



Legislation Text

File #: Int 1673-2017, **Version:** A

Int. No. 1673-A

By Council Members Rosenthal, Ferreras-Copeland, Gentile, Kallos, Cornegy and Vallone

A Local Law to amend the administrative code of the city of New York, in relation to notice of the recording of certain real estate instruments

Be it enacted by the Council as follows:

Section 1. Chapter 6 of title 7 of the administrative code of the city of New York is amended to add a new section 7-628 to read as follows:

§ 7-628. Notification of recording of real estate instruments. a. Definitions. For purposes of this section:

“Deed-related document.” The term “deed-related document” includes, but is not limited to, a deed, air rights, condemnation proceeding agreement, condominium declaration, confirmatory deed, contract of sale, correction deed, court order, in rem deed, judgment, life estate deed, memorandum of contract, power of attorney, real estate investment trust deed, revocation of power of attorney, sundry agreement, unit assignment and any other document that may be designated as deed-related by the commissioner of finance.

“Department” The term “department” means the department of finance.

“Interested party.” The term “interested party” means the property owner, the property owner’s agent or attorney or designee, the property lienor, the property lienor’s agent or attorney, the executor or administrator of the estate of the owner or lienor of the property, the agent or attorney of the executor or administrator of the estate of the owner or lienor of the property and any other individual that may be designated by the commissioner of finance.

“Mortgage-related document.” The term “mortgage-related document” includes, but is not limited to, a

mortgage, collateral mortgage, mortgage and consolidation, mortgage spreader agreement, satisfaction of mortgage, subordination of mortgage, sundry mortgage, UCC-1 (financing statement), and any other document that may be designated as mortgage-related by the commissioner of finance.

b. The department shall establish and maintain a system that provides any interested party a notification by e-mail, text message, or postal mail, that a deed-related or mortgage-related document affecting such party's interest in real property located in the city has been recorded against such property with the city register or the office of the Richmond county clerk, provided that the department has received notice of such recording from the office of the Richmond county clerk. The department shall not charge a fee for use of such notification system.

c. For all class one and class two properties within the city, as defined in subdivision 1 of section 1802 of the real property tax law, the department shall, to the extent practicable and consistent with applicable law, register the property owner named on the most recent deed-related or mortgage-related document recorded and indexed by the city register or the office of the Richmond county clerk prior to the effective date of this local law in the notification system described by subdivision b, provided that the department shall permit any individual registered for the notification system to opt-out of such receipt.

d. To the extent practicable, when a deed-related or mortgage-related document is recorded with the city register or the Richmond county clerk, the department shall automatically register the named property owner on such document to receive notifications, provided that the department shall permit any individual registered for the notification system to opt-out of such receipt.

e. The department shall report on a quarterly basis on the notification system established pursuant to subdivision b of this section, and shall include data for Richmond county to the extent that the department has received data from the office of the Richmond county clerk. Such report shall be submitted to the council and published on the department's website no later than the first day of February, May, August, and November of

each year, with the first report due November 1, 2018. Such report shall include, but not be limited to, the following information for the prior quarter, disaggregated by borough:

(1) total number of individuals registered to receive notifications through the system required by subdivision b of this section, disaggregated by the type of interested party;

(2) total number of individuals registered to receive notifications for multiple properties;

(3) total number of properties for which an individual is registered to receive notifications;

(4) total number of individuals who opted out of receiving notifications;

(5) total number of individuals who contacted the department regarding an incorrect or suspected fraudulent document recording, disaggregated by the source of information that led to such contact; and

(6) total number of referrals made by the city register or office of the Richmond county clerk to the city sheriff related to suspected fraudulent document recording, the outcomes of such referrals, and whether an investigation was commenced by the sheriff.

f. The department shall conduct outreach to property owners about the provisions of this section.

g. The city shall not be liable for any damages as a result of failure to provide the requested notifications, nor shall any cause of action arise from such failure.

§ 2. This local law takes effect July 1, 2018.

ENB

LS #10829

11/8/17 6:02 PM