S T A T E O F N E W Y O R K

S. 7738--A A. 10978--A

S E N A T E - A S S E M B L Y

May 5, 2010

IN SENATE -- Introduced by Sen. FARLEY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

IN ASSEMBLY -- Introduced by M. of A. AMEDORE, TEDISCO -- read once and referred to the Committee on Cities -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to authorize the city of Schenectady to enter into a contract to sell some or all of the delinquent tax liens held by such city to a private party; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. Notwithstanding any provision of any general, special or local law to the contrary and until December 31, 2010, the city of Schenectady may enter into a contract to sell some or all of the delinquent tax liens held by it to a private party, subject to the following conditions:

(a) The consideration to be paid may be more or less than the face amount of the tax liens sold.

(b) Property owners shall be given at least 30 days advance notice of such sale in the same form and manner as is provided by subdivision 2 of section 1190 of the real property tax law. Failure to provide such notice or the failure of the addressee to receive the same shall not in any way affect the validity of any sale of a tax lien or tax liens or the validity of the taxes or interest prescribed by law with respect thereto.

(c) The city of Schenectady shall set the terms and conditions of the contract of sale.

(d) The tax lien purchaser must 30 days prior to the commencement of any foreclosure action provide to the city of Schenectady a list of liens to be foreclosed. The city of Schenectady may, at its sole option

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

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and discretion, repurchase a lien or liens on the foreclosure list from the tax lien purchaser. The repurchase price shall be the amount of the lien or liens plus any accrued interest and collection fees incurred by the tax lien purchaser. The tax lien purchaser shall provide the foreclosure list to the city of Schenectady, along with the applicable repurchase price of each lien, by certified mail, and the city of Schenectady shall have 30 days from receipt to notify the tax lien purchaser of its option to purchase one or more of the liens. If the city of Schenectady opts to purchase the lien, it shall provide payment within 30 days of receipt of the repurchase price of said lien or liens. If the city of Schenectady shall fail to opt to repurchase the lien or liens the tax lien purchaser shall have the right to commence a foreclosure action immediately.

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

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

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

S 2. This act shall take effect immediately and shall expire and be deemed repealed on and after December 31, 2012.