



Legislation Text

File #: Int 0612-2015, Version: A

Int. No. 612-A

By Council Members Ferreras, Menchaca, Torres, Williams, Gentile, Rose and Kallos

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. 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 15 for the year 2011, 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 fourteen. Subsequent to December thirty-first, two thousand fourteen, 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 sixteen. Subsequent to December thirty-first, two thousand sixteen, the city shall not have the authority to sell tax liens.

§ 2. Subdivision b of section 11-319 of the administrative code of the city of New York is amended by adding a new paragraph 12 to read as follows:

12. On or after January first, two thousand fifteen and before January first, two thousand seventeen, no tax lien shall be sold pursuant to this chapter on the following properties: (i) properties enrolled

in the city's Build It Back Program; and (ii) properties defined as "eligible real property" pursuant to subdivision three of section four hundred sixty-seven-g of the real property tax law. If, notwithstanding the foregoing sentence, any such tax lien is sold in error pursuant to this chapter during such time period on properties described in subparagraph (i) or (ii) of this paragraph, then the provisions of paragraph eight of this subdivision shall apply to such sale, including the authority of the commissioner of finance to substitute for such tax lien another tax lien that has a value equivalent to the value of such tax lien or to refund the value of such lien.

§ 3. Subparagraph (i) of paragraph 10 of subdivision b 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:

(i) [Before January first, two thousand twelve, any tax lien or tax liens that are sold pursuant to this chapter on property owned by a company organized pursuant to article XI of the state private housing finance law shall be deemed defective.] On and after January first, two thousand twelve, [any] no tax lien [or tax liens that are] shall be sold pursuant to this chapter on any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is a residential condominium or residential cooperative[, shall be deemed defective]. If, notwithstanding the foregoing sentence, any such tax lien is sold in error pursuant to this chapter on and after January first, two thousand twelve on such property, then the provisions of paragraph eight of this subdivision shall apply to such sale, including the authority of the commissioner of finance to substitute for such tax lien another tax lien that has a value equivalent to the value of such tax lien or to refund the value of such tax lien. For the purposes of this paragraph, property owned by such company shall be limited to property owned for the purpose, as set forth in section five hundred seventy-one of the state private housing finance law, of providing housing for families and persons of low income.

§ 4. Subdivision b section 11-320 of the administrative code of the city of New York is amended

by adding a new paragraph 4 to read as follows:

4. Such notice shall also include, with respect to a property that was in receipt of a real property tax 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 or more of the three fiscal years preceding the date of the notice provided not less than ninety days prior to the date of sale, information relating to the initial application and renewal process for such property tax exemptions, and other actions available to the owner of such property in the event such property is noticed for sale pursuant to this subdivision, including, if available, an adjustment or cancellation of back taxes. Upon the written request of the owner of such property, a Chinese, Korean, Russian or Spanish translation of such notice shall be provided to such owner.

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

i. On a quarterly basis, a purchaser of tax liens shall provide to 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, 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; and the amount of interest and penalties thereon; and (2) the status of the tax lien or tax liens, including foreclosure information, if applicable; whether the property owner entered into an installment agreement; whether the property owner is current on such installment agreement; 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. 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, and their option to enter such agreement for a term not more than ten years; (iv) credits and property tax exemptions that may exclude a property from a tax lien sale; and (v) any other credit or residential real property tax exemption information, which, in the discretion of the commissioner, should be included in 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; and (iii) the total number of attendees at each outreach session. Such report and the results of each outreach session shall be disaggregated by council district.

§ 6. Subdivision b of section 11-322 of the administrative code of the city of

New York is amended by adding a new paragraph 5 to read as follows:

5. All installment agreements executed on or after March first, two thousand fifteen shall include a conspicuous statement that if payments required from a property owner pursuant to such an agreement are not made for a period of six months, such property owner shall be in default of such agreement, and the tax lien or tax liens on the subject property may be sold, provided, however, that such default may be cured upon such property owner's bringing all installment payments and all current charges that are outstanding at the time of the default to a current status, which shall include, but not be limited to, any outstanding interest and fees, prior to the date of sale. Such statement shall also include a notification that if such default is not cured prior to the date of sale, such property owner shall not be eligible to enter into an installment agreement for the subject

property for five years, unless there is a finding of extenuating circumstances in accordance with rules promulgated by the department that entered into the installment agreement with the property owner. Such statement shall include the definition of extenuating circumstances.

§ 7. Chapter 3 of title 11 of the administrative code of the city of New York is amended by adding a new section 11-356 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 is fair, efficient and effective.

b. The task force shall consist of ten 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 appointed by the mayor and five council members appointed by the speaker of the council. Any council member appointed by the speaker of the council 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 within sixty days of the effective date of the local law that added this section. 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 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, 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. 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 fair, efficient and effective implementation of the tax lien sale process.

d. No later than September first, two thousand sixteen, 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) any additional information deemed relevant by the task force.

§ 8. This local law shall take effect immediately and shall be retroactive to and deemed to have been in full force and effect as of January 1, 2015.

TE 12-30-14 5:00pm
LS# 1259, 1859, 1998, 2907
Amended 1-14-15