

**LOCAL LAWS**  
**OF**  
**THE CITY OF NEW YORK**  
**FOR THE YEAR 1991**

**No. 16**

Introduced by Council Members Spigner and Crispino (by request of the Mayor); also Council Members Dryfoos, Foster and Leffler, Castaneira Colon and Povman.

**A LOCAL LAW**

To amend the administrative code of the City of New York, in relation to the release by the city of property acquired by in rem tax foreclosure.

*Be it enacted by the Council as follows:*

Section 1. The administrative code of the City of New York is amended by adding a new section 11-424.1 to read as follows:

*§ 11-424.1 In rem foreclosure release board. There shall be an in rem foreclosure release board consisting of the mayor, the speaker of the city council, the affected borough president, the corporation counsel and the commissioner of finance. For the purposes of this section, the affected borough president shall be the president of the borough in which a property proposed for release pursuant to this section is located. Members of the board may, by written authority filed with the board and with the city clerk, appoint delegates to act on their behalf as members of the board. The board shall have the power, acting by resolution, to authorize the release of the city's interest in property acquired by in rem tax foreclosure in accordance with section 11-424 of the code based upon a determination, in its discretion, that such release would be in the best interests of the city. The board shall act after a meeting at which the public has been provided an opportunity to comment on the proposed action. A resolution of the board authorizing a release of the city's interest in any property shall be adopted only upon the affirmative vote of not less than a majority of all the members of the board. The board may consider any information it deems relevant to a determination. The board shall not be required to state the reasons for its determination.*

§ 2. Subdivision a of section 11-424 of the administrative code of the City of New York is amended to read as follows:

a. (1) The city's interest in property acquired by in rem tax foreclosure may be released pursuant to this section on the application of any party who had an interest in said property as either owner, mortgagee, lienor or encumbrancer at the time of the city's acquisition thereof where such application is made at any time up to two years from the date on which the deed by which the city acquired title to said property was recorded [or within two months of the effective date hereof with respect to property to which the city's deed was recorded no more than three years prior to the effective date hereof].

(2) *Notwithstanding any inconsistent provision of paragraph one of this subdivision to the contrary, the city's interest in property acquired by in rem tax foreclosure may be released pursuant to this section upon application of any party who had an interest in said property as*

*either owner, mortgagee, lienor or encumbrancer at the time of the city's acquisition thereof where such application is made more than two years after the date on which the deed by which the city acquired title to said property was recorded provided such application is authorized by the council as hereinafter provided. An application for such release and the documents required by subdivision c in support thereof shall be filed with the department of general services in the manner provided in subdivision b of this section. The department of general services shall give the council written notice of the receipt of each such filing. After review and approval of the application by the corporation counsel as to form and eligibility of the applicant, the department of general services shall send a copy of such application to the in rem foreclosure release board and to the council. Upon receipt of such application, the in rem foreclosure release board shall take no further action on such application unless the council adopts a resolution within one hundred twenty days following the first stated meeting of the council after receipt of such application authorizing the board to consider such application. If the council fails to adopt a resolution within such one-hundred-twenty-day period, the council shall be deemed to have denied its authorization for the board to consider such application. A resolution of the council pursuant to this paragraph shall describe the property for which release is sought by borough, tax map, block and lot number and shall specify that release of the city's interest in such property is subject to the approval of the in rem foreclosure release board and to all the conditions and restrictions set forth in this section.*

§ 3. Paragraph 6 of subdivision b of section 11-424 of the administrative code of the city of New York, as amended by local law number 39 of the City of New York for the year 1987, is amended to read as follows:

6. In addition to the fees specified in paragraphs two, three and four of this subdivision, there shall be paid on the submission of any application which is subject to this section an amount equal to the lesser of nine hundred dollars or the sum specified in paragraph one of subdivision d of this section, which amount shall not be refundable, but shall be applied in reduction of the sum specified in paragraph one of subdivision d of this section; provided, however, that if a release requires the authorization of the *in rem foreclosure release* board [of estimate], and such authorization is not given, such additional amount shall be refunded to the applicant.

§ 4. Subdivisions g, h and i of section 11-424 of the administrative code of the City of New York are amended to read as follows:

g. If an application for a release of the city's interest in property acquired by in rem tax foreclosure, and the documents required by subdivision c of this section in support thereof, have been filed within the time allowed in *paragraph one* of subdivision a of this section, but more than four months after the date of the city's acquisition *or if application for such release has been authorized by a resolution of the council pursuant to paragraph two of subdivision a of this section and such application and the documents required by subdivision c of this section in support thereof have been filed*, the *in rem foreclosure release* board [of estimate] may, in its discretion, authorize the release of the city's interest in said property pursuant to this section, providing the application has been approved by the corporation counsel as to form, timeliness and eligibility of the applicant and providing the city has not sold or otherwise disposed of said property and providing further that said property has not been condemned or assigned to any agency of the city and is not the subject of contemplated use for any capital or urban renewal project of the city. The corporation counsel shall effect such discretionary release only where the applicant, after the board's authorization of the release, has paid all the amounts required to be paid by subdivision d of this section within thirty days of the date on which a letter requesting applicant to make such payment is mailed or delivered to

the applicant. The *in rem foreclosure release* board [of estimate] may also, in its discretion, authorize a release of the city's interest in such property, pursuant to the above provisions, whenever an application for such release, approved as to form, timeliness and eligibility by the corporation counsel, has been filed at any time during the period allowed in subdivision a of this section in which the applicant has requested an installment agreement of the commissioner of general services for the payment of the amounts required to be paid by subdivision d of this section provided said commissioner has approved such request. The commissioner of general services shall not approve any such request unless the applicant shall have given notice by certified mail to each tenant located on the parcel, of the request and shall have given such commissioner an affidavit stating that such notice has been provided, within thirty days after the request. Any false statement in such affidavit shall not in any way affect the validity of the agreement, be grounds for its cancellation or in any way affect the release of the city's interest in the parcel. Such agreement shall require, in addition to full payment of the amounts due under paragraphs two, three, four, five and six of subdivision d of this section, a first installment of fifty percent of the amount due under paragraph one of said subdivision d with the balance of said amount to be paid in four equal quarterly installments together with all current taxes, assessments or other legal charges that accrue during such period; provided, however, that whenever a request for an installment agreement is made of the commissioner of general services by a company organized pursuant to article XI of the private housing finance law with the consent and approval of the department of housing preservation and development or for a parcel which is an owner-occupied residential building of not more than five residential units, the commissioner of general services may, as to that portion of the amounts due under paragraph one of subdivision d of this section which became due prior to the acquisition by the article XI company of its interest in the property and as to the amount due under paragraph one of subdivision d of this section in the case of such an owner-occupied building, approve a reduction of such first installment to an amount not less than ten percent of the amount due under paragraph one of subdivision d of this section and an increase in the number of the following equal quarterly installments to a number which shall be equal to three times the number of unpaid quarters of real estate taxes or the equivalent thereof but which shall in no event exceed forty-eight. For purposes of calculating the number of such following equal quarterly installments, unpaid real estate taxes or the equivalent which are, on and after July first, nineteen hundred eighty-two, due and payable on an other than quarterly basis shall be deemed to be payable on a quarterly basis. Where the *in rem foreclosure release* board [of estimate] denies an application requesting an installment agreement the board shall authorize a release of the city's interest, provided that the applicant thereafter pays all the amounts required to be paid by subdivision d of this section within thirty days of the date on which a letter requesting such payment is mailed or delivered to the applicant only when said application and the documents required by subdivision c of this section in support thereof were filed within thirty days of the date of the city's acquisition of the property sought to be released. Where the *in rem foreclosure release* board [of estimate] denies an application requesting an installment agreement which was filed more than thirty days after the date of the city's acquisition, the board may, in its discretion, authorize a release of the city's interest, provided that the applicant thereafter pays all the amounts required to be paid by subdivision d of this section within thirty days of the date on which a letter requesting such payment is mailed or delivered to the applicant. Where the *in rem foreclosure release* board [of estimate] approves an application requesting an installment agreement, the order releasing the city's interest 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, as set forth in the [board of estimate's] *board's* resolution, all payments made under said agreement shall be forfeited and the city shall be entitled to reacquire the property so released. The corporation counsel shall effect such reacquisition by causing to be entered as to such property a supplemental judgment of foreclosure in the *in rem* action by which said property was originally acquired immediately on notification by the commissioner of finance of such default.

h. An owner of property entitled to an exemption under any of the provisions of article four of the real property tax law during all or part of the period covered by the tax items appearing on a list of delinquent taxes may apply for a release of the city's interest in such exempt property under the provisions of this section during the periods of time set forth herein and for an additional period up to ten years from the date of the city's acquisition of said property by *in rem* foreclosure. The application of such owner shall contain, in addition to the statements, searches and proofs required by this section, a statement that an exemption under the real property tax law is being claimed. Such application shall also state either that it is accompanied by the written certificate of the comptroller setting forth the precise period during which said property, while owned by such applicant, and during the period after the city's acquisition up to the date of the certificate if said property was still being used for an exempt purpose after said acquisition, was entitled to an exemption and the exact nature and extent of such exemption or that an application for such written certificate has been filed with the comptroller. On issuing such written certificate, the comptroller shall cancel those tax items which have accrued during the period covered by the certificate to the extent the applicant is entitled to an exemption as set forth in the certificate. Where an application by an exempt owner is filed more than four months after the date of the city's acquisition of the subject property, a release of the city's interest may be issued only at the discretion of the *in rem foreclosure release board* [of estimate] and subject to all the restrictions set forth in the preceding subdivision. A release to an exempt applicant shall be effected only after said applicant has paid all the amounts required to be paid by subdivision d of this section, except for those tax items which have been cancelled, in whole or in part, pursuant to the comptroller's certificate, within thirty days of the date on which a letter requesting payment is mailed or delivered to the applicant.

i. The corporation counsel shall also effect the release of the city's interest in property acquired by *in rem* foreclosure, as provided for in this action, whenever the commissioner of finance shall accept as to any parcel so acquired, the payment provided for in paragraph two of subdivision a of section 11-413 of this chapter. Said commissioner may accept such payment at any time within four months of the date of the city's acquisition and may further, subject to the approval of the *in rem foreclosure release board* [of estimate], accept such payment at any time more than four months after the date of the city's acquisition but less than two years from the date on which the city's deed was recorded providing said property has not been sold or otherwise disposed of nor condemned or assigned to any agency of the city and is not the subject of contemplated use of any capital or urban renewal project of the city.

§ 5. The *in rem foreclosure release board* established in section 1 of this act shall succeed to the powers of the board of estimate of the City of New York relating to the discretionary release of property acquired by the city by *in rem* tax foreclosure and shall exercise such powers in continuation of their exercise by such board of estimate. The *in rem foreclosure release board* shall determine any applications or other matters relating to such powers which were timely filed under the provisions of section 11-424 of the administrative code of the City of New York in effect prior to the effective date of this local law and which were pending on such effective date.

§ 6. This local law shall take effect immediately except that paragraph (2) of subdivision a of section 11-424 of the administrative code as added by section 2 of this local law shall take effect on the same date as a chapter of the laws of 1991 authorizing the in rem foreclosure release board, created by section 1 of this local law, to authorize the release of property, where an application for such release is made more than two years after the date of the city's acquisition thereof, subject to the adoption of a resolution by the council authorizing the board to consider such application and subject to all of the other conditions and restrictions set forth in section 11-424 of the administrative code.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, S.S.:

I hereby certify that the foregoing is a true copy of a local law of The City of New York, passed by the Council on February 11, 1991, and approved by the Mayor on February 25, 1991.

CARLOS CUEVAS, City Clerk, Clerk of the Council

CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW § 27

Pursuant to the provisions of Municipal Home Rule Law § 27, I hereby certify that the enclosed local law (Local Law 16 of 1991, Council Int. No. 611) contains the correct text and:

Received the following vote at the meeting of the New York City Council on February 11, 1991: 29 for, 1 against.

Was approved by the Mayor on February 25, 1991.

Was returned to the City Clerk on February 25, 1991.

LEONARD KOEMER, Acting Corporation Counsel