



Legislation Details (With Text)

**File #:** Int 0962-2024 **Version:** \* **Name:** Resolution and enforcement of property tax collection and preservation of housing for certain properties.

**Type:** Introduction **Status:** Laid Over in Committee  
**In control:** Committee on Finance

**On agenda:** 6/20/2024

**Enactment date:** **Enactment #:**

**Title:** A Local Law to amend the administrative code of the city of New York, in relation to the resolution and enforcement of property tax collection and preservation of housing for certain properties

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**Indexes:** Agency Rule-making Required, Council Appointment Required, Other Appointment Required, Report Required, Sunset Date Applies

**Attachments:** 1. Summary of Int. No. 962, 2. Int. No. 962, 3. Memorandum In Support, 4. Committee Report 6/18/24, 5. Hearing Testimony 6/18/24, 6. June 20, 2024 - Stated Meeting Agenda, 7. Committee Report 6/30/24, 8. Fiscal Impact Statement, 9. Commitment Letter

Date	Ver.	Action By	Action	Result
6/18/2024	*	Committee on Finance	Hearing on P-C Item by Comm	
6/18/2024	*	Committee on Finance	P-C Item Laid Over by Comm	
6/20/2024	*	City Council	Introduced by Council	
6/20/2024	*	City Council	Referred to Comm by Council	

Int. No. 962

By Council Members Brannan, Nurse, Williams, Farías and Hudson

A Local Law to amend the administrative code of the city of New York, in relation to the resolution and enforcement of property tax collection and preservation of housing for certain properties

Be it enacted by the Council as follows:

Section 1. Chapter 1 of title 11 of the administrative code of the city of New York is amended by adding a new section 11-129.1 to read as follows:

§ 11-129.1 Department of finance notification to property owners regarding tax liens. a. No later than 45 days after the date on which each installment of real property tax is due pursuant to paragraph (b) of subdivision 2 of section 1519-a of the charter, the department of finance shall send a notification to each owner of real property with an assessed value of two hundred fifty thousand dollars or less where the amount of tax

liens arising as a result of the nonpayment of taxes on such property exceeds \$100.

b. No later than 45 days after the date on which each installment of real property tax is due pursuant to paragraph (b) of subdivision 3 of section 1519-a of the charter, the department of finance shall send a notification to each owner of real property with an assessed value of more than two hundred fifty thousand dollars where the amount of tax liens arising as a result of the nonpayment of taxes on such property exceeds \$100.

c. A notification required pursuant to subdivision a or b of this section shall include a summary of all tax liens on such property, other than a tax lien arising as a result of the nonpayment of sewer rents, sewer surcharges, or water rents and interest and penalties thereon, as such terms are defined in section 11-301. Such notification shall advise an owner of real property regarding obtaining information from the department of environmental protection about any such tax lien arising as a result of the nonpayment of sewer rents, sewer surcharges, or water rents.

d. Each notification required pursuant to this section shall be in writing and sent in the manner provided in section 11-129.

e. Failure by the department of finance to send a notification as required by this section shall not:

1. create any liability for the city of New York;
2. affect the obligation of an owner to pay any such installment;
3. prevent or otherwise affect the levy, collection and enforcement of taxes on such property; or
4. prevent or otherwise affect the accrual of any interest imposed for the nonpayment of taxes.

§ 2. The opening paragraph of subdivision a of section 11-245.8 of the administrative code of the city of New York, as amended by local law number 24 for the year 2021, is amended to read as follows:

The commissioner of finance or his or her designee, shall provide a notice relating to the lien sale process to all property owners, included with the notice of value sent to property owners by the department of finance pursuant to section 1511 of the New York city charter [and, in addition, no later than October thirty-

first of each year, to any property owner who is delinquent in the payment of any real property taxes, assessments, or any other charges that are made a lien subject to the provisions of chapter three of this title, except sewer rents, sewer charges and water rents, if such delinquency, in the aggregate, equals or exceeds the sum of one thousand dollars]. This notice shall include, but not be limited to, actions homeowners can take if a lien is sold on such property; the type of debt that can be sold in a lien sale; a timeline of statutory notifications required pursuant to section 11-320 of this title; a clear, concise explanation of the consequences of the sale of a tax lien; the telephone number and electronic mail address of the employee or employees designated pursuant to subdivision f of section 11-320 of this title; a conspicuous statement that an owner of any class of property may enter into a payment plan for the satisfaction of delinquent real property taxes, assessments, sewer rents, sewer surcharges, water rents, and any other charges that are made a lien subject to the provisions of chapter three of this title, or exclusion from the tax lien sale; credits and property tax exemptions that may exclude certain class one real property from a tax lien sale; a clear and conspicuous statement describing the option for an owner of certain real property to request that the tax lien or tax liens on such property be removed from a sale of tax liens pursuant to subdivision b of section 11-412.3 of this title; a clear and conspicuous statement describing the option for an owner of certain real property to elect the summary foreclosure action set forth in sections 11-412.4 and 11-412.5 of this title; and clear and concise instructions on how an owner of any class of property may register to receive information from the department, through electronic mail, regarding outreach sessions relating to the sale of tax liens conducted pursuant to subdivision j of section 11-320 of this title. Such notice shall also include information on the following real property tax credits or real property tax exemptions:

§ 3. Subdivision c of section 11-245.8 of the administrative code of the city of New York, as amended by local law number 80 for the year 2020, is amended to read as follows:

c. [The notice that is required, pursuant to this section, to be provided by the commissioner of finance or his or her designee no later than October thirty-first of each year shall include contact information for the office of financial empowerment at the department of consumer and worker protection.] Reserved.

§ 4. Subdivisions a, a-1, a-2, a-3, a-4, a-5 and the opening paragraph of subdivision b of section 11-319 of the administrative code of the city of New York, subdivisions a, a-2 and a-3 as amended by local law number 24 for the year 2021, subdivisions a-1 and a-5 as amended by local law number 15 for the year 2011, subdivision a-4 as amended by local law number 4 for the year 2017, and the opening paragraph of subdivision b as amended by local law number 24 for the year 2021, are amended to read as follows:

a. [A] Except as provided by sections 11-412.3 and 11-412.4 of this title, 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 and, in the case of any such class one property that is not vacant land or any such 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, equals or exceeds the sum of five thousand dollars, 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: (A) residential real property in class one or a real property in class two that is a residential condominium 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] (B) real property that was granted an 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, provided that: (1) such exemption was granted to such real property upon the application of a not-for-profit organization that owns such real property on or after the date on which such real property was conveyed to such not-for-profit organization; (2) the real property tax component of such lien arose on or after the date on which such real property was conveyed to such not-for-profit organization; and (3) such not-for-profit organization is organized or conducted for one of the purposes described in paragraph a or paragraph b of subdivision 1 of section 11-246 of this [chapter] title; or (C) real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property, 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 or on any real property in class two that is a residential condominium 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.

a-1. A subsequent tax lien or tax liens on a property or any component of the amount thereof may be sold by the city pursuant to this chapter, provided, however, that notwithstanding any provision in this chapter to the contrary, such tax lien or tax liens may be sold regardless of whether such tax lien or tax liens have remained unpaid in whole or in part for one year and, notwithstanding any provision in this chapter to the contrary[,] (A) in the case of any class one property or class two property that is a residential condominium or residential cooperative or, beginning January first, two thousand twelve, 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, such tax lien or tax liens may be sold if the real property tax component of such tax lien or tax liens has remained unpaid in whole or in part for one year[.]; and (B) beginning July first, two thousand twenty-four, in the case of any class one property that is not vacant land, or class two property that is a residential condominium or residential cooperative, such tax lien or tax liens may be sold only if the real property tax component of such tax lien or tax liens has remained unpaid in whole or in part for three years and equals or exceeds the sum of five thousand dollars; 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 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; and (C) beginning July first, two thousand twenty-four, in the case of any real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property, such tax lien or tax liens may not be sold. For purposes of this subdivision, the term "subsequent tax lien or tax liens" shall mean any tax lien or tax liens on property that become such on or after the date of sale of any tax lien or tax liens on such property that have been sold pursuant to this chapter, provided that the prior tax lien or tax liens remain unpaid as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale of the subsequent tax lien or tax liens. A subsequent 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 subsequent 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. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

a-2. In addition to any sale authorized pursuant to subdivision a or subdivision a-1 of this section and notwithstanding any provision of this chapter to the contrary, beginning on December first, two thousand seven, the water rents, sewer rents and sewer surcharges components of any tax lien on any class of real property, as such real property is classified in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter, where such water rents, sewer rents or sewer surcharges component of such tax lien, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale: (i) shall have remained unpaid in whole or in part for one year and (ii) equals or exceeds the sum of one thousand dollars or, beginning on March first, two thousand eleven, in the case of any two or three family residential real property in class one, for one year, and equals or exceeds the sum of two thousand dollars, or, beginning on January first, two thousand twenty-one, in the case of any two or three family residential real property in class one, for one year, and equals or exceeds the sum of three thousand dollars, or, beginning on January first, two thousand twelve, 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; provided, however, that such water rents, sewer rents or sewer surcharges component of such tax lien may not be sold pursuant to this subdivision on: (A) any one family residential real property in class one or [on] any two or three family residential real property in class one or a real property in class two that is a residential condominium 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; or (B) real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property. After such sale, any such water rents, sewer rents or sewer surcharges component of such tax lien may be transferred in the manner provided by this chapter.

a-3. In addition to any sale authorized pursuant to subdivision a or subdivision a-1 of this section and notwithstanding any provision of this chapter to the contrary, beginning on December first, two thousand seven, a subsequent tax lien on any class of real property, as such real property is classified in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter,

regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for one year, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of one thousand dollars or beginning on March first, two thousand eleven, in the case of any two or three family residential real property in class one, a subsequent tax lien on such property may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for one year, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of two thousand dollars, or, beginning on January first, two thousand twenty-one, in the case of any two or three family residential real property in class one, a subsequent tax lien on such property may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for one year, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of three thousand dollars, or, beginning on January first, two thousand twelve, 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, a subsequent tax lien on such property may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for two years, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of five thousand dollars; provided, however, that such subsequent tax lien may not be sold pursuant to this subdivision on: (A) any one family residential real property in class one or [on] any two or three family residential real property in class one or a real property in class two that is a residential condominium 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; or (B) real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property. After such sale, any such subsequent tax lien, or any component of the amount thereof, may be transferred in the manner provided by this chapter. For purposes of this subdivision, the term "subsequent tax lien" shall mean the water rents, sewer rents or sewer surcharges component of any tax lien on property that becomes such on or after the date of sale of any water rents, sewer rents or sewer surcharges component of any tax lien on such property that has been sold pursuant to this chapter, provided that the prior tax lien remains unpaid as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale of the subsequent tax lien. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

a-4. In addition to any sale authorized pursuant to subdivision a, a-1, a-2 or a-3 of this section and notwithstanding any provision of this chapter to the contrary, beginning on March first, two thousand eleven, the emergency repair charges component or alternative enforcement expenses and fees 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, or where such alternative enforcement expenses and fees are made a

lien pursuant to section 27-2153 of this code, of any tax lien on any class of real property, as such real property is defined in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter, where such emergency repair charges component or alternative enforcement expenses and fees component of such tax lien, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale: (i) shall have remained unpaid in whole or in part for one year, and (ii) equals or exceeds the sum of one thousand dollars or, beginning on January first, two thousand twelve, 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; provided, however, that such emergency repair charges component or alternative enforcement expenses and fees component of such tax lien may only be sold pursuant to this subdivision on any one, two or three family residential real property in class one, where such one, two or three family residential property in class one is not the primary residence of the owner; provided, however, that the emergency repair charges component or alternative enforcement expenses and fees component of such tax lien may not be sold pursuant to this subdivision on any real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property. After such sale, any such emergency repair charges component or alternative enforcement expenses and fees component of such tax lien may be transferred in the manner provided by this chapter.

a-5. In addition to any sale authorized pursuant to subdivision a, a-1, a-2 or a-3 of this section and notwithstanding any provision of this chapter to the contrary, beginning on March first, two thousand eleven, a subsequent tax lien on any class of real property, or beginning on January first, two thousand twelve 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, a subsequent tax lien on such property, may be sold by the city pursuant to this chapter, regardless of the length of time such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid, and regardless of the amount of such subsequent tax lien. After such sale, any such subsequent tax lien, or any component of the amount thereof, may be transferred in the manner provided by this chapter. For purposes of this subdivision, the term "subsequent tax lien" shall mean the emergency repair charges component or alternative enforcement expenses and fees 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, or where such alternative enforcement expenses and fees are made a lien pursuant to section 27-2153 of this code, of any tax lien on property that becomes such on or after the date of sale of any emergency repair charges component or alternative enforcement expenses and fees component, of any tax lien on such property that has been sold pursuant to this chapter, provided that the prior tax lien remains unpaid as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale of the subsequent tax lien; and provided further, that the emergency repair charges component or alternative enforcement expenses and fees component of such tax lien may not be sold pursuant to this subdivision on any real property that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title and that an agency designated by the mayor determines the development of which is economically impracticable or infeasible, due to the size, shape, applicable zoning, configuration or topography of such property. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

b. 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 a date that is one year after the date of enactment of the local law that added this sentence. Subsequent to one year after the date of enactment of the local law that added the preceding sentence, 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 twenty-eight. Subsequent to December thirty-first, two thousand twenty-eight, the city shall not have the authority to sell tax liens.

§ 5. Section 11-320 of the administrative code of the city of New York is amended by adding two new subdivisions a-1 and a-2 to read as follows:

a-1. Housing inspections. 1. Not less than ninety days preceding the date of sale of a tax lien or tax liens, the commissioner of finance shall compile a list that includes any property that:

(i) has been included in the notice of sale required pursuant to subdivision a of this section at least two times in the preceding four notices of sale published pursuant to such subdivision a; and

(ii) is a multiple dwelling classified as class two, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law; and

(iii) is subject to a tax lien or tax liens resulting from the nonpayment of taxes against the owner of such property with a cumulative lien or liens to value ratio, as determined by the commissioner of finance, equal to or greater than fifteen percent.

2. For each property included on the list compiled pursuant to paragraph one of this subdivision, the commissioner of finance shall include the address and borough, block and lot of such property.

3. Upon compilation of such list, the commissioner of finance shall transmit such list to the department of housing preservation and development, and the department of housing preservation and development shall inspect each property on such list for violations of the housing maintenance code, as appropriate, provided that such property has not been inspected by such department within the past year



pursuant to: (i) paragraph (2) of subdivision (b) of section 27-2033.1; (ii) section 27-2041.2; (iii) subdivision (c) of section 27-2091; (iv) section 27-2153; (v) article seven-A of the real property actions and proceedings law; or (vi) any other enhanced enforcement program established to secure compliance with the requirements of the housing maintenance code or other state or local laws imposing maintenance requirements on dwellings. The department of housing preservation and development shall make best efforts to conduct such inspections prior to the date of sale of a tax lien on a list compiled pursuant to this subdivision. During the course of any such inspection, such department shall distribute a notice regarding such department's housing information guide to all dwelling units within such property. Any notice required by this subdivision shall also be available in any of the designated citywide languages as defined in section 23-1101. Failure by the department of housing preservation and development to distribute such notice shall not affect the validity of any sale of tax liens pursuant to this chapter.

4. No later than one hundred twenty days after the date of sale, the department of housing preservation and development shall submit to the speaker of the council a rental watchlist report that provides, for each property inspected pursuant to paragraph three of this subdivision: (i) the borough, block, lot number, and address for such property, (ii) the number of apartment units and the owner of record for such property, and (iii) a description of all housing maintenance code violations issued for such property, if any. For each such property, such report shall also indicate whether such property:

(A) contains not more than nineteen units and the ratio of the sum of open hazardous and immediately hazardous housing maintenance code violations on such property to dwelling units located within such property exceeds five;

(B) contains more than nineteen units and the ratio of the sum of open hazardous and immediately hazardous housing maintenance code violations on such property to dwelling units located within such property exceeds three; or

(C) is subject to a vacate order issued pursuant to subdivision (b) of section 27-2139.

a-2. Report on vacant land. Not less than ninety days preceding the date of sale, the commissioner of finance shall submit a report to the speaker of the council including any property that has been included in the notice of sale required pursuant to subdivision a of this section and that is designated as vacant land on the final assessment roll delivered most recently to the council pursuant to section 11-218 of this title, provided that failure to submit such report shall not affect the validity of any sale of tax liens pursuant to this chapter. For each such property, the report shall:

1.list the borough, block, lot, square footage, and zoning district;

2. indicate whether the total square footage of such property exceeds one thousand seven hundred square feet;

3. indicate whether the length and width of such property exceeds seventeen feet; and

4. indicate whether such property is located within a residential zoning district.

§ 6. Paragraphs 1, 2, and 3 of subdivision b of section 11-320 of the administrative code of the city of New York, paragraph 1 as amended by local law number 15 for the year 2011, paragraph 2 and 3 as added by local law number 15 for the year 2011, and subparagraph (i) of such paragraph 2 as amended by local law number 147 for the year 2013, are amended to read as follows:

1. A tax lien shall not be sold unless the commissioner of finance, or his or her designee, notifies the owner of record at the address of record and any other person who has registered pursuant to section 11-309 of this chapter, or who has provided notice to the commissioner of finance pursuant to section 11-416 or 11-417 of this title, by first class mail, of the intention to sell the tax lien. If no such registrations have been filed then such commissioner, or his or her designee, shall notify the person whose name and address, if any, appears in the latest annual record of assessed valuations, by first class mail, of the intention to sell the tax lien. Such mailed notice shall include a description of the property by block and lot and such other identifying information as the commissioner of finance may deem appropriate, the amount of the tax lien, including all taxes, assessments, sewer rents, sewer surcharges, water rents, any other charges that are made a lien subject to the

provisions of this chapter, the amount that, if paid, would render such tax lien ineligible to be sold in accordance with section 11-319 of this chapter, as well as an estimate of the costs of any advertisements and notices given pursuant to this chapter, any other charges that are due and payable on the date specified in such publication, a surcharge pursuant to section 11-332 of this chapter if the tax lien is sold, and interest and penalties thereon, and shall be mailed to such owner and such other persons four times: not less than ninety, sixty, thirty and ten days prior to the date of sale. Such notice shall state that if [default continues to be made in] payment of the [amounts due on such property] amount that would render such tax lien ineligible to be sold in accordance with section 11-319 of this chapter is not made, the tax lien on such property shall be sold as provided in section 11-319 of this chapter. If, notwithstanding such notice, the owner shall continue to refuse or neglect to pay the amounts due on such property, the commissioner of finance may sell the tax lien on such property as provided in section 11-319 of this chapter.

2. (i) [Such notices shall also include, with respect to any property owner in class one or class two, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, an exemption eligibility checklist. The exemption eligibility checklist shall also be posted on the website of the department no later than the first business day after March fifteenth of every year prior to the date of sale, and shall continue to be posted on such website until ten days prior to the date of sale. Within ten business days of receipt of a completed exemption eligibility checklist from such property owner, provided that such receipt occurs prior to the date of sale of any tax lien or tax liens on his or her property, the department of finance shall review such checklist to determine, based on the information provided by the property owner, whether such property owner could be eligible for any exemption, credit or other benefit that would entitle them to be excluded from a tax lien sale and, if the department determines that such property owner could be eligible for any such exemption, credit or other benefit, shall mail such property owner an application for the appropriate exemption, credit or other benefit. If, within twenty business days of the date the department mailed such application, the department has not received a completed application from such property owner, the

department shall mail such property owner a second application, and shall telephone the property owner, if the property owner has included his or her telephone number on the exemption eligibility checklist.

(ii) Any [such property] owner of property classified as class one or class two, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, who [returns to the department of finance a completed exemption eligibility checklist prior to the date of sale of any tax lien or tax liens on his or her property and who subsequently] submits a completed application for [the appropriate] an exemption, credit or other benefit that would operate to exclude any tax lien or tax liens on such property from a tax lien sale either prior to, on or up to ninety days after [such] the date of sale of any such tax lien or tax liens, shall have his or her application reviewed by the department of finance. If, prior to the date of sale, the department of finance determines that such [property] owner is qualified for such exemption, credit or other benefit or will be qualified as of the date of sale, then the tax lien or tax liens on his or her property shall not be sold on such date. If, on or after the date of sale, the department of finance determines that such [property] owner is or was qualified for such exemption, credit or other benefit as of the date of sale, then any tax lien or tax liens on his or her property that were sold shall be deemed defective.

[(iii) Not later than thirty days prior to such date of sale, the department of finance shall submit to the council a list, disaggregated by council district, of all properties for which property owners returned a completed eligibility checklist to the department of finance at least thirty-five days prior to the date of sale, but for which property owners have not yet submitted a completed application for the appropriate exemption, credit or other benefit.

(iv) Not later than thirty days after such date of sale, the department of finance shall submit to the council a list, disaggregated by council district, of all properties for which property owners returned a completed eligibility checklist to the department of finance prior to the date of sale, but for which property owners have not yet submitted a completed application for the appropriate exemption, credit or other benefit.

(v) Upon the written or verbal request of such [property] owner, the department of finance shall

provide prompt assistance to such [property] owner in completing an application for [the appropriate] such an exemption, credit or other benefit. Notwithstanding subdivision 4 of section 11-245.3, an owner may on any date submit an application for the senior citizen homeowner exemption provided by such section for purposes of exclusion from a tax lien sale of a tax lien or tax liens on the property of such owner as described in this subparagraph. Notwithstanding subdivision 4 of section 11-245.4, an owner may on any date submit an application for the exemption for persons with disabilities provided by such section for purposes of exclusion from a tax lien sale of a tax lien or tax liens on the property of such owner as described in this subparagraph.

(ii) The notice required pursuant to this subdivision shall also include, with respect to any owner of property classified as class one, as such class is defined in subdivision one of section eighteen hundred two of the real property tax law, other than property held in the cooperative or condominium form of ownership, and with respect to any owner of a dwelling unit in a condominium, information about the option for the tax lien or tax liens on such property or such dwelling unit to be removed from a sale of tax liens pursuant to subdivision b of section 11-412.3 of this title, provided that such owner satisfies the requirements described in paragraphs 1 through 3 of subdivision c of such section, and provided further that the department may remove such tax lien or tax liens on such property or such dwelling unit no more than three times and that such department shall not remove any such tax lien later than thirty-six months after such department has removed such tax lien for the first time, except as otherwise provided in subdivision b of section 11-412.3.

(iii) The notice required by this subdivision shall also include, with respect to an owner of property classified as class one, as such class is defined in subdivision one of section eighteen hundred two of the real property tax law, information about the option for an owner of such property to elect to subject such tax lien or tax liens on such property to the summary foreclosure action set forth in section 11-412.5 of this title, provided that such owner satisfies the requirements described in paragraphs 1 through 5 of subdivision b of section 11-412.4 of this title.

(iv) The notice required by this subdivision shall also include information regarding installment

agreements authorized by sections 11-322 and 11-322.1 of this chapter and provide instructions for owners to request applications for such installment agreements or to request further guidance from the department about such agreements.

(v) The notice required by this subdivision shall indicate that, upon request by an owner, the department shall provide information regarding, and applications forms for, exemptions that would allow, if applicable, any tax lien or tax liens on such property to be excluded from a tax lien sale.

(vi) The notice required by this subdivision shall also provide the contact information for any organization with which the city has contracted to assist with any outreach and engagement required by such subdivision.

(vii) Not later than ninety days, sixty days, thirty days and ten days prior to the date of sale of a tax lien or tax liens, the department of finance shall submit to the council a list, disaggregated by council district, of all properties noticed for sale pursuant to paragraph 1 of subdivision b of this section containing the following information for each property on such list:

(a) the street address and the borough, block, and lot of such property;

(b) the property owners of record;

(c) the community board and community board district within which such property is located;

(d) the amount that, if paid, would render the tax lien or tax liens on such property ineligible to be sold in accordance with section 11-319 of this chapter; and

(e) the sum of the tax lien or tax liens on such property, disaggregated by the amount of the lien arising from the nonpayment of property taxes, the amount of any lien arising from the nonpayment of water and sewer charges, provided that the department of environmental protection has provided such information to the department of finance, the amount of any lien arising from emergency repair program charges, and the amount of any other lien that contributes to the sum of the tax lien or tax liens on the property.

3. The notice provided not less than ninety days prior to the date of sale shall also include

information relating to the lien sale process, including, but not limited to, actions homeowners can take if a lien is sold on such property; the type of debt that can be sold in a lien sale; a timeline of statutory notifications required pursuant to this section; a clear, concise explanation of the consequences of the sale of a tax lien; the telephone number and electronic mail address of the employee or employees designated pursuant to subdivision f of this section; a conspicuous statement that the owner of the property may enter into a payment plan for exclusion of a tax lien from the tax lien sale; and credits and property tax exemptions that may exclude certain class one real property from a tax lien sale. Such notice shall also include information on the following real property tax exemptions, credit or other benefit:

- (i) the senior citizen homeowner exemption pursuant to section 11-245.3 of this title;
- (ii) the exemption for persons with disabilities pursuant to section 11-245.4 of this title;
- (iii) the exemption for veterans 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;
- (iv) the exemption for veterans pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law;
- (v) the state circuit breaker income tax credit pursuant to subsection (e) of section six hundred six of the tax law; and
- (vi) the active duty military personnel benefit pursuant to department of finance memorandum 05-3, or any successor memorandum thereto[.

Upon such property owner's written request, or verbal request to 311 or any employee designated pursuant to subdivision f of this section, a Chinese, Korean, Russian or Spanish translation of such notice shall be provided promptly to such property owner]; and

(vii) any program authorized by the New York city water board and administered by the department of environmental protection that would exclude such property from the sale of tax liens.

§ 7. Subdivision c-1 of section 11-320 of the administrative code of the city of New York, as added by local law number 4 for the year 2017, is amended to read as follows:

c-1. Where a tax lien on property in the city has been noticed for sale pursuant to subdivision b of this section and such lien, prior to the date of sale, has been paid, has been removed from such sale pursuant to subdivision b of section 11-412.3 of this title or is otherwise determined by the commissioner not to be eligible to be sold, the commissioner shall promptly provide written notification to the owner of such property that such lien will not be or was not included in such sale and the reason therefor.

§ 8. Section 11-320 of the administrative code of the city of New York is amended by adding a new subdivision f-1 to read as follows:

f-1. Any notice to a property owner required by this section and any notice to a person who has registered pursuant to section 11-309 of this chapter, or who has provided notice to the commissioner of finance pursuant to section 11-416 or section 11-417 of this title shall also be available in any of the designated citywide language as defined in section 23-1101, and such notice shall indicate such availability.

§ 9. Subdivisions g, i, and j of section 11-320 of the administrative code of the city of New York, subdivision g as amended by local law number 45 for the year 2019, subdivision i as added by local law number 14 for the year 2015, and subdivision j as amended by local law number 24 for the year 2021, are amended to read as follows:

g. No later than one hundred twenty days after the [tax lien] date of sale, the commissioner of finance shall submit to the council a list of all properties, identified by block and lot, noticed for sale pursuant to subdivision b of this section. Such list shall also include a description of the disposition of such properties that shall include, but not be limited to, [whether an owner entered into a payment plan with the city pursuant to section 11-322 or 11-322.1 of this chapter, whether an owner satisfied the tax lien or liens, whether ownership of the property was transferred, provided that such information is available to the city, or whether the property was distressed, as defined in subdivision four of section 11-401 of this title, or removed from the sale pursuant



to the discretion of the commissioner of the department of housing preservation and development] the sum of the tax lien or tax liens noticed for sale, disaggregated by the groups of properties described in subparagraphs (i) and (ii) of paragraph 1 of subdivision h of this section; the reasons provided for removal of any tax lien from a tax lien sale, based on records maintained by the department of finance, including but not limited to, payment, entry into installment agreement, and removal pursuant to section 11-412.3 of this title.

i. On a quarterly basis, a purchaser of tax liens shall provide to the speaker of 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 sold, 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; the date that the tax lien or tax liens were sold by the city; [and] the amount of interest and penalties thereon; and if applicable, whether a tax lien or tax liens was transferred to another entity; and (2) the status of the tax lien or tax liens, including foreclosure information such as the start date of the foreclosure proceeding and the date the property was foreclosed upon, if applicable; whether the property owner entered into an installment agreement; whether the property owner is current on such installment agreement; the amount collected by such purchaser from the property owner; the outstanding balance on the tax lien or tax liens; 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, provided, however, that, the commissioner of finance shall conduct such outreach sessions in the ten council districts with the greatest number of properties for which a notice of intention to sell a tax lien has been mailed ninety days prior to the

date of sale pursuant to paragraph one of subdivision b of this section, and provided, further, however, that, such commissioner shall conduct additional outreach sessions in the five council districts with the greatest number of properties for which a notice of intention to sell a tax lien has been mailed ninety days prior to the date of sale pursuant to such paragraph. To the extent practicable, the commissioner of finance shall schedule the outreach sessions in the five council districts described in the preceding sentence such that one occurs prior to the mailing of the notice of intention to sell a tax lien that is required to be mailed thirty days prior to the date of sale pursuant to paragraph one of subdivision b of this section and one occurs subsequent to such mailing. 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, with options for income-based installment agreements or installment agreements with a term of up to ten years; (iv) credits and property tax exemptions that may exclude a property from a tax lien sale; (v) distribution of a customer survey to property owners who have received notice of the intention to sell a tax lien on their property, in order to determine the circumstances that led to the creation of the lien; [and] (vi) information about the option for the tax lien or tax liens on a property classified as class one, other than property held in the cooperative or condominium form of ownership, and on a dwelling unit in a condominium, to be removed from the tax lien sale pursuant to subdivision b of section 11-412.3 of this title; (vii) information about the option for an owner of certain class one property to elect to subject such property to the summary foreclosure action set forth in section 11-412.5 of this title; and (viii) any other credit or residential real property tax exemption information, which, in the discretion of the commissioner, should be included in such outreach sessions. The commissioner shall make a good faith effort to have a financial counselor available at 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; (iii) the total number of attendees at each outreach session; (iv) the number of outreach sessions at which a financial counselor was available; (v) the number of property owners, or other eligible persons acting on behalf of property owners, who consulted a financial counselor at each outreach session at which a financial counselor was available; and (vi) the results of such surveys. Such report and the results of each outreach session shall be disaggregated by council district.

§ 10. Section 11-320 of the administrative code of the city of New York is amended by adding a new subdivision l to read as follows:

l. Beginning July first, two thousand twenty-four, the commissioner of housing preservation and development, in consultation with the commissioner of finance and the commissioner of environmental protection, shall make good faith efforts to establish a procedure to contact the owner of record of any class one property or class two property that is a residential condominium or residential cooperative that has been included in the notice of sale required pursuant to subdivision a of this section, and any other person who has registered pursuant to section 11-309 of this chapter or who has provided notice to the commissioner of finance pursuant to section 11-416 or section 11-417 of this title in relation to such property, to inform them of relevant homeownership counseling and support services that the city, or a not-for-profit organization identified by the commissioner of housing preservation and development, provides and to assist in submitting any application for any exemption, credit or other benefit that would operate to exclude the property from a tax lien sale. The commissioner of housing preservation and development shall prioritize, to the extent practicable, in-person interactions and telephonic communications, but may also include electronic communications and mailings. No later than one year after the enactment of the local law that added this subdivision, and annually thereafter, the commissioner of housing preservation and development shall provide a report to the speaker of the council

regarding the outreach described in this subdivision that was conducted during the prior year, including a summary of the outreach activities and the number of homeowners reached. In determining the most effective way to provide such outreach, the commissioner of housing preservation and development may prioritize contacting owners of record of, and such other persons who have registered pursuant to section 11-309 of this chapter or who have provided notice to the commissioner of finance pursuant to section 11-416 or section 11-417 of this title for, properties located in the council districts, as determined by the commissioner of housing preservation and development, with the greatest number of class one properties and class two properties that are residential condominiums or residential cooperatives for which a notice of intention to sell a tax lien has been mailed, the council districts with the lowest average median income, as determined by such commissioner, or properties for which such commissioner determines the owners of such property have a cumulative income below a threshold determined by such commissioner. Failure by the department of housing preservation and development to contact any such owner or any such person shall not affect the validity of any sale of tax liens pursuant to this chapter.

§ 11. The opening paragraph of subdivision b of section 11-322 of the administrative code of the city of New York, as amended by local law number 4 for the year 2017, is amended to read as follows:

In accordance with rules promulgated by the commissioners of finance and environmental protection, a property owner, or other eligible person, as defined by rule, acting on behalf of an owner, may enter into agreements with the departments of finance and environmental protection for the payment in installments of any delinquent real property taxes, assessments, sewer rents, sewer surcharges, water rents, or any other charges that are made a lien subject to the provisions of this chapter, provided that any agreement with the department of environmental protection shall be subject to title 2-A of article 5 of the public authorities law and the rules of the New York city water board. The proposed sale of a tax lien or tax liens on property shall be cancelled when a property owner, or other eligible person acting on behalf of an owner, enters into an agreement with the respective agency for the payment of any such lien. Such proposed sale of a tax lien or tax

liens on property shall be cancelled when such property owner, or such other eligible person acting on behalf of such owner, submits either a signed complete application or a signed, but incomplete application to the department of finance, for such an agreement, provided that such department shall not be required to cancel such proposed sale due to the submission of a signed, but incomplete application more than once in any five year period. The tax lien or tax liens on such property may be included in the tax lien sale subsequent to the next tax lien sale if a completed application is not submitted within 45 days of the date the request was sent for additional information or the application was denied. Such rules shall also provide that such property owners or such other eligible persons be given information regarding eligibility for real property tax exemption programs prior to entering into such agreements. As used in this subdivision, the term "other eligible person" shall include a fiduciary, as defined in paragraph three of subdivision (a) of section 11-1.1 of the estates, powers and trusts law, acting with respect to the administration of the property of an estate of a decedent who owned the real property as to which an agreement under this subdivision is sought, or on behalf of a beneficiary of such real property from such estate. Any rules promulgated in accordance with this subdivision defining "other eligible person" shall include in such definition the means by which a beneficiary of real property of the estate of a decedent who owned real property as to which an agreement under this subdivision is sought meets the definition of "other eligible person." Such means shall include the furnishing of any death certificates or other relevant documents that substantiate the claim of a beneficiary that they are the legal owner of the property. Notwithstanding any other provision of this section, no more than one such agreement with each respective agency may be in effect for a property at any one time.

§ 12. Subdivision b of section 11-322.1 of the administrative code of the city of New York, as added by local law number 45 for the year 2019, is amended to read as follows:

b. A property owner who satisfies the requirements described in subdivision c and d, e [or], f, or f-1 of this section may enter into an agreement with the department pursuant to this section for the payment in installments of real property taxes, assessments or other charges that are made a lien subject to the provisions of

this chapter, except for sewer rents, sewer surcharges or water rents. The entry into an installment agreement pursuant to this section shall not suspend the accrual of interest charged against the property pursuant to section 11-301. A property owner may only have one installment agreement with the department in effect at any one time.

§ 13. Paragraph 3 of subdivision c of section 11-322.1 of the administrative code of the city of New York, as amended by local law number 24 for the year 2021, is amended to read as follows:

3. The combined income of the applicant and of all the additional property owners may not exceed [\$86,400] the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law for the income tax year immediately preceding the date of the application for the installment agreement. The department shall promulgate rules that establish a process for an applicant to seek an exception from the requirement that income information from all additional property owners be provided in cases of hardship.

§ 14. Section 11-322.1 of the administrative code of the city of New York is amended by adding a new subdivision f-1 to read as follows:

f-1. Eligibility requirement for deferral installment agreement. In addition to the requirements set forth in subdivision c of this section, to be eligible to enter into a deferral installment agreement pursuant to subdivision n-1 of this section, the assessed value of the property that would be subject to such agreement must be two hundred fifty thousand dollars or less and the applicant must demonstrate to the department that the quotient of the most recent installment of tax due pursuant to subdivision 2 of section 1519-a of the charter divided by one quarter of the combined income of such applicant and of all the additional property owners exceeds 10 percent.

§ 15. Paragraph 3 of subdivision g of section 11-322.1 of this section, as added by local law number 45 for the year 2019, is amended to read as follows:

3. An applicant may select a monthly or quarterly payment schedule and may also select the

amount that is required to be paid under the applicable installment agreement pursuant to the options available pursuant to subdivision l, m [or], n or n-1.

§ 16. Subparagraph (b) of paragraph 2 of subdivision h of section 11-322.1 of the administrative code of the city of New York, as added by local law number 45 for the year 2019, is amended to read as follows:

(b) the combined income of such applicant and of all the additional property owners does not exceed [\$58,399] the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law for the income tax year immediately preceding the date of the renewal of such installment agreement, except that an applicant for the renewal of a fixed length income-based installment agreement pursuant to subdivision m of this section is not required to submit income information.

§ 17. Subdivision h of section 11-322.1 of the administrative code of the city of New York is amended by adding a new paragraph 3 to read as follows:

3. The department may promulgate rules that establish a process for an applicant to make the demonstration required by paragraph 2 of this subdivision by self-certification.

§ 18. Paragraph 2 of subdivision i of section 11-322.1 of the administrative code of the city of New York, as added by local law number 45 for the year 2019, is amended to read as follows:

2. A property for which an application has been submitted that contains proof of income and, for a senior low-income installment agreement described in subdivision l, proof of age, and that is signed, but is otherwise incomplete, shall be withdrawn from the next tax lien sale, provided that such department shall not be required to withdraw a property due to the submission of a signed, but otherwise incomplete application more than once in any five year period. Such property, however, may be included in the tax lien sale subsequent to the next tax lien sale if a completed application is not submitted within 45 days from the date of the additional information request notice sent to the applicant by the department or if the completed application is denied.

§ 19. Subdivision i of section 11-322.1 of the administrative code of the city of New York is amended by adding a new paragraph 3 to read as follows:

3. A tax lien or tax liens on a property for which an installment agreement has been executed may be sold only in accordance with paragraph 2 of subdivision k of this section.

§ 20. Paragraphs 1 and 6 of subdivision j of section 11-322.1 of the administrative code of the city of New York, as added by local law number 45 for the year 2019, are amended to read as follows:

1. Each approved installment agreement shall set forth terms of repayment, including (i) the frequency of payments, (ii) the percentage of the taxes and charges that forms the basis of the required payment for the senior low-income installment agreement described in subdivision l, or the percentage of the combined income of the property owners for the income tax year immediately preceding the initial application that forms the basis of the required payment for the installment agreement for the fixed length income-based[ and], the extenuating circumstances income-based installment agreements and the deferral installment agreement described in subdivision m [and], n and n-1 respectively, (iii) the payment schedule and (iv) the payment amount.

6. If the combined income of all of the property owners exceeds [\$58,399] the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law for the income tax year immediately preceding the date of making a renewal application pursuant to subdivision h of this section, the applicant shall pay all taxes and charges imposed against the property after the date of such renewal application as such taxes and charges become due, in addition to the payment amount set forth in such installment agreement.

§ 21. Paragraph 2 of subdivision k of section 11-322.1 of the administrative code of the city of New York, as added by local law number 45 for the year 2019, is amended to read as follows:

2. If an installment agreement is terminated, all taxes and charges that accrued before such termination are required to be paid. If such taxes and charges are not paid within nine months of such



termination, the tax lien or tax liens on such property may be sold. Notwithstanding the preceding sentence, if an agreement is terminated pursuant to subparagraph (c) of paragraph 1 of this subdivision, a surviving spouse has 18 months from the death of the applicant to pay all taxes and charges on such property before the tax lien or tax liens on such property may be sold. If such surviving spouse is a property owner he or she may enter into a separate installment agreement pursuant to section 11-322 or subdivision l, m [or], n or n-1 of this section, as long as he or she meets the eligibility requirements for the respective installment agreement.

§ 22. Section 11-322.1 of the administrative code of the city of New York is amended by adding a new subdivision n-1 to read as follows:

n-1. Deferral installment agreement. 1. At the option of the applicant, a deferral installment agreement may provide for payments for a fixed period of time or for payments without a fixed period of time. If the applicant selects an installment agreement with a fixed period of time, the applicant may select the term of the agreement. The applicant may switch from an installment agreement without a fixed time period to an installment agreement with a fixed time period, or from an installment agreement with a fixed time period to an installment agreement without a fixed time period, at any point during the installment agreement.

2. A deferral installment agreement shall provide for the payment of both a percentage of taxes and charges that have accrued, if any, and a percentage of taxes and charges that will accrue after the date of the installment agreement.

3. The annual payment amount required pursuant to this subdivision shall be based on the greater of: (i) 10 percent of the combined income of the applicant and of all the additional property owners; or (ii) \$1,500.

§ 23. Section 11-332 of the administrative code of the city of New York is amended by adding new subdivisions c and d to read as follows:

c. Notwithstanding any other provision of this chapter, for any tax lien sold after July 1, 2024, the holder of a tax lien certificate shall not be entitled to collect the portion of any tax lien representing the

surcharge set forth in subdivision b of this section for any tax lien certificate for which:

1. an owner of the property described in the tax lien certificate submits documentation demonstrating that such owner satisfies the criteria described in subdivision d of this section; and

2. such holder receives all other amounts that such holder is entitled to receive pursuant to this section and such holder has not commenced a foreclosure proceeding to receive such amounts.

d. 1. The owner:

(i) has used such property as their primary residence for an uninterrupted period of 12 months immediately preceding the date on which such owner makes the submission required by subdivision c of this section, provided that a hospitalization or temporary stay in a nursing home or rehabilitation facility for a period of not more than three years shall not be considered a change in primary residence; or

(ii) has received a real property tax exemption pursuant to section 425 of the real property tax law or a school tax relief credit pursuant to subsection (eee) of section 606 of the tax law for such property for the fiscal year immediately preceding the fiscal year in which such owner makes the submission required by subdivision c of this section;

2. The income of the household of such owner, as defined by rule of the department considering the purposes of tax collection and the procedures described in section 11-412.3 and section 11-412.4 of this title, shall be no greater than the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law; and

3. The owner of such property does not own any real property classified as class one, class two or class four property in the city of New York other than the property described in the tax lien certificate.

§ 24. Chapter 4 of title 11 of the administrative code of the city of New York is amended by adding new sections 11-412.3, 11-412.4, 11-412.5, and 11-412.6 to read as follows:

§ 11-412.3 Removal of certain tax liens from the tax lien sale for certain properties.

a. Definitions. For the purposes of this section and sections 11-412.4, 11-412.5, and 11-412.6,

the following terms have the following meanings:

Arm's length transaction. The term "arm's length transaction" means a sale or a transfer of a fee interest in property or in a dwelling unit in good faith and for valuable consideration, that reflects the fair market value of such property or such dwelling unit, in the open market, between two informed and willing parties, where neither is under any compulsion to participate in the transaction, unaffected by any unusual conditions indicating a reasonable possibility that the sale or transfer was made for the purpose of permitting the original owner to avoid the effect of the limitation on the number of times that the department of finance may remove a tax lien or tax liens from the tax lien sale pursuant to subdivision b of this section. The following sales or transfers shall be presumed not to be arm's length transactions unless adequate documentation is provided demonstrating that the sale or transfer was not conducted, in whole or in part, for the purpose of permitting the original owner to avoid the effect of the limitation on the number of times that the department of finance may remove a tax lien or tax liens from the tax lien sale pursuant to subdivision b of this section:

1.a sale or transfer between relatives; or

2.a sale or transfer between a related corporate entity or partners or principals of a business or corporate entity; or

3.a sale or transfer affected by other facts or circumstances that would indicate that such sale or transfer is entered into for the primary purpose of permitting the original owner to avoid the effect of the limitation on the number of times that such department may remove a tax lien or tax liens from the tax lien sale pursuant to subdivision b of this section.

City note. The term "city note" means: (i) a note provided to the city of New York by a qualified preservation purchaser in the amount of the outstanding tax liens on a property as of the date immediately preceding the date of the delivery of the deed conveying full and complete title to such property to such qualified preservation purchaser pursuant to subdivision j of section 11-412.5 of this chapter, other than outstanding sewer rents, sewer surcharges, or water rents, as such terms are defined in section 11-301 of this

title, on such property; and (ii) a note provided to the New York city water board by a qualified preservation purchaser in the amount of the outstanding sewer rents, sewer surcharges, or water rents, as such terms are defined in section 11-301 of this title, as of such date.

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

Dwelling unit. The term “dwelling unit” means a dwelling unit in a condominium.

Income. The term “income” means the adjusted gross income for federal income tax purposes as reported on an owner’s federal or state income tax return for the most recent calendar year or fiscal year for which an owner filed a federal or state income tax return, subject to any subsequent amendments or revisions; provided that if no such return was filed during the previous five calendar years, “income” means the adjusted gross income that would have been so reported if such a return had been filed.

Limited equity property. The term “limited equity property” means a real property that is subject to all of the restrictions contained in the regulatory agreement described in paragraph (1) of subdivision a of section 11-412.4 of this chapter.

Owner. The term “owner” means a natural person who has a fee interest in a property or a dwelling unit.

Property. The term “property” means real property classified as class one pursuant to section 1802 of the real property tax law, except any such property held in the cooperative or condominium form of ownership.

Qualified preservation purchaser. The term “qualified preservation purchaser” means a housing development fund company, as defined in section 572 of the private housing finance law.

Real property classified as class one, class two or class four property. The term “real property classified as class one, class two or class four property” means property classified as class one, class two or class four property, as such classes of property are defined in subdivision 1 of section 1802 of the real property tax law.

Sales price equity. The term “sales price equity” means the difference, if any, after subtracting:

(i) the sum of: (A) any lien on such property created by the execution of a note for the purpose of obtaining financing to be used solely to repair or rehabilitate such property as of the date the sales price equity is paid to the tenant; (B) the city note; (C) administrative costs, as specified in the regulatory agreement described in paragraph (1) of subdivision a of section 11-412.4 of this chapter; and (D) any other outstanding liens, charges or fees, including but not limited to rent charges, due to a qualified preservation purchaser under a lease for such property, or pursuant to the terms of such regulatory agreement, as of such date, from (ii) the price for which such property has been sold by such qualified preservation purchaser as a limited equity property, in accordance with such regulatory agreement, provided that if such property has not been sold by such qualified preservation purchaser as a limited equity property, the price shall be the price for which such property could be sold as a limited equity property in accordance with such regulatory agreement.

Synthetic equity. The term “synthetic equity” means the difference, if any, after subtracting: (i) the sum of: (A) any lien on such property created by the execution of a note for the purpose of obtaining financing to be used solely to repair or rehabilitate such property as of the date the synthetic equity is paid to the tenant; (B) the city note; (C) administrative costs, as specified in the regulatory agreement described in paragraph (1) of subdivision a of section 11-412.4 of this chapter; and (D) any other outstanding liens, charges or fees, including but not limited to rent charges, due to a qualified preservation purchaser under a lease for such property, or pursuant to the terms of such regulatory agreement, as of such date; from (ii) the market value of such property, as reflected on the final assessment roll delivered most recently by the department to the city council pursuant to section 11-218 of this title, as of the date of the delivery of the deed conveying full and complete title to the qualified preservation purchaser pursuant to subdivision j of section 11-412.5 of this chapter.

Tax lien. The term “tax lien” has the same meaning as provided in section 11-301 of this title.

Tenant. The term “tenant” means the owner, as of the date and time on which title for the

property in which such owner had a fee interest was conveyed to the qualified preservation purchaser pursuant to the summary foreclosure action set forth in section 11-412.5.

b. Removal from the tax lien sale. Notwithstanding any inconsistent provision of section 11-319 of this title to the contrary, the tax lien or tax liens on a property or on a dwelling unit shall not be sold pursuant to such section when the owner of such property or such dwelling unit requests that such tax lien or tax liens be removed from a sale of tax liens, provided that such property or dwelling unit satisfies the requirements described in paragraphs 1 through 3 of subdivision c of this section, and provided, further, that the department may remove a tax lien or tax liens from a sale of tax liens, pursuant to this subdivision, no more than three times and that such department shall not remove any such tax lien later than thirty-six months after the date of sale immediately succeeding the date such department has removed such tax lien or such tax liens for the first time, provided that such thirty-six month period shall be tolled for the duration of time in which such property is subject to an installment agreement that is not in default pursuant to sections 11-322 or 11-322.1 or is subject to any exemption, credit or other benefit that would operate to exclude the property from a tax lien sale. Where such property or dwelling unit has been sold pursuant to an arm's length transaction or all tax liens on such property or such dwelling unit have been satisfied, the tax lien or tax liens on such property or on such dwelling unit shall not be sold pursuant to section 11-319 when the owner of such property or such dwelling unit requests that such tax lien or tax liens be removed from a sale of tax liens, provided that such property or dwelling unit satisfies the requirements described in the preceding sentence. Any removals of a tax lien or tax liens on such property or such dwelling unit pursuant to this subdivision prior to such transaction or prior to the satisfaction of such liens shall not be considered in determining whether the department may remove a tax lien or tax liens on a property or on a dwelling unit from a sale of tax liens pursuant to this subdivision. The department of finance shall review any request to be removed from a sale of tax liens pursuant to this subdivision that is submitted prior to the date of sale of any such tax lien or tax liens, provided that if the department of finance determines, after the date of such a sale, that a property, for which a request was

submitted prior to such a sale, satisfies the requirements described in paragraphs 1 through 3 of subdivision c of this section, then such tax lien or tax liens shall be deemed defective.

c. Requirements for removal of a tax lien or tax liens from a sale of tax liens. Eligibility for removal of a tax lien or tax liens on a property or on a dwelling unit from a sale of tax liens pursuant to subdivision b of this section requires that an owner of such property or such dwelling unit demonstrates the following:

1. The owner:

(a) has used such property or such dwelling unit as their primary residence for an uninterrupted period of 12 months immediately preceding the request by such owner for removal of a tax lien or tax liens from a sale of tax liens, provided that a hospitalization or temporary stay in a nursing home or rehabilitation facility for a period of not more than three years shall not be considered a change in primary residence; or

(b) has received a real property tax exemption pursuant to section 425 of the real property tax law or a school tax relief credit pursuant to subsection (eee) of section 606 of the tax law for such property or such dwelling unit for the fiscal year immediately preceding the fiscal year in which such owner requested removal of a tax lien or tax liens from a sale of tax liens;

2. The income of the household of such owner, as defined by rule of the department considering the purposes of tax collection and the procedures described in subdivision b of this section and in section 11-412.4, shall be no greater than the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law; and

3. The owner of such property or such dwelling unit does not own any real property classified as class one, class two or class four property in the city of New York other than the property or dwelling unit on which the tax lien or tax liens are sought to be removed from the sale of tax liens.

d. The department shall promulgate rules establishing procedures for requesting that a tax lien or tax liens on a property or a dwelling unit be removed from a sale of tax liens and appealing a denial of a request

that a tax lien or tax liens on a property or a dwelling unit be removed from a sale of tax liens. Such rules may include a time period within which the department will respond to a request, by an owner of a property or a dwelling unit, that such tax lien or tax liens be removed, a time period within which an owner could appeal a denial of such request, and a time period within which such department will respond to such appeal.

§ 11-412.4 Voluntary in-rem action for certain properties. a. Summary foreclosure, conveyance of title to qualified preservation purchaser. No later than 6 months, after the date of sale, as defined in subdivision e of section 11-320 of this title, of a tax lien or tax liens on a property, as defined in section 11-412.3 of this chapter, the owner of such property may elect to subject such tax lien or tax liens on such property to the summary foreclosure action set forth in section 11-412.5 of this chapter, provided that the criteria described in paragraphs 1 through 5 of subdivision b of this section are satisfied at the time of such election, and, provided further, that upon selection of the qualified preservation purchaser, such owner and such qualified preservation purchaser agree that, upon the delivery of a deed conveying to such qualified preservation purchaser full and complete title to such property, pursuant to subdivision j of section 11-412.5 of this chapter, such qualified preservation purchaser shall lease such property to the tenant for a period of at least 99 years, and the qualified preservation purchaser further agrees:

1. to enter into a regulatory agreement with the department of housing preservation and development requiring operation of the property as housing for low income persons and families, as provided under article 11 of the private housing finance law, and such other conditions as such department may require;

2. to execute a city note and to record the lien created by such note, in a first priority position, against such property, provided that such lien may be subordinated to a lien created by a note executed subsequent to the date of delivery of such deed for the purpose of obtaining financing to be used solely to repair or rehabilitate such property;

3. to execute a note to the tenant in an amount equal to the sales price equity of such property and record the lien created by such note, in a second priority position, against such property, provided that:



(a) in the event the restrictions contained in the regulatory agreement between the qualified preservation purchaser and the department of housing preservation and development requiring operation of the property as housing for low income persons and families, as provided under article 11 of the private housing finance law, have been voided, nullified or otherwise made inapplicable to such property, the amount of such note shall be adjusted to reflect the synthetic equity;

(b) such lien may be subordinated to a lien created by a note executed subsequent to the date of delivery of such deed for the purposes of obtaining financing to be used solely to repair or rehabilitate such property; and

(c) the amount payable on such note may be reduced upon agreement between the tenant and the qualified preservation purchaser and subject to the conditions in such regulatory agreement; and

4. to take the following actions, upon written direction by the tenant and after such tenant has vacated the property: (i) terminate the lease of such tenant; and (ii) pay the amount due on the note executed to the tenant and pay the amount due on any note that was executed subsequent to the date of delivery of such deed for the purpose of obtaining financing to be used solely to repair or rehabilitate such property, or authorize a person to pay such notes on behalf of such qualified preservation purchaser, provided that the department of housing preservation and development may require the satisfaction of any other note executed by such qualified preservation purchaser that has created a lien against such property.

b. Requirements to subject a tax lien or tax liens to the summary foreclosure action set forth in section 11-412.5 of this chapter. Eligibility to subject a tax lien or tax liens on a property to the summary foreclosure process set forth in section 11-412.5 of this chapter requires that the owner of such property demonstrates the following:

1. The property has served as the primary residence of such owner for an uninterrupted period of 12 months immediately preceding the date such owner signs the form described in paragraph 1 of subdivision d of this section indicating their electing to subject the tax lien or tax liens on such property to the summary

foreclosure action set forth in section 11-412.5, provided that a hospitalization or temporary stay in a nursing home or rehabilitation facility for a period of not more than three years shall not be considered a change in primary residence;

2. The income of the household of such owner, as defined by rule of the department considering the purposes of tax collection and the procedures described in subdivision b of section 11-412.3 and this section, shall be no greater than the applicable income standard as established by paragraph (b) of subdivision 4 of section 425 of the real property tax law;

3. The owner of such property does not own any real property classified as class one, class two, or class four property in the city of New York other than the property for which such owner seeks to subject the tax lien or tax liens to the summary foreclosure action set forth in section 11-412.5;

4. The owner of such property certifies that there are no mortgages, liens or encumbrances on such property other than the tax lien or tax liens on such property; and

5. The owner of such property certifies that such owner has consulted with an attorney regarding their election of the summary foreclosure action.

c. Subject to appropriations, the department, or another agency designated by the mayor, shall make available the services of an attorney to an owner of property who elects to subject the tax lien or tax liens on such property to the summary foreclosure action for the purpose of satisfying the requirement described in paragraph 5 of subdivision b of this section and shall make available such services at no cost to such owner.

d. The department, in consultation with the department of housing preservation and development, shall notify the owner of a property about the option to elect to subject the tax lien or tax liens on such property to the summary foreclosure action set forth in section 11-412.5 within 30 days after the date of sale, as defined in subdivision e of section 11-320 of this title, of such tax lien or tax liens on such property. Such notification shall include, but not be limited to, the following:

1. information about the consequences of the tax lien sale for such owner;

2. information about eligibility requirements to elect the summary foreclosure action, including the requirement that such owner consult with an attorney prior to certifying their election to subject the tax lien or tax liens on such property to such summary foreclosure action, and the consequences of such summary foreclosure action for such owner;

3. information about the lease that a qualified preservation purchaser would make available to a tenant, after such property would be conveyed to such qualified preservation purchaser pursuant to subdivision j of section 11-412.5, including but not limited to, the affordability of such lease to such tenant and to the heirs of such tenant and the ability of a tenant or the heirs of such tenant to terminate such lease and to be paid the amount due on the note executed to such tenant by such qualified preservation purchaser; and

4. this statement: “PLEASE READ THIS NOTIFICATION CAREFULLY. YOU SHOULD IMMEDIATELY CONTACT AN ATTORNEY OR YOUR LOCAL LEGAL AID OFFICE TO GET ADVICE ON HOW TO PROTECT YOURSELF. YOU SHOULD SPEAK WITH AN ATTORNEY TO UNDERSTAND THE SUMMARY FORECLOSURE ACTION AND TO EVALUATE WHETHER IT IS IN YOUR INTEREST TO ELECT THIS OPTION. IN ADDITION TO SEEKING ASSISTANCE FROM AN ATTORNEY OR YOUR LOCAL LEGAL AID OFFICE, THERE ARE GOVERNMENT AGENCIES AND NON-PROFIT ORGANIZATIONS THAT YOU MAY CONTACT FOR INFORMATION ABOUT THE CONSEQUENCES OF THE TAX LIEN SALE AND THE SUMMARY FORECLOSURE ACTION. THE CITY OF NEW YORK MAY BE ABLE TO ASSIST WITH EXPENSES ASSOCIATED WITH CONSULTING WITH AN ATTORNEY. PLEASE CONTACT THE DEPARTMENT OF FINANCE FOR MORE INFORMATION.”

e. The department shall develop forms in which:

1. the owner of a property shall certify: (i) their election to subject the tax lien or tax liens on such property to the summary foreclosure action set forth in section 11-412.5 of this chapter; (ii) that such election has been made after consultation with an attorney; (iii) their election to forego the option to interpose an answer to such action; and (iv) their decision to forego any further option to pay all unpaid tax lien or tax

liens on such property together with interest thereon;

2. the qualified preservation purchaser, as designated by the commissioner of housing preservation and development, shall commit to lease the property to the tenant after such property has been conveyed to such qualified preservation purchaser pursuant to subdivision j of section 11-412.5 of this chapter;

3. such qualified preservation purchaser shall commit to enter into a regulatory agreement with the department of housing preservation and development requiring the operation of such property as housing for low income persons and families, as provided under article 11 of the private housing finance law, and to execute a city note and to record the lien created by such note against such property; and

4. such qualified preservation purchaser shall commit to execute a note to the tenant in an the amount equal to the sales price equity of such property and to record the lien created by such note against such property, provided that in the event the restrictions contained in the regulatory agreement between the qualified preservation purchaser and the department of housing preservation and development requiring operation of the property as housing for low income persons and families, as provided under article 11 of the private housing finance law, have been voided, nullified or otherwise made inapplicable to such property, the amount of such note shall be adjusted to reflect the synthetic equity.

f. Selection of qualified preservation purchaser for a property. The department of housing preservation and development shall select a qualified preservation purchaser by any method it determines will best meet the purposes of such selection process, including, without limitation, selection by a request for qualifications process, a request for proposals process, a pre-qualified list, a request for offer process, or by direct selection of an entity determined by such department to be qualified. Such selected qualified preservation purchaser shall: (i) be seized of an estate in fee simple absolute in such property upon the delivery of a deed conveying to such qualified preservation purchaser full and complete title to such property, pursuant to subdivision j of section 11-412.5 of this chapter; (ii) lease such property to the tenant; (iii) enter into a regulatory agreement with the department of housing preservation and development requiring operation of the

property as housing for low income persons and families, as provided under article 11 of the private housing finance law, and such other conditions as such department may require; (iv) execute a city note and record the lien created by such note, in a first priority position, against such property; and (v) execute a note to the tenant in an the amount equal to the sales price equity of such property, and record the lien created by such note, in a second priority position, against such property, provided that in the event the restrictions contained in the regulatory agreement between the qualified preservation purchaser and the department of housing preservation and development requiring operation of the property as housing for low income persons and families, as provided under article 11 of the private housing finance law, have been voided, nullified or otherwise made inapplicable to such property, the amount of such note shall be adjusted to reflect the synthetic equity. The criteria for selection of a qualified preservation purchaser shall include: financial capacity, ability to work with governmental and community organizations, experience owning and managing residential property, including experience with affordable housing, ability to ensure that such property is used for affordable housing, and such other criteria as the department may provide by rule and, may include the preference of such tenant.

g. Subsequent to an election, pursuant to subdivision a of this section, by an owner to subject the tax lien or tax liens on a property to the summary foreclosure action set forth in section 11-412.5 of this chapter, the department of housing preservation and development shall make efforts to select a qualified preservation purchaser for a period not less than 12 months commencing on the date of such election. During such 12-month period, a purchaser of a tax lien or tax liens on a property for which an owner has made such an election shall not maintain an action to foreclose upon such tax lien or tax liens. Upon selection of a qualified preservation purchaser by the department of housing preservation and development, any sale of such tax lien or tax liens shall be deemed defective.

§ 11-412.5 Summary foreclosure action. With the exception of sections 11-408, 11-415, 11-419, and 11-421, sections 11-404 through 11-427 of this chapter shall not apply to the process described in this section.

a. Preparation of notification of summary foreclosure action. Upon receipt by the commissioner of finance of signed and notarized copies of the forms described in subdivision e of section 11-412.4 of this chapter, and upon the completion of reasonable efforts by the commissioner of finance to confirm that there are no mortgages, liens or encumbrances on the property that is the subject of the summary foreclosure action, the commissioner of finance shall prepare a notice of the summary foreclosure action. Such notice shall bear a caption containing the number of such summary foreclosure action, the borough or the section of a tax map or portion of a section of a tax map in which such property is located, the class of such property, and a statement of the rate at which interest will be computed for the liens it includes. Such notification shall include (i) a brief description of such property to be known as “description of property”, in a manner sufficient to identify the property, including block and lot number, street and street number, or in the absence of such information the parcel or tract identification number shown on a tax map or on a map filed in the county clerk’s or register’s office; and (ii) a statement of the amounts and dates of all unpaid tax liens that are subject to foreclosure as of the date of receipt by the commissioner of the forms described in subdivision d of section 11-412.4 of this chapter.

b. Filing of notice of summary foreclosure action. Two duplicate originals of the notice of the summary foreclosure action, prepared pursuant to subdivision a of this section, verified by the commissioner of finance or a subordinate designated by the commissioner, shall be filed in the office of the clerk of the county in which the property is situated. Such filing shall constitute and have the same force and effect as the filing and recording in such office of a notice of pendency of action and as the filing in the supreme court in such county of a complaint by the city as to the property described in such notice, to enforce the payment of the delinquent taxes, assessments or other lawful charges that have accumulated and become liens against such property.

c. Docketing of property by county clerk. Each county clerk with whom such a notice of the summary foreclosure action is filed shall, on the date of said filing, place and thereafter maintain one duplicate original copy thereof, as separately and permanently bound by the commissioner of finance, adjacent to and

together with the block index of notices of pendency of action and each county clerk shall, on the date of said filing or as soon thereafter as with due diligence is practicable, docket the property described in said block index of notices of pendency of action, which shall constitute due filing, recording and indexing of the notice constituting such delinquent taxes in lieu of any other requirement under rule 6511 of the civil practice law and rules or otherwise.

d. Filing by commissioner of finance. The commissioner of finance shall file a copy of each notice of the summary foreclosure action, certified as such copy by him or her or a subordinate designated by the commissioner, in the borough office of the department of finance in the borough in which the property listed therein is situated and in the office of the corporation counsel. The validity of any proceeding hereunder shall not be affected by any omission or error of the commissioner of finance in the designation of a street or street number or by any other similar omission or error.

e. Public notice of summary foreclosure. Upon the filing of a notice of the summary foreclosure action in the office of the county clerk, the commissioner of finance forthwith shall cause a notice of foreclosure to be posted on the department's website for 6 successive weeks and published at least once a week for 6 successive weeks in the City Record and, subject to section 91 of the judiciary law, in 1 newspaper, which may be a law journal, to be designated by the commissioner of finance, which is published in and is circulated throughout the county in which the affected property is located. If there are no newspapers published in such county, the commissioner of finance may designate a newspaper published in the city of New York which is circulated throughout the affected county.

1. Such notice of foreclosure shall clearly indicate that it is a notice of a summary foreclosure action of the tax liens on the property subject to the summary foreclosure action; the borough or the section of a tax map or portion of a section of a tax map in which the property subject to the summary foreclosure action is located, the class of such property, and a brief description of such property, sufficient to identify such property, including the block and lot number, street and street number, or in the absence of such information the parcel or

tract identification number shown on a tax map or on a map filed in the county clerk's or register's office; where and when the notice of the summary foreclosure action was filed; the general nature of the information contained in such notice; that the filing of the notice of the summary foreclosure action constitutes commencement of a foreclosure action by the city in the supreme court for the particular county and a notice of pendency of action against the property subject to such summary foreclosure action; that such action is against the property only and no personal judgment will be entered; that such notice of the summary foreclosure action will be available for inspection at the borough office of the department of finance in the borough in which said property is located and on the department's website until a specified date at least 10 weeks after the date of first publication; that until such date such property may be redeemed by any person, other than the owner of such property, claiming to have an interest in such property by paying all taxes and charges contained in such notice of the summary foreclosure action together with interest thereon; that during said period of redemption and for an additional period of 20 days after said last date for redemption any person, other than the owner of the property, having an interest in such property may file with the appropriate county clerk and serve upon the corporation counsel a verified answer setting forth in detail the full name of said answering party, the nature and amount of their interest or lien and any legal defense against foreclosure; and that in the absence of redemption or answer a judgment of foreclosure may be taken by default.

2. The commissioner of finance shall cause a copy of such notice of foreclosure to be posted in the office of the commissioner of finance, in the county courthouse of the county in which the property subject to the summary foreclosure action is situated and at 3 other conspicuous places in the borough in which the affected property is located.

f. Redemption. 1. After the filing of a notice of the summary foreclosure action and until a date at least 10 weeks after the first publication of the public notice of foreclosure, as determined by the commissioner of finance and specified in the said notice, a person, other than the owner of the property, claiming to have an interest in such property may redeem it by paying all taxes and charges contained in said



notice of foreclosure together with interest thereon.

2. Upon such redemption the commissioner of finance shall deliver to the corporation counsel a certificate of redemption. The corporation counsel shall file such certificate with the clerk of the county in which said notice of the summary foreclosure action was filed. The filing of such certificate shall constitute and be deemed a discontinuance of the summary foreclosure action, and the county clerk shall thereupon note such redemption and discontinuance in the copy of such notice of the summary foreclosure action maintained by such clerk adjacent to the county clerk's block index of notices of pendency of action and shall cancel and discharge any notations of the filing of such notice of the summary foreclosure action that may appear in any other books, records, indices and dockets maintained in said clerk's office. The commissioner of finance shall also deliver a duplicate original certificate of redemption to the person who has redeemed.

3. When the time to redeem in the summary foreclosure action has expired, any person, other than the owner of the property, claiming to have an interest in the property included in said action shall have the right to make a late redemption payment to the commissioner of finance. Such late redemption payment shall consist of all taxes and charges owing on said property and the lawful interest thereon to the date of payment. Such late redemption payment shall be made in cash, by certified check, or by another means authorized by rule of the department and shall be accepted by the commissioner of finance at any time after the last day to redeem up to the date on which the commissioner is advised by the corporation counsel that the preparation of the judgment of foreclosure in the summary foreclosure action has been commenced. Upon receipt of such late redemption payment, the commissioner of finance shall issue a certificate of discontinuance of the summary foreclosure action pursuant to the provisions of section 11-412.6.

g. Stay where answer is interposed; installment agreements authorized. If a duly verified answer is served upon the corporation counsel by any interested party, other than the owner, not later than 20 days after the last date for redemption, such party shall have the right to a stay of the summary foreclosure action upon written demand therefor filed with or made a part of such answer. The corporation counsel shall have a right to

a stay of such action upon written demand to the owner of the property that is the subject of the summary foreclosure action and to the answering party and filed with the court.

1. When such answer is interposed, the court shall summarily hear and determine the issues raised by the complaint and answer in the manner as it hears and determines other actions, except as otherwise provided herein. Proof that the taxes which made said property subject to the summary foreclosure action hereunder together with interest thereon, were paid before filing of the summary foreclosure action or that the property was not subject to tax shall constitute a complete defense.

2. No counterclaim may be asserted in an answer interposed in an action brought pursuant to this section. Where a counterclaim is asserted in an answer brought pursuant to this subdivision, the city may disregard that portion of the answer and shall suffer no legal penalty or impediment in the prosecution of its summary foreclosure action for its failure to reply or respond thereto. Where an answer contains only a counterclaim and no other defenses the city may proceed with the summary foreclosure action without the need for moving against the answer.

3. Where a verified answer alleges a substantial equity over the city's lien for taxes, the interested party who has interposed such answer may demand additional time in which to pay the taxes and interest or to have the property sold with all taxes and interest to be paid out of the proceeds of such sale. Upon such demand such interested party shall have the right to an extension of time for such purpose not in excess of 6 months from the last day to interpose an answer. Where a mortgagee or lienor who has interposed such answer commences a proceeding to foreclose their mortgage or lien and it appears that with due diligence such proceeding cannot be concluded in time to allow the payment of taxes within the aforesaid 6 month period, the court may, on application before the end of said 6 month period, authorize an additional period during which such proceeding may be concluded and the taxes, together with interest, paid.

4. Where an answer of the type described in paragraph 3 of this subdivision is interposed and taxes are paid within the period set forth in such paragraph, the commissioner of finance shall issue a certificate

of discontinuance as to the property on which such payment has been made pursuant to the provisions of section 11-412.6. When taxes are not paid within the period set forth in such paragraph 3, it shall be deemed that there was no equity over the city's tax lien and the answer shall be deemed to be without merit. The city in that event may proceed with the summary foreclosure action without moving against the answer interposed by the interested party.

5. All answers interposed in a summary foreclosure action and all affidavits and other papers pertaining to any litigation involving such answers or to any proceeding brought pursuant to this section shall bear a caption containing the number of the summary foreclosure action, the borough section of a tax map or portion of a section of a tax map affected, and the section, block and lot numbers of the parcel or parcels in issue.

6. Any interested party, other than the owner, who has interposed an answer as to the summary foreclosure action, or any other party interested in such property, shall have the right, at any time prior to the final disposition of a motion to strike such answer, to pay all taxes, assessments and other legal charges and interest owing on such property. Where all delinquent taxes, assessments and other legal charges together with lawful interest thereon, where required, are paid, the commissioner of finance shall issue a certificate of discontinuance as to such property pursuant to the provisions of section 11-412.6. Such party may also pay such taxes, assessments and other legal charges and interest by an installment agreement. The terms of such agreement shall be consistent with the provisions of subparagraphs (a) and (b) of this paragraph. The request of an answering party for an installment agreement shall constitute a withdrawal of such party's answer. An installment agreement requested by an interested party other than the answering party shall require the consent of said answering party which shall also constitute a withdrawal of such party's answer. The stay provided for in subparagraph (c) of this paragraph shall be continued during the term of all installment agreements entered into pursuant to this paragraph. Where a default has occurred as to a property that was the subject of a summary foreclosure action which has been stayed pursuant to subparagraph (c) of this paragraph, the corporation

counsel shall cause to be entered a supplemental judgment of foreclosure as to such property immediately on notification by the commissioner of finance of such default. Where such installment agreement is paid in full, the commissioner of finance shall discontinue the summary foreclosure action by issuing a certificate of discontinuance pursuant to the provisions of section 11-412.6.

(a) The first installment of an installment agreement entered into pursuant to this paragraph shall be paid upon the filing of the installment agreement with the commissioner and shall be in an amount equal to not less than fifteen percent of the total amount of the delinquent taxes, assessments or other legal charges and interest. The remaining installments shall be payable quarterly on the first day of July, October, January and April over a period that shall not exceed ten years.

(b) As a condition of entering into any agreement under this paragraph or under paragraph 4 of subdivision j of this section, the commissioner shall have received from the party requesting to pay such taxes, assessments and other legal charges and interest by an installment agreement an affidavit stating that each tenant located on the property has been notified by certified mail that an application for an installment agreement will be made and that a copy of a standard agreement form has been included with such notification. Any false statement in such affidavit shall not be grounds to cancel the agreement or affect its validity in any way.

(c) The corporation counsel shall have the right to a stay of the summary foreclosure action as to any property as to which, before the final judgment authorizing the award of possession of such property was entered, pursuant to subdivision j of this section, an agreement was duly made, executed and filed by any interested party, other than the owner, with the commissioner of finance for the payment of the delinquent taxes, assessments or other legal charges and interest thereon, in installments.

h. Preference over other actions.

1. Any summary foreclosure action brought pursuant to section 11-412.5 shall be given preference over all other causes and actions arising pursuant to state or local law.

2. Actions brought pursuant to section 11-412.5 shall take precedence over any proceeding brought to foreclose a mortgage or other lien involving the same property. A property described in a notice of summary foreclosure action which is sold in a mortgage foreclosure sale held after such notice is filed may not be sold subject to taxes even if judgment has not yet been entered in the summary foreclosure action. All unpaid taxes and interest thereon must be paid, in full or by installment agreement pursuant to the provisions of this section, out of the proceeds of such sale regardless of whether the mortgage foreclosure lis pendens was filed before or after the filing of the notice of summary foreclosure action, regardless of whether any party to the mortgage foreclosure proceeding has interposed an answer in the summary foreclosure action and regardless of any terms to the contrary in the judgment in the mortgage foreclosure proceeding.

i. Presumption of validity. It shall not be necessary for the city to plead or prove the various steps, procedures and notices for the assessment and levy of the taxes, assessments or other lawful charges against the property and all such taxes, assessments or other lawful charges and the lien thereof shall be presumed to be valid. A defendant alleging any jurisdictional defect or invalidity in such taxes, assessments or other lawful charges or in the foreclosure thereof must particularly specify in his or her answer such jurisdictional defect or invalidity and must affirmatively establish such defense. A judgment of foreclosure granted in the summary foreclosure action brought pursuant to this section, which contains recitals that any acts were done or proceedings had which were necessary to give the court jurisdiction or power to grant such judgment of foreclosure, shall be presumptive evidence that such acts were duly performed or proceedings duly had, if such judgment of foreclosure shall have been duly entered or filed in the office of the clerk of the county in which the action was pending and wherein such judgment was granted. The provisions of this section shall apply to and be valid and effective with respect to all defendants even though one or more of them be infants, incompetents, absentees or non-residents of the state of New York.

j. Final judgment and release of property in exceptional circumstances. Notwithstanding any other provision of law to the contrary:

1. The court shall determine upon proof and shall make a finding upon such proof whether there has been due compliance by the city with the applicable provisions of this section, sections 11-412.4, and 11-412.6.

2. The court shall make a final judgment authorizing the award of possession of the property not redeemed as provided in this section and as to which no answer is interposed as provided herein, and authorizing the commissioner of finance to prepare, execute and cause to be recorded a deed conveying full and complete title to the qualified preservation purchaser that committed to lease such property to the tenant upon the delivery of such deed to such qualified preservation purchaser. Any such conveyance to a qualified preservation purchaser shall be for an existing use.

3. Following the expiration of the 4-month period prescribed in paragraph 4 of this subdivision, but not more than 8 months after the date on which, pursuant to paragraph 2 of this subdivision, the final judgment authorizing the award of possession of the property was entered, the commissioner of finance may execute a deed, pursuant to paragraph 2 of this subdivision, with respect to such property. The owner of said property shall continue to have all of the rights, liabilities, responsibilities, duties and obligations of an owner of such property, including, but not limited to, maintaining such property in compliance with the housing maintenance, building and fire codes, and all other applicable laws, unless and until the commissioner of finance has prepared and executed a deed conveying to the qualified preservation purchaser full and complete title to such property. Upon the execution of such deed, the qualified preservation purchaser shall be seized of an estate in fee simple absolute in such land and all persons, including the state of New York, infants, incompetents, absentees and non-residents who may have had any right, title, interest, claim, lien or equity of redemption in or upon such lands shall be barred and forever foreclosed of all such right, title, interest, claim, lien or equity of redemption. The appointment and tenure of receivers, trustees or any other persons, including administrators under article 7-A of the real property actions and proceedings law, appointed by an order of a court to manage real property, shall terminate when title to such property vests in the qualified preservation

purchaser pursuant to the provisions of this section. After such termination, said receivers, trustees or administrators shall be accountable to the courts that appointed them for the faithful performance of their fiduciary obligations during the term of their appointment and to the qualified preservation purchaser for any rents and income received by them for any period subsequent to the date of the vesting of title in such qualified preservation purchaser.

4. Within 4 months after the date on which, pursuant to paragraph 2 of this subdivision, the final judgment authorizing the award of possession of the property was entered, any person, other than the owner, claiming to have an interest in such property shall have the right to make a payment to the commissioner of finance consisting of all taxes, assessments and other legal charges owing on said property, and the lawful interest thereon to the date of payment. Such payment shall be made in cash, by certified check, or by another means authorized by rule by the department. Within such 4 month period, such interested person may also request an installment agreement from the commissioner of finance. Such agreement shall require the payment at such time of a first installment equal to fifty percent of all taxes, assessments and other legal charges, and the lawful interest thereon, then owing on such property, and the payment of the balance of such taxes, assessments and other legal charges and interest in 4 equal quarterly installments together with all current taxes, assessments and other legal charges that accrue during such period. Upon receipt of payment in full of the amount specified in the first sentence of this paragraph, the commissioner of finance shall direct the corporation counsel to prepare and cause to be entered an order discontinuing the summary foreclosure action as to said property, cancelling the notice of pendency of such action as to said property and vacating and setting aside the final judgment. Upon the execution of an installment agreement and payment of the amounts due at the time such agreement is executed as provided in this paragraph, the commissioner of finance shall direct the corporation counsel to prepare and cause to be entered an order vacating and setting aside the final judgment. The entry of either such order shall restore all parties, including owners, mortgagees and any and all lienors, receivers and administrators and encumbrancers, to the status they held immediately before such final judgment was entered.

Where the commissioner of finance approves an application requesting an installment agreement pursuant to this paragraph, the order vacating and setting aside the final judgment shall provide that in the event of any default as to the payment of either quarterly installments or current taxes, assessments or other legal charges during the term of such agreement, the corporation counsel, immediately upon notification by the commissioner of finance of such default, shall cause to be entered as to such property a supplemental judgment of foreclosure in the summary foreclosure action which authorizes the commissioner of finance to prepare, execute and cause to be recorded a deed conveying to the qualified preservation purchaser full and complete title to such lands. Upon the entry of such supplemental judgment, the provisions of paragraph 3 of this subdivision, this paragraph, and subdivisions k and l of this section shall apply in the same manner as such paragraphs and such subdivisions would have applied had no payment been made nor installment agreement executed during the 4-month period specified in this subdivision.

k. Every judgment entered pursuant to the provisions of this section shall be presumptive evidence that the action and all proceedings therein and all proceedings prior thereto from and including the assessment of the lands affected and all notices required by law were regular and in accordance with all provisions of law relating thereto. After 4 months from the date of entry of the final judgment authorizing the award of possession of the property pursuant to the provisions of this section, the presumption shall be conclusive. No action to vacate such judgment, or set aside a deed given pursuant to such judgment, may be maintained unless the action is commenced and a notice of pendency of the action is filed in the office of the proper county clerk prior to the time that the presumption becomes conclusive as aforesaid. Should a qualified preservation purchaser to whom the property has been conveyed pursuant to this section receive notice of a lawsuit or proceeding to vacate a judgment or set aside a deed, such qualified preservation purchaser shall send to the corporation counsel within 10 days of their receipt a copy of any papers served on such qualified preservation purchaser in such lawsuit or proceeding.

l. If the commissioner of finance does not execute a deed conveying to the qualified preservation



purchaser the property within 8 months after the entry of final judgment authorizing the award of possession of such property pursuant to paragraph 2 of subdivision j of this section, the commissioner of finance shall direct the corporation counsel to prepare and cause to be entered an order discontinuing the summary foreclosure action as to said property, canceling the notice of pendency of such action as to said property and vacating and setting aside said final judgment. The entry of such order shall restore all parties, including owners, mortgagees and any and all lienors, receivers and administrators and encumbrancers, to the status they held immediately before such final judgment was entered.

m. The validity of any proceeding hereunder shall not be affected by any omission or error of the commissioner of finance in the designation of a street or street number or by any other similar omission or error.

§ 11-412.6 Discontinuance of summary foreclosure action. a. The commissioner of finance may, prior to final judgment, discontinue the summary foreclosure action described in section 11-412.5 for any of the following reasons, (i) a question which the commissioner deems meritorious has been raised as to the validity of the tax liens affecting the property, (ii) the commissioner of finance has accepted a payment of all taxes and interest which rendered the property subject to such summary foreclosure action because the records in the commissioner's office indicated that the principal amount of such taxes was exceeded by the principal amount of subsequent taxes which would not have rendered the property subject to such summary foreclosure and which had been paid prior to the commencement of such summary foreclosure action or (iii) in cases where the summary foreclosure action cannot be maintained such as, but not limited thereto, where the charges which rendered a property subject to foreclosure hereunder have been cancelled or were paid before the commencement of the summary foreclosure action but such payment was not reported or did not clear for payment until after the commencement of said action.

b. To effectuate such discontinuance the commissioner of finance shall deliver a certificate of discontinuance to the corporation counsel who shall file it in the office of the county clerk in which the notice

of the summary foreclosure action was filed. The filing of such certificate with such county clerk shall effect a discontinuance of the summary foreclosure action as to the affected parcel, and the county clerk shall thereupon note such discontinuance in the copy of the notice of the summary foreclosure action maintained by him or her adjacent to the county clerk's block index of notices of pendency of action and shall cancel and discharge any and all notations of the filing of said notice of the summary foreclosure action that may appear in any other books, records, indices and dockets maintained in said clerk's office.

c. The commissioner of finance shall also deliver a duplicate original certificate of discontinuance to the person entitled to such discontinuance.

d. The commissioner of finance shall issue a certificate of discontinuance whenever taxes and interest are paid, cancelled, liquidated or otherwise lawfully disposed of as to any parcel subject to a summary foreclosure action which had been stayed pursuant to subdivision g of section 11-412.5 because an answer or litigation was pending.

§ 25. Sections 11-416 and 11-417 of the administrative code of the city of New York are amended to read as follows:

§ 11-416 [Owner's registration cards; mailing] Mailing tax bills and notices to [registered] owners [or their designees]of real property. a. [The commissioner of finance shall maintain a file of owner's registration cards submitted by owners of real property. Each such owner's registration card shall be signed by the owner or a duly authorized representative and shall state the date on which it was filed, the owner's full name and post office address and a description of the premises by reference to the section, block, and lot numbers on the tax map.

b.] The commissioner of finance shall mail bills for taxes, charges and assessments to all owners [who have filed owner's registration cards as herein provided] who have notified the commissioner of finance in writing or electronically of the owner's mailing address for communications from the commissioner, at the address so provided, or, if no mailing address has been so provided, to the owner of record at the property

address, if any, appearing in the latest assessment roll, but the failure of the commissioner of finance so to mail such bill shall not invalidate or otherwise affect the tax, charge or assessment represented thereby nor prevent the accruing of any interest or penalty imposed for the non-payment thereof, nor prevent or stay proceedings under this chapter, nor [effect] affect the title of the plaintiff or any purchaser under such proceedings.

[c.]b. The commissioner of finance shall also mail notice of foreclosure and any other process required by this chapter to all owners who have [filed owner's registration cards] notified the commissioner of finance in writing or electronically of the owner's mailing address for communications from the commissioner, at the address so provided, whenever [the parcels as to which such cards were filed are] a property is included in a list of delinquent taxes filed pursuant to this chapter. The failure to receive such notice or process as herein provided shall not affect the validity of any action or proceeding brought pursuant to this chapter.

[d. An owner who files an owner's registration card may also designate thereon the full name and post office address of a mortgagee, lienor or other person to receive bills and notices. Where such designation is made, the commissioner of finance shall not mail any bills and notices to the owner but shall mail all bills and notices to the owner's designee.]

§ 11-417 [In rem cards; mailing] Mailing notices to other interested persons. [a. The commissioner of finance shall, in addition to the file maintained by him or her pursuant to section 11-416 of this chapter, maintain a file of in rem cards submitted by any person having an interest in real property who is not entitled to have tax bills mailed to him or her by the commissioner of finance, including mortgagees, lienors, encumbrancers and owners who have filed owner's registration cards designating someone else to receive bills and notices. Each such in rem card shall be signed by the person filing such card or a duly authorized representative, shall contain a description of the premises by reference to the section, block and lot numbers on the tax map and shall state the date on which said card was filed, the full name and post office address of the person filing said card and the nature of the interest said person has in said premises.

b.] The commissioner of finance shall mail a notice of foreclosure and any other process

required by this chapter to each person [who has filed an in rem card] who is not entitled to have tax bills mailed to such person by the commissioner of finance, but who has notified the commissioner of finance in writing or electronically that he or she has an interest in real property, including the interest of a mortgagee, lienor or encumbrancer, and who has requested the commissioner of finance to mail a notice to him or her at a designated mailing address, at the address so provided, whenever the [parcels to which such cards refer are] property in which the person has an interest is included in a list of delinquent taxes filed pursuant to this chapter. However, failure to receive such notice or process shall not affect the validity of any proceeding brought pursuant to this chapter.

§ 26. a. The mayor and council shall establish a temporary task force to review the task force subjects of inquiry.

b. The task force shall consist of 10 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 finance or his or her designee, 2 members appointed by the mayor and 5 members appointed by the speaker of the council, 4 of whom must be a member or an employee of the council, and one of whom must be a member of the public with knowledge and experience in areas relevant to the task force subjects of inquiry. Members shall serve without compensation. The members of the task force shall be appointed no later than August 31, 2024. 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, the commissioners of finance and environmental protection, and the speaker of the council 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 task force submits recommendations to the mayor and the speaker of the council pursuant to subdivision e of this section, after which time such temporary task force shall cease to exist.

c. No later than September 15, 2024, the task force shall hold its initial meeting and

thereafter shall meet at least monthly, except as otherwise determined by such task force, to review, evaluate and make recommendations for legislative amendments and changes in administrative policy in relation to the task force subjects of inquiry and such other matters as the task force deems appropriate.

d. No later than May 1, 2025, the task force shall hold a public hearing to receive written and in-person comments and testimony. The task force's preliminary recommendations shall be made publicly available at least twenty days prior to such public hearing.

e. No later than September 15, 2025, the temporary task force shall submit written recommendations to the mayor and the speaker of the council regarding task force subjects of inquiry.

f. For the purposes of this section, the term “task force subjects of inquiry” shall include:

1. the effects of any trust created by the city or in which the city has an ownership or residual interest for the purposes of a negotiated sale pursuant to paragraph 2 of subdivision b of section 11-319 of the administrative code of the city of New York that was established on or before the effective date of this section;

2. potential reforms of such trusts that would:

(a) ensure the collection of tax liens is performed in an efficient, timely, and fair manner;

(b) reduce the risk that tax liens are sold to such a trust repeatedly in connection with the same property;

(c) preserve and produce affordable housing and promote homeownership; and

(d) improve transparency of operations and outcomes in the collection of tax liens;

3. whether alternatives to such trust exist, or could be developed, that would have an effect similar to the potential reforms described in paragraph 2 of this subdivision; and

4. any other related subject matters deemed relevant by the task force.

§ 27. a. For each trust created by the city or in which the city has an ownership or residual interest for the purposes of a negotiated sale pursuant to paragraph 2 of subdivision b of section 11-319 of the

administrative code of the city of New York that was established on or before July 1, 2024, the department of finance shall, no later than August 1, 2024, publish on its website the following documents:

1. The declaration and agreement of trust, as such declaration and agreement may have been amended or restated;

2. Any purchase agreements, servicing agreements, paying agent and custody agreement, copies of any indenture or bonds, and bond purchase agreements, as each of such documents may have been amended or restated; and

3. The certificate of trust filed with the secretary of state of New York.

b. For any such trust created by the city or in which the city has an ownership or residual interest for the purposes of a negotiated sale pursuant to paragraph 2 of subdivision b of section 11-319 of the administrative code of the city of New York that is established after July 1, 2024, the department of finance shall publish on its website the documents described in paragraphs 1, 2 and 3 of subdivision b of this section no later than 30 days after the effective date of each such document.

c. Notwithstanding any provision of this section, no information shall be posted online that specifically identifies any property or property owner, except by zip code and a randomly generated identifier.

§ 28. This local law takes effect 90 days after it becomes law, except that:

(a) the department of finance and the department of housing preservation and development may take such measures as are necessary for the implementation of this local law, including the promulgation of rules, before such date;

(b) subdivision b, paragraph 3 of subdivision g, paragraph 1 of subdivision j, and paragraph 2 of subdivision k of section 11-322.1 of the administrative code of the city of New York, as amended by sections twelve, fifteen, twenty, and twenty-one of this local law, respectively and subdivisions f-1 and n-1 of section 11-322.1 of such code, as added by sections fourteen and twenty-two of this local law, respectively shall take effect 180 days after they become law; and

(c) section twenty-six of this local law takes effect immediately.