

4554

2009-2010 Regular Sessions

I N A S S E M B L Y

February 5, 2009

Introduced by M. of A. AMEDORE -- read once and referred to the Committee on Cities

AN ACT to amend chapter 177 of the laws of 2004 authorizing 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, in relation to renewing such authorization; and providing for the repeal of such provisions

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

1 Section 1. Section 2 of chapter 177 of the laws of 2004, authorizing
2 the city of Schenectady to enter into a contract to sell some or all of
3 the delinquent tax liens held by such city to a private party, is renum-
4 bered section 3 and a new section 2 is added to read as follows:
5 S 2. NOTWITHSTANDING ANY PROVISION OF ANY GENERAL, SPECIAL OR LOCAL
6 LAW TO THE CONTRARY, ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION THE
7 CITY OF SCHENECTADY MAY ENTER INTO CONTRACTS TO SELL SOME OR ALL OF THE
8 DELINQUENT TAX LIENS HELD BY IT TO A PRIVATE PARTY, OR RENEW CONTRACTS
9 ENTERED INTO PURSUANT TO SECTION ONE OF THIS ACT, SUBJECT TO THE FOLLOW-
10 ING CONDITIONS:
11 (A) THE CONSIDERATION TO BE PAID MAY BE MORE OR LESS THAN THE FACE
12 AMOUNT OF THE TAX LIENS SOLD.
13 (B) PROPERTY OWNERS SHALL BE GIVEN AT LEAST 30 DAYS ADVANCE NOTICE OF
14 SUCH SALE IN THE SAME FORM AND MANNER AS IS PROVIDED BY SUBDIVISION 2 OF
15 SECTION 1190 OF THE REAL PROPERTY TAX LAW. FAILURE TO PROVIDE SUCH
16 NOTICE OR THE FAILURE OF THE ADDRESSEE TO RECEIVE THE SAME SHALL NOT IN
17 ANY WAY AFFECT THE VALIDITY OF ANY SALE OF A TAX LIEN OR TAX LIENS OR
18 THE VALIDITY OF THE TAXES OR INTEREST PRESCRIBED BY LAW WITH RESPECT
19 THERETO.
20 (C) THE CITY OF SCHENECTADY SHALL SET THE TERMS AND CONDITIONS OF THE
21 CONTRACT OF SALE AND ALL PRIOR CONTRACTS OF SALE SHALL BE DEEMED VALID
22 AND SHALL BE ENFORCED UNDER THE SECTIONS OF LAW CONTAINED HEREIN.

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

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1 (D) THE TAX LIEN PURCHASER MUST, 30 DAYS PRIOR TO THE COMMENCEMENT OF
2 ANY FORECLOSURE ACTION, PROVIDE THE CITY OF SCHENECTADY A LIST OF LIENS
3 TO BE FORECLOSED. THE CITY OF SCHENECTADY MAY, AT ITS SOLE OPTION AND
4 DISCRETION, REPURCHASE A LIEN OR LIENS ON THE FORECLOSURE LIST FROM THE
5 TAX LIEN PURCHASER. THE REPURCHASE PRICE SHALL BE THE AMOUNT OF THE LIEN
6 OR LIENS PLUS ANY ACCRUED INTEREST AND COLLECTION FEES INCURRED BY THE
7 TAX LIEN PURCHASER, OR SUCH OTHER OR DIFFERENT SUM AS THE CITY AND THE
8 TAX LIEN PURCHASER SHALL AGREE. THE TAX LIEN PURCHASER SHALL PROVIDE
9 THE FORECLOSURE LIST TO THE CITY OF SCHENECTADY, ALONG WITH THE APPLICA-
10 BLE REPURCHASE PRICE OF EACH LIEN, BY CERTIFIED MAIL, AND THE CITY OF
11 SCHENECTADY SHALL HAVE 30 DAYS FROM RECEIPT, TO NOTIFY THE TAX LIEN
12 PURCHASER OF ITS OPTION TO PURCHASE ONE OR MORE OF THE LIENS. IF THE
13 CITY OF SCHENECTADY OPTS TO PURCHASE THE LIEN, IT SHALL PROVIDE PAYMENT
14 WITHIN 30 DAYS OF RECEIPT OF THE REPURCHASE PRICE OF SAID LIEN OR LIENS
15 OR WITHIN SUCH OTHER TIME AS THE CITY AND THE TAX LIEN PURCHASER SHALL
16 AGREE. IF THE CITY OF SCHENECTADY SHALL FAIL TO OPT TO REPURCHASE THE
17 LIEN OR LIENS THE TAX LIEN PURCHASER SHALL HAVE THE RIGHT TO COMMENCE A
18 FORECLOSURE ACTION IMMEDIATELY.

19 (E) THE SALE OF A TAX LIEN PURSUANT TO THIS ACT SHALL NOT OPERATE TO
20 SHORTEN THE OTHERWISE APPLICABLE REDEMPTION PERIOD OR CHANGE THE OTHER-
21 WISE APPLICABLE INTEREST RATE.

22 (F) UPON THE EXPIRATION OF THE REDEMPTION PERIOD PRESCRIBED BY LAW,
23 THE PURCHASER OF A DELINQUENT TAX LIEN, OR ITS SUCCESSORS OR ASSIGNS,
24 MAY FORECLOSE THE LIEN AS IN AN ACTION TO FORECLOSE A MORTGAGE AS
25 PROVIDED IN SECTION 1194 OF THE REAL PROPERTY TAX LAW. THE PROCEDURE IN
26 SUCH ACTION SHALL BE THE PROCEDURE PRESCRIBED BY ARTICLE 13 OF THE REAL
27 PROPERTY ACTIONS AND PROCEEDINGS LAW FOR THE FORECLOSURE OF MORTGAGES.
28 AT ANY TIME FOLLOWING THE COMMENCEMENT OF AN ACTION TO FORECLOSE A LIEN,
29 THE AMOUNT REQUIRED TO REDEEM THE LIEN, OR THE AMOUNT RECEIVED UPON SALE
30 OF A PROPERTY, SHALL INCLUDE ATTORNEY'S FEES, COURT COSTS, TITLE FEES,
31 SERVICE OF PROCESS FEES, AND OTHER DISBURSEMENTS ALLOWED BY A COURT OF
32 COMPETENT JURISDICTION UPON THE FILING WITH SAID COURT OF PROOF OF PAID
33 EXPENSES.

34 (G) THE PROVISIONS OF TITLE 5 OF ARTICLE 11 OF THE REAL PROPERTY TAX
35 LAW SHALL APPLY SO FAR AS IS PRACTICABLE TO A CONTRACT FOR THE SALE OF
36 TAX LIENS PURSUANT TO THIS ACT.

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