STATE OF NEW YORK

2321

2025-2026 Regular Sessions

IN SENATE

January 16, 2025

Introduced by Sen. FAHY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the real property tax law, in relation to authorizing the city of Albany to add unpaid housing code violation penalties, costs and fines to such city's annual tax levy

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

Section 1. The real property tax law is amended by adding a new section 901-a to read as follows:

§ 901-a. Collection of unpaid housing code violation penalties in the city of Albany; levy. 1. Authorization. In addition to and not in limitation of any power otherwise granted by law, the city of Albany is hereby authorized to collect any unpaid housing, building and fire code violation penalties, costs and fines through placement by the city's treasurer on the city's annual tax levy in accordance with the provisions of this section.

2. Eligibility. In order to be eligible for placement on the city of Albany's annual tax levy such unpaid code violation penalties, costs and fines shall have been adjudicated and imposed through a judgment in a court of competent jurisdiction on an owner of real property within the city and recorded by the county clerk, as certified by the city's corporation counsel and have remained unpaid for one year after the final adjudication and exhaustion of all appeals relating to the imposition of the fines for a code violation preceding the placement on the city's tax levy.

3. Minimum amount owed. To qualify for placement on the tax levy the amount owed for unpaid code violations must be at least five percent of the amount of the tax assessed value of the property.

4. Levy. Such code violation penalty, cost or fine as set forth in a copy of the judgment certified by the corporation counsel shall be set down in the annual tax levy under the heading uncollected fines and

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

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penalties and in accordance with this section shall be levied, enforced and collected in the same manner, by the same proceedings, at the same time, under the same penalties and having the same lien upon the property assessed as the general city tax and as a part thereof.

5. Notice. The city of Albany shall notify all owners or known interested parties of record of the placement of the code violations on the municipal tax levy as uncollected fines and penalties within thirty days of placement, pursuant to section three hundred eight of the civil practice law and rules. The notice shall include the date or dates of such violations, the description of the violations, the amount owed, a statement detailing the foreclosure process that will occur if the violations remain unpaid, the process to claim any surplus funds and the contact information for the city's office in charge of receiving payments.

6. Tax year. Any unpaid code violations shall be placed on the tax roll the city of Albany is currently in and shall not be placed on a list, roll or levy of delinquent taxes.

7. Owner-occupied. Notwithstanding any other applicable provisions of law, nothing in this section shall be applied to a residential dwelling that is owner-occupied or is the primary residence of a homeowner.

8. Tenants. Prior to the placement of any property with unpaid code violations on the tax levy, the city of Albany shall develop a program to assist tenants residing in a dwelling at risk for tax foreclosure due to unpaid code violations. Such program shall include housing counseling assistance or other support in relocating the tenants to suitable housing prior to the tax foreclosure.

9. Payment plan. Nothing in this section shall preclude an owner or landlord from entering into a payment plan with the city of Albany for past amounts due for code violations.

10. Curing code violations. (a) If all of the violations for which the penalties, fees and costs have been assessed are cured, removed or corrected prior to the expiration of the period for redemption set forth by the city of Albany for the city's annual tax levy, the property shall be removed from the levy and auction and the balance of the amount owed shall be placed as a lien on the property pursuant to applicable laws for debt collection and an action for foreclosure of the property shall not be maintained for the amount owed.

(b) The determination of whether or not the code violations have been cured shall be made by the city of Albany's enforcing officer in charge of ensuring compliance with applicable housing, building, and fire codes such as a code enforcement officer. An appeal of this determination may be made to the city's zoning board of appeals or other local administrative body as provided for in local law. The final determination made by the administrative body shall be reviewable pursuant to article seventy-eight of the civil practice law and rules.

(c) This section shall not be applicable to any cause of action brought for money due based on the curing of code violations under any form for receivership or a mechanics lien.

11. Payment prior to auction. (a) If the balance owed for code violations placed on the tax levy is paid prior to the expiration of the period for redemption set forth by the city of Albany for the city's annual tax levy and there is no balance due for unpaid real property taxes, the property may not be auctioned, and the property shall be removed from the tax levy.

(b) The owner shall have the right to pay the full balance prior to the expiration of the period for redemption set forth by the city of Albany for the city's annual tax levy in order to redeem the property.

12. Surplus. Any surplus funds remaining after the sale of a property at a tax foreclosure for unpaid code violations shall be returned to the former owner of the property in a manner provided under local law. This provision shall not apply to a sale of a property at a tax foreclosure due to unpaid taxes. If a property has both unpaid taxes and unpaid code violations on the same tax levy and is auctioned at a tax foreclosure the amount of the surplus funds returned to the former owner shall be proportionate to the amount of unpaid code violations owed in the total amount of debt owed to the city of Albany. For the purpose of this section, "surplus funds" shall mean the balance of money received after auction of a property at a tax foreclosure sale minus the amount owed for code violations and the costs and attorneys' fees incurred in the collection of the fees by the city.

13. Balance due. If after an auction a balance is due for code violations, the city of Albany may proceed with any action against the former owner pursuant to applicable laws.

14. Exclusions. The provisions of this section shall not apply if the city of Albany sells their tax liens in a tax lien sale.

§ 2. This act shall take effect immediately.