

Fiscal Impact Statement Prepared By New York City Mayor's Office of Management and Budget



Jacques Jiha, PhD, Budget Director

Disclaimer: This fiscal impact statement is a preliminary estimate and subject to change based upon further data analysis or changes in bill text. This legislation is summarized as understood by the administration as of the date this statement was prepared and does not include or consider subsequent text changes. This fiscal impact statement is not legally binding on the administration. "Total" columns represent the respective sum over a four-year period; note that fiscal impacts continue after year four. Unless otherwise stated, information used in the preparation of this Fiscal Impact Statement is sourced from the agencies impacted and the NYC Mayor's Office of Management and Budget.

Proposed Intro No. / Title: *Int. 1407-A / The sale of tax liens*

Sponsors: The Speaker (Council Member Adams) and Council Members Nurse, Brannan, Farías, Schulman, Avilés, Williams, Banks, Lee, Brooks-Powers, Stevens, Hanif, Ossé, Hudson and Louis

Committee: Finance

Summary of Legislation: This legislation would add, as a condition of the lien sale, a prohibition of foreclosure against class one properties that are residential property and the primary residence of the owner. This prohibition does not apply to properties where the amount of the lien is the lesser of 15% of the market value of such property (as determined by the final assessment roll) or \$70,000. The legislation also stipulates that, after December 31, 2028, the city may only sell liens to the New York City Land Bank.

Effective Date: Immediately upon enactment

First Fiscal Year Legislation Takes Effect: Fiscal Year 2026

First Fiscal Year with Full Impact: Fiscal Year 2029

Agencies Impacted: Department of Finance, Department of Environmental Protection

Fiscal Impact Analysis

A. Total Impact (Expense and Revenue)

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Total
Expense	0	0	0	0	0
Revenue	-	-	-	-	-
Total	-	-	-	-	-

B. Expense

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Total
Expenditure	0	0	0	0	0

Impact on Expenditures (Expense):

There is no anticipated impact on expense expenditures.

C. Revenue

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Total
Revenue	-	-	-	-	-

Impact on Revenue:

The legislation would require any liens sold after 2028 to go to the New York City Land Bank, which introduces uncertainty into related processes as to make the lien sale no longer a reliable expectation, impacting property tax and water and sewer charge collections, as well as water and sewer rates and capital improvement programs.

Property Taxes

It is anticipated that this legislation will result in lost revenue to the City annually from the lien sale not being conducted. Additionally, this legislation is expected to increase the property tax delinquency rate, resulting in additional lost property tax revenue to the City annually.

Water and Sewer Revenues

It is anticipated that this legislation will result in lost revenue to the water system commencing immediately. This loss in revenue is due to a significant number of delinquent properties being ineligible for foreclosure, resulting in less incentivization to pay their water bills.

D. Capital

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Total
Expenditures	0	0	0	0	0

Impact on Expenditures (Capital):

There is no anticipated impact on capital expenditures.