



Legislation Details (With Text)

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|------------------------|--|---------------------|---|--------------------|--|
| File #: | Int 0226-2024 | Version: | * | Name: | Requiring owners of vacant residential properties undergoing foreclosure to post bonds for maintenance purposes. |
| Type: | Introduction | Status: | | Status: | Committee |
| | | In control: | | In control: | Committee on Housing and Buildings |
| On agenda: | 2/28/2024 | | | | |
| Enactment date: | | Enactment #: | | | |
| Title: | A Local Law to amend the administrative code of the city of New York, in relation to requiring owners of vacant residential properties undergoing foreclosure to post bonds for maintenance purposes | | | | |
| Sponsors: | Robert F. Holden, Nantasha M. Williams, Vickie Paladino, Inna Vernikov, (by request of the Queens Borough President) | | | | |
| Indexes: | Agency Rule-making Required | | | | |
| Attachments: | 1. Summary of Int. No. 226, 2. Int. No. 226, 3. February 28, 2024 - Stated Meeting Agenda, 4. Hearing Transcript - Stated Meeting 2-28-24, 5. Minutes of the Stated Meeting - February 28, 2024 | | | | |

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|-----------------------------|--------|
| 2/28/2024 | * | City Council | Introduced by Council | |
| 2/28/2024 | * | City Council | Referred to Comm by Council | |

Int. No. 226

By Council Members Holden, Williams, Paladino and Vernikov (by request of the Queens Borough President)

A Local Law to amend the administrative code of the city of New York, in relation to requiring owners of vacant residential properties undergoing foreclosure to post bonds for maintenance purposes

Be it enacted by the Council as follows:

Section 1. The chapter heading of chapter 2 of title 11 of the administrative code of the city of New York is amended to read as follows:

CHAPTER 2

REAL PROPERTY ASSESSMENT, TAXATION [AND], CHARGES, AND MAINTENANCE BONDS

§ 2. Chapter 2 of title 11 of the administrative code of the city of New York is amended by adding a new subchapter 3 to read as follows:

SUBCHAPTER 3

MAINTENANCE BOND FOR VACANT RESIDENTIAL PROPERTIES UNDERGOING FORECLOSURE

§ 11-279 Maintenance bond required. a. An owner of a vacant residential property against which a foreclosure action has commenced shall provide to the commissioner of finance a bond in the form of cash or a letter of credit acceptable to such commissioner, in the sum of \$5,000, to secure the continued maintenance of such property free of any violations as provided for by the housing maintenance code, the New York city building code, and chapter 1 of title 16, during the entire time the vacancy exists during the course of such action as determined by the commissioner of buildings and the commissioner of finance. Such owner shall provide such bond and such owner's mailing address, and such owner may provide such owner's bank account direct deposit information, to the commissioner of finance within 45 days after the commencement of such action.

b. When such action is settled, is discontinued, is dismissed, or otherwise concludes, the commissioner of finance shall return any unused portion of the bond sum provided by such owner pursuant to subdivision a of this section to such owner upon the request of such owner. Such owner shall make such request in writing to the department of finance after such action's settlement, discontinuance, dismissal, or other conclusion and shall indicate in such request whether the department of finance should send such unused portion to such owner's mailing address or to such owner's bank account.

c. During the entire time the vacancy exists during the course of such action as determined by the commissioner of buildings and commissioner of finance pursuant to subdivision a of this section, if the commissioner of housing preservation and development determines that any such property is being maintained in violation of the housing maintenance code, the commissioner of buildings determines that any such property is being maintained in violation of the New York city building code, or the commissioner of sanitation determines that any such property is being maintained in violation of chapter 1 of title 16, then, in addition to or in lieu of any other available enforcement remedy, the commissioner of finance shall use the bond sum provided by such owner pursuant to subdivision a of this section to pay the costs of actions necessary to eliminate such violation.

d. In the event that the commissioner of finance uses a bond sum as set forth in subdivision c of this section, such commissioner shall send a written demand to such owner for restoration of such sum to the full amount referenced in subdivision a of this section, directed to such owner's mailing address provided by such owner pursuant to subdivision a of this section, within 30 days after the use of such sum. Such owner shall restore such sum to the full amount referenced in subdivision a of this section within 30 days after the date of such written demand.

e. In the event that the commissioner of finance determines that such owner has not provided a bond as required by subdivision a of this section, then, in addition to or in lieu of any other available enforcement remedy, the commissioner of finance shall send a written demand for provision of such bond directed to such owner's last known address. Such owner shall provide such bond within 30 days after the date of such written demand. In the event the commissioner of finance determines that such owner has not restored a bond sum as required by subdivision d of this section, then, in addition to or in lieu of any other available enforcement remedy, the commissioner of finance shall send a second written demand for restoration of such sum, directed to such owner's mailing address provided by such owner pursuant to subdivision a of this section. Such owner shall restore such sum within 30 days after the date of the second written demand.

f. In the event that such owner does not provide a bond within 30 days after the date of a written demand pursuant to subdivision e of this section or does not restore a bond sum within 30 days after the date of a second written demand pursuant to such subdivision, then such owner shall be subject to a civil penalty of \$200 per day after the thirtieth day, with each day of failure to timely provide such bond or restore such sum constituting a separate additional offense.

g. This section only applies to owners of vacant residential property undergoing foreclosures that commence after the effective date of the local law that added this section.

§ 3. This local law takes effect 120 days after it becomes law, except that the commissioner of finance, commissioner of buildings, commissioner of housing preservation and development, and commissioner of

sanitation shall take such measures as are necessary for the implementation of this local law, including the promulgation of rules, before such date.

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