# The New York City Council

City Hall
New York, NY 10007

## Legislation Details (With Text)

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| **File #:** | Int 0245-2018 **Version:** B | **Name:** | Exemptions from the sale of tax liens. |
| **Type:** | Introduction | **Status:** | Enacted |
| | | **In control:** | Committee on Finance |
| **On agenda:** | 1/31/2018 | | |
| **Enactment date:** | 3/29/2020 | **Enactment #:** | 2020/042 |

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

**Sponsors:** Antonio Reynoso, Helen K. Rosenthal, Ben Kallos, Deborah L. Rose, Diana I. Ayala, Chaim M. Deutsch, Bill Perkins, Carlina Rivera, Mark Treyger, Donovan J. Richards, Ritchie J. Torres, Stephen T. Levin, Justin L. Brannan, Public Advocate Jumaane Williams, Brad S. Lander, Kalman Yeger, Carlos Menchaca, Alicka Ampry-Samuel, I. Daneek Miller, Margaret S. Chin, Andy L. King, Mark Levine, Robert E. Cornegy, Jr., Inez D. Barron, Adrienne E. Adams, James G. Van Bramer, Farah N. Louis, Paul A. Vallone

**Indexes:** Oversight, Report Required, Sunset Date Applies

**Attachments:** 1. Summary of Int. No. 245-B, 2. Summary of Int. No. 245-A, 3. Summary of Int. No. 245, 4. Int. No. 245, 5. January 31, 2018 - Stated Meeting Agenda, 6. Hearing Transcript - Stated Meeting 1/31/18, 7. Minutes of the Stated Meeting - January 31, 2018, 8. Committee Report 11/19/19, 9. Hearing Testimony 11/19/19, 10. Hearing Transcript 11/19/19, 11. Proposed Int. No. 245-A - 12/5/19, 12. Proposed Int. No. 245-B - 2/20/20, 13. Committee Report 2/27/20, 14. Hearing Transcript 2/27/20, 15. February 27, 2020 - Stated Meeting Agenda with Links to Files, 16. Hearing Transcript - Stated Meeting 2-27-20, 17. Minutes of the Stated Meeting - February 27, 2020, 18. Int. No. 245-B (FINAL), 19. Fiscal Impact Statement, 20. Legislative Documents - Letter to the Mayor, 21. Local Law 42

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 1/31/2018 | * | City Council | Introduced by Council | |
| 1/31/2018 | * | City Council | Referred to Comm by Council | |
| 11/19/2019 | * | Committee on Finance | Hearing Held by Committee | |
| 11/19/2019 | * | Committee on Finance | Amendment Proposed by Comm | |
| 11/19/2019 | * | Committee on Finance | Laid Over by Committee | |
| 11/19/2019 | * | Committee on Governmental Operations | Hearing Held by Committee | |
| 11/19/2019 | * | Committee on Governmental Operations | Amendment Proposed by Comm | |
| 11/19/2019 | * | Committee on Governmental Operations | Laid Over by Committee | |
| 2/27/2020 | * | Committee on Finance | Hearing Held by Committee | |
| 2/27/2020 | * | Committee on Finance | Amendment Proposed by Comm | |
| 2/27/2020 | * | Committee on Finance | Amended by Committee | |
| 2/27/2020 | B | Committee on Finance | Approved by Committee | Pass |
| 2/27/2020 | B | City Council | Approved by Council | Pass |
| 2/27/2020 | B | City Council | Sent to Mayor by Council | |
| 3/29/2020 | B | Administration | City Charter Rule Adopted | |



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4/16/2020 B City Council Returned Unsigned by Mayor

Int. No. 245-B

By Council Members Reynoso, Rosenthal, Kallos, Rose, Ayala, Deutsch, Perkins, Rivera, Treyger, Richards, Torres, Levin, Brannan, the Public Advocate (Mr. Williams), Lander, Yeger, Menchaca, Ampry-Samuel, Miller, Chin, King, Levine, Cornegy, Barron, Adams, Van Bramer, Louis and Vallone

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

Be it enacted by the Council as follows:

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

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

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

b. For purposes of this section, "not-for-profit organization" means a corporation or association which is organized or conducted exclusively for the purposes described in paragraph a or paragraph b of subdivision 1 of section 11-246 of this code.

c. Contact information for such ombudsperson shall be posted on the department of finance's website and on any notice issued by the department of finance pertaining to ownership of real property by a not-for-profit organization, including, but not limited to:

1. Any application for an exemption from real property taxation pursuant to section 420-a, 420-b, 446, or 462 of the real property tax law;

2. Any denial, revocation or termination of such exemption; or

3. Any notice required pursuant to subdivision b of section 11-320 of a sale of a tax lien.

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

1. Responding to inquiries from not-for-profit organizations that own real property about real property



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tax exemptions and the tax lien sale;

2. Coordinating and conducting public outreach to increase public awareness of exemptions from the real property tax and exclusions from the tax lien sale available to not-for-profit organizations that own real property; and

3. Coordinating with other city agencies to address consequences that a not-for-profit organization may confront as a result of a tax lien.

§ 3. Subdivision a of section 11-319 of the administrative code of the city of New York, as amended by local law number 15 for the year 2011, is amended to read as follows:

a. A tax lien or tax liens on a property or any component of the amount thereof may be sold by the city as authorized by subdivision b of this section, when such tax lien or tax liens shall have remained unpaid in whole or in part for one year, provided, however, that a tax lien or tax liens on any class one property or on class two property that is a residential condominium or residential cooperative, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city only when the real property tax component of such tax lien or tax liens shall have remained unpaid in whole or in part for three years or, in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, for two years, and equals or exceeds the sum of five thousand dollars or, in the case of abandoned class one property or abandoned class two property that is a residential condominium or residential cooperative, for eighteen months, and after such sale, shall be transferred, in the manner provided by this chapter, and provided, further, however, that (i) the real property tax component of such tax lien may not be sold pursuant to this subdivision on any: (A) residential real property in class one that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to section four hundred fifty-eight of the real property tax law with respect to real property purchased with payments received as prisoner of war

compensation from the United States government, or pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law, or where the owner of such residential real property in class one is receiving benefits in accordance with department of finance memorandum 05-3, or any successor memorandum thereto, relating to active duty military personnel, or where the owner of such residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date; or (B) on any 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, 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


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property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date. A tax lien or tax liens on any property classified as a class two property, except a class two property that is a residential condominium or residential cooperative, or a class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, or class three property, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale. Notwithstanding any provision of this subdivision to the contrary, any such tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component. A tax lien or tax liens on a property classified as a class four property, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component or sewer rents component or sewer surcharges component or water rents component or emergency repair charges component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, provided, however, that any tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component, sewer rents component, sewer surcharges component, water rents component or emergency repair charges component. For purposes of this subdivision, the words "real property tax" shall not include an assessment or charge upon property imposed pursuant to section 25-411 of the administrative code. A sale of a tax lien or tax liens shall include, in addition to such lien or liens that have remained unpaid in whole or in part for one year, or, in the case of any class one

property or class two property that is a residential condominium or residential cooperative, when the real property tax component of such lien or liens has remained unpaid in whole or in part for three years, or, in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, when the real property tax component of such lien or liens has remained unpaid in whole or in part for two years, and equals or exceeds the sum of five thousand dollars, any taxes, assessments, sewer rents, sewer surcharges, water rents, any other charges that are made a lien subject to the provisions of this chapter, the costs of any advertisements and notices given pursuant to this chapter, any other charges that are due and payable, a surcharge pursuant to section 11-332 of this chapter, and interest and penalties thereon or such component of the amount thereof as shall be determined by the commissioner of finance. The commissioner of finance may promulgate rules defining "abandoned" property, as such term is used in this subdivision.

§ 4. Subdivision b of section 11-319 of the administrative code of the city of New York is amended by adding a new paragraph 13 to read as follows:

13. Notwithstanding any provision of this chapter to the contrary, no tax lien shall be sold pursuant to this chapter on any of the following properties: (i) any real property for which the owner in good faith has submitted an application that is pending with the department of finance for a real property tax exemption pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law; and (ii) any real property for which the owner has in good faith filed an appeal with the tax commission of a denial of any such application and such appeal is pending. There shall be a rebuttable presumption that an application or an appeal referenced in the preceding sentence was not submitted in good faith where, within the 24 months preceding the submission of such application or such appeal, the period for the filing of an appeal of a denial by the department of finance of a previous application for a real property tax exemption pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law has expired.


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§ 5. Paragraph 4 of subdivision b of section 11-320 of the administrative code of the city of New York, as added by local law number 14 for the year 2015, is amended to read as follows:

4. Such notice shall also include, with respect to a property that was in receipt of a real property tax exemption pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law in one or more of the three fiscal years preceding the date of the notice provided not less than ninety days prior to the date of sale, or with respect to a property in class four, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, information relating to the initial application and renewal process for such property tax exemptions, and other actions available to the owner of such property in the event such property is noticed for sale pursuant to this subdivision, including, if available, an adjustment or cancellation of back taxes. Upon [the written] request of the owner of such property, a [Chinese, Korean, Russian or Spanish] translation of such notice in any of the top ten languages most commonly spoken within the city as determined by the department of city planning shall be provided to such owner.

§ 6. Title 11 of the administrative code of the city of New York is amended by adding a new section 11-246.1 to read as follows:

§ 11-246.1. The commissioner of finance shall include, in any written communication with a property owner related to the denial of a real property tax exemption pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law, information on actions a property owner can take, upon notice of a sale of a tax lien of property of such owner, that may prevent the sale of such tax lien.

§ 7. This local law takes effect immediately, except that sections two, five and six of this local law take effect 180 days after it becomes law.

ENB/RKC
LS#332
LS #5088/Int. No. 1656-2017
02/19/2020