



Legislation Text

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Proposed Int. No. 245-A

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

Be it enacted by the Council as follows:

Section 1. Section 11-140 of the administrative code of the city of New York, as added by local law number 252 for the year 2017, is renumbered section 11-141.

§2. Chapter 1 of title 11 of the administrative code of the city of New York is amended by adding new section § 11-142 to read as follows:

§ 11-142. Not-for-profit ombudsperson. a. The commissioner of finance shall designate an employee of the department to serve as the ombudsperson for not-for-profit organizations that own real property.

b. The commissioner shall establish a dedicated email address for such ombudsperson, or a link to directly contact such ombudsperson through the department's website. The name and title of such ombudsperson and the email address or link, as applicable, shall be posted on the department's website, and on any notice issued by the department pertaining to not-for-profit real property ownership, including, but not limited to:

1. the initial or renewal application for an exemption from real property taxation 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;

2. the denial, revocation or termination of such benefits; or

3. the tax lien sale notices required pursuant to § 11-320(b).

c. The duties of such ombudsperson shall include, but need not be limited to:

1. responding to inquiries from not-for-profit owners of real property about real property tax exemptions and the tax lien sale;

2. coordinating and conducting an ongoing public outreach campaign to increase public awareness to not-for-profit owners of real property about available real property tax exemptions and exclusions from the tax lien sale; and

3. coordinating with other agencies and offices to address issues a not-for-profit real property owner may have with such agencies or offices as a result of a tax lien imposed by the department.

§ 3. Subdivision a of section 11-319 of the administrative code of the city of New York, as amended by local law 15 for the year 2011, 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 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 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 on any real 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 of the two fiscal years preceding the date of such sale, unless in that time period the real property has been transferred to a new owner, 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.

§4. Section 11-319 of the administrative code of the city of New York, as amended by local law 94 for the year 2017, is amended by adding a new subdivision a-7 to read as follows:

a-7. Notwithstanding any provision of this chapter to the contrary, no tax lien may be sold pursuant to this chapter on any property for which the owner in good faith has submitted an initial or renewal application that is pending with the department for 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, or on any real property for which the owner has in good faith filed a pending appeal with the tax commission of the denial of an initial or renewal application for 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.

§3. Paragraph 4 of subdivision b of section 11-320 of the administrative code of the city of New York, as added by local law 14 for the year 2015, is amended 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, or with respect to a property in class four, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, 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 that may be available pursuant to sections 11-235 and 11-236 of this code. Such notice shall also contain information related to measures that may be taken, including foreclosure, in the event that the owner does not take such actions. Upon [the written] request of the owner of such property, a [Chinese, Korean, Russian or Spanish] translation of such notice in any of the top ten languages most commonly spoken within the city as determined by the department of city planning shall be provided to such owner.

§5. Section 11-320 of the administrative code of the city of New York, as amended by local law 4 for the year 2017, is amended by adding a new subdivision l to read as follows:

l. The commissioner of finance shall include, in any written communication with a property owner related to the denial 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, information on how the property owner can remove his or her property from the lien sale.

§6. The commissioner shall submit a report to the council, no later than ninety days following the enactment of the local law that added this section, on liens sold at tax lien sales on properties that would have otherwise been eligible for an exemption from the lien sale pursuant to this section and that have not been sold or transferred to a new owner since the date of the lien sale. Such report shall cover all tax lien sales conducted in fiscal years two thousand eleven, two thousand twelve, two thousand thirteen, two thousand fourteen, two thousand fifteen, two thousand sixteen, two thousand seventeen, and two thousand eighteen and shall include the total number and value of such liens, disaggregated by type of exemption.

§7. This local law takes effect immediately. Section six shall be deemed repealed following submission

of the report required by such section.

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