

2993

2013-2014 Regular Sessions

I N S E N A T E

January 28, 2013

Introduced by Sen. STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Cities

AN ACT to amend the real property tax law, the administrative code of the city of New York and the New York city charter, in relation to establishing a new classification of properties for properties held in condominium and cooperative form for assessment purposes

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivision 1 of section 1802 of the real property tax law,
2 as separately amended by chapters 123 and 529 of the laws of 1990, para-
3 graph class one as amended by chapter 332 of the laws of 2008, is
4 amended to read as follows:

5 1. All real property, for the purposes of this article, in a special
6 assessing unit shall be classified as follows:

7 Class one: (a) all one, two and three family residential real proper-
8 ty, including such dwellings used in part for nonresidential
9 purposes but which are used primarily for residential purposes,
10 except such property held in cooperative or condominium forms of
11 ownership other than (i) property defined in subparagraphs (b)
12 and (c) of this paragraph and (ii) property which contains no
13 more than three dwelling units held in condominium form of
14 ownership and which was classified within this class on a previ-
15 ous assessment roll; and provided that, notwithstanding the
16 provisions of paragraph (g) of subdivision twelve of section one
17 hundred two of this chapter, a mobile home or a trailer shall
18 not be classified within this class unless it is owner-occupied
19 and separately assessed; and (b) residential real property not
20 more than three stories in height held in condominium form of
21 ownership, provided that no dwelling unit therein previously was
22 on an assessment roll as a dwelling unit in other than condomin-
23 ium form of ownership; and (c) residential real property

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

LBD04274-01-3

consisting of one family house structures owned by the occupant, situated on land held in cooperative ownership by owner occupiers, provided that; (i) such house structures and land constituted bungalow colonies in existence prior to nineteen hundred forty; and (ii) the land is held in cooperative ownership for the sole purpose of maintaining one family residences for members own use; and (d) all vacant land located within a special assessing unit which is a city (i) other than such land in the borough of Manhattan, provided that any such vacant land which is not zoned residential must be situated immediately adjacent to property improved with a residential structure as defined in subparagraphs (a) and (b) of this paragraph, be owned by the same owner as such immediately adjacent residential property immediately prior to and since January 1, 1989, and have a total area not exceeding 10,000 square feet; and (ii) located in the borough of Manhattan north of or adjacent to the north side of 110th street provided such vacant land was classified within this class on the assessment roll with a taxable status date of January 5, 2008 and the owner of such land has entered into a recorded agreement with a governmental entity on or before December 31, 2008 requiring construction of housing affordable to persons or families of low income in accordance with the provisions of the private housing finance law. Notwithstanding the foregoing, such vacant land shall be classified according to its use on the assessment roll with a taxable status date immediately following commencement of construction, provided further, that construction pursuant to an approved plan for affordable housing shall commence no later than December 31, 2010; and (e) all vacant land located within a special assessing unit which is not a city, provided that such vacant land which is not zoned residential must be situated immediately adjacent to real property defined in subparagraph (a), (b) or (c) of this paragraph and be owned by the same person or persons who own the real property defined in such subparagraph immediately prior to and since January 1, 2003;

Class two: [all other] residential real property HELD IN COOPERATIVE OR CONDOMINIUM FORM OF OWNERSHIP which is not designated as class one[, except hotels and motels and other similar commercial property];

Class three: utility real property and property subject to former section four hundred seventy of this chapter;

Class four: all other real property which is not designated as class one, class two, [or] class three[.], OR CLASS FIVE;

CLASS FIVE: ALL OTHER RESIDENTIAL REAL PROPERTY WHICH IS NOT DESIGNATED AS CLASS ONE, EXCEPT HOTELS AND MOTELS AND OTHER SIMILAR COMMERCIAL PROPERTY, OR CLASS TWO.

S 2. The opening paragraph of subdivision 2 of section 1805 of the real property tax law, as amended by chapter 586 of the laws of 1992, is amended to read as follows:

The assessment roll of a special assessing unit wholly contained within a city shall identify those parcels classified in class two OR CLASS FIVE which have fewer than eleven residential units. The assessor of any such special assessing unit shall not increase the assessment of any parcel so identified in any one year, as measured from the actual assessment on the previous year's assessment roll, by more than eight percent and shall not increase such assessment by more than thirty

1 percent in any five-year period. The first such five-year period shall
2 be measured from the individual assessment appearing on the assessment
3 roll completed in nineteen hundred eighty-one provided that, if such
4 parcel would not have been subject to the provisions of this subdivision
5 in nineteen hundred eighty-one had this subdivision then been in effect,
6 the first such five-year period shall be measured from the first year
7 after nineteen hundred eighty-one in which this subdivision applied to
8 such parcel or would have applied to such parcel had this subdivision
9 been in effect in such year.

10 S 3. Subdivision 6 of section 1805 of the real property tax law, as
11 added by chapter 711 of the laws of 2005, is amended to read as follows:

12 6. Notwithstanding any provision of law to the contrary, in any
13 special assessing unit wholly contained within a city, beginning with
14 the assessment roll completed in two thousand five and for each subse-
15 quent assessment roll, the assessor shall not increase the assessment of
16 any existing property classified in class two OR CLASS FIVE that has
17 fewer than eleven residential units, with respect to any increase in
18 value attributable to additions to or improvements of such property that
19 were not reflected on the assessment roll for a previous year, by more
20 than one-third of the amount that such assessment would increase, in the
21 absence of this subdivision, with respect to any increase in value
22 attributable to additions to or improvements of such property that were
23 not reflected on the assessment roll for a previous year. Notwithstand-
24 ing the provisions of subdivision five of this section, the remainder of
25 the increase in value attributable to such additions or improvements
26 that were not reflected on the assessment roll for a previous year shall
27 be subject to the limitations on increases provided in subdivision two
28 of this section. This subdivision shall not apply to the construction of
29 a new building or structure. This subdivision shall not apply where, as
30 a result of such additions to or improvements of the existing property
31 CLASSIFIED IN CLASS FIVE, there are more than ten residential units in
32 such property.

33 S 4. Paragraph (f) of subdivision 1 of section 467-a of the real prop-
34 erty tax law, as added by chapter 273 of the laws of 1996, is amended to
35 read as follows:

36 (f) "Property" means real property designated as class two, pursuant
37 to section eighteen hundred two of this chapter[, held in the cooper-
38 ative or condominium form of ownership].

39 S 5. Subdivision 7 of section 499-aaa of the real property tax law, as
40 added by chapter 461 of the laws of 2008, is amended to read as follows:

41 7. "Eligible building" shall mean a class one, class two [or], class
42 four OR CLASS FIVE real property, as defined in subdivision one of
43 section eighteen hundred two of this chapter, located within a city
44 having a population of one million or more persons. No building shall be
45 eligible for more than one tax abatement pursuant to this title.

46 S 6. Subdivision 7 of section 499-aaaa of the real property tax law,
47 as added by chapter 473 of the laws of 2008, is amended to read as
48 follows:

49 7. "Eligible building" shall mean a class one, class two [or], class
50 four OR CLASS FIVE real property, as defined in subdivision one of
51 section eighteen hundred two of this chapter, located within a city
52 having a population of one million or more persons. No building shall be
53 eligible for more than one tax abatement pursuant to this title.

54 S 7. Paragraph (b) of subdivision 3 of section 522 of the real proper-
55 ty tax law, as added by chapter 714 of the laws of 1982, is amended to
56 read as follows:

(b) in a special assessing unit, the determination, pursuant to section eighteen hundred two of this chapter, of whether real property is included in class one, two, three [or], four OR FIVE.

S 8. Subdivision 10 of section 523-b of the real property tax law, as added by chapter 593 of the laws of 1998, is amended to read as follows:

10. On or before April first, each year the commission shall mail to each applicant, who has filed an application for the correction of the assessment, a notice of the commission's determination of such applicant's assessment. Such notice shall also contain the statement as to the final determination of the assessment review commission, or a statement that the commission has not yet made a determination as to the final assessed valuation which shall be made as soon as the petitioners application is reviewed or heard. If the applicants property is a property defined in subdivision one of section eighteen hundred two of this chapter as "Class 1", the commissions determination shall contain the statement: "If you are dissatisfied with the determination of the Assessment Review Commission and you are the owner of a one, two or three family residential structure or residential real property not more than three stories in height held in condominium form of ownership, provided that no dwelling unit therein previously was on an assessment roll as a dwelling unit in other than condominium form of ownership, and you reside at such residence, you may seek judicial review of your assessment either under title one of article seven of the real property tax law or under small claims assessment review law provided by title one-A of article seven of the real property tax law." Such notice shall also state [that] the last date to file petitions for judicial review and the location where small claims assessment review petitions may be obtained.

Each applicant that has filed an application of a property as defined in subdivision one of section eighteen hundred two of this chapter as "Class 2", "Class 3" [or], "Class 4" OR "CLASS 5", shall receive a notice as to the final determination of the assessment review commission or a statement that the commission has not yet made a determination as to the final assessed valuation which shall be made as soon as the petitioners application is reviewed or heard. Such applicants determinations shall contain the statement: "If you are dissatisfied with the determination of the Assessment Review Commission you may seek judicial review of your assessment under title one of article seven of the real property tax law." Such notice shall also state the last date to file petitions for judicial review. A final determination when rendered shall contain the same statement. Failure to mail any such notice or failure of the applicant to receive the same shall not affect the validity of the assessment.

S 9. Paragraph (b) of subdivision 3 of section 701 of the real property tax law, as added by chapter 714 of the laws of 1982, is amended to read as follows:

(b) In a special assessing unit, the determination, pursuant to section eighteen hundred two of this chapter, of whether real property is included in class one, two, three [or], four OR FIVE.

S 10. Subparagraph 2 of paragraph (a) of subdivision 3 of section 720 of the real property tax law, as amended by chapter 679 of the laws of 1986, is amended to read as follows:

(2) "Major type of property" in special assessing units, for assessments on rolls completed after December thirty-first, nineteen hundred eighty-one, shall mean classes one, two, three [and], four AND FIVE as

1 defined in subdivision one of section eighteen hundred two of this chap-
2 ter.

3 S 11. Subdivisions e and f of section 11-208.1 of the administrative
4 code of the city of New York, subdivision e as amended by local law
5 number 41 of the city of New York for the year 1986 and subdivision f as
6 amended by chapter 385 of the laws of 2006, are amended to read as
7 follows:

8 e. As used in this section, the term "income-producing property" means
9 property owned for the purpose of securing an income from the property
10 itself, but shall not include property with an assessed value of forty
11 thousand dollars or less, or residential property containing ten or
12 fewer dwelling units or property classified in class one [or], two OR
13 FIVE as defined in article eighteen of the real property tax law
14 containing six or fewer dwelling units and one retail store.

15 f. Except in accordance with proper judicial order or as otherwise
16 provided by law, it shall be unlawful for the commissioner, any officer
17 or employee of the department, the president or a commissioner or
18 employee of the tax commission, any person engaged or retained by the
19 department or the tax commission on an independent contract basis, or
20 any person, who, pursuant to this section, is permitted to inspect any
21 income and expense statement or to whom a copy, an abstract or a portion
22 of any such statement is furnished, to divulge or make known in any
23 manner except as provided in this subdivision, the amount of income
24 and/or expense or any particulars set forth or disclosed in any such
25 statement required under this section. The commissioner, the president
26 of the tax commission, or any commissioner or officer or employee of the
27 department or the tax commission charged with the custody of such state-
28 ments shall not be required to produce any income and expense statement
29 or evidence of anything contained in them in any action or proceeding in
30 any court, except on behalf of the department or the tax commission.
31 Nothing herein shall be construed to prohibit the delivery to an owner
32 or his or her duly authorized representative of a certified copy of any
33 statement filed by such owner pursuant to this section or to prohibit
34 the publication of statistics so classified as to prevent the identifi-
35 cation of particular statements and the items thereof, or making known
36 aggregate income and expense information disclosed with respect to prop-
37 erty classified as class four as defined in article eighteen of the real
38 property tax law without identifying information about individual leas-
39 es, or making known a range as determined by the commissioner within
40 which the income and expenses of a property classified as class two OR
41 CLASS FIVE falls, or the inspection by the legal representatives of the
42 department or of the tax commission of the statement of any owner who
43 shall bring an action to correct the assessment. Any violation of the
44 provisions of this subdivision shall be punished by a fine not exceeding
45 one thousand dollars or by imprisonment not exceeding one year, or both,
46 at the discretion of the court, and if the offender be an officer or
47 employee of the department or the tax commission, the offender shall be
48 dismissed from office.

49 S 12. Subdivisions a, a-1, a-2, a-3, a-4 and a-5 of section 11-319 of
50 the administrative code of the city of New York, subdivisions a, a-1,
51 a-2 and a-3 as amended and subdivisions a-4 and a-5 as added by local
52 law number 15 of the city of New York for the year 2011, are amended to
53 read as follows:

54 a. A tax lien or tax liens on a property or any component of the
55 amount thereof may be sold by the city as authorized by subdivision b of
56 this section, when such tax lien or tax liens shall have remained unpaid

1 in whole or in part for one year, provided, however, that a tax lien or
2 tax liens on any class one property or [on] class two property [that is
3 a residential condominium or residential cooperative], as such classes
4 of property are defined in subdivision one of section eighteen hundred
5 two of the real property tax law, may be sold by the city only when the
6 real property tax component of such tax lien or tax liens shall have
7 remained unpaid in whole or in part for three years or, in the case of
8 any class [two] FIVE residential property owned by a company organized
9 pursuant to article XI of the state private housing finance law [that is
10 not a residential condominium or a residential cooperative], as such
11 class of property is defined in subdivision one of section eighteen
12 hundred two of the real property tax law, for two years, and equals or
13 exceeds the sum of five thousand dollars or, in the case of abandoned
14 class one property [or], abandoned class two property [that is a resi-
15 dential condominium or residential cooperative], for eighteen months,
16 and after such sale, shall be transferred, in the manner provided by
17 this chapter, and provided, further, however, that (i) the real property
18 tax component of such tax lien may not be sold pursuant to this subdivi-
19 sion on any residential real property in class one that is receiving an
20 exemption pursuant to section 11-245.3 or 11-245.4 of this title, or
21 pursuant to section four hundred fifty-eight of the real property tax
22 law with respect to real property purchased with payments received as
23 prisoner of war compensation from the United States government, or
24 pursuant to paragraph (b) or (c) of subdivision two of section four
25 hundred fifty-eight-a of the real property tax law, or where the owner
26 of such residential real property in class one is receiving benefits in
27 accordance with department of finance memorandum 05-3, or any successor
28 memorandum thereto, relating to active duty military personnel, or where
29 the owner of such residential real property in class one has been
30 allowed a credit pursuant to subsection (e) of section six hundred six
31 of the tax law for the calendar year in which the date of the first
32 publication, pursuant to subdivision a of section 11-320 of this chap-
33 ter, of the notice of sale, occurs or for the calendar year immediately
34 preceding such date and (ii) the sewer rents component, sewer surcharges
35 component or water rents component of such tax lien may not be sold
36 pursuant to this subdivision on any one family residential real property
37 in class one or on any two or three family residential real property in
38 class one that is receiving an exemption pursuant to section 11-245.3 or
39 11-245.4 of this title, or pursuant to section four hundred fifty-eight
40 of the real property tax law with respect to real property purchased
41 with payments received as prisoner of war compensation from the United
42 States government, or pursuant to paragraph (b) or (c) of subdivision
43 two of section four hundred fifty-eight-a of the real property tax law,
44 or where the owner of any two or three family residential real property
45 in class one is receiving benefits in accordance with department of
46 finance memorandum 05-3, or any successor memorandum thereto, relating
47 to active duty military personnel, or where the owner of any two or
48 three family residential real property in class one has been allowed a
49 credit pursuant to subsection (e) of section six hundred six of the tax
50 law for the calendar year in which the date of the first publication,
51 pursuant to subdivision a of section 11-320 of this chapter, of the
52 notice of sale, occurs or for the calendar year immediately preceding
53 such date. A tax lien or tax liens on any property classified as a
54 [class two property, except a class two property that is a residential
55 condominium or residential cooperative, or a class two residential prop-
56 erty owned by a company organized pursuant to article XI of the state

1 private housing finance law that is not a residential condominium or a
2 residential cooperative, or] class three property, OR A CLASS FIVE PROP-
3 ERTY OWNED BY A COMPANY ORGANIZED PURSUANT TO ARTICLE XI OF THE STATE
4 PRIVATE HOUSING FINANCE LAW as such classes of property are defined in
5 subdivision one of section eighteen hundred two of the real property tax
6 law, shall not be sold by the city unless such tax lien or tax liens
7 include a real property tax component as of the date of the first publi-
8 cation, pursuant to subdivision a of section 11-320 of this chapter, of
9 the notice of sale. Notwithstanding any provision of this subdivision to
10 the contrary, any such tax lien or tax liens that remain unpaid in whole
11 or in part after such date may be sold regardless of whether such tax
12 lien or tax liens include a real property tax component. A tax lien or
13 tax liens on a property classified as a class four property, as such
14 class of property is defined in subdivision one of section eighteen
15 hundred two of the real property tax law, shall not be sold by the city
16 unless such tax lien or tax liens include a real property tax component
17 or sewer rents component or sewer surcharges component or water rents
18 component or emergency repair charges component, where such emergency
19 repair charges accrued on or after January first, two thousand six and
20 are made a lien pursuant to section 27-2144 of this code, as of the date
21 of the first publication, pursuant to subdivision a of section 11-320 of
22 this chapter, of the notice of sale, provided, however, that any tax
23 lien or tax liens that remain unpaid in whole or in part after such date
24 may be sold regardless of whether such tax lien or tax liens include a
25 real property tax component, sewer rents component, sewer surcharges
26 component, water rents component or emergency repair charges component.
27 For purposes of this subdivision, the words "real property tax" shall
28 not include an assessment or charge upon property imposed pursuant to
29 section 25-411 of [the administrative] THIS code. A sale of a tax lien
30 or tax liens shall include, in addition to such lien or liens that have
31 remained unpaid in whole or in part for one year, or, in the case of any
32 class one property or class two property [that is a residential condo-
33 minium or residential cooperative], when the real property tax component
34 of such lien or liens has remained unpaid in whole or in part for three
35 years, or, in the case of any class [two] FIVE residential property
36 owned by a company organized pursuant to article XI of the state private
37 housing finance law [that is not a residential condominium or a residen-
38 tial cooperative], when the real property tax component of such lien or
39 liens has remained unpaid in whole or in part for two years, and equals
40 or exceeds the sum of five thousand dollars, any taxes, assessments,
41 sewer rents, sewer surcharges, water rents, any other charges that are
42 made a lien subject to the provisions of this chapter, the costs of any
43 advertisements and notices given pursuant to this chapter, any other
44 charges that are due and payable, a surcharge pursuant to section 11-332
45 of this chapter, and interest and penalties thereon or such component of
46 the amount thereof as shall be determined by the commissioner of
47 finance. The commissioner of finance may promulgate rules defining
48 "abandoned" property, as such term is used in this subdivision.

49 a-1. A subsequent tax lien or tax liens on a property or any component
50 of the amount thereof may be sold by the city pursuant to this chapter,
51 provided, however, that notwithstanding any provision in this chapter to
52 the contrary, such tax lien or tax liens may be sold regardless of
53 whether such tax lien or tax liens have remained unpaid in whole or in
54 part for one year and, notwithstanding any provision in this chapter to
55 the contrary, in the case of any class one property or class two proper-
56 ty [that is a residential condominium or residential cooperative] or,

beginning January first, two thousand twelve, in the case of any class [two] FIVE 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 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. 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, OR A CLASS FIVE PROPERTY OWNED BY A COMPANY ORGANIZED PURSUANT TO ARTICLE XI OF THE STATE PRIVATE

1 HOUSING FINANCE LAW, as such classes of property are defined in subdivi-
2 sion one of section eighteen hundred two of the real property tax law,
3 shall not be sold by the city unless such tax lien or tax liens include
4 a real property tax component as of the date of the first publication,
5 pursuant to subdivision a of section 11-320 of this chapter, of the
6 notice of sale. Notwithstanding any provision of this subdivision to the
7 contrary, any such tax lien or tax liens that remain unpaid in whole or
8 in part after such date may be sold regardless of whether such tax lien
9 or tax liens include a real property tax component. A subsequent tax
10 lien or tax liens on a property classified as a class four property, as
11 such class of property is defined in subdivision one of section eighteen
12 hundred two of the real property tax law, shall not be sold by the city
13 unless such tax lien or tax liens include a real property tax component
14 or sewer rents component or sewer surcharges component or water rents
15 component or emergency repair charges component, where such emergency
16 repair charges accrued on or after January first, two thousand six and
17 are made a lien pursuant to section 27-2144 of this code, as of the date
18 of the first publication, pursuant to subdivision a of section 11-320 of
19 this chapter, of the notice of sale, provided, however, that any tax
20 lien or tax liens that remain unpaid in whole or in part after such date
21 may be sold regardless of whether such tax lien or tax liens include a
22 real property tax component, sewer rents component, sewer surcharges
23 component, water rents component or emergency repair charges component.
24 For purposes of this subdivision, the words "real property tax" shall
25 not include an assessment or charge upon property imposed pursuant to
26 section 25-411 of [the administrative] THIS code. Nothing in this subdivi-
27 sion shall be deemed to limit the rights conferred by section 11-332
28 of this chapter on the holder of a tax lien certificate with respect to
29 a subsequent tax lien.

30 a-2. In addition to any sale authorized pursuant to subdivision a or
31 subdivision a-1 of this section and notwithstanding any provision of
32 this chapter to the contrary, beginning on December first, two thousand
33 seven, the water rents, sewer rents and sewer surcharges components of
34 any tax lien on any class of real property, as such real property is
35 classified in subdivision one of section eighteen hundred two of the
36 real property tax law, may be sold by the city pursuant to this chapter,
37 where such water rents, sewer rents or sewer surcharges component of
38 such tax lien, as of the date of the first publication, pursuant to
39 subdivision a of section 11-320 of this chapter, of the notice of sale:
40 (i) shall have remained unpaid in whole or in part for one year and (ii)
41 equals or exceeds the sum of one thousand dollars or, beginning on March
42 first, two thousand eleven, in the case of any two or three family resi-
43 dential real property in class one, for one year, and equals or exceeds
44 the sum of two thousand dollars, or, beginning on January first, two
45 thousand twelve, in the case of any class [two] FIVE residential proper-
46 ty owned by a company organized pursuant to article XI of the state
47 private housing finance law [that is not a residential condominium or a
48 residential cooperative], as such class of property is defined in subdivi-
49 sion one of section eighteen hundred two of the real property tax law,
50 for two years, and equals or exceeds the sum of five thousand dollars;
51 provided, however, that such water rents, sewer rents or sewer
52 surcharges component of such tax lien may not be sold pursuant to this
53 subdivision on any one family residential real property in class one or
54 on any two or three family residential real property in class one that
55 is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of
56 this title, or pursuant to section four hundred fifty-eight of the real

1 property tax law with respect to real property purchased with payments
2 received as prisoner of war compensation from the United States govern-
3 ment, or pursuant to paragraph (b) or (c) of subdivision two of section
4 four hundred fifty-eight-a of the real property tax law, or where the
5 owner of any two or three family residential real property in class one
6 is receiving benefits in accordance with department of finance memoran-
7 dum 05-3, or any successor memorandum thereto, relating to active duty
8 military personnel, or where the owner of any two or three family resi-
9 dential real property in class one has been allowed a credit pursuant to
10 subsection (e) of section six hundred six of the tax law for the calen-
11 dar year in which the date of the first publication, pursuant to subdi-
12 vision a of section 11-320 of this chapter, of the notice of sale,
13 occurs or for the calendar year immediately preceding such date. After
14 such sale, any such water rents, sewer rents or sewer surcharges compo-
15 nent of such tax lien may be transferred in the manner provided by this
16 chapter.

17 a-3. In addition to any sale authorized pursuant to subdivision a or
18 subdivision a-1 of this section and notwithstanding any provision of
19 this chapter to the contrary, beginning on December first, two thousand
20 seven, a subsequent tax lien on any class of real property, as such real
21 property is classified in subdivision one of section eighteen hundred
22 two of the real property tax law, may be sold by the city pursuant to
23 this chapter, regardless of whether such subsequent tax lien, or any
24 component of the amount thereof, shall have remained unpaid in whole or
25 in part for one year, and regardless of whether such subsequent tax
26 lien, or any component of the amount thereof, equals or exceeds the sum
27 of one thousand dollars or beginning on March first, two thousand elev-
28 en, in the case of any two or three family residential real property in
29 class one, a subsequent tax lien on such property may be sold by the
30 city pursuant to this chapter, regardless of whether such subsequent tax
31 lien, or any component of the amount thereof, shall have remained unpaid
32 in whole or in part for one year, and regardless of whether such subse-
33 quent tax lien, or any component of the amount thereof, equals or
34 exceeds the sum of two thousand dollars, or, beginning on January first,
35 two thousand twelve, in the case of any class [two] FIVE residential
36 property owned by a company organized pursuant to article XI of the
37 state private housing finance law [that is not a residential condominium
38 or a residential cooperative], as such class of property is defined in
39 subdivision one of section eighteen hundred two of the real property tax
40 law, a subsequent tax lien on such property may be sold by the city
41 pursuant to this chapter, regardless of whether such subsequent tax
42 lien, or any component of the amount thereof, shall have remained unpaid
43 in whole or in part for two years, and regardless of whether such subse-
44 quent tax lien, or any component of the amount thereof, equals or
45 exceeds the sum of five thousand dollars; provided, however, that such
46 subsequent tax lien may not be sold pursuant to this subdivision on any
47 one family residential real property in class one or on any two or three
48 family residential real property in class one that is receiving an
49 exemption pursuant to section 11-245.3 or 11-245.4 of this title, or
50 pursuant to section four hundred fifty-eight of the real property tax
51 law with respect to real property purchased with payments received as
52 prisoner of war compensation from the United States government, or
53 pursuant to paragraph (b) or (c) of subdivision two of section four
54 hundred fifty-eight-a of the real property tax law, or where the owner
55 of any two or three family residential real property in class one is
56 receiving benefits in accordance with department of finance memorandum

1 05-3, or any successor memorandum thereto, relating to active duty mili-
2 tary personnel, or where the owner of any two or three family residen-
3 tial real property in class one has been allowed a credit pursuant to
4 subsection (e) of section six hundred six of the tax law for the calen-
5 dar year in which the date of the first publication, pursuant to subdi-
6 vision a of section 11-320 of this chapter, of the notice of sale,
7 occurs or for the calendar year immediately preceding such date. After
8 such sale, any such subsequent tax lien, or any component of the amount
9 thereof, may be transferred in the manner provided by this chapter. For
10 purposes of this subdivision, the term "subsequent tax lien" shall mean
11 the water rents, sewer rents or sewer surcharges component of any tax
12 lien on property that becomes such on or after the date of sale of any
13 water rents, sewer rents or sewer surcharges component of any tax lien
14 on such property that has been sold pursuant to this chapter, provided
15 that the prior tax lien remains unpaid as of the date of the first
16 publication, pursuant to subdivision a of section 11-320 of this chap-
17 ter, of the notice of sale of the subsequent tax lien. Nothing in this
18 subdivision shall be deemed to limit the rights conferred by section
19 11-332 of this chapter on the holder of a tax lien certificate with
20 respect to a subsequent tax lien.

21 a-4. In addition to any sale authorized pursuant to subdivision a,
22 a-1, a-2 or a-3 of this section and notwithstanding any provision of
23 this chapter to the contrary, beginning on March first, two thousand
24 eleven, the emergency repair charges component or alternative enforce-
25 ment expenses and fees component, where such emergency repair charges
26 accrued on or after January first, two thousand six and are made a lien
27 pursuant to section 27-2144 of this code, or where such alternative
28 enforcement expenses and fees are made a lien pursuant to section
29 27-2153 of this code, of any tax lien on any class of real property, as
30 such real property is defined in subdivision one of section eighteen
31 hundred two of the real property tax law, may be sold by the city pursu-
32 ant to this chapter, where such emergency repair charges component or
33 alternative enforcement expenses and fees component of such tax lien, as
34 of the date of the first publication, pursuant to subdivision a of
35 section 11-320 of this chapter, of the notice of sale: (i) shall have
36 remained unpaid in whole or in part for one year, and (ii) equals or
37 exceeds the sum of one thousand dollars or, beginning on January first,
38 two thousand twelve, in the case of any class [two] FIVE residential
39 property owned by a company organized pursuant to article XI of the
40 state private housing finance law [that is not a residential condominium
41 or a residential cooperative], as such class of property is defined in
42 subdivision one of section eighteen hundred two of the real property tax
43 law, for two years, and equals or exceeds the sum of five thousand
44 dollars; provided, however, that such emergency repair charges component
45 or alternative enforcement expenses and fees component of such tax lien
46 may not be sold pursuant to this subdivision on any one, two or three
47 family residential real property in class one, except a three family
48 residential property in class one where such property is subject to the
49 provisions of section 27-2153 of this code and is not the primary resi-
50 dence of the owner. After such sale, any such emergency repair charges
51 component or alternative enforcement expenses and fees component of such
52 tax lien may be transferred in the manner provided by this chapter.

53 a-5. In addition to any sale authorized pursuant to subdivision a,
54 a-1, a-2 or a-3 of this section and notwithstanding any provision of
55 this chapter to the contrary, beginning on March first, two thousand
56 eleven, a subsequent tax lien on any class of real property, or begin-

1 ning on January first, two thousand twelve in the case of any class
2 [two] FIVE residential property owned by a company organized pursuant to
3 article XI of the state private housing finance law [that is not a resi-
4 dential condominium or a residential cooperative], a subsequent tax lien
5 on such property, may be sold by the city pursuant to this chapter,
6 regardless of the length of time such subsequent tax lien, or any compo-
7 nent of the amount thereof, shall have remained unpaid, and regardless
8 of the amount of such subsequent tax lien. After such sale, any such
9 subsequent tax lien, or any component of the amount thereof, may be
10 transferred in the manner provided by this chapter. For purposes of this
11 subdivision, the term "subsequent tax lien" shall mean the emergency
12 repair charges component or alternative enforcement expenses and fees
13 component, where such emergency repair charges accrued on or after Janu-
14 ary first, two thousand six and are made a lien pursuant to section
15 27-2144 of this code, or where such alternative enforcement expenses and
16 fees are made a lien pursuant to section 27-2153 of this code, of any
17 tax lien on property that becomes such on or after the date of sale of
18 any emergency repair charges component or alternative enforcement
19 expenses and fees component, of any tax lien on such property that has
20 been sold pursuant to this chapter, provided that the prior tax lien
21 remains unpaid as of the date of the first publication, pursuant to
22 subdivision a of section 11-320 of this chapter, of the notice of sale
23 of the subsequent tax lien. Nothing in this subdivision shall be deemed
24 to limit the rights conferred by section 11-332 of this chapter on the
25 holder of a tax lien certificate with respect to a subsequent tax lien.

26 S 13. Subparagraph (i) of paragraph 2 of subdivision b and subpara-
27 graph (ii) of paragraph 1 of subdivision h of section 11-320 of the
28 administrative code of the city of New York, as added by local law
29 number 15 of the city of New York for the year 2011, are amended to read
30 as follows:

31 (i) Such notices shall also include, with respect to any property
32 owner in class one [or], class two OR CLASS FIVE, as such classes of
33 property are defined in subdivision one of section eighteen hundred two
34 of the real property tax law, an exemption eligibility checklist. Within
35 ten business days of receipt of a completed exemption eligibility check-
36 list from such property owner, provided that such receipt occurs prior
37 to the date of sale of any tax lien or tax liens on his or her property,
38 the department of finance shall review such checklist to determine,
39 based on the information provided by the property owner, whether such
40 property owner could be eligible for any exemption, credit or other
41 benefit that would entitle them to be excluded from a tax lien sale and,
42 if the department determines that such property owner could be eligible
43 for any such exemption, credit or other benefit, shall mail such proper-
44 ty owner an application for the appropriate exemption, credit or other
45 benefit. If, within twenty business days of the date the department
46 mailed such application, the department has not received a completed
47 application from such property owner, the department shall mail such
48 property owner a second application, and shall telephone the property
49 owner, if the property owner has included his or her telephone number on
50 the exemption eligibility checklist.

51 (ii) all class [two] FIVE residential property owned by a company
52 organized pursuant to article XI of the state private housing finance
53 law [that is not a residential condominium or a residential cooperative]
54 on which any tax lien has been sold pursuant to subdivision a, a-2 or
55 a-4 of section 11-319 of this title.

1 S 14. Subdivision (a) of section 11-354 of the administrative code of
2 the city of New York, as amended by local law number 37 of the city of
3 New York for the year 1996, is amended to read as follows:

4 (a) Notwithstanding any other provision of law and notwithstanding any
5 omission to hold a tax lien sale, whenever any tax, assessment, sewer
6 rent, sewer surcharge, water rent, any charge that is made a lien
7 subject to the provisions of this chapter or chapter four of this title,
8 or interest and penalties thereon, has been due and unpaid for a period
9 of at least one year from the date on which the tax, assessment or other
10 legal charge represented thereby became a lien, or in the case of any
11 class one property or any class two property [that is a residential
12 condominium or residential cooperative], as such classes of property are
13 defined in subdivision one of section eighteen hundred two of the real
14 property tax law, or in the case of a CLASS FIVE PROPERTY THAT IS A
15 multiple dwelling owned by a company organized pursuant to article XI of
16 the private housing finance law with the consent and approval of the
17 department of housing preservation and development, for a period of at
18 least three years from the date on which the tax, assessment or other
19 legal charge became a lien, the city, as owner of a tax lien, may main-
20 tain an action in the supreme court to foreclose such lien. Such action
21 shall be governed by the procedures set forth in section 11-335 of this
22 chapter; provided, however, that such parcel shall only be sold to the
23 highest responsible bidder. Such purchaser shall be deemed qualified as
24 a responsible bidder pursuant to such criteria as are established in
25 rules promulgated by the commissioner of finance after consultation with
26 the commissioner of housing preservation and development.

27 S 15. Subdivision 3 and the opening paragraph of subdivision 4 of
28 section 11-401 of the administrative code of the city of New York, as
29 added by local law number 37 of the city of New York for the year 1996,
30 are amended to read as follows:

31 3. "Class." Any class of real property defined in subdivision one of
32 section eighteen hundred two of the real property tax law, and any
33 subclassification of class two OR CLASS FIVE real property where such
34 subclassification is established by rule of the commissioner of finance
35 promulgated pursuant to this subdivision.

36 Any parcel of class one [or], class two OR CLASS FIVE real property
37 that is subject to a tax lien or liens with a lien or liens to value
38 ratio, as determined by the commissioner of finance, equal to or greater
39 than fifteen percent and that meets one of the following two criteria:

40 S 16. Subdivisions a and b of section 11-401.1 of the administrative
41 code of the city of New York, as added by local law number 37 of the
42 city of New York for the year 1996, are amended to read as follows:

43 a. The commissioner of finance shall, not less than sixty days preced-
44 ing the date of the sale of a tax lien or tax liens, submit to the
45 commissioner of housing preservation and development a description by
46 block and lot, or by such other identification as the commissioner of
47 finance may deem appropriate, of any parcel of class one or class two
48 real property on which there is a tax lien that may be foreclosed by the
49 city. The commissioner of housing preservation and development shall
50 determine, and direct the commissioner of finance, not less than ten
51 days preceding the date of the sale of a tax lien or tax liens, whether
52 any such parcel is a distressed property as defined in subdivision four
53 of section 11-401 of this chapter. Any tax lien on a parcel so deter-
54 mined to be a distressed property shall not be included in such sale. In
55 connection with a subsequent sale of a tax lien or tax liens, the
56 commissioner of finance may, not less than sixty days preceding the date

1 of the sale, resubmit to the commissioner of housing preservation and
2 development a description by block and lot, or by such other identifica-
3 tion as the commissioner of finance may deem appropriate, of any parcel
4 of class one [or], class two OR CLASS FIVE real property that was previ-
5 ously determined to be a distressed property pursuant to this paragraph
6 and on which there is a tax lien that may be included in such sale. The
7 commissioner of housing preservation and development shall determine,
8 and direct the commissioner of finance, not less than ten days preceding
9 the date of the sale, whether such parcel remains a distressed property.
10 If the commissioner of housing preservation and development determines
11 that the parcel is not a distressed property, then the tax lien on the
12 parcel may be included in the sale.

13 b. The commissioner of housing preservation and development may peri-
14 odically review whether a parcel of class one [or], class two OR CLASS
15 FIVE real property that is subject to subdivision c of this section or
16 subdivision j of section 11-412.1 of this chapter remains a distressed
17 property. If the commissioner determines that the parcel is not a
18 distressed property as defined in subdivision four of section 11-401 of
19 this chapter, then the parcel shall not be subject to such subdivisions.

20 S 17. Subdivision b of section 11-404 of the administrative code of
21 the city of New York, as amended by local law number 37 of the city of
22 New York for the year 1996, is amended to read as follows:

23 b. A tax lien on any class one property or any class two property
24 [that is a residential condominium or residential cooperative], as such
25 classes of property are defined in subdivision one of section eighteen
26 hundred two of the real property tax law, and on any CLASS FIVE PROPERTY
27 THAT IS A multiple dwelling owned by a company organized pursuant to
28 article XI of the private housing finance law with the consent and
29 approval of the department of housing preservation and development,
30 shall not be foreclosed in the manner provided in this chapter until
31 such tax lien has been due and unpaid for a period of at least three
32 years from the date on which the tax, assessment or other legal charge
33 represented thereby became a lien.

34 S 18. Paragraph 5 of subdivision c of section 11-405 of the adminis-
35 trative code of the city of New York, as added by local law number 37 of
36 the city of New York for the year 1996, is amended to read as follows:

37 (5) Notwithstanding paragraph one, two or three of this subdivision,
38 with respect to installment agreements duly made, executed and filed on
39 or after the date on which this paragraph takes effect, the commissioner
40 of finance may also exclude or thereafter remove from such list any
41 parcel of class one [or], class two OR CLASS FIVE real property, other
42 than a parcel described in paragraph four of this subdivision, as to
43 which an agreement has been duly made, executed and filed with such
44 commissioner for the payment of the delinquent taxes, assessments or
45 other legal charges, and the interest and penalties thereon, in install-
46 ments. The first installment thereof shall be paid upon the filing of
47 the installment agreement with the commissioner and shall be in an
48 amount equal to not less than fifteen percent of the total amount of
49 such delinquent taxes, assessments or other legal charges and the inter-
50 est and penalties thereon. The remaining installments, which shall be
51 twice the number of unpaid quarters of real estate taxes or the equiv-
52 alent thereof, but which shall in no event exceed thirty-two in number,
53 shall be payable quarterly on the first days of July, October, January
54 and April. For the purposes of calculating the number of such remaining
55 installments, unpaid real estate taxes that are due and payable on other

1 than a quarterly basis shall be deemed to be payable on a quarterly
2 basis.

3 S 19. Subparagraph (iii) of paragraph 3 of subdivision i of section
4 11-409 of the administrative code of the city of New York, as added by
5 local law number 37 of the city of New York for the year 1996, is
6 amended to read as follows:

7 (iii) With respect to any parcel of class one [or], class two OR CLASS
8 FIVE real property, other than a parcel described in subparagraph (i) or
9 (ii) of this paragraph, such agreement shall provide for the payment in
10 installments of the delinquent taxes, assessments and other legal charg-
11 es, and the interest and penalties thereon, due and owing as of the date
12 on which such agreement is requested. The first installment thereof
13 shall be paid upon the filing of the installment agreement with the
14 commissioner of finance and shall be in an amount at least equal to, at
15 the applicant's election, either thirty-five percent or fifty percent of
16 the total amount of such delinquent taxes, assessments or other legal
17 charges and the interest and penalties thereon. The remaining install-
18 ments, which shall be twice the number of unpaid quarters of real estate
19 taxes or the equivalent thereof, but which shall in no event exceed
20 twenty in number, shall be payable quarterly on the first days of July,
21 October, January and April, together with interest at the rate or rates
22 determined as provided in subparagraph (iv) of this paragraph. For the
23 purposes of calculating the number of such remaining installments,
24 unpaid real estate taxes that are due and payable on other than a quar-
25 terly basis shall be deemed to be payable on a quarterly basis.

26 S 20. The section heading of section 11-412.1 of the administrative
27 code of the city of New York, as added by local law number 37 of the
28 city of New York for the year 1996, is amended to read as follows:

29 Special procedures relating to final judgment and release of class one
30 [and], class two OR CLASS FIVE real property.

31 S 21. Paragraph 1 of subdivision b, subdivisions c and d, paragraphs 1
32 and 4 of subdivision e, and subdivisions f, g, h, i and j of section
33 11-412.1 of the administrative code of the city of New York, as added by
34 local law number 37 of the city of New York for the year 1996, are
35 amended to read as follows:

36 (1) The court shall make a final judgment authorizing the award of
37 possession of any parcel of class one [or], class two OR CLASS FIVE real
38 property described in the list of delinquent taxes not redeemed or with-
39 drawn as provided in this chapter and as to which no answer is inter-
40 posed as provided herein, and authorizing the commissioner of finance to
41 prepare, execute and cause to be recorded a deed conveying either to the
42 city or to a third party deemed qualified and designated by the commis-
43 sioner of housing preservation and development full and complete title
44 to such lands. Any such conveyance to a third party shall be for an
45 existing use.

46 c. Following the expiration of the four-month period prescribed in
47 subdivision d of this section, but not more than eight months after the
48 date on which, pursuant to subdivision b of this section, the final
49 judgment authorizing the award of possession of a parcel of class one
50 [or], class two OR CLASS FIVE real property was entered, the commis-
51 sioner of finance may execute a deed, pursuant to subdivision b of this
52 section, with respect to such parcel. The owner of said parcel shall
53 continue to have all of the rights, liabilities, responsibilities,
54 duties and obligations of an owner of such parcel, including, but not
55 limited to, maintaining such parcel in compliance with the housing main-
56 tenance, building and fire codes, and all other applicable laws, unless

1 and until the commissioner of finance has prepared and executed a deed
2 conveying to the city or to a third party full and complete title to
3 such parcel. Upon the execution of such deed, the city or the third
4 party shall be seized of an estate in fee simple absolute in such land
5 and all persons, including the state of New York, infants, incompetents,
6 absentees and non-residents who may have had any right, title, interest,
7 claim, lien or equity of redemption in or upon such lands shall be
8 barred and forever foreclosed of all such right, title, interest, claim,
9 lien or equity of redemption, except as otherwise provided in subdivi-
10 sions e and f of this section. The appointment and tenure of receivers,
11 trustees or any other persons, including administrators under article
12 seven-A of the real property actions and proceedings law, appointed by
13 an order of a court to manage real property, shall terminate when title
14 to such property vests in the city or a third party pursuant to the
15 provisions of this chapter. After such termination, said receivers,
16 trustees or administrators shall be accountable to the courts that
17 appointed them for the faithful performance of their fiduciary obli-
18 gations during the term of their appointment and to the city or such
19 third party for any rents and income received by them for any period
20 subsequent to the date of the vesting of title in the city or such third
21 party.

22 If the city serves a tenant in possession of a dwelling unit with
23 notice of termination of tenancy on grounds other than nonpayment of
24 rent, the acceptance of rent for the first forty-five days after termi-
25 nation of tenancy by anyone other than an employee of the department
26 designated by the department to receive such rent shall not be deemed or
27 construed as a waiver of the city's right to initiate and prosecute a
28 proceeding to terminate the tenancy for good cause.

29 d. Within four months after the date on which, pursuant to subdivision
30 b of this section, the final judgment authorizing the award of
31 possession of a parcel of class one [or], class two OR CLASS FIVE real
32 property was entered, any person claiming to have an interest in such
33 parcel shall have the right to make a payment to the commissioner of
34 finance consisting of all taxes, assessments and other legal charges
35 owing on said parcel, the lawful interest thereon to the date of payment
36 and a penalty of five percent of said payment of taxes, assessments and
37 other legal charges and interest, which penalty may not exceed one thou-
38 sand dollars. Such payment shall be made in cash or by certified or bank
39 check. Within such four-month period, such interested person may also
40 request an installment agreement from the commissioner of finance. Such
41 agreement shall require, in addition to full payment of the penalty
42 specified in this subdivision at the time such agreement is entered
43 into, the payment at such time of a first installment equal to fifty
44 percent of all taxes, assessments and other legal charges, and the
45 lawful interest thereon, then owing on such parcel, and the payment of
46 the balance of such taxes, assessments and other legal charges and
47 interest in four equal quarterly installments together with all current
48 taxes, assessments and other legal charges that accrue during such peri-
49 od. Upon receipt of payment in full of the amount specified in the first
50 sentence of this subdivision, the commissioner of finance shall direct
51 the corporation counsel to prepare and cause to be entered an order
52 discontinuing the in rem tax foreclosure action as to said property,
53 cancelling the notice of pendency of such action as to said property and
54 vacating and setting aside the final judgment. Upon the execution of an
55 installment agreement and payment of the amounts due at the time such
56 agreement is executed as provided in this subdivision, the commissioner

1 of finance shall direct the corporation counsel to prepare and cause to
2 be entered an order vacating and setting aside the final judgment. The
3 entry of either such order shall restore all parties, including owners,
4 mortgagees and any and all lienors, receivers and administrators and
5 encumbrancers, to the status they held immediately before such final
6 judgment was entered. Where the commissioner of finance approves an
7 application requesting an installment agreement pursuant to this subdivi-
8 sion, the order vacating and setting aside the final judgment shall
9 provide that in the event of any default as to the payment of either
10 quarterly installments or current taxes, assessments or other legal
11 charges during the term of such agreement, all payments under said
12 agreement shall be forfeited and the corporation counsel, immediately
13 upon notification by the commissioner of finance of such default, shall
14 cause to be entered as to such property a supplemental judgment of fore-
15 closure in the in rem action which authorizes the commissioner of
16 finance to prepare, execute and cause to be recorded a deed conveying
17 either to the city or to a third party full and complete title to such
18 lands. Upon the entry of such supplemental judgment, the provisions of
19 subdivisions c through i of this section shall apply in the same manner
20 as such subdivisions would have applied had no payment been made nor
21 installment agreement executed during the four-month period specified in
22 this subdivision.

23 1. If the commissioner of finance has prepared, executed and caused to
24 be recorded a deed conveying to the city full and complete title to a
25 parcel of class one [or], class two OR CLASS FIVE real property acquired
26 by in rem tax foreclosure, the city's interest in such parcel may be
27 released pursuant to this subdivision on the application of any party
28 who has an interest in said parcel as either owner, mortgagee, lienor,
29 or encumbrancer at the time of the city's acquisition thereof where such
30 application is made at any time up to sixteen months from the date on
31 which the deed by which the city acquired title to said parcel was
32 recorded.

33 4. The provisions contained in subdivision g of section 11-424 of this
34 chapter shall govern such an application, except as follows:

35 (a) where such provisions are inconsistent with the provisions
36 contained in this subdivision, the provisions contained in this subdivi-
37 sion shall govern such application; and

38 (b) where the in rem foreclosure release board denies a written
39 request for an installment agreement that was filed in connection with
40 an application for release of the city's interest in a parcel of class
41 one [or], class two OR CLASS FIVE real property and such application was
42 filed within thirty days of the date of the city's acquisition of the
43 property sought to be released, the board may, in its discretion,
44 authorize a release of the city's interest, provided that the applicant
45 thereafter pays all the amounts required to be paid pursuant to subdivi-
46 sion d of section 11-424 of this chapter within thirty days of the date
47 on which a letter requesting such payment is mailed or delivered to such
48 applicant.

49 f. If the commissioner of finance has prepared, executed and caused to
50 be recorded a deed conveying to the city full and complete title to a
51 parcel of class one [or], class two OR CLASS FIVE real property acquired
52 by in rem tax foreclosure and such parcel is entitled to an exemption
53 under any of the provisions of article four of the real property tax law
54 during all or part of the period covered by the tax items appearing on a
55 list of delinquent taxes, the owner of such parcel may apply for a
56 release of the city's interest in such exempt property under the

1 provisions of subdivision e of this section during the period of time
2 set forth in paragraph one of such subdivision and for an additional
3 period up to ten years from the date on which the deed by which the city
4 acquired title to said property was recorded. The application of such
5 owner shall be accompanied by the nonrefundable fee required by para-
6 graph four of subdivision b of section 11-424 of this chapter and shall
7 contain, in addition to the statements, searches and proofs required by
8 subdivision e of this section, a statement that an exemption under the
9 real property tax law is being claimed. Such application shall also
10 state either that it is accompanied by the written certificate of the
11 comptroller setting forth the precise period during which said property,
12 while owned by such application, and during the period after the city's
13 acquisition up to the date of the certificate if said property was still
14 being used for an exempt purpose after said acquisition, was entitled to
15 an exemption and the exact nature and extent of such exemption or that
16 an application for such written certificate has been filed with the
17 comptroller. On issuing such written certificate, the comptroller shall
18 cancel those tax items which have accrued during the period covered by
19 the certificate to the extent the applicant is entitled to an exemption
20 as set forth in the certificate. A release of the city's interest may be
21 authorized only at the discretion of the in rem foreclosure release
22 board and, except as otherwise provided in paragraph four of subdivision
23 e of this section, subject to all the restrictions set forth in subdivi-
24 sion g of section 11-424 of this chapter. A release to an exempt appli-
25 cant shall be effected only after said applicant has paid all of the
26 amounts required to be paid by subdivision d of section 11-424 of this
27 chapter, except for those tax items which have been canceled, in whole
28 or in part, pursuant to the comptroller's certificate, within thirty
29 days of the date on which the letter requesting payment is mailed or
30 delivered to the applicant.

31 g. If the commissioner of finance has prepared, executed and caused to
32 be recorded a deed conveying to the city or to a third party full and
33 complete title to a parcel of class one [or], class two OR CLASS FIVE
34 real property acquired by in rem tax foreclosure, the provisions
35 contained in subdivisions f and i of section 11-424 of this chapter for
36 the release of property so acquired shall not be available. If the
37 commissioner of finance has prepared, executed and caused to be recorded
38 a deed conveying to a third party full and complete title to a parcel of
39 class one or class two real property acquired by in rem tax foreclosure,
40 the provisions contained in subdivisions e and f of this section for the
41 release of property so acquired shall not be available.

42 h. Every deed given pursuant to the provisions of this section shall
43 be presumptive evidence that the action and all proceedings therein and
44 all proceedings prior thereto from and including the assessment of the
45 lands affected and all notices required by law were regular and in
46 accordance with all provisions of law relating thereto. After four
47 months from the date of entry of the final judgment authorizing the
48 award of possession of any parcel of class one [or], class two OR CLASS
49 FIVE real property pursuant to the provisions of this section, the
50 presumption shall be conclusive. No action to set aside such deed may be
51 maintained unless the action is commenced and a notice of pendency of
52 the action is filed in the office of the property county clerk prior to
53 the time that the presumption becomes conclusive as aforesaid. Should
54 any lawsuit or proceeding be commenced to set aside a deed conveying to
55 a third party a parcel of class one [or], class two OR CLASS FIVE real
56 property pursuant to the provisions of this section, such third party

1 shall send to the corporation counsel within ten days of their receipt a
2 copy of any papers served on such third party in such lawsuit or
3 proceeding.

4 i. If the commissioner of finance does not execute a deed conveying to
5 the city or to a third party a parcel of class one [or], class two OR
6 CLASS FIVE real property within eight months after the entry of final
7 judgment authorizing the award of possession of such parcel pursuant to
8 subdivision b of this section, the commissioner of finance shall direct
9 the corporation counsel to prepare and cause to be entered an order
10 discontinuing the in rem foreclosure action as to said property, cancel-
11 ing the notice of pendency of such action as to said property and vacat-
12 ing and setting aside said final judgment. The entry of such order shall
13 restore all parties, including owners, mortgagees and any and all
14 lienors, receivers and administrators and encumbrancers, to the status
15 they held immediately before such final judgment was entered.

16 j. If the commissioner of finance directs the corporation counsel,
17 pursuant to subdivision i of this section, to prepare and cause to be
18 entered an order discontinuing the in rem foreclosure action with
19 respect to a parcel of class one [or], class two OR CLASS FIVE real
20 property determined to be distressed pursuant to section 11-401.1 of
21 this chapter, the commissioner of housing preservation and development
22 shall evaluate the parcel determined to be distressed and take such
23 action as he or she deems appropriate under the programs, existing at
24 the time of such evaluation, that are designed to encourage the rehabil-
25 itation and preservation of existing housing, and shall monitor or cause
26 to be monitored the status of the property. The commissioner of housing
27 preservation and development shall maintain a register of properties
28 determined to be distressed.

29 S 22. Section 11-412.2 of the administrative code of the city of New
30 York, as added by local law number 37 of the city of New York for the
31 year 1996, is amended to read as follows:

32 S 11-412.2 Council review of conveyance to a third party. The commis-
33 sioner of finance shall, prior to the execution of a deed conveying full
34 and complete title of any parcel of class one [or], class two OR CLASS
35 FIVE real property to a third party pursuant to subdivision c of section
36 11-412.1 of this chapter, notify the council of the proposed conveyance.
37 Within forty-five days of such notification, the council may act by
38 local law disapproving the proposed conveyance. In the event the council
39 does not act by local law within such forty-five day period, the council
40 shall be deemed to have approved the proposed conveyance. During such
41 forty-five day period or, if the city council acts by local law pursuant
42 to this section, during the period of time from the notification of the
43 council to the presentation to the mayor of such local law and during
44 any additional period of time prescribed in section 37 of the charter,
45 the eight-month period provided in subdivisions c and i of section
46 11-412.1 of this chapter shall be tolled.

47 S 23. Paragraph 1 of subdivision a of section 163 of the New York city
48 charter, as amended by local law number 77 of the city of New York for
49 the year 1984, is amended to read as follows:

50 1. "Class designation" shall mean the determination, pursuant to
51 section eighteen hundred two of the real property tax law, of whether
52 real property is included in class one, two, three [or], four OR FIVE.

53 S 24. Paragraph 1 of subdivision a of section 164-b of the New York
54 city charter, as added by local law number 11 of the city of New York
55 for the year 1984, is amended to read as follows:

1 1. "Class designation" shall mean the determination, pursuant to arti-
2 cle eighteen of the real property tax law, of whether real property is
3 included in class one, two, three [or], four OR FIVE.
4 S 25. This act shall take effect on the first of January next succeed-
5 ing the date on which it shall have become a law and shall apply to
6 assessment rolls prepared pursuant to a taxable status date occurring on
7 or after such date; provided, however, that effective immediately, the
8 addition, amendment and/or repeal of any rule or regulation necessary
9 for the implementation of this act on its effective date are authorized
10 and directed to be made and completed on or before such effective date.