



Legislation Details (With Text)

File #: Int 2166-2020 **Version:** B **Name:** Sale of tax liens.
Type: Introduction **Status:** Enacted
In control: Committee on Finance

On agenda: 12/10/2020

Enactment date: 2/28/2021 **Enactment #:** 2021/024

Title: A Local Law to amend the administrative code of the city of New York in relation to the sale of tax liens

Sponsors: Adrienne E. Adams, (by request of the Mayor)

Indexes: Council Appointment Required, Other Appointment Required, Report Required

Attachments: 1. Summary of Int. No. 2166-B, 2. Summary of Int. No. 2166-A, 3. Summary of Int. No. 2166, 4. Mayor's Memorandum in Support, 5. Int. No. 2166, 6. Committee Report 12/9/20, 7. Hearing Testimony 12/9/20, 8. Hearing Testimony 12/9/20 (Con't), 9. Hearing Transcript 12/9/20, 10. December 10, 2020 - Stated Meeting Agenda with Links to Files, 11. Hearing Transcript - Stated Meeting 12-10-20, 12. Minutes of the Stated Meeting - December 10, 2020, 13. Proposed Int. No. 2166-A - 12/14/20, 14. Proposed Int. No. 2166-B - 1/25/21, 15. Committee Report 1/28/21, 16. Hearing Transcript 1/28/21, 17. January 28, 2021 - Stated Meeting Agenda with Links to Files, 18. Hearing Transcript - Stated Meeting 1-28-21, 19. Minutes of the Stated Meeting - January 28, 2021, 20. Int. No. 2166-B (FINAL), 21. Fiscal Impact Statement, 22. Legislative Documents - Letter to the Mayor, 23. Local Law 24

Date	Ver.	Action By	Action	Result
12/9/2020	*	Committee on Finance	Hearing on P-C Item by Comm	
12/9/2020	*	Committee on Finance	Laid Over by Committee	
12/10/2020	*	City Council	Introduced by Council	
12/10/2020	*	City Council	Referred to Comm by Council	
1/28/2021	*	Committee on Finance	Hearing Held by Committee	
1/28/2021	*	Committee on Finance	Amendment Proposed by Comm	
1/28/2021	*	Committee on Finance	Amended by Committee	
1/28/2021	B	Committee on Finance	Approved by Committee	Pass
1/28/2021	B	City Council	Approved by Council	Pass
1/28/2021	B	City Council	Sent to Mayor by Council	
2/28/2021	B	Administration	City Charter Rule Adopted	
3/1/2021	B	City Council	Returned Unsigned by Mayor	

Int. No. 2166-B

By Council Member Adams (by request of the Mayor)

A Local Law to amend the administrative code of the city of New York in relation to the sale of tax liens

Be it enacted by the Council as follows:

Section 1. Subdivisions c and e of section 11-224.1 of the administrative code of the city of New York, subdivisions c and e as amended by local law number 66 for the year 2008 and the opening paragraph of subdivision e as amended by local law number 30 for the year 2015, are amended to read as follows:

(c) Interest rates on tax due and payable on or after July first, two thousand five. If the council does not adopt interest rates, the rates shall be (a) for real property with an assessed value of two hundred fifty thousand dollars or less, seven percent per annum; [and] (b) for real property with an assessed value of over two hundred fifty thousand dollars but no greater than four hundred fifty thousand dollars, thirteen percent per annum; and (c) for real property with an assessed value of over four hundred fifty thousand dollars, fifteen percent per annum.

(e) Council adopted rates. By May thirteenth of each year, the banking commission shall send a written recommendation to the council of a proposed interest rate to be charged for nonpayment of taxes on real property. The commission shall consider the prevailing interest rates charged for commercial loans extended to prime borrowers by commercial banks operating in the city and:

(i) for real property with an assessed value of two hundred fifty thousand dollars or less, shall propose a rate at least equal to such prevailing prime rate;

(ii) for real property with an assessed value of over two hundred fifty thousand dollars but no greater than four hundred fifty thousand dollars, shall propose a rate of at least four percent per annum greater than such prevailing prime rate;

(iii) for real property with an assessed value of over four hundred fifty thousand dollars, shall propose a rate of at least six percent per annum greater than such prevailing prime rate.

The council may by resolution adopt interest rates to be applicable to the aforementioned properties and may specify in such resolution the date that such rates will take effect.

§ 2. The opening paragraph of subdivision e-1 of section 11-224.1 of the administrative code of the city of New York, as added by local law number 30 for the year 2015, is amended to read as follows:

Report on recommendation. The banking commission's recommendation provided pursuant to subdivision e of this section shall include a report describing the factors considered when determining the recommendation and the rationale for the use of such factors. Such report shall include the interest rate charged for nonpayment of taxes on real property in comparable cities for the two previous fiscal years. Such report shall further include, in a searchable and machine-readable format, sortable by council district, real property tax class, and real property tax sub class, the following information for the current fiscal year and two previous fiscal years, disaggregated by real property with an assessed value of over four hundred fifty thousand dollars, real property with an assessed value of over two hundred fifty thousand dollars but no greater than four hundred fifty thousand dollars, and real property with an assessed value of two hundred fifty thousand dollars or less, provided that such information shall be reported for fiscal years prior to the 2016 fiscal year only to the extent such information is available:

§ 3. 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 15 for the year 2011, 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; [and] credits and property tax exemptions that may exclude certain class one real property from a tax lien sale; 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:

§ 4. Subdivision a of section 11-319 of the administrative code of the city of New York, as amended by local law number 42 for the year 2020, is amended to read as follows:

a. A tax lien or tax liens on a property or any component of the amount thereof may be sold by the city as authorized by subdivision b of this section, when such tax lien or tax liens shall have remained unpaid in whole or in part for one year, provided, however, that a tax lien or tax liens on any class 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 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) [on any] 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, 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. 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.

§ 5. Subdivision a-2 of section 11-319 of the administrative code of the city of New York, as amended by local law number 15 for the year 2011, is amended to read as follows:

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 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. 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.

§ 6. Subdivision a-3 of section 11-319 of the administrative code of the city of New York, as

amended by local law number 11 for the year 2014, is amended to read as follows:

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 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. 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.

§ 7. The opening paragraph of subdivision b of section 11-319 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:

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 December thirty-first, two thousand twenty. Subsequent to December thirty-first, two thousand twenty, 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 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.

§ 8. Subdivision b of section 11-319 of the administrative code of the city of New York is amended by adding a new paragraph 14 to read as follows:

14. Notwithstanding any provision of this chapter to the contrary, during the period commencing January first, two thousand twenty-one and ending December thirty-first, two thousand twenty-one, no tax lien or tax liens on any covered property shall be sold where: (i) the owner of such covered property is a natural person, regardless of how title is held; (ii) such natural person owns ten or fewer dwelling units that may be contained within more than one property or building, provided that one of such dwelling units is the primary residence of such natural person and each of the remaining units is occupied by a tenant or is available for rent; and (iii) prior to the date of sale, such natural person has submitted a hardship declaration to the department of finance. For purposes of this paragraph, the following terms have the following meanings:

“covered property” means real property classified as class one, two or four, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, including shares in a residential cooperative, that is used for residential purposes, provided that such real property shall not include property that is vacant and abandoned, as defined in subdivision two of section thirteen hundred nine of the real property actions and proceedings law, which was listed on the statewide vacant and abandoned

property electronic registry, as defined in section thirteen hundred ten of the real property actions and proceedings law, prior to March seventh, two thousand twenty and that remains on such registry;

“date of sale” means (A) for a negotiated sale, the date of the signing of the tax lien purchase agreement, and (B) for a competitive sale, the date designated by the commissioner of finance for the submission of bids;

“dwelling unit” means a unit that is used for residential purposes.

“hardship declaration” means a written statement, in a form to be developed by the department of finance and posted on its website, that:

(A) the owner of a covered property is the owner of ten or fewer dwelling units, one of which is such owner’s primary residence, and such owner is experiencing financial hardship and is unable to pay the real property taxes due on such covered property as a result of one or more of the following reasons:

(1) significant loss of income by such owner or by a member of the household of such owner during the COVID-19 pandemic;

(2) increase in necessary out-of-pocket expenses by such owner related to performing essential work or related to health impacts during the COVID-19 pandemic;

(3) responsibilities to provide childcare or to care for an elderly, disabled, or sick family member during the COVID-19 pandemic have negatively affected the ability of such owner or the ability of a member of the household of such owner to obtain meaningful employment or earn income or have increased necessary out-of-pocket expenses of such owner;

(4) moving expenses and difficulties in securing alternate housing has created a hardship for such owner to relocate to another residence during the COVID-19 pandemic;

(5) other circumstances related to the COVID-19 pandemic have negatively affected the ability of such owner to obtain meaningful employment or earn income, have significantly reduced the income of the household of such owner, or have significantly increased the expenses of such owner; or

(6) at least one tenant of such owner has defaulted on a significant amount of such tenant's rent obligations since March first, two thousand twenty;

(B) any public assistance, including unemployment insurance, pandemic unemployment assistance, disability insurance, or paid family leave, that such owner has received since the start of the COVID -19 pandemic does not fully make up for the loss of household income or increased expenses of such owner; and

(C) such owner understands that any fees, penalties or interest for not having paid real property taxes in full may be charged or collected and may result in a foreclosure action against such owner on or after December thirty-first, two thousand twenty-one if such owner fails to fully pay any missed or partial payments and fees.

a. Notwithstanding the restrictions on eligibility to enter into an installment agreement described in paragraph one of subdivision b of section 11-322 and in subparagraphs (b) and (c) of paragraph three of subdivision k of section 11-322.1, an owner of a covered property who satisfies all other eligibility criteria may enter into an installment agreement pursuant to section 11-322 or a hardship installment agreement pursuant to 11-322.1.

b. The notice that is required to be mailed by the commissioner of finance pursuant to paragraph one of subdivision b of section 11-320 not less than ninety, sixty, thirty and ten days prior to the date of sale also shall notify owners of real property containing dwelling units of their rights pursuant to this section and that a copy of the hardship declaration can be accessed on the website of the department of finance and provide a link to such hardship declaration.

§ 9. Subdivision b of section 11-320 of the administrative code of the city of New York is amended by adding a new paragraph 2-a to read as follows:

2-a. If, prior to the date of sale, the department of finance confirms that a property is the subject of (i) a judicial proceeding or (ii) an investigation or a prosecution by any agency or office of the United States

or any state or subdivision thereof with regard to the ownership of such property arising from the fraudulent transmittal of a deed relating to such property, the department shall remove such property from the sale, provided that the owner of such property has provided an affidavit to the department and any such other documentation required by the department to establish that such property is the subject of such a proceeding, investigation or prosecution. Any such removal shall relate only to the sale of a tax lien or tax liens for which the owner has received notice pursuant to paragraph one of subdivision b of this section. Failure by the department of finance to remove such property shall not affect the validity of any sale of tax liens pursuant to this chapter.

§ 10. Paragraph 5 of subdivision b 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:

5. The department of finance and the department of environmental protection shall, to the extent practicable, contact by telephone or electronic mail any person who (i) has registered their telephone number or electronic mail address with such departments and (ii) has received the ninety-day notice described in paragraph one of this subdivision. Any such contact shall be made within a time period reasonably proximate to the mailing of such notice, shall inform such person of the intention to sell a tax lien and shall provide such other information as the respective commissioner deems appropriate, which may include, but need not be limited to, the telephone numbers and electronic mail addresses of the employees designated pursuant to subdivision f of this section. The department of finance shall contact by electronic mail any person who has registered pursuant to subdivision a of section 11-245.8 of this title to receive information about the outreach sessions described in subdivision j of this section and provide such information within a time period reasonably proximate to the scheduled outreach session. Failure by the department of finance or the department of environmental protection to contact any such person by telephone or electronic mail shall not affect the validity of any sale of tax liens pursuant to this chapter.

§ 11. Subdivision j of section 11-320 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:

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) 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.

§12. Paragraph 3 of subdivision c 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:

3. The combined income of the applicant and of all the additional property owners may not exceed [~~\$58,399~~] \$86,400 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.

§ 13. Section 11-356 of the administrative code of the city of New York, as added by local law number 14 for the year 2015 and subdivision b as amended by local law number 20 for the year 2015, is amended to read as follows:

§ 11-356 Temporary taskforce. a. The mayor and council shall establish a temporary task force to review and evaluate the provisions of this chapter, any actions taken pursuant to the provisions of this chapter, and such other matters as the task force deems appropriate, to ensure that the [tax lien sale process] city's collection of 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 is fair, efficient and effective.

a-1. The temporary task force shall also study:

1. the feasibility of transferring property that has 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 chapter 3 of title 11 of the administrative code of the city of New York, provided that any such liens are eligible to be sold pursuant to section 11-319 of such code, or of transferring tax liens, provided that such liens are eligible to be sold pursuant to section 11-319, to community land trusts, land banks, mutual housing associations or other entities exempt from taxation pursuant to section 501(c)(3) of the internal revenue code as a tool for the city to collect delinquent municipal charges and as a housing and community preservation tool; and

2. the extent to which liens for vacant property are included in the lien sale and alternatives to such inclusion, and the potential advantages and disadvantages for each such alternative.

b. The task force shall consist of [ten] twelve 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 housing preservation and development or his or her designee, the commissioner of finance or his or her designee, [one member] two members appointed by the mayor and [five] six members appointed by the speaker of the council, provided that at least one member appointed by the mayor and one member appointed by the speaker of the council shall be representatives of not-for-profit organizations dedicated to outreach to taxpayers regarding payment of the real property tax, financial counseling of owners of real property, compliance with payment of property taxes and related charges, integrity of government operations, or housing preservation. Any member appointed by the speaker of the council other than any such representative of a not-for-profit organization may name a designee, provided that such designee shall be an employee of the council. Members shall serve without compensation. The members of the task force shall be appointed no later than [August first, two thousand fifteen] April first, two thousand twenty-one. 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, and the commissioners of finance, environmental protection, and housing preservation and development 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 [opening paragraph of subdivision b of section 11-319 of this chapter authorizes the commissioner of finance to conduct a sale or sales of tax liens after December thirty-first, two thousand sixteen, or the] task force submits [a report] recommendations to the mayor and the council pursuant to subdivision d of this section[, whichever is sooner], after which time such temporary task force shall cease to exist.

c. No later than [September first, two thousand fifteen] May first, two thousand twenty-one, the task force shall hold its initial meeting and thereafter shall meet at least [quarterly to review and evaluate the provisions of this chapter, any actions taken pursuant to the provisions of this chapter, and such other matters as the task force deems appropriate, to ensure that the tax lien sale process is fair, efficient and effective] once per month to conduct the review and the study required by subdivisions a and a-1 of this section. The task force shall consider: (i) actions, including recommendations for administrative or legislative changes, that could minimize the nonpayment of taxes, assessments, sewer rents, sewer surcharges, water rents and any other charges that are made a lien subject to the provisions of this chapter, including, but not limited to, increasing awareness of and participation in tax benefit programs, (ii) actions, including recommendations for administrative or legislative changes, that could maximize the collection of any debt owed to the city, whether or not any such debt is currently a "tax lien" as defined in section 11-301 of this chapter, and (iii) any other matter that the task force deems relevant to [the] ensure that the city's collection of 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 is fair, efficient and effective [implementation of

the tax lien sale process].

d. No later than [September first, two thousand sixteen] November first, two thousand twenty-one, the task force shall submit [a report] to the mayor and the speaker of the council[. Such report shall include, but need not be limited to: (i)] recommendations for administrative or legislative changes that may improve the fairness, efficiency and effectiveness of the [tax lien sale process; (ii) any findings or facts that support such recommendations, (iii) evaluation of installment agreements and consideration of prospective changes to the terms of installment agreements; (iv) the impact of the tax lien sale process on affordable housing; and (v)] city's collection of 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, including recommendations for administrative and legislative changes: that would permit the transfer of property that has 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 chapter 3 of title 11 of the administrative code of the city of New York, provided that any such liens are eligible to be sold pursuant to section 11-319 of such code, or the transfer of tax liens, provided that any such liens are eligible to be sold pursuant to section 11-319 of such code, to community land trusts, land banks, mutual housing associations or other entities exempt from taxation pursuant to section 501(c)(3) of the internal revenue code as an additional tool for the city to collect delinquent municipal charges and as a housing and community preservation tool; regarding the treatment of vacant land in the tax lien sale process; and regarding the feasibility of centralizing in one agency the processing, administration of, and collection of payment pursuant to agreements authorized pursuant to section 11-322 and section 11-322.1 of this chapter, as presented to the task force pursuant to subdivision f of this section; and any additional [information] recommendations deemed relevant by the task force.

e. No later than thirty days prior to the submission of recommendations pursuant to subdivision d of this section, the task force shall hold a public meeting to present its preliminary

recommendations and receive comments relating to such preliminary recommendations. The task force's preliminary recommendations shall be made publicly available at least ten business days prior to such public meeting.

f. No later than thirty days prior to the public meeting required to be held pursuant to subdivision e of this section, the commissioners of the department of finance and the department of environmental protection, or their designees, shall make a presentation to the task force regarding the feasibility of centralizing in one agency the processing, administration of, and collection of payment pursuant to agreements authorized pursuant to section 11-322 and section 11-322.1 of this chapter.

§ 15. This local law takes effect immediately and is retroactive to and deemed to have been in full force and effect as of January 1, 2021.

LS 15176
01/20/2021