the CBPs required by the SBRPTS are designed to separate the effects of physical changes from equalization changes made by local assessors.

"Current base proportions" are the local base proportions modified to take into account the market value changes revealed by the latest class equalization rates.

Accordingly, this Committee recommends its adoption.

(The following is the text of Res. No. 483:)

Preconsidered Res. No. 483

RESOLUTION COMPUTING AND CERTIFYING BASE PERCENTAGE, CURRENT PERCENTAGE AND CURRENT BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2025 TO THE STATE BOARD OF REAL PROPERTY TAX SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW.

By Council Member Brannan.

Whereas, This Resolution, dated June 30, 2024, computes and certifies the base percentage, current percentage, and current base proportion of each class of real property for the fiscal year beginning on July 1, 2024 and ending on June 30, 2025 ("Fiscal 2025") to the State Board of Real Property Tax Services ("SBRPTS") pursuant to Section 1803-a of the Real Property Tax Law; and

Whereas, On February 20, 2024 the SBRPTS certified the final State equalization rate, class ratios and class equalization rates for the City's 2023 assessment rolls, required by Article 18 of the Real Property Tax Law; and

Whereas, Section 1803-a(1) of the Real Property Tax Law, requires the Council to compute and certify, to the SBRPTS, for each tax levy, the base percentage, the current percentage and the current base proportion of each class of real property in the City subsequent to the date on which the SBRPTS files with the Clerk of the Council a certification setting forth the final state equalization rate, class ratios and class equalization rates for the City's Fiscal 2025 assessment rolls, pursuant to Section 1212 of the Real Property Tax Law; and

Whereas, Section 1803-a(1)(c) of the Real Property Tax Law requires that if any increase in the current base proportion for any class of real property, as compared with the previous year's adjusted base proportion for such class of property shall exceed five percent, such excess over five percent must be shifted to any other class of property;

NOW, THEREFORE, be it resolved by The Council of The City of New York as follows:

Section 1. Computation and Certification of Base Percentages, Current Base Percentages and Current Base Proportions for Fiscal 2025. (a) The Council hereby computes and certifies the base percentage, the current percentage and the current base percentage for the City's Fiscal 2025 assessment rolls as shown on SBRPTS Form RP-6700, attached hereto as Exhibit A and incorporated herein by reference (the "CBP Certificate").

(b) The Clerk of the Council is hereby authorized and directed to execute the CBP Certificate and to file it with the SBRPTS after the date on which the SBRPTS filed with the Clerk of the Council a certification setting forth the final state equalization rate, class ratios and class equalization rates for the City's Fiscal 2025 assessment rolls, pursuant to Section 1212 of the Real Property Tax Law.

Section 2. Effective Date. This resolution shall take effect as of the date hereof.

ATTACHMENT: Exhibit A - the CBP Certificate

(For text of Exhibit A Chart, known as the “CBP Certificate”, please refer to the legislation section of the New York City Council website <https://council.nyc.gov> and search in the attachments section of the [Res. No. 483 of 2024](#) file)

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM: 15-2-0; *Negative*: David M. Carr and Kamillah M. Hanks; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

At this point, the Speaker (Council Member Adams) announced that the following item had been **preconsidered** by the Committee on Finance and had been favorably reported for adoption.

Report for Res. No. 484

Report of the Committee on Finance in favor of approving a Resolution approving the new designation and changes in the designation of certain organizations to receive funding in the Expense Budget.

The Committee on Finance, to which the annexed preconsidered resolution was referred on June 30, 2024, respectfully

REPORTS:

Introduction. The Council of the City of New York (the “Council”) annually adopts the City’s budget covering expenditures other than for capital projects (the “expense budget”) pursuant to Section 254 of the Charter. On June 13, 2022, the Council adopted the expense budget for fiscal year 2023 with various programs and initiatives (the “Fiscal 2023 Expense Budget”). On June 30, 2023, the Council adopted the expense budget for fiscal year 2024 with various programs and initiatives (the “Fiscal 2024 Expense Budget”).

Analysis. In an effort to continue to make the budget process more transparent, the Council is providing a list setting forth new designations and/or changes in the designation of certain organizations receiving funding in accordance with the Fiscal 2024 and Fiscal 2023 Expense Budgets (“Charts”).

This Resolution, dated June 30, 2024, approves the new designations and the changes in the designation of certain organizations receiving local, youth, community safety and victim services, boroughwide, and Speaker’s initiative to address citywide needs discretionary funding and funding for certain initiatives in accordance with the Fiscal 2024 Expense Budget; approves the changes in designation of certain organizations receiving youth discretionary funding and funding for certain initiatives in accordance with the Fiscal 2023 Expense Budget; and amends the description for the Description/Scope of Services of certain organizations receiving local and Speaker’s initiative to address citywide needs discretionary funding in accordance with the Fiscal 2024 Expense Budget. All new designations and changes in designations are as described in the attached Charts and the Resolution text.

It is to be noted that organizations identified in the attached Charts with an asterisk (*) have not yet completed or began the prequalification process conducted by the Mayor’s Office of Contract Services (for organizations

to receive more than \$10,000) by the Council (for organizations to receive \$10,000 or less total), or other government agency. Organizations identified without an asterisk have completed the appropriate prequalification review.

It should also be noted that funding for organizations in the attached Charts with a double asterisk (**) will not take effect until the passage of a budget modification.

Description of Above-captioned Resolution. In the above-captioned Resolution, the Council would approve the new designation and changes in the designation of certain organizations to receive funding in the Fiscal 2024 and Fiscal 2023 Expense Budgets. Such Resolution would take effect as of the date of adoption.

Accordingly, this Committee recommends its adoption.

(The following is the text of Res. No. 484:)

Preconsidered Res. No. 484

Resolution approving the new designation and changes in the designation of certain organizations to receive funding in the Expense Budget.

By Council Member Brannan.

Whereas, On June 30, 2023, the Council of the City of New York (the “City Council”) adopted the expense budget for Fiscal Year 2024 with various programs and initiatives (the “Fiscal 2024 Expense Budget”); and

Whereas, On June 13, 2022, the Council of the City of New York (the “City Council”) adopted the expense budget for Fiscal Year 2023 with various programs and initiatives (the “Fiscal 2023 Expense Budget”); and

Whereas, The City Council is hereby implementing and furthering the appropriations set forth in the Fiscal 2024 and Fiscal 2023 Expense Budgets by approving the new designation and changes in the designation of certain organizations receiving local, youth, community safety and victim services, boroughwide, and Speaker’s initiative discretionary funding, and by approving the new designation and changes in the designation of certain organizations to receive funding pursuant to certain initiatives in accordance therewith; and

Whereas, The City Council is hereby implementing and furthering the appropriations set forth in the Fiscal 2024 Expense Budget by approving new Description/Scope of Services for certain organizations receiving local, and Speaker’s initiative discretionary funding; now, therefore, be it

Resolved, That the City Council approves the changes in the designation of certain organizations receiving local discretionary funding pursuant to the Fiscal 2024 Expense Budget, as set forth in Chart 1; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving youth discretionary funding in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 2; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving community safety and victim services discretionary funding in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 3; and be it further

Resolved, That the City Council approves the new designations and changes in the designation of certain organizations receiving funding pursuant to the Speaker’s Initiative to Address Citywide Needs in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 4; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving funding pursuant to the Cultural After-School Adventure (CASA) Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 5; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving funding pursuant to the Parks Equity Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 6; and be it further

Resolved, That the City Council approves the change in the designation of certain organizations receiving funding pursuant to the NYC Cleanup Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 7; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving funding pursuant to the Food Pantries Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 8; and be it further

Resolved, That the City Council approves change in the designation of certain organizations receiving funding pursuant to the Neighborhood Development Grant Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 9; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving funding pursuant to the HIV/AIDS Faith Based Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 10; and be it further

Resolved, That the City Council approves the change in the designation of certain organizations receiving funding pursuant to the Community Land Trust Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 11; and be it further

Resolved, That the City Council approves the change in the designation of a certain organization receiving funding pursuant to the Financial Empowerment for NYC's Renters Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 12; and be it further

Resolved, That the City Council approves the change in the designation of certain organizations receiving funding pursuant to the Boroughwide Needs Initiative in accordance with the Fiscal 2023 Expense Budget, as set forth in Chart 13; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving youth discretionary funding in accordance with the Fiscal 2023 Expense Budget, as set forth in Chart 14; and be it further

Resolved, That the City Council approves the change in the designation of certain organizations receiving funding pursuant to the Senior Centers, Programs, and Enhancements Initiative in accordance with the Fiscal 2023 Expense Budget, as set forth in Chart 15; and be it further

Resolved, That the City Council approves the change in the designation of certain organizations receiving funding pursuant to the LGBTQ Inclusive Curriculum Initiative in accordance with the Fiscal 2023 Expense Budget, as set forth in Chart 16; and be it further

Resolved, That the City Council amends the Purpose of Funds for certain organizations receiving funding in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 17.

(For text of the Exhibit Charts, please refer to the attachments section of [the Res. No. 484 of 2024 file](#) in the legislation section of the New York City Council website at <https://council.nyc.gov>)

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

At this point, the Speaker (Council Member Adams) announced that the following items had been **preconsidered** by the Committee on Finance and had been favorably reported for adoption.

Report for Res. No. 485

Report of the Committee on Finance in favor of approving a Resolution to establish that the interest rate be two and one half percent per annum for Fiscal Year 2025 for certain properties for which the owner has entered into an installment payment agreement with the department of finance for payment of delinquent property taxes, assessments or other charges.

The Committee on Finance, to which the annexed preconsidered resolution was referred on June 30, 2024, respectfully

REPORTS:

I. Introduction

On June 30, 2024 the New York City Council Committee on Finance, chaired by Council Member Justin Brannan, will hold a vote on four preconsidered resolutions fixing interest rates for late payment of Fiscal Year 2025 property tax.

II. Legislation – Late Payment Interest Rate Resolutions

Late Payment of Property Taxes

Section 11-224.1 of the Administrative Code of the City of New York requires the New York City Banking Commission (the “Banking Commission”) to send a written recommendation to the City Council of proposed interest rates to be charged for non-payment of taxes on real property no later than the 13th day of May each year. In making such recommendation, the Banking Commission shall consider the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “Prime Rate”). The Commissioner noted that as of May 9, 2024, the prime rate stands at 8.50 percent, as published by the Board of Governors of the Federal Reserve System. As required by Local Law 30 of 2015, the Banking Commission included with its recommendation a report detailing the factors considered when determining the recommendation. For the Fiscal Year 2025 recommendation, the Banking Commission considered the penalty rates used by other property tax collectors, and the interest rates charged for mortgages and home equity lines of credit.

Recommendation for Certain Properties for Which the Owner has Entered Into an Installment Payment Agreement

For properties with an assessed value of no more than \$250,000 for which the owner has entered into an installment payment agreement with the Department of Finance for payment of delinquent property taxes, assessments, or other charges pursuant to section 11-322 or 11-322.1 of the Administrative Code of the City of New York, and meets the eligibility requirements in section 11-224.1, including the property owner uses the property as their primary residence and the combined income of all owners is no greater than \$200,000, the Banking Commission shall consider the most recent federal short-term rate pursuant to section 11-224.1 of the Administrative Code of the City of New York and propose a rate at least equal to such federal short-term rate rounded to the nearest half percent.

By letter dated May 10, 2024, the Banking Commission recommended to the Council an interest rate of 6 percent per annum for Fiscal Year 2025 to be charged for such properties on such installment payment agreements.

Recommendation for Properties Assessed No More Than \$250,000

For real property with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments, the Banking Commission shall propose an interest rate at least equal to the prime rate pursuant to section 11-224.1 of the Administrative Code of the City of New York.

By letter dated May 10, 2024, the Banking Commission recommended to the Council an interest rate of 9 percent per annum for Fiscal Year 2025 to be charged for non-payment of taxes of real property where the assessed value is not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments.

Recommendation for Properties Assessed More Than \$250,000 but Less Than \$450,000

For real property with an assessed value of more than \$250,000, but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments, pursuant to Local Law 24 of 2021, the Banking Commission shall propose an interest rate at least four percentage points per annum greater than the prime rate.

By letter dated May 10, 2024, the Banking Commission recommended to the Council an interest rate of 15 percent per annum for Fiscal Year 2025 to be charged for non-payment of taxes of real property where the assessed value is more than \$250,000, but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments.

Recommendation for Properties Assessed More Than \$450,000

For real property with an assessed value of more of more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments, pursuant to section 11-224.1 of the Administrative Code of the City of New York, the Banking Commission shall propose an interest rate at least six percentage points per annum greater than the prime rate.

By letter dated May 10, 2024, the Banking Commission recommended to the Council an interest rate of 18 percent per annum for Fiscal Year 2025 to be charged for non-payment of taxes of real property where the assessed value is more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments.

CONCLUSION

Pursuant to section 1519-a(7)(b) of the New York City Charter and section 11-224.1 of the Administrative Code, the Council adopts the rates for non-payment as follows:

- For non-payment of property taxes
 - Properties subject to installment payment plans for late payment of property taxes, assessments, or other charges – 2.5%
 - Properties with an assessed value of no more than \$250,000, or no more than \$250,000 per unit for cooperative apartments – 6%
 - Properties with an assessed value of more than \$250,000 but less than \$450,000, or more than \$250,000 but less than \$450,000 per unit for cooperative apartments – 9%
 - Properties with an assessed value of more than \$450,000, or more than \$450,000 per unit for cooperative apartments – 16%

(For text of Res. Nos. 486, 487, and 488, please see the Report of the Committee on Finance for Res. Nos. 486, 487, and 488, respectively, printed in these Minutes; for text of Res. No. 485, please see below)

Accordingly, this Committee recommends the adoption of Res. Nos. 485, 486, 487, and 488.

(The following is the text of Res. No. 485:)

Preconsidered Res. No. 485

Resolution to establish that the interest rate be two and one half percent per annum for Fiscal Year 2025 for certain properties for which the owner has entered into an installment payment agreement with the department of finance for payment of delinquent property taxes, assessments or other charges.

By Council Member Brannan.

Whereas, Pursuant to Section 11-224.1 of the Administrative Code of the City of New York the Banking Commission is required to recommend to the City Council, not later than the 13th day of May of each year, the proposed interest rate to be charged for certain properties for which the owner has entered into an installment payment agreement with the department of finance for payment of delinquent property taxes, assessments or other charges; and

Whereas, The Banking Commission is required to propose a rate at least equal to the most recent federal short-term interest rate as determined by the United States Secretary of the Treasury in accordance with U.S. Internal Revenue Code § 1247(d), rounded to the nearest half percent (the “Applicable Federal Rate”); and

Whereas, The Banking Commission notes that as of May 2024, the Applicable Federal Rate stands at 4.97 percent; and

Whereas, It is in the best interest of the City to encourage otherwise delinquent taxpayers to enter into arrangements to begin the prompt payment of taxes on real estate by all taxpayers; and

Whereas, The Banking Commission forwarded its recommendation to the Council, by letter dated May 10, 2024, that the interest rate to be charged for certain properties for which the owner has entered into an installment payment agreement with the department of finance for payment of delinquent property taxes, assessments or other charges be 6 percent per annum for Fiscal Year 2025; now, therefore, be it

Resolved, That the Council of the City of New York establishes that the interest rate be 2.5 percent per annum for Fiscal Year 2025 for certain properties for which the owner has entered into an installment payment agreement with the department of finance for payment of delinquent property taxes, assessments or other charges.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM: 15-2-0; *Negative*: David M. Carr and Kamillah M. Hanks; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

At this point, the Speaker (Council Member Adams) announced that the following items had been **preconsidered** by the Committee on Finance and had been favorably reported for adoption.

Report for Res. No. 486

Report of the Committee on Finance in favor of approving a Resolution to establish that the interest rate be nine percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of more than \$250,000 but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments.

The Committee on Finance, to which the annexed preconsidered resolution was referred on June 30, 2024, respectfully

REPORTS:

(For text of report, please see the Report of the Committee on Finance for Res. No. 485 printed above in these Minutes)

Accordingly, this Committee recommends its adoption.

(The following is the text of Res. No. 486:)

Preconsidered Res. No. 486

Resolution to establish that the interest rate be nine percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of more than \$250,000 but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments.

By Council Member Brannan.

Whereas, Pursuant to Section 11-224.1 of the Administrative Code of the City of New York, the Banking Commission is required to recommend to the City Council, not later than the 13th day of May of each year, the proposed interest rate to be charged for non-payment of taxes on properties with an assessed value of more than \$250,000 but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments; and

Whereas, The Banking Commission is required to propose a rate of at least four percent per annum greater than the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the "Prime Rate"); and

Whereas, The Banking Commission notes that as of May 9, 2024, the Prime Rate stands at 8.50 percent as published by the Board of Governors of the Federal Reserve System; and

Whereas, It is in the best interest of the City to encourage the prompt payment of taxes on real estate by all taxpayers; and

Whereas, The Banking Commission forwarded its recommendation to the Council, by letter dated May 10, 2024, that the interest rate to be charged for non-payment of taxes on properties where the assessed value on a parcel is more than \$250,000 but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments, be 15 percent per annum for Fiscal Year 2025; now, therefore, be it

Resolved, That the Council of the City of New York establishes that the interest rate be 9 percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of over 250,000 but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM: 15-2-0; *Negative*: David M. Carr and Kamillah M. Hanks; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

At this point, the Speaker (Council Member Adams) announced that the following item had been **preconsidered** by the Committee on Finance and had been favorably reported for adoption.

Report for Res. No. 487

Report of the Committee on Finance in favor of approving a Resolution to establish that the interest rate be six percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments.

The Committee on Finance, to which the annexed preconsidered resolution was referred on June 30, 2024, respectfully

(For text of report, please see the Report of the Committee on Finance for Res. No. 485 printed above in these Minutes)

Accordingly, this Committee recommends its adoption.

(The following is the text of Res. No. 487:)

Preconsidered Res. No. 487

Resolution to establish that the interest rate be six percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments.

By Council Member Brannan.

Whereas, Pursuant to Section 11-224.1 of the Administrative Code of the City of New York the Banking Commission is required to recommend to the City Council, not later than the 13th day of May of each year, the proposed interest rate to be charged for non-payment of taxes on properties with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments; and

Whereas, The Banking Commission is required to propose a rate at least equal to the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “Prime Rate”); and

Whereas, The Banking Commission notes that as of May 9, 2024, the Prime Rate stands at 8.50 percent as published by the Board of Governors of the Federal Reserve System; and

Whereas, It is in the best interest of the City to encourage the prompt payment of taxes on real estate by all taxpayers; and

Whereas, The Banking Commission forwarded its recommendation to the Council, by letter dated May 10, 2024, that the interest rate to be charged for the non-payment of taxes on properties where the assessed value

is not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments, be 9 percent per annum for Fiscal Year 2025; now, therefore, be it

Resolved, That the Council of the City of New York establishes that the interest rate be 6 percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM: 15-2-0; *Negative*: David M. Carr and Kamillah M. Hanks; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

At this point, the Speaker (Council Member Adams) announced that the following items had been **preconsidered** by the Committee on Finance and had been favorably reported for adoption.

Report for Res. No. 488

Report of the Committee on Finance in favor of approving a Resolution to establish that the interest rate be sixteen percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments.

The Committee on Finance, to which the annexed preconsidered resolution was referred on June 30, 2024, respectfully

REPORTS:

(For text of report, please see the Report of the Committee on Finance for Res. No. 485 printed above in these Minutes)

Accordingly, this Committee recommends its adoption.

(The following is the text of Res. No. 488:)

Preconsidered Res. No. 488

Resolution to establish that the interest rate be sixteen percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments.

By Council Member Brannan.

Whereas, Pursuant to Section 11-224.1 of the Administrative Code of the City of New York the Banking Commission is required to recommend to the City Council, not later than the 13th day of May of each year, the proposed interest rate to be charged for non-payment of taxes on properties with an assessed value of more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments; and

Whereas, The Banking Commission is required to propose a rate at least six percentage points per annum greater than the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “Prime Rate”); and

Whereas, The Banking Commission notes that as of May 9, 2024, the Prime Rate stands at 8.50 percent as published by the Board of Governors of the Federal Reserve System; and

Whereas, It is in the best interest of the City to encourage the prompt payment of taxes on real estate by all taxpayers; and

Whereas, The Banking Commission forwarded its recommendation to the Council, by letter dated May 10, 2024, that the interest rate to be charged for the non-payment of taxes on properties where the assessed value of more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments, be 18 percent per annum for Fiscal Year 2025; now, therefore, be it

Resolved, That the Council of the City of New York establishes that the interest rate be 16 percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM: 16-1-0; *Negative*: David M. Carr; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

Report for M-42

Report of the Committee on Rules, Privileges and Elections in favor of approving, as modified, a Communication from the Mayor regarding the submittal of the Expense Revenue Contract Budget, for Fiscal Year 2025, pursuant to Section 249 of the New York City Charter.

The Committee on Finance, to which the annexed Budget communication was referred on May 16, 2024 (Minutes, page 1931) and which same communication was coupled with the Expense Revenue Contract Budget resolutions shown below, respectfully

REPORTS:

After careful and due deliberation on the matter, this Committee recommended the approval, as modified, of the Expense Revenue Contract Budget for Fiscal Year 2025.

(For full text of Res No. 489 with Schedule A attachment and Res. No. 490 with Schedule B attachment, please see, respectively, the attachments section to the [Res. No. 489](https://council.nyc.gov) & [Res No. 490](https://council.nyc.gov) files on the Council website <https://council.nyc.gov>; please also see the Office of Management and Budget page on the New York City website at <https://www.nyc.gov/site/omb/publications/finplan06-24.page> ; for the complete digital text of the related 455-page supporting document known as the Adjustment Summary / Schedule C for FY 2025 and for the 25-page “Terms and Conditions” for FY 2025, please refer to the [Fiscal Year 2025 Budget section](https://council.nyc.gov) of the New York City Council website at <https://council.nyc.gov>)

Accordingly, this Committee recommends the adoption of M-42 & Res. No. 489 & Res. No. 490.

In connection herewith, Council Member Brannan offered the following two resolutions (Res. Nos. 489 & 490):

Preconsidered Res. No. 489

RESOLUTION TO ADOPT A BUDGET APPROPRIATING THE AMOUNTS NECESSARY FOR THE SUPPORT OF THE GOVERNMENT OF THE CITY OF NEW YORK AND THE COUNTIES THEREIN AND FOR THE PAYMENT OF INDEBTEDNESS THEREOF, FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2024 AND ENDING ON JUNE 30, 2025 IN ACCORDANCE WITH THE PROVISIONS OF THE NEW YORK CITY CHARTER.

By Council Member Brannan:

RESOLVED, That the Council hereby adopts the Proposed Fiscal 2025 Budget, as modified to reflect increases, decreases, additions or omissions of units of appropriation and to reflect additions of terms or conditions related to such appropriations as set forth in the schedules hereto (the "Fiscal Year 2025 Budget").

And be it further Resolved;

Preconsidered Res. No. 490

RESOLUTION TO ADOPT A CONTRACT BUDGET SETTING FORTH, BY AGENCY, CATEGORIES OF CONTRACTUAL SERVICES FOR WHICH APPROPRIATIONS HAD BEEN PROPOSED FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2024 AND ENDING ON JUNE 30, 2025, IN ACCORDANCE WITH THE PROVISIONS OF THE NEW YORK CITY CHARTER.

By Council Member Brannan:

RESOLVED, That the Council hereby adopts the Proposed Fiscal 2025 Contract Budget, as modified to reflect increases, decreases or omissions of such amounts as set forth in the schedules hereto.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

Report for M-43

Report of the Committee on Finance in favor of approving, as modified, a Communication from the Mayor regarding the submittal of the Executive Capital Budget for Fiscal Year 2025, pursuant to Section 249 of the New York City Charter.

The Committee on Finance, to which the annexed Budget communication was referred on May 16, 2024 (Minutes, page 1932) and which same communication was coupled with the Capital Budget resolutions shown below, respectfully

REPORTS:

After careful and due deliberation on the matter, this Committee recommended the approval, as modified, of the Capital Budget for Fiscal Year 2025.

(For text of Res A and Res B, please see, respectively, the attachment section to the [Res No. 491](#) and [Res. No. 492](#) files on the Council website <https://council.nyc.gov>; please also refer to the Office of Management and FY 2025 Budget page on the New York City website at <https://www.nyc.gov/site/omb/publications/finplan06-24.page>; for the complete digital text of the related 87-page supporting document entitled “Supporting Detail for Fiscal Year 2025/ Changes to the Executive Capital Budget” and for the 25-page “Terms and Conditions” for FY 2025, please refer to the [Fiscal Year 2025 Budget section](#) of the New York City Council website at <https://council.nyc.gov>)

Accordingly, this Committee recommends the adoption of M-43 & Res. No. 491 & Res. No. 492.

In connection herewith, Council Member Brannan offered the following two resolutions (Res. Nos. 491 & 492):

Preconsidered Res. No. 491

RESOLUTION BY THE NEW YORK CITY COUNCIL PURSUANT TO SECTION 254 OF THE NEW YORK CITY CHARTER, THAT THE CAPITAL BUDGET FOR FISCAL YEAR 2025 AND CAPITAL PROGRAM, BEING THE EXECUTIVE CAPITAL BUDGET FOR FISCAL YEAR 2025 AND PROGRAM AS SUBMITTED BY THE MAYOR AND BY THE BOROUGH PRESIDENTS PURSUANT TO SECTION 249 OF THE NEW YORK CITY CHARTER, INCLUDING RESCINDMENT OF AMOUNTS FROM PRIOR CAPITAL BUDGETS, BE AND THE SAME ARE HEREBY APPROVED IN ACCORDANCE WITH THE FOLLOWING SCHEDULE OF CHANGES (RESOLUTION A).

By Council Member Brannan:

RESOLVED, By the New York City Council pursuant to Section 254 of the New York City Charter, that the Capital Budget for the Fiscal Year 2025 and Capital Program, being the Executive Capital Budget for Fiscal Year 2025 and Program as submitted by the Mayor and by the Borough Presidents pursuant to Section 249 of the New York City Charter, including rescindment of amounts from prior Capital Budgets, be and the same are hereby approved in accordance with the following schedule of changes. (Resolution A)

And be it further Resolved;

Preconsidered Res. No. 492

RESOLUTION BY THE NEW YORK CITY COUNCIL PURSUANT TO SECTION 254 OF THE NEW YORK CITY CHARTER, THAT THE CAPITAL BUDGET FOR FISCAL YEAR 2025 AND CAPITAL PROGRAM FOR THE ENSUING THREE YEARS, AS SET FORTH IN THE EXECUTIVE CAPITAL BUDGET FOR THE FISCAL YEAR 2025 AND CAPITAL PROGRAM AS SUBMITTED BY THE MAYOR AS AUGMENTED BY THE BOROUGH PRESIDENTS PURSUANT TO SECTION 249 OF THE NEW YORK CITY CHARTER, AND AMENDED BY THE SCHEDULE OF CHANGES APPROVED UNDER RESOLUTION A, INCLUDING AMOUNTS REALLOCATED BY THE RESCINDMENT OF AMOUNTS FROM PRIOR CAPITAL BUDGET APPROPRIATIONS, IS HEREBY ADOPTED IN THE TOTAL AMOUNTS AS FOLLOWS. (RESOLUTION B).

By Council Member Brannan:

RESOLVED, By the City Council pursuant to Section 254 of the New York City Charter, that the Capital Budget for the Fiscal Year 2025 and Capital Program for the ensuing three years, as set forth in the Executive Capital Budget for Fiscal Year 2025 and Capital Program as submitted by the Mayor as augmented by the

Borough Presidents pursuant to Section 249 of the New York City Charter, and amended by the schedule of changes approved under Resolution A, including amounts reallocated by the rescindment of amounts from prior Capital Budget appropriations, is hereby adopted in the total amounts.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

Report for M-47

Report of the Committee on Finance in favor of approving, as modified, a Communication from the Mayor regarding the submittal of the Proposed City Fiscal Year 2025 Community Development Program, the Proposed CFY'25 Budget, the Proposed Allocation of Calendar Year 2024/CD 50 Funds, the Proposed Calendar Year 2025/CD 51 Budget, dated April 25, 2024.

The Committee on Finance, to which the annexed Budget communication was referred on May 16, 2024 (Minutes, page 1933) and which same communication was coupled with the Community Development Program resolution shown below, respectfully

REPORTS:

Introduction. The Proposed City Fiscal Year 2025 Community Development Program, Proposed Reallocation of Fiftieth Year Community Development Funds, and Proposed Fifty-First Year Community Development Program were submitted by the Mayor to the Council on April 24, 2024 and referred to the Committee on Finance.

Analysis. The Committee on Finance held hearings on the 6th, 7th, 8th, 9th, 10th, 13th, 14th, 15th, 17th, 20th, 21st, and 22nd of May 2024. The testimony elicited at these hearings regarding the budget as a whole and with respect to specific needs and projects was supplemented by further data developed at the meetings of the Committee on Finance, and from Council staff and representatives of City agencies. The primary concern of the Committee was that the funding contained in the Proposed City Fiscal Year 2025 Community Development Program would meet the actual and perceived needs of the communities the City of New York comprises.

In its deliberations, the Committee on Finance took into consideration the testimony of the citizenry at the public hearings and the information furnished by Council Members, staff assistants, and City agencies.

As a result of the Committee on Finance's deliberation, the Committee recommends the following:

1. A City Fiscal Year 2025 Community Development Program totaling \$237,202,000; and
2. A Reallocated Fiftieth Year Community Development Program totaling \$236,014,000; and
3. A Fifty-First Community Development Program totaling \$238,062,000.

The Committee makes this recommendation with the stipulation that the portion of the Fifty-First Year Community Development budget, which will be spent in City Fiscal Year 2026 and not City Fiscal Year 2025, will be subject to review and reallocation in the City Fiscal Year 2026 Community Development budget.

Community Development Block Grant (CDBG)-Additional Funding

(Dollars in Millions)

COMMUNITY DEVELOPMENT PROGRAM	PROPOSED BUDGET	PROPOSED CHANGES	REVISED BUDGET
City Fiscal Year 2025 Community Development Program Total:	236.802	0.400	237.202
Reallocated Fiftieth Year Community Development Program Total:	235.814	0.200	236.014
Fifty-First Year Community Development Program Total:	238.037	0.025	238.062

The proposed changes to the City Fiscal Year 2025 Community Development Program Total are comprised of the following:

- 1) The addition of \$0.375 for the Met Council Food Pantry, administered through the Department of Youth and Community Development. Community Development Block Grant funds will pay for a food distribution program targeting low- and moderate-income residents in New York City. Funds are expected to pay for the administrative staff and for food.
- 2) The addition of \$0.025 for collective bargaining and fringe for some smaller collective bargaining units.

The proposed changes to Chart 2 are comprised of approximately half of the above changes because CD 50 supports the first half of CFY 2025.

The proposed change to Chart 3 is the collective bargaining and fringe for the smaller collective bargaining units. Finally, in Calendar Year 2024, the following programs will continue to spend funds that were allocated in prior years (in millions):

- Inspections in City Shelters: \$.165
- Project Open House: \$.075
- Public Housing Rehabilitation Program: \$39.442
- Recreation Services Planning: \$.474

Accordingly, this Committee recommends its adoption, as modified.

In connection herewith, Council Member Brannan offered the following resolution:

Preconsidered Res. No. 493

Resolution approving The City Fiscal Year 2025 Community Development Program, Reallocation of Fiftieth Year Community Development Funds, and the Proposed Fifty-First Year Community Development Program.

By Council Member Brannan.

Whereas, The Office of Management and Budget has prepared a Proposed City Fiscal Year 2025 Community Development Program, a Proposed Reallocation of Fiftieth Year Community Development Funds, and a Proposed Fifty-First Year Community Development Program; and

Whereas, The Proposed City Fiscal Year 2025 Community Development Program, Proposed Reallocation of Fiftieth Year Community Development Funds, and Proposed Fifty-First Year Community Development Program are provided to the City Council for review and consideration; and

Resolved, That the Council of the City of New York hereby agrees to the Proposed Community Development Program for City Fiscal Year 2025 in the amount of \$237,202,000, which reflects an increase of \$400,000 from the Executive Budget as submitted by the Mayor on April 24, 2024; and be it further

Resolved, That the Council of the City of New York hereby agrees to the Proposed Reallocation of Fiftieth Year Community Development Funds in the amount of \$236,014,000, which reflects an increase of \$200,000 from the Proposed Fiftieth Year Community Development Budget as submitted by the Mayor on April 24, 2024; and be it further

Resolved, That the Council of the City of New York hereby agrees to the Proposed Fifty-First Year Community Development Program in the amount of \$238,062,000, which reflects an increase of \$25,000 from the Proposed Fifty-First Year Community Development Program as submitted by the Mayor on April 24, 2024; and be it further

Resolved, That the Council of the City of New York hereby shall have the opportunity to review the allocation as part of the City Fiscal Year 2026 budget adoption, of that portion of the Fifty-First Community Development budget that will be scheduled to be spent in City Fiscal Year 2026 and not City Fiscal Year 2025.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

At this point, the Speaker (Council Member Adams) announced that the following items had been **preconsidered** by the Committee on Finance and had been favorably reported for adoption.

Report for M-55

Report of the Committee on Finance in favor of approving a Communication from the Office of Management & Budget regarding the Transfer of City funds between various agencies in Fiscal Year 2024 to implement changes to the City's expense budget, pursuant to Section 107(b) of the New York City Charter (MN-7).

The Committee on Finance, to which the annexed preconsidered communication was referred on June 30, 2024 and which same communication was coupled with the resolution shown below, respectfully

REPORTS:

Introduction. At a meeting of the Committee on Finance of the City Council of the City of New York (the "City Council") on June 30, 2024, the Committee on Finance considered a communication, dated June 30, 2024, from the Office of Management and Budget of the Mayor of The City of New York (the "Mayor"), of a proposed

request, attached hereto as Exhibit “1” (the “modification” or “MN-7”), to modify units of appropriation and transfer City funds between various agencies in the amount of \$732,717,052 in the Fiscal 2024 expense budget as adopted by the Council on June 30, 2023.

Analysis. The Council annually adopts the City’s budget covering expenditures other than for capital projects (the “expense budget”) pursuant to Section 254 of the Charter. On June 30, 2023, the Council adopted the expense budget for Fiscal 2024 (the “Fiscal 2024 Expense Budget”). This Modification implements expense budget changes that are reflected in the City’s Fiscal 2025 Adopted Financial Plan and reallocates appropriations that were included in the Fiscal 2024 Adopted Budget to fund City Council local initiatives. The net effect of the Modification is zero.

For more detail on the funding transfer between agencies, see Appendix A of the Modification attached hereto as Exhibit “1.”

Procedure. If the Mayor wishes to transfer part or all of any unit of appropriation to another unit of appropriation and such transfer is: from one agency to another; or results in any unit of appropriation being increased or decreased by the greater of five percent or \$50,000, section 107(b) of the Charter requires that the Mayor must first notify the Council of the proposed action. Within 30 days after the first stated meeting of the Council following receipt of such notice, the Council may disapprove such proposed action. If the Council fails to approve or disapprove such proposed action within such 30-day period, the proposed action becomes effective and the Mayor has the authority to make such transfer.

Description of Above-captioned Resolution. In the above-captioned resolution, the Council would approve the Modification pursuant to Section 107(b) of the Charter. Such resolution would take effect as of the date of approval.

(The following is the text of the Fiscal Impact Memo to the Speaker and to the Chair of the Finance Committee from the Finance Division of the New York City Council:)

TO: Honorable Adrienne E. Adams
Speaker

Honorable Justin Brannan
Chair, Finance Committee

FROM: Tanisha S. Edwards, Esq.,
Chief Financial Officer and Deputy Chief of Staff to the Speaker
Richard Lee, Director
Jonathan Rosenberg, Managing Deputy Director
Chima Obichere, Deputy Director
Eisha Wright, Deputy Director
Paul Scimone, Deputy Director

DATE: June 30, 2024

SUBJECT: Expense Budget Modification for Fiscal 2024 (MN-7)

INITIATION: By letter dated June 30, 2024, the Director of the Office of Management and Budget submitted to the Council, pursuant to section 107(b) of the New York City Charter, a request for approval to modify units of appropriation and transfer funds from various

agencies in the amount of \$732,717,052 to implement changes in the City's expense budget.

BACKGROUND: MN-7 implements expense budget changes which were reflected in the City's Executive and Adopted Financial Plans and reallocates appropriations that were included in the Fiscal 2024 Adopted Budget to fund City Council initiatives.

FISCAL IMPACT: MN-7 represents the reallocation of appropriations. The net effect of this modification is zero.

Expense Budget Modification (MN-7)

MN-7 modifies the current Fiscal 2024 budget. The changes presented in the Executive Financial Plan, as well as changes reflected in City Council transparency resolutions, are included.

MN-7 moves \$732,717,052 in City tax-levy funds (CTL) within and among City agencies but leaves the overall level of Fiscal 2024 City funds unchanged. This includes a \$288,342,849 transfer to the Budget Stabilization account to prepay Fiscal 2025 expenses with Fiscal 2024 resources.

Accordingly, this Committee recommends its adoption.

In connection herewith, Council Member Brannan offered the following resolution:

Preconsidered Res. No. 494

RESOLUTION APPROVING THE MODIFICATION (MN-7) OF UNITS OF APPROPRIATION AND THE TRANSFER OF CITY FUNDS BETWEEN AGENCIES PROPOSED BY THE MAYOR PURSUANT TO SECTION 107(b) OF THE NEW YORK CITY CHARTER.

By Council Member Brannan.

Whereas, At a meeting of the Committee on Finance of the City Council of the City of New York (the "City Council") on June 30, 2024, the Committee on Finance considered a communication, dated June 30, 2024, from the Office of Management and Budget of the Mayor of The City of New York (the "Mayor"), of a proposed request, attached hereto as Exhibit "1" (the "Modification" or "MN-7"), to modify units of appropriation and to transfer city funds in the amount of \$732,717,052 in the Fiscal 2024 expense budget as adopted by the Council on June 30, 2023, pursuant to Section 107(b) of the Charter of the City of New York (the "Charter"); and

Whereas, pursuant to Section 107(b) of the Charter, the City Council has thirty (30) days after the first stated meeting of the City Council following such receipt within which to act upon the Modification;

NOW, THEREFORE, The Council of The City of New York hereby resolves as follows:

1. **Approval of Modification.** The City Council hereby approves, pursuant to Section 107(b) of the Charter, the actions proposed by the Mayor as set forth in the Modification.
2. **Effective Date.** This resolution shall take effect as of the date hereof.

(For text of the MN-7 and Appendix A numbers, please see the New York City Council website at <https://council.nyc.gov/> for the respective attachments section of the [Preconsidered M-55](#) & [Res. No. 494](#) of 2024 files)

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM; DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

At this point, the Speaker (Council Member Adams) announced that the following items had been **preconsidered** by the Committee on Finance and had been favorably reported for adoption.

Report for M-56

Report of the Committee on Finance in favor of approving a Communication from the Office of Management & Budget regarding an Appropriation of new City revenues in fiscal year 2024 in the amount of \$372.2 million, pursuant to Section 107(e) of the New York City Charter (MN-8).

The Committee on Finance, to which the annexed Land Use item was referred on June 30, 2024 and which same Land Use item was coupled with the resolution shown below, respectfully

REPORTS:

Introduction. At the meeting of the Committee on Finance of the City Council on June 30, 2024, the Council considered a communication from the Office of Management and Budget of the Mayor, dated June 29, 2024, of a proposed request to modify, pursuant to Section 107(e) of the Charter of the City of New York, the Fiscal 2024 Expense Budget Plan, and the revenue estimate related thereto prepared by the Mayor as of June 29, 2024.

Analysis. The Council annually adopts the City's budget covering expenditures pursuant to Section 254 of the Charter. On June 30, 2023, the Council adopted the expense budget for Fiscal Year 2024 (the "Fiscal 2024 Expense Budget"). On December 7, 2023, the administration submitted MN-1, modifying the Fiscal 2024 Expense Budget. On February 1, 2024, the Mayor submitted to the Council MN-3, modifying the Fiscal 2024 Expense Budget. On February 1, 2024, the Mayor submitted to the Council a revenue estimate MN-4, related to the Fiscal 2024 Expense Budget. On May 15, 2024, the Mayor submitted to the Council MN-5, modifying the Fiscal 2024 Expense Budget. On May 15, 2024, the Mayor submitted to the Council a revenue estimate MN-6, related to the Fiscal 2024 Expense Budget. On June 29, 2024, the Mayor submitted to the Council MN-7, modifying the Fiscal 2024 Expense Budget. On June 29, 2024, the Mayor submitted to the Council a revenue estimate MN-8, related to the Fiscal 2024 Expense Budget.

Circumstances have changed since the Council last adopted the Fiscal 2024 Expense Budget.

Section 107(e) provides one mechanism for the Mayor and the Council to amend the Expense Budget and related revenue estimate to reflect changes in circumstances that occur after adoption of a budget. Section 107(e) permits the modification of the budget in order to create new units of appropriation, to appropriate new revenues from any source other than categorical federal, state and private funding, or to use previously unappropriated funds received from any source.

Discussion of Above-captioned Resolution. The above-captioned resolution would authorize the modifications to the Fiscal 2024 Expense Budget and related revenue estimate requested in the communication.

The Revenue Modification (MN-8) recognizes \$372.2 million in new revenues, including \$198.3 million in tax revenue, \$159.5 million in miscellaneous revenue, and \$14.4 million in unrestricted categorical aid. This represents an increase in City funds of approximately 0.47 percent.

The tax revenue increase of \$198.3 million includes \$215 million in general corporation, \$100 million in audits, \$84 million in real estate, \$61 million in unincorporated business, \$20 million in mortgage recording and \$10 million in utility.

Partially offsetting the increase in tax revenues are a reductions of \$349 million in combined personal income and pass-through entity taxes, and \$17 million in real property transfer.

The miscellaneous revenues increase of \$159.5 million includes \$58.2 million in interest income, \$43.2 million in fines and forfeitures, \$30.5 million in other miscellaneous, \$14.5 million in charges for services, \$13.6 million in licenses and franchises, and \$1.8 million in rental income. This is partially offset by a \$2.3 million reduction in water and sewage charges.

Unrestricted categorical aid also increased by \$14.4 million.

MN-8 appropriates \$170.7 million of the new revenues to the Budget Stabilization Account to pre-pay Fiscal Year 2025 debt service in Fiscal 2024. The remaining \$201.5 million in new revenues are appropriated into five units of appropriations within four agencies.

The resolution would also direct the City Clerk to forward a certified copy thereof to the Mayor and the Comptroller so that the Mayor, the Comptroller and the City Clerk may certify the Fiscal 2024 Expense Budget as amended thereby as the budget for the remainder of the fiscal year. The above-captioned resolution would take effect as of the date adopted.

(The following is the text of the Fiscal Impact Memo to the Speaker and to the Chair of the Finance Committee from the Finance Division of the New York City Council:)

TO: Honorable Adrienne E. Adams
Speaker
Honorable Justin Brannan
Chair, Finance Committee

FROM: Tanisha S. Edwards, Esq.,
Chief Financial Officer and Deputy Chief of Staff to the Speaker
Richard Lee, Director, Finance Division
Jonathan Rosenberg, Managing Director, Finance Division
Emre Edev, Deputy Director, Finance Division
Dilara Dimnaku, Chief Economist, Finance Division
Paul Sturm, Supervising Economist, Finance Division
William Kyeremateng, Supervising Economist, Finance Division
Kathleen Ahn, Counsel
Michael Twomey, Assistant Counsel

DATE: June 30, 2024

SUBJECT: A Budget Modification (MN-8) for Fiscal 2024 that will appropriate \$372.2 million in new revenues.

INITIATION: By letter dated June 29, 2024, the Director of the Office of Management and Budget submitted to the Council, pursuant to Section 107(e) of the New York City Charter, a request to appropriate \$372.2 million in new revenues for Fiscal Year 2024.

BACKGROUND: This modification (MN-8) seeks to recognize \$372.2 million in new revenues, implementing the changes in the June 2024 Financial Plan. These funds will add \$372.2 million to pay for Medical Assistance, Department of Parks and Recreation funding, subway safety plan and the Department for the Aging funding. The new revenue will also be used to partially pre-pay Fiscal Year 2025 debt service in Fiscal Year 2024.

FISCAL IMPACT: This modification represents a net increase in the Fiscal 2024 budget of \$372.2 million.

Accordingly, this Committee recommends its adoption.

In connection herewith, Council Member Brannan offered the following resolution:

Preconsidered Res. No. 495

RESOLUTION APPROVING A MODIFICATION (MN-8) PURSUANT TO SECTION 107(e) OF THE CHARTER OF THE CITY OF NEW YORK.

By Council Member Brannan.

Whereas, At a meeting of the Committee on Finance of the City Council of the City of New York (the “City Council”) on June 30, 2024, the Committee on Finance considered a communication, dated June 29, 2024, from the Office of Management and Budget of the Mayor of the City of New York (the “Mayor”), of a proposed request to recognize a net increase in revenue pursuant to Section 107(e) of the Charter of the City of New York (the “Charter”), attached hereto as Exhibit A (the "Request to Appropriate"); and

Whereas, Section 107(e) of the Charter requires the City Council and the Mayor to follow the procedures and required approvals pursuant to Sections 254, 255, and 256 of the Charter, without regard to the dates specified therein, in the case of the proposed appropriation of any new revenues and the creation of new units of appropriation; and

Whereas, Section 107(e) of the Charter requires that any request by the Mayor respecting an amendment of the budget that involves an increase in the budget shall be accompanied by a statement of the source of current revenues or other identifiable and currently available funds required for the payment of such additional amounts, attached hereto as Exhibit B (together with the Request to Appropriate, the "Revenue Modification");

NOW, THEREFORE, The Council of the City of New York hereby resolves as follows:

1. Approval of Modification. The City Council hereby approves the Revenue Modification pursuant to Section 107(e) of the Charter.

2. Further Actions. The City Council directs the City Clerk to forward a certified copy of this resolution to the Mayor and the Comptroller as soon as practicable so that the Mayor, the Comptroller and the City Clerk may certify the Fiscal 2024 Expense Budget as amended by this resolution as the budget for the remainder of the fiscal year.

3. Effective Date. This resolution shall take effect as of the date hereof.

(For text of the MN-8 numbers, please see the New York City Council website at <https://council.nyc.gov/> for the respective attachments section of the [Preconsidered M-56](#) & [Res. No. 495](#) of 2024 files)

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM; DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

At this point, the Speaker (Council Member Adams) announced that the following items had been **preconsidered** by the Committee on Finance and had been favorably reported for adoption.

Report for M-57

Report of the Committee on Finance in favor of approving a resolution of the Council of the City of New York fixing the tax rate for the Fiscal Year 2025, adopted June 30, 2024 upon the recommendation of the Committee on Finance of the Council.

The Committee on Finance, to which the annexed preconsidered communication was referred on June 30, 2024 and which same communication was coupled with the resolution shown below, respectfully

Introduction. This Resolution, dated June 30, 2024, provides the amounts necessary for the support of the government of the City of New York and the counties therein and for the payment of indebtedness thereof, for the fiscal year beginning on July 1, 2024 and ending on June 30, 2025 by the levy of taxes on the real property in the city of New York, in accordance with the provisions of the Constitution of the State of New York, the Real Property Tax law and the New York City Charter.

On April 24, 2024, the Mayor submitted the executive budget for Fiscal 2025 to the Council pursuant to Section 249 of the Charter. On the date hereof, the Council adopted the budget for Fiscal 2025 pursuant to Section 254 of the Charter (the "Fiscal 2025 Budget"). Pursuant to Section 1516 of the Charter, the Council must fix the annual real property tax rates immediately upon such approval of the Fiscal 2025 Budget. In the resolution, captioned above, fixing the real property tax rates for Fiscal 2025 (the "Tax Fixing Resolution"), the Council fixes the annual real property tax rates, as described in greater detail below, and authorizes the levy of real property taxes for Fiscal 2025.

Determining the Amount of the Real Property Tax Levy. In the Tax Fixing Resolution, the Council determines the amount of the real property tax levy for Fiscal 2025, pursuant to the provisions of Section 1516 of the Charter, in the following manner. First, the Council acknowledges the amount of the Fiscal 2025 Budget to be \$112,431,582,240 as set forth in the communication from the Mayor pursuant to Section 1515(a) of the Charter (the "Fiscal 2025 Budget Amount"). The Council then acknowledges the estimate of the probable amount of all non-property tax revenues to be \$78,267,582,240 as set forth in the communication from the Mayor pursuant to Section 1515(a) of the Charter (the "Fiscal 2025 Revenue Estimate"). (Attached hereto as Exhibit

A is an itemization of the Fiscal 2025 Revenue Estimate, detailing all sources of revenues exclusive of real property taxes.) Finally, pursuant to Section 1516 of the Charter, the Council determines the net amount required to be raised by tax on real property to be \$34,164,000,000 by subtracting the amount of the Fiscal 2025 Revenue Estimate from the Fiscal 2025 Budget Amount.

In order to achieve a real property tax yield of \$34,164,000,000, the Council determines that that a real property tax levy of \$36,862,290,588 is required for Fiscal 2025. The levy amount accounts for the provision for uncollectible taxes and refunds, as well as the collection of prior year levies, equal in the aggregate to \$2,698,290,588. Such amount, levied at rates on the classes of real property as further described below will produce a balanced budget within generally accepted accounting principles for municipalities.

The Council also provides for the application of the real property tax levy (net of provision for uncollectible taxes and refunds and collection of levies from prior years) to (1) debt service not subject to the constitutional operating limit, (2) debt service subject to the constitutional operating limit and (3) the Fiscal 2025 Budget in excess of the amount of the Fiscal 2025 Revenue Estimate.

Authorizing and Fixing the Real Property Tax Rates. After having determined the amount of the real property tax levy, the Council authorizes and fixes the real property tax rates. On May 24, 2024, the Commissioner of the Department of Finance (the "Commissioner") delivered the certified assessment rolls for all real property assessable for taxation in the City in each borough thereof for Fiscal 2025 to the Council, pursuant to Section 1514 of the Charter (the "Fiscal 2025 Assessment Rolls"). On June 30, 2024 the Council adopted a resolution in which the Council computed and certified the current base proportion, the current percentage and the base percentage of each class of real property in the City for Fiscal 2025 (the "Current Base Proportion Resolution"), pursuant to Section 1803-a(1) of the Real Property Tax Law. On June 30, 2024, pursuant to Section 1803-a (5) of the Real Property Tax Law, the Council adopted a resolution in which the Council adjusted the current base proportions of each class of real property in the City for Fiscal 2025, to reflect the additions to, and full or partial removal from, the Fiscal 2025 Assessment Rolls (the "Adjusted Base Proportion Resolution").

The following sections describe the determinations the Council must make before it fixes the real property tax rates and the process by which the Council fixes the real property tax rates:

Assessed Valuation Calculations. In the Tax Fixing Resolution, the Council sets out the assessed valuation calculations of taxable real property in the City by class within each borough of the City. Next, the Council sets out the assessed valuation by class of real property for the purpose of taxation in each borough of the City.

Compliance with Constitutional Operating Limit Provisions. In the Tax Fixing Resolution, the Council also provides evidence of compliance with constitutional operating limit provisions. The Council determines that the amount to be levied by tax on real property for the Fiscal 2025 Budget does not exceed the limit imposed by Section 10, Article VIII of the Constitution of the State of New York, as amended, and Article 12-A of the Real Property Tax Law (the "Operating Limit Provisions"). The Operating Limit Provisions require that the City not levy taxes on real property in any fiscal year in excess of an amount equal to a combined total of two and one-half percent (2 ½%) of the average full valuation of taxable real property in the City, determined by taking the assessed valuations of taxable real property on the last completed assessment roll and the four preceding assessment rolls of the City and applying thereto the special equalization ratio which such assessed valuations of each such roll bear to the full valuations as fixed and determined by the State Office of Real Property Tax Services ("ORPTS"), minus (i) the amount to be raised by tax on real property in such year for the payment of the interest on and the redemption of certificates of other evidence of indebtedness described in the Constitution and (ii) the aggregate amount of business improvement district charges exclusive of debt service. (Attached hereto as Exhibit B is an itemization of net reductions of the amounts to be raised by the Fiscal 2025 tax levy as authorized by New York State law for purposes of the Operating Limit determination.)

Adjusted Base Proportions. The Tax Fixing Resolution sets forth the adjusted base proportions for Fiscal 2025, pursuant to the Adjusted Base Proportion Resolution, to be used in determining the Fiscal 2025 tax rates for the four classes of property.

Tax Rates on Adjusted Base Proportions. Finally, in the Tax Fixing Resolution, the Council authorizes and fixes, pursuant to Section 1516 of the Charter, the rates of tax for Fiscal 2025 by class upon each dollar of assessed valuation of real property subject to taxation for all purposes of, and within, the City, as fixed in cents and thousandths of a cent per dollar of assessed valuation, as follows:

All One-, Two- and Three-Family Residential Real Property.....	0.20899
All Other Residential Real Property.....	0.12296
Utility Real Property	0.11639
All Other Real Property.....	0.10686

(Attached hereto as Exhibit C is a history of the tax rates by fiscal year).

Authorization of the Levy of Property Taxes for Fiscal 2025. The Council authorizes and directs the Commissioner, pursuant to Section 1517 of the Charter, to set down in the Fiscal 2025 Assessment Rolls, opposite to the several sums set down as the valuation of real property, the respective sums to be paid as a tax thereon and add and set down the aggregate valuations of real property in the boroughs of the City and send a certificate of such aggregate valuation in each such borough to the State Comptroller. The Tax Fixing Resolution then requires the City Clerk to procure the proper warrants, in the form attached thereto, such warrants to be signed by the Public Advocate and counter-signed by the City Clerk.

The Tax Fixing Resolution would take effect as of the date of adoption of the Fiscal 2025 Budget.

Accordingly, the Committee on Finance recommends adoption of the Tax Fixing Resolution.

(For text of Exhibits A, B, and C, please refer to the attachment section to [the M-57 of 2024 file](#) of the New York City Council website at <https://:council.nyc.gov>)

In connection herewith, Council Member Brannan offered the following resolution:

Res. No. 496

RESOLUTION TO PROVIDE THE AMOUNTS NECESSARY FOR THE SUPPORT OF THE GOVERNMENT OF THE CITY OF NEW YORK AND THE COUNTIES THEREIN AND FOR THE PAYMENT OF INDEBTEDNESS THEREOF, FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2024 AND ENDING ON JUNE 30, 2025, BY THE LEVY OF TAXES ON THE REAL PROPERTY IN THE CITY OF NEW YORK, IN ACCORDANCE WITH THE PROVISIONS OF THE CONSTITUTION OF THE STATE OF NEW YORK, THE REAL PROPERTY TAX LAW AND THE NEW YORK CITY CHARTER.

By Council Member Brannan.

(For text of Res No. 496 of 2024, please refer to the search legislation section of the New York City Council website at <https://:council.nyc.gov> for [the Res. No. 496 of 2024 file](#))

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

On motion of the Speaker (Council Member Adams), and adopted, the foregoing matter was coupled as a General Order for the day (see ROLL CALL ON GENERAL ORDERS FOR THE DAY).

Report for M-14

Report of the Committee on Finance in favor of filing a Communication from the Mayor regarding the submittal of the Preliminary Expense, Revenue, and Contract Budget for Fiscal Year 2025, pursuant to Sections 225 and 236 of the New York City Charter.

The Committee on Finance, to which the annexed communication was referred on February 8, 2024 (Minutes, page 123), respectfully

REPORTS:

With the Budget for Fiscal Year 2025 expected to be adopted by the Council at the scheduled Stated Meeting of June 30, 2024, this Committee has decided to file this supplementary Budget-related item and thereby remove it from the Council's legislative calendar.

Accordingly, this Committee recommends its filing.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

Coupled to be Filed.

Report for M-15

Report of the Committee on Finance in favor of filing a Communication from the Mayor regarding the submittal of the January 2024 Financial Plan Detail for Fiscal Years 2024-2028, pursuant to Sections 101 and 213 of the New York City Charter.

The Committee on Finance, to which the annexed communication was referred on February 8, 2024 (Minutes, page 123), respectfully

REPORTS:

With the Budget for Fiscal Year 2025 expected to be adopted by the Council at the scheduled Stated Meeting of June 30, 2024, this Committee has decided to file this supplementary Budget-related item and thereby remove it from the Council's legislative calendar.

Accordingly, this Committee recommends its filing.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

Coupled to be Filed.

Report for M-16

Report of the Committee on Finance in favor of filing a Communication from the Mayor regarding the submittal of the Geographic Reports for Expense Budget for Fiscal Year 2025, pursuant to Sections 100 and 231 of the New York City Charter.

The Committee on Finance, to which the annexed communication was referred on February 8, 2024 (Minutes, page 123), respectfully

REPORTS:

With the Budget for Fiscal Year 2025 expected to be adopted by the Council at the scheduled Stated Meeting of June 30, 2024, this Committee has decided to file this supplementary Budget-related item and thereby remove it from the Council's legislative calendar.

Accordingly, this Committee recommends its filing.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

Coupled to be Filed.

Report for M-17

Report of the Committee on Finance in favor of filing a Communication from the Mayor regarding the submittal of the Departmental Estimates for Fiscal Year 2025, pursuant to Sections 100, 212 and 231 of the New York City Charter.

The Committee on Finance, to which the annexed communication was referred on February 8, 2024 (Minutes, page 123), respectfully

REPORTS:

With the Budget for Fiscal Year 2025 expected to be adopted by the Council at the scheduled Stated Meeting of June 30, 2024, this Committee has decided to file this supplementary Budget-related item and thereby remove it from the Council's legislative calendar.

Accordingly, this Committee recommends its filing.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

Coupled to be Filed.

Report for M-18

Report of the Committee on Finance in favor of filing a Communication from the Mayor regarding the submittal of the Preliminary Capital Budget, Fiscal Year 2025, pursuant to Section 213 and 236 of the New York City Charter.

The Committee on Finance, to which the annexed communication was referred on February 8, 2024 (Minutes, page 124), respectfully

REPORTS:

With the Budget for Fiscal Year 2025 expected to be adopted by the Council at the scheduled Stated Meeting of June 30, 2024, this Committee has decided to file this supplementary Budget-related item and thereby remove it from the Council's legislative calendar.

Accordingly, this Committee recommends its filing.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

Coupled to be Filed.

Report for M-19

Report of the Committee on Finance in favor of filing a Communication from the Mayor regarding the submittal of the Preliminary Capital Commitment Plan, Fiscal Year 2025, Volumes 1, 2, 3, & 4, pursuant to Section 219 of the New York City Charter.

The Committee on Finance, to which the annexed communication was referred on February 8, 2024 (Minutes, page 124), respectfully

REPORTS:

With the Budget for Fiscal Year 2025 expected to be adopted by the Council at the scheduled Stated Meeting of June 30, 2024, this Committee has decided to file this supplementary Budget-related item and thereby remove it from the Council's legislative calendar.

Accordingly, this Committee recommends its filing.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

Coupled to be Filed.

Report for M-44

Report of the Committee on Finance in favor of filing a Communication from the Mayor regarding the submittal of the Executive Budget Supporting Schedules, for Fiscal Year 2025 pursuant to Section 250 of the New York City Charter.

The Committee on Finance, to which the annexed communication was referred on May 16, 2024 (Minutes, page 1932), respectfully

REPORTS:

With the Budget for Fiscal Year 2025 expected to be adopted by the Council at the scheduled Stated Meeting of June 30, 2024, this Committee has decided to file this supplementary Budget-related item and thereby remove it from the Council's legislative calendar.

Accordingly, this Committee recommends its filing.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

Coupled to be Filed.

Report for M-45

Report of the Committee on Finance in favor of filing a Communication from the Mayor regarding the submittal of the Capital Commitment Plan, Executive Budget, Fiscal Year 2025, Volumes 1, 2, 3 and 4, pursuant to Section 219(d) of the New York City Charter.

The Committee on Finance, to which the annexed communication was referred on May 16, 2024 (Minutes, page 1932), respectfully

REPORTS:

With the Budget for Fiscal Year 2025 expected to be adopted by the Council at the scheduled Stated Meeting of June 30, 2024, this Committee has decided to file this supplementary Budget-related item and thereby remove it from the Council's legislative calendar.

Accordingly, this Committee recommends its filing.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

Coupled to be Filed.

Report for M-46

Report of the Committee on Finance in favor of filing a Communication from the Mayor regarding the submittal of the Budget Summary, the Message of the Mayor, and the Program to Eliminate the Gap relative to the Executive Budget, Fiscal Year 2025, pursuant to Section 249 of the New York City Charter.

The Committee on Finance, to which the annexed communication was referred on May 16, 2024 (Minutes, page 1932), respectfully

REPORTS:

With the Budget for Fiscal Year 2025 expected to be adopted by the Council at the scheduled Stated Meeting of June 30, 2024, this Committee has decided to file this supplementary Budget-related item and thereby remove it from the Council's legislative calendar.

Accordingly, this Committee recommends its filing.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

Coupled to be Filed.

Report for M-49

Report of the Committee on Finance in favor of filing a Communication from the New York City Banking Commission regarding the transmittal of the recommendations of the interest rate to be charged for Fiscal Year 2025 for non-payment of taxes on real estate and for the discount rate to be allowed for early payment of real estate taxes for Fiscal Year 2025, pursuant to the City Charter.

The Committee on Finance, to which the annexed communication was referred on May 16, 2024 (Minutes, page 1933), respectfully

REPORTS:

With the Budget for Fiscal Year 2025 expected to be adopted by the Council at the scheduled Stated Meeting of June 30, 2024, this Committee has decided to file this supplementary Budget-related item and thereby remove it from the Council's legislative calendar.

Accordingly, this Committee recommends its filing.

JUSTIN L. BRANNAN, *Chairperson*; DIANA I. AYALA, FRANCISCO P. MOYA, KEITH POWERS, FARAH N. LOUIS, SELVENA N. BROOKS-POWERS, GALE A. BREWER, AMANDA C. FARIAS, KAMILLAH M. HANKS, CRYSTAL HUDSON, CHI A. OSSÉ, PIERINA A. SANCHEZ, ALTHEA V. STEVENS, NANTASHA M. WILLIAMS, JULIE WON, YUSEF SALAAM, DAVID M. CARR; 17-0-0; Committee on Finance, June 30, 2024.

Coupled to be Filed.

GENERAL ORDERS CALENDAR

There were no additional items listed on the General Orders Calendar.

ROLL CALL ON GENERAL ORDERS FOR THE DAY
(Items Coupled on General Orders Calendar)

- | | | |
|-----|--|--|
| (1) | M-42 &
Res. No. 489 &
Res. No. 490 - | Expense Revenue Contract Budget, for Fiscal Year 2025, as Modified (Budget Resolutions) . |
| (2) | M-43 &
Res. No. 491 &
Res. No. 492 - | Executive Capital Budget for Fiscal Year 2025 as Modified (Budget Resolutions) . |
| (3) | M-47 &
Res. No. 493 - | Proposed City Fiscal Year 2025 Community Development Program, the Proposed CFY'25 Budget, the Proposed Allocation of Calendar Year 2024/CD 50 Funds, the Proposed Calendar Year 2025/CD 51 Budget, dated April 25, 2024 (Community Development Program Budget Resolution) . |
| (4) | Preconsidered
M-55 &
Preconsidered
Res. No. 494 - | Transfer City funds between various agencies in Fiscal Year 2024 to implement changes to the City's expense budget (MN-7) . |
| (5) | Preconsidered
M 56 &
Preconsidered
Res. No. 495 - | Appropriation of new City revenues in Fiscal Year 2024 in the amount of \$372.2 million (MN-8) . |
| (6) | Preconsidered
M-57 &
Res. No. 496 - | Council of the City of New York fixing the tax rate for the Fiscal Year 2025, adopted June 30, 2024 upon the recommendation of the Committee on Finance of the Council (Tax Fixing Resolution, June 30, 2024) . |
| (7) | Int. No. 962 - | Property tax collection and preservation of housing for certain properties. |
| (8) | Preconsidered
Res No. 482 - | COMPUTING AND CERTIFYING ADJUSTED BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2025 (Class Shares, ABP) . |

- (9) **Preconsidered Res. No. 483 -** COMPUTING AND CERTIFYING BASE PERCENTAGE, CURRENT PERCENTAGE AND CURRENT BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2025 (**Class Shares, CBP**).
- (10) **Preconsidered Res. No. 484 -** New designation and changes in the designation of certain organizations to receive funding in the Expense Budget (**Transparency Resolution**).
- (11) **Preconsidered Res. No. 485 -** Interest rate be two and one half percent per annum for Fiscal Year 2025 for certain properties.
- (12) **Preconsidered Res. No. 486 -** Interest rate be nine percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of more than \$250,000.
- (13) **Preconsidered Res. No. 487 -** Interest rate be six percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of not more than \$250,000.
- (14) **Preconsidered Res. No. 488 -** Interest rate be sixteen percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of more than \$450,000.
- (15) **M-14 -** Preliminary Expense, Revenue, and Contract Budget for Fiscal Year 2025 (**Coupled to be Filed**).
- (16) **M-15 -** January 2024 Financial Plan Detail for Fiscal Years 2024-2028 (**Coupled to be Filed**).
- (17) **M-16 -** Geographic Reports for Expense Budget for Fiscal Year 2025 (**Coupled to be Filed**).
- (18) **M-17 -** Departmental Estimates for Fiscal Year 2025 (**Coupled to be Filed**).
- (19) **M-18 -** Preliminary Capital Budget, Fiscal Year 2025 (**Coupled to be Filed**).

- (20) **M-19** Preliminary Capital Commitment Plan, Fiscal Year 2025, Volumes 1, 2, 3, & 4 (**Coupled to be Filed**).
- (21) **M-44 -** Executive Budget Supporting Schedules, for Fiscal Year 2025 (**Coupled to be Filed**).
- (22) **M-45 -** Capital Commitment Plan, Executive Budget, Fiscal Year 2025, Volumes 1, 2, 3 and 4 (**Coupled to be Filed**).
- (23) **M-46 -** Budget Summary, the Message of the Mayor, and the Program to Eliminate the Gap relative to the Executive Budget, Fiscal Year 2025 (**Coupled to be Filed**).
- (24) **M-49 -** Transmitting recommendations of the interest rate to be charged for Fiscal Year 2025 for non-payment of taxes on real estate and for the discount rate to be allowed for early payment of real estate taxes for Fiscal Year 2025 (**Coupled to be Filed**).

The Majority Leader and Acting President Pro Tempore (Council Member Farías) put the question whether the Council would agree with and adopt such reports which were decided in the **affirmative** by the following vote:

Affirmative – Abreu, Ariola, Avilés, Ayala, Banks, Bottcher, Brannan, Brewer, Brooks-Powers, Cabán, Carr, De La Rosa, Dinowitz, Feliz, Gennaro, Gutiérrez, Hanif, Hanks, Holden, Hudson, Joseph, Krishnan, Lee, Louis, Marmorato, Marte, Menin, Moya, Narcisse, Nurse, Ossé, Paladino, Powers, Restler, Riley, Rivera, Salaam, Salamanca, Sanchez, Schulman, Stevens, Ung, Williams, Won, Yeger, Zhuang, the Minority Leader (Council Member Borelli), the Majority Leader (Council Member Farías) and the Speaker (Council Member Adams) - **49**.

The General Order vote recorded for this Stated Meeting was 49-0-0 as shown above with the exception of the votes for the following legislative items:

The following was the vote recorded for **M-42 & Res. No. 489 & Res. No. 490 (Executive Expense-Revenue-Contract Budget for Fiscal Year 2025, as modified):**

Affirmative – Abreu, Ariola, Ayala, Banks, Bottcher, Brannan, Brewer, Brooks-Powers, Carr, De La Rosa, Dinowitz, Feliz, Gennaro, Gutiérrez, Hanks, Holden, Hudson, Joseph, Krishnan, Lee, Louis, Marmorato, Marte, Menin, Moya, Narcisse, Nurse, Ossé, Paladino, Powers, Restler, Riley, Rivera, Salaam, Salamanca, Sanchez, Schulman, Stevens, Ung, Williams, Won, Yeger, Zhuang, the Minority Leader (Council Member Borelli), the Majority Leader (Council Member Farías) and the Speaker (Council Member Adams) - **46**.

Negative – Aviles, Cabán, and Hanif - **3**.

The following was the vote recorded for **M-43 & Res. No. 491 & Res. No. 492 (Executive Capital Budget for Fiscal Year 2025, as modified)**:

Affirmative – Abreu, Ariola, Ayala, Banks, Bottcher, Brannan, Brewer, Brooks-Powers, Carr, De La Rosa, Dinowitz, Feliz, Gennaro, Gutiérrez, Hanks, Holden, Hudson, Joseph, Krishnan, Lee, Louis, Marmorato, Marte, Menin, Moya, Narcisse, Nurse, Ossé, Paladino, Powers, Restler, Riley, Rivera, Salaam, Salamanca, Sanchez, Schulman, Stevens, Ung, Williams, Won, Yeger, Zhuang, the Minority Leader (Council Member Borelli), the Majority Leader (Council Member Farías) and the Speaker (Council Member Adams) - **46**.

Negative – Aviles, Caban, and Hanif - **3**.

The following was the vote recorded for **Preconsidered M-57 & Res. No. 496 (Tax-Fixing Rate, June 30, 2024)**:

Affirmative – Abreu, Avilés, Ayala, Banks, Bottcher, Brannan, Brewer, Brooks-Powers, Cabán, De La Rosa, Dinowitz, Feliz, Gennaro, Gutiérrez, Hanif, Hudson, Joseph, Krishnan, Lee, Louis, Marte, Menin, Moya, Narcisse, Nurse, Ossé, Powers, Restler, Riley, Rivera, Salaam, Salamanca, Sanchez, Schulman, Stevens, Ung, Williams, Won, the Majority Leader (Council Member Farías) and the Speaker (Council Member Adams) - **40**.

Negative – Ariola, Carr, Hanks, Holden, Marmorato, Paladino, Yeger, Zhuang, and the Minority Leader (Council Member Borelli) - **9**.

The following was the vote recorded for **Int. No. 962**:

Affirmative – Abreu, Ariola, Avilés, Ayala, Banks, Bottcher, Brannan, Brewer, Brooks-Powers, Cabán, Carr, De La Rosa, Dinowitz, Feliz, Gennaro, Gutiérrez, Hanif, Hanks, Hudson, Joseph, Krishnan, Lee, Louis, Marmorato, Marte, Menin, Moya, Narcisse, Nurse, Ossé, Paladino, Powers, Restler, Riley, Rivera, Salaam, Salamanca, Sanchez, Schulman, Stevens, Ung, Williams, Won, Zhuang, the Minority Leader (Council Member Borelli), the Majority Leader (Council Member Farías) and the Speaker (Council Member Adams) - **47**.

Negative – Holden and Yeger - **2**.

The following was the vote recorded for **Preconsidered Res. Nos. 482 and 483 (ABP and CBP Class Shares)**:

Affirmative – Abreu, Avilés, Ayala, Banks, Bottcher, Brannan, Brewer, Brooks-Powers, Cabán, De La Rosa, Dinowitz, Feliz, Gennaro, Gutiérrez, Hanif, Hudson, Joseph, Krishnan, Lee, Louis, Marte, Menin, Moya, Narcisse, Nurse, Ossé, Powers, Restler, Riley, Rivera, Salaam, Salamanca, Sanchez, Schulman, Stevens, Ung, Williams, Won, the Majority Leader (Council Member Farías) and the Speaker (Council Member Adams) - **40**.

Negative – Ariola, Carr, Hanks, Holden, Marmorato, Paladino, Yeger, Zhuang, and the Minority Leader (Council Member Borelli) - **9**.

The following was the vote recorded for **Preconsidered Res. No. 484**:

Affirmative – Abreu, Ariola, Avilés, Ayala, Banks, Bottcher, Brannan, Brewer, Brooks-Powers, Cabán, Carr, De La Rosa, Dinowitz, Feliz, Gennaro, Gutiérrez, Hanif, Hanks, Holden, Hudson, Joseph, Krishnan, Lee, Louis, Marmorato, Marte, Menin, Moya, Narcisse, Nurse, Ossé, Paladino, Powers, Restler, Riley, Rivera, Salaam, Salamanca, Sanchez, Schulman, Stevens, Ung, Williams, Won, Zhuang, the Minority Leader (Council Member Borelli), the Majority Leader (Council Member Farías) and the Speaker (Council Member Adams) - **48**.

Negative – Yeger - **1**.

The following was the vote recorded for **Preconsidered Res. No. 485, 486, 487, and 488**:

Affirmative – Abreu, Avilés, Ayala, Banks, Bottcher, Brannan, Brewer, Brooks-Powers, Cabán, De La Rosa, Dinowitz, Feliz, Gennaro, Gutiérrez, Hanif, Hudson, Joseph, Krishnan, Lee, Louis, Marte, Menin, Moya, Narcisse, Nurse, Ossé, Powers, Restler, Riley, Rivera, Salaam, Salamanca, Sanchez, Schulman, Stevens, Ung, Williams, Won, the Majority Leader (Council Member Farías) and the Speaker (Council Member Adams) - **40**.

Negative – Ariola, Carr, Hanks, Holden, Marmorato, Paladino, Yeger, Zhuang, and the Minority Leader (Council Member Borelli) - **9**.

The following was the **vote to file** recorded for **M-49**:

Affirmative – Abreu, Ariola, Avilés, Ayala, Banks, Bottcher, Brannan, Brewer, Brooks-Powers, Cabán, Carr, De La Rosa, Dinowitz, Feliz, Gennaro, Gutiérrez, Hanif, Hanks, Holden, Hudson, Joseph, Krishnan, Lee, Louis, Marmorato, Marte, Menin, Moya, Narcisse, Nurse, Ossé, Paladino, Powers, Restler, Riley, Rivera, Salaam, Salamanca, Sanchez, Schulman, Stevens, Ung, Williams, Won, Zhuang, the Minority Leader (Council Member Borelli), the Majority Leader (Council Member Farías) and the Speaker (Council Member Adams) - **48**.

Negative – Yeger - **1**.

*The following Introduction was sent to the Mayor for his consideration and approval:
Int. No. 962.*

FY 2025 Budget Sponsorship Disclosures

During the Roll Call for General Orders, a number of Council Members made disclosures on the record of the transcript proceedings detailing relationships that either: 1) do not constitute a conflict of interest under City law; or 2) are pending determination while awaiting guidance from the Conflicts of Interest Board on whether to proceed with the sponsorship. Please refer to the Transcript for the Stated Meeting of June 30, 2024 for further details (*i.e.*, see the attachments to [the M-42 of 2024 file](#) for the Stated Meeting Transcript on the Council website <https://council.nyc.gov>; the verbal disclosures may be found on pages 35 to 96 of the Transcript throughout the Roll Call for General Orders segment of the meeting). The following members made disclosures on the transcript record during this Stated Meeting: Council Members Ariola (Tr. p. 35), Aviles (Tr. p. 38), Ayala (Tr. p. 38), Banks (Tr. p. 40), Brooks-Powers (Tr. p. 46), Carr (Tr. p. 54), De La Rosa (Tr. p. 52), Dinowitz (Tr. p. 53), Feliz (Tr. p. 54), Gutierrez (Tr. p. 55), Hanif (Tr. p. 57), Holden (Tr. p. 60), Hudson (Tr. p. 63), Krishnan (Tr. p. 65), Lee (Tr. p. 67), Marmorato (Tr. p. 69), Marte (Tr. p. 70), Menin (Tr. 70), Powers (Tr. p. 77), Restler (Tr. 78), Riley (Tr. p. 81), Rivera (Tr. p. 81), Salaam (Tr. p. 83), Salamanca (Tr. p. 85), Sanchez (Tr. p. 86), Schulman (Tr. p. 88), Won (Tr. p. 91), Zhuang (Tr. p. 92), the Minority Leader (Council Member Borelli) (Tr. p. 93), the Majority Leader (Council Member Farías) (Tr. p. 94), and the Speaker (Council Member Adams (Tr. p. 96).

Budget Adoption Declaration for Fiscal Year 2025

At this point, the Majority Leader and Acting President Pro Tempore (Council Member Farías) made the following budget adoption declaration:

I *now* formally declare that
the Executive Expense Revenue Contract Budget,
the Executive Capital Budget,
and the Community Development Program;
for Fiscal Year 2025;
all *as modified*;
and all *in accordance*
with the New York City Charter;

have been hereby adopted

as of 4:07 p.m.,
on this 30th day of June, 2024.

INTRODUCTION AND READING OF BILLS

Preconsidered Res. No. 482

RESOLUTION COMPUTING AND CERTIFYING ADJUSTED BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2025 TO THE STATE BOARD OF REAL PROPERTY TAX SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW.

By Council Member Brannan.

WHEREAS, This Resolution, dated June 30, 2024, computes and certifies the adjusted base proportion of each class of real property for the fiscal year beginning on July 1, 2024 and ending on June 30, 2025 ("Fiscal 2025") to the State Board of Real Property Tax Services ("SBRPTS") pursuant to Section 1803-a of the Real Property Tax Law; and

WHEREAS, On May 24, 2024, pursuant to Section 1514 of the New York City Charter, the Commissioner of the Department of Finance delivered to the Council the certified assessment rolls for all real property assessable for taxation in the City in each borough thereof for Fiscal 2025, a certified copy of which is in the Office of the Clerk of the City pursuant to Section 516 of the Real Property Tax Law (the "Fiscal 2025 Assessment Rolls"); and

WHEREAS, Pursuant to Section 1803-a(1) of the Real Property Tax Law the Council adopts herewith a resolution in which the Council computed and certified the current base proportion, the current percentage and the base percentage of each class of real property in the City for Fiscal 2025 (the "Current Base Proportion Resolution"); and

WHEREAS, Section 1803-a(5) of the Real Property Tax Law requires the Council, subsequent to the filing of the final Fiscal 2025 Assessment Rolls, to adjust current base proportions computed pursuant to the Current Base Proportion Resolution to reflect additions to and removals from the Fiscal 2025 Assessment Rolls as described therein (each such current base proportion so adjusted to be known as an "Adjusted Base Proportion"); and

WHEREAS, Within five days upon determination of the Adjusted Base Proportions, Section 1803-a(6) of the Real Property Tax Law, requires the Council to certify, to the SBRPTS, the Adjusted Base Proportion for each class of real property applicable to the City, the assessed value of all property in each class of real property, the net change in assessed value for each class on the Fiscal 2025 Assessment Rolls resulting from the additions to or removals from the Fiscal 2025 Assessment Rolls as described above, and the net change in assessed value for each class on the Fiscal 2025 Assessment Rolls resulting from changes other than those referred to above;

NOW, THEREFORE, be it resolved by The Council of The City of New York as follows:

Section 1. Computation and Certification of Adjusted Base Proportions and Related Information for Fiscal 2025. (a) The Council hereby computes and certifies the Adjusted Base Proportion for each class of real property applicable to the City, the assessed value of all property in each class of real property, the net change in assessed value for each class on the Fiscal 2025 Assessment Rolls resulting from the additions to or removals from the Fiscal 2025 Assessment Rolls as described in Section 1803-a(5) of the Real Property Tax Law, and the net change in assessed value for each class on the Fiscal 2025 Assessment Rolls resulting from changes other than those described in Section 1803-a(5) of the Real Property Tax Law, as shown on SBRPTS Form RP-6702, attached hereto as Exhibit A and incorporated herein by reference (the "ABP Certificate").

(b) The Clerk of the Council is hereby authorized and directed to execute the ABP Certificate and to file it with the SBRPTS no later than five days after the date hereof.

Section 2. Effective Date. This resolution shall take effect as of the date hereof.

ATTACHMENT: Exhibit A - the ABP Certificate

(For text of Exhibit A Chart, known as the "ABP Certificate", please refer to the legislation section of the New York City Council website at <https://council.nyc.gov> and search in the attachments section of the [Res. No. 482 of 2024](#) file)

Adopted by the Council (preconsidered and approved by the Committee on Finance).

Preconsidered Res. No. 483

RESOLUTION COMPUTING AND CERTIFYING BASE PERCENTAGE, CURRENT PERCENTAGE AND CURRENT BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2025 TO THE STATE BOARD OF REAL PROPERTY TAX SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW.

By Council Member Brannan.

Whereas, This Resolution, dated June 30, 2024, computes and certifies the base percentage, current percentage, and current base proportion of each class of real property for the fiscal year beginning on July 1, 2024 and ending on June 30, 2025 ("Fiscal 2025") to the State Board of Real Property Tax Services ("SBRPTS") pursuant to Section 1803-a of the Real Property Tax Law; and

Whereas, On February 20, 2024 the SBRPTS certified the final State equalization rate, class ratios and class equalization rates for the City's 2023 assessment rolls, required by Article 18 of the Real Property Tax Law; and

Whereas, Section 1803-a(1) of the Real Property Tax Law, requires the Council to compute and certify, to the SBRPTS, for each tax levy, the base percentage, the current percentage and the current base proportion of each class of real property in the City subsequent to the date on which the SBRPTS files with the Clerk of the Council a certification setting forth the final state equalization rate, class ratios and class equalization rates for the City's Fiscal 2025 assessment rolls, pursuant to Section 1212 of the Real Property Tax Law; and

Whereas, Section 1803-a(1)(c) of the Real Property Tax Law requires that if any increase in the current base proportion for any class of real property, as compared with the previous year's adjusted base proportion for such class of property shall exceed five percent, such excess over five percent must be shifted to any other class of property;

NOW, THEREFORE, be it resolved by The Council of The City of New York as follows:

Section 1. Computation and Certification of Base Percentages, Current Base Percentages and Current Base Proportions for Fiscal 2025. (a) The Council hereby computes and certifies the base percentage, the current percentage and the current base percentage for the City's Fiscal 2025 assessment rolls as shown on SBRPTS Form RP-6700, attached hereto as Exhibit A and incorporated herein by reference (the "CBP Certificate").

(b) The Clerk of the Council is hereby authorized and directed to execute the CBP Certificate and to file it with the SBRPTS after the date on which the SBRPTS filed with the Clerk of the Council a certification setting forth the final state equalization rate, class ratios and class equalization rates for the City's Fiscal 2025 assessment rolls, pursuant to Section 1212 of the Real Property Tax Law.

Section 2. Effective Date. This resolution shall take effect as of the date hereof.

(For text of Exhibit A Chart, known as the “CBP Certificate”, please refer to the legislation section of the New York City Council website <https://council.nyc.gov> and search in the attachments section of the Res. No. 483 of 2024 file)

Adopted by the Council (preconsidered and approved by the Committee on Finance)

Preconsidered Res. No. 484

Resolution approving the new designation and changes in the designation of certain organizations to receive funding in the Expense Budget.

By Council Member Brannan.

Whereas, On June 30, 2023, the Council of the City of New York (the “City Council”) adopted the expense budget for Fiscal Year 2024 with various programs and initiatives (the “Fiscal 2024 Expense Budget”); and

Whereas, On June 13, 2022, the Council of the City of New York (the “City Council”) adopted the expense budget for Fiscal Year 2023 with various programs and initiatives (the “Fiscal 2023 Expense Budget”); and

Whereas, The City Council is hereby implementing and furthering the appropriations set forth in the Fiscal 2024 and Fiscal 2023 Expense Budgets by approving the new designation and changes in the designation of certain organizations receiving local, youth, community safety and victim services, boroughwide, and Speaker’s initiative discretionary funding, and by approving the new designation and changes in the designation of certain organizations to receive funding pursuant to certain initiatives in accordance therewith; and

Whereas, The City Council is hereby implementing and furthering the appropriations set forth in the Fiscal 2024 Expense Budget by approving new Description/Scope of Services for certain organizations receiving local, and Speaker’s initiative discretionary funding; now, therefore, be it

Resolved, That the City Council approves the changes in the designation of certain organizations receiving local discretionary funding pursuant to the Fiscal 2024 Expense Budget, as set forth in Chart 1; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving youth discretionary funding in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 2; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving community safety and victim services discretionary funding in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 3; and be it further

Resolved, That the City Council approves the new designations and changes in the designation of certain organizations receiving funding pursuant to the Speaker’s Initiative to Address Citywide Needs in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 4; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving funding pursuant to the Cultural After-School Adventure (CASA) Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 5; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving funding pursuant to the Parks Equity Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 6; and be it further

Resolved, That the City Council approves the change in the designation of certain organizations receiving funding pursuant to the NYC Cleanup Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 7; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving funding pursuant to the Food Pantries Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 8; and be it further

Resolved, That the City Council approves change in the designation of certain organizations receiving funding pursuant to the Neighborhood Development Grant Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 9; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving funding pursuant to the HIV/AIDS Faith Based Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 10; and be it further

Resolved, That the City Council approves the change in the designation of certain organizations receiving funding pursuant to the Community Land Trust Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 11; and be it further

Resolved, That the City Council approves the change in the designation of a certain organization receiving funding pursuant to the Financial Empowerment for NYC's Renters Initiative in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 12; and be it further

Resolved, That the City Council approves the change in the designation of certain organizations receiving funding pursuant to the Boroughwide Needs Initiative in accordance with the Fiscal 2023 Expense Budget, as set forth in Chart 13; and be it further

Resolved, That the City Council approves the changes in the designation of certain organizations receiving youth discretionary funding in accordance with the Fiscal 2023 Expense Budget, as set forth in Chart 14; and be it further

Resolved, That the City Council approves the change in the designation of certain organizations receiving funding pursuant to the Senior Centers, Programs, and Enhancements Initiative in accordance with the Fiscal 2023 Expense Budget, as set forth in Chart 15; and be it further

Resolved, That the City Council approves the change in the designation of certain organizations receiving funding pursuant to the LGBTQ Inclusive Curriculum Initiative in accordance with the Fiscal 2023 Expense Budget, as set forth in Chart 16; and be it further

Resolved, That the City Council amends the Purpose of Funds for certain organizations receiving funding in accordance with the Fiscal 2024 Expense Budget, as set forth in Chart 17.

Adopted by the Council (preconsidered and approved by the Committee on Finance; for text of the Exhibit Charts, please refer to the attachments section of [the Res. No. 484 of 2024 file](#) in the legislation section of the New York City Council website at <https://council.nyc.gov>).

Preconsidered Res. No. 485

Resolution to establish that the interest rate be two and one half percent per annum for Fiscal Year 2025 for certain properties for which the owner has entered into an installment payment agreement with the department of finance for payment of delinquent property taxes, assessments or other charges.

By Council Member Brannan.

Whereas, Pursuant to Section 11-224.1 of the Administrative Code of the City of New York the Banking Commission is required to recommend to the City Council, not later than the 13th day of May of each year, the proposed interest rate to be charged for certain properties for which the owner has entered into an installment payment agreement with the department of finance for payment of delinquent property taxes, assessments or other charges; and

Whereas, The Banking Commission is required to propose a rate at least equal to the most recent federal short-term interest rate as determined by the United States Secretary of the Treasury in accordance with U.S. Internal Revenue Code § 1247(d), rounded to the nearest half percent (the “Applicable Federal Rate”); and

Whereas, The Banking Commission notes that as of May 2024, the Applicable Federal Rate stands at 4.97 percent; and

Whereas, It is in the best interest of the City to encourage otherwise delinquent taxpayers to enter into arrangements to begin the prompt payment of taxes on real estate by all taxpayers; and

Whereas, The Banking Commission forwarded its recommendation to the Council, by letter dated May 10, 2024, that the interest rate to be charged for certain properties for which the owner has entered into an installment payment agreement with the department of finance for payment of delinquent property taxes, assessments or other charges be 6 percent per annum for Fiscal Year 2025; now, therefore, be it

Resolved, That the Council of the City of New York establishes that the interest rate be 2.5 percent per annum for Fiscal Year 2025 for certain properties for which the owner has entered into an installment payment agreement with the department of finance for payment of delinquent property taxes, assessments or other charges.

Adopted by the Council (preconsidered and approved by the Committee on Finance).

Preconsidered Res. No. 486

Resolution to establish that the interest rate be nine percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of more than \$250,000 but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments.

By Council Member Brannan.

Whereas, Pursuant to Section 11-224.1 of the Administrative Code of the City of New York, the Banking Commission is required to recommend to the City Council, not later than the 13th day of May of each year, the proposed interest rate to be charged for non-payment of taxes on properties with an assessed value of more than \$250,000 but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments; and

Whereas, The Banking Commission is required to propose a rate of at least four percent per annum greater than the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “Prime Rate”); and

Whereas, The Banking Commission notes that as of May 9, 2024, the Prime Rate stands at 8.50 percent as published by the Board of Governors of the Federal Reserve System; and

Whereas, It is in the best interest of the City to encourage the prompt payment of taxes on real estate by all taxpayers; and

Whereas, The Banking Commission forwarded its recommendation to the Council, by letter dated May 10, 2024, that the interest rate to be charged for non-payment of taxes on properties where the assessed value on a parcel is more than \$250,000 but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments, be 15 percent per annum for Fiscal Year 2025; now, therefore, be it

Resolved, That the Council of the City of New York establishes that the interest rate be 9 percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of over 250,000 but less than or equal to \$450,000, or more than \$250,000 but less than or equal to \$450,000 per residential unit for cooperative apartments.

Adopted by the Council (preconsidered and approved by the Committee on Finance).

Preconsidered Res. No. 487

Resolution to establish that the interest rate be six percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments.

By Council Member Brannan.

Whereas, Pursuant to Section 11-224.1 of the Administrative Code of the City of New York the Banking Commission is required to recommend to the City Council, not later than the 13th day of May of each year, the proposed interest rate to be charged for non-payment of taxes on properties with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments; and

Whereas, The Banking Commission is required to propose a rate at least equal to the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “Prime Rate”); and

Whereas, The Banking Commission notes that as of May 9, 2024, the Prime Rate stands at 8.50 percent as published by the Board of Governors of the Federal Reserve System; and

Whereas, It is in the best interest of the City to encourage the prompt payment of taxes on real estate by all taxpayers; and

Whereas, The Banking Commission forwarded its recommendation to the Council, by letter dated May 10, 2024, that the interest rate to be charged for the non-payment of taxes on properties where the assessed value is not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments, be 9 percent per annum for Fiscal Year 2025; now, therefore, be it

Resolved, That the Council of the City of New York establishes that the interest rate be 6 percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments.

Adopted by the Council (preconsidered and approved by the Committee on Finance).

Preconsidered Res. No. 488

Resolution to establish that the interest rate be sixteen percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments.

By Council Member Brannan.

Whereas, Pursuant to Section 11-224.1 of the Administrative Code of the City of New York the Banking Commission is required to recommend to the City Council, not later than the 13th day of May of each year, the proposed interest rate to be charged for non-payment of taxes on properties with an assessed value of more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments; and

Whereas, The Banking Commission is required to propose a rate at least six percentage points per annum greater than the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “Prime Rate”); and

Whereas, The Banking Commission notes that as of May 9, 2024, the Prime Rate stands at 8.50 percent as published by the Board of Governors of the Federal Reserve System; and

Whereas, It is in the best interest of the City to encourage the prompt payment of taxes on real estate by all taxpayers; and

Whereas, The Banking Commission forwarded its recommendation to the Council, by letter dated May 10, 2024, that the interest rate to be charged for the non-payment of taxes on properties where the assessed value of more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments, be 18 percent per annum for Fiscal Year 2025; now, therefore, be it

Resolved, That the Council of the City of New York establishes that the interest rate be 16 percent per annum for Fiscal Year 2025 for non-payment of taxes on properties with an assessed value of more than \$450,000, or more than \$450,000 per residential unit for cooperative apartments.

Adopted by the Council (preconsidered and approved by the Committee on Finance).

NEW YORK CITY COUNCIL

A N N O U N C E M E N T S

Tuesday, July 9, 2024

Subcommittee on Zoning & Franchises

Kevin C. Riley, Chairperson

See Land Use Calendar

Council Chambers – City Hall.....11:00 a.m.

Thursday, July 18, 2024

Stated Council Meeting

Council Chambers – City Hall.....Agenda – 1:30 p.m.

The following comments were among the remarks made by the Speaker (Council Member Adams) during the Communication from the Speaker segment of this meeting:

The Speaker (Council Member Adams) acknowledged and thanked the following for their work throughout the FY 2025 Budget process: Council Member and Finance Chair Brannan; the Council Leadership Team including the Deputy Speaker (Council Member Ayala); the Majority Leader (Council Member Farías), the Majority Whip (Council Member Brooks-Powers), and Council Members Powers, Rivera, Salamanca, and Ung; and additional members who were part of the Budget Negotiating Team including Council Members Brewer, Dinowitz, Riley, Stevens, Lee, Williams, Schulman, Won, Krishnan, Hudson, Joseph, Narcisse and the Minority Leader (Council Member Borelli).

The Speaker (Council Member Adams) also thanked the entire Finance Division staff led by Deputy Chief of Staff for Finance and Chief Financial Officer Tanisha Edwards and the Director of the Finance Division Richard Lee. The Speaker (Council Member Adams) then individually thanked the members of the Finance Division staff: Jonathan Rosenberg, Alan Lebowitz, Michael Twomey, Chima Obichere, Eisha Wright, Elizabeth Hoffman, Aliya Ali, Julia Haramis, Florentine Kabore, Jack Storey, Daniel Kroop, Monica Saladi, Adrian Drepaul, Danielle Glants, Ross Goldstein, Sandra Gray, Saiyemul Hamid, Nia Hyatt, Owen Kotowski, Casey Lajszky, Andrew Lane-Lawless, Glenn Martelloni, Phariha Rahman, Michael Sherman, Tanveer Singh, Shayna Ortiz, Emre Edev, Dilara Dimnaku, William Kyeremateng, Paul Sturm, Andrew Wilber, Hector German, Vincent Giordano, Paul Scimone, James Reyes, Savanna Chou, Carolina Gil, Emmanuel Afuape, Miguel Perez-Perez, Vanessa Diaz-Lopez, Nicole Anderson, and Maria Pagan.

The Speaker (Council Member Adams) also thanked the Office of General Counsel staff for their work on the budget including: Francesca Della Vecchia, Alycia Vassell, and the entire Public Integrity Unit; as well as Pearl Moore and the attorneys of the Office of the General Counsel. The Speaker (Council Member Adams) additionally thanked Jonathan Etricks of the Legislative Document Unit.

The Speaker (Council Member Adams) concluded by thanking members of her senior staff including: Jeremy John, Faiza Ali, Mandela Jones, Danielle Castaldi-Micca, Meghan Lynch, Jae Koh, Danielle Porcaro, and every Division and staff member of the Council and individual Council Members' staff.

Whereupon on motion of the Speaker (Council Member Adams), the Majority Leader and Acting President Pro Tempore (Council Member Farías) adjourned these proceedings to meet again for the Stated Meeting of Thursday, July 18, 2024.

MICHAEL M. McSWEENEY, City Clerk
Clerk of the Council

Editor's Note: For the transcript of these proceedings, please refer to the respective attachment section of items introduced or adopted at this Stated Meeting of Sunday, June 30, 2024 on the New York City Council website at <https://council.nyc.gov>.

Editor's Local Law Note: Int. Nos. 97-C, 134-A, 135-A, 170-A, 231-A, and 584-A, adopted at the May 23, 2024 Stated Meeting, were returned unsigned by the Mayor on June 24, 2024. These items had become law on June 22, 2024 due to the lack of Mayoral action within the Charter-prescribed thirty day time period. These bills were assigned subsequently as Local Laws Nos. 67 to 72 of 2024, respectively.