

STATE OF NEW YORK

8793

2025-2026 Regular Sessions

IN ASSEMBLY

June 5, 2025

Introduced by M. of A. KAY -- read once and referred to the Committee on Real Property Taxation

AN ACT in relation to authorizing the village of Bloomingburg to enter into a contract to sell or pledge as collateral for a loan some or all of the delinquent liens held by such village to a private party or engage a private party to collect some or all of the delinquent tax liens held by it

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. Notwithstanding any provision of any general, special or
2 local law to the contrary, the village of Bloomingburg may enter into a
3 contract to sell some or all of the delinquent tax liens held by it to a
4 private party, subject to the following conditions:
- 5 (a) The consideration to be paid for a sale of the delinquent tax
6 liens held by it may be more or less than the face amount of the tax
7 liens sold.
- 8 (b) Property owners shall be given at least 30 days advance notice of
9 sale in the same form and manner as is provided by subdivision 2 of
10 section 1190 of the real property tax law. Failure to provide such
11 notice or the failure of the addressee to receive the same shall not in
12 any way affect the validity of any sale of a tax lien or tax liens or
13 the validity of the taxes or interest prescribed by law with respect
14 thereto.
- 15 (c) The village of Bloomingburg shall set the terms and conditions of
16 the contract of sale or loan.
- 17 (d) The tax lien purchaser must 30 days prior to the commencement of
18 any foreclosure action provide to the village of Bloomingburg a list of
19 liens to be foreclosed. The village of Bloomingburg may, at its sole
20 option and discretion, repurchase a lien or liens on the foreclosure
21 list from the tax lien purchaser. The repurchase price shall be the
22 amount of the lien or liens plus any accrued interest and collection

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

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1 fees incurred by the tax lien purchaser through the date of repurchase.
2 The tax lien purchaser shall provide the foreclosure list to the village
3 of Bloomingburg, along with the applicable repurchase price of each
4 lien, by certified mail, and the village of Bloomingburg shall have 30
5 days from receipt to notify the tax lien purchaser of its option to
6 purchase one or more of the liens. If the village of Bloomingburg opts
7 to purchase the lien, it shall provide payment within 30 days of receipt
8 of the repurchase price of said lien or liens. If the village of Bloom-
9 ingburg shall fail to repurchase the lien or liens the tax lien purchas-
10 er shall have the right to commence a foreclosure action immediately
11 upon notice from the village of Bloomingburg of its refusal or at the
12 expiration of the 30-day review period whichever occurs first.

13 (e) The sale of a tax lien pursuant to this act shall not operate to
14 shorten the otherwise applicable redemption period or change the other-
15 wise applicable interest rate.

16 (f) Upon the expiration of the redemption period prescribed by law,
17 the purchaser of a delinquent tax lien, or its successors or assigns,
18 may foreclose the lien as in an action to foreclose a mortgage as
19 provided in section 1194 of the real property tax law. The procedure in
20 such action shall be the procedure prescribed by article 13 of the real
21 property actions and proceedings law for the foreclosure of mortgages.
22 At any time following the commencement of an action to foreclose a lien,
23 the amount required to redeem the lien, or the amount received upon sale
24 of a property, shall include reasonable and necessary collection costs,
25 attorneys' fees, legal costs, allowances, and disbursements.

26 (g) The provisions of title 5 of article 11 of the real property tax
27 law shall apply so far as is practicable to a contract for the sale of
28 tax liens pursuant to this act.

29 § 2. Notwithstanding any provision of any general, special or local
30 law to the contrary, the village of Bloomingburg may enter into a
31 contract to pledge as collateral for a loan some or all of the delin-
32 quent tax liens held by it to a third party or engage a third party to
33 collect some or all of the delinquent tax liens held by it subject to
34 the following conditions:

35 (a) Any loan provided under this section shall bear an interest rate
36 to be determined by the village of Bloomingburg.

37 (b) Any contract for the collection of delinquent tax liens the fee
38 paid by the village of Bloomingburg shall not exceed 10% of the
39 outstanding balance of the tax lien being collected and said fee shall
40 be borne by the delinquent taxpayer.

41 § 3. This act shall take effect immediately.