

S. 7770

A. 10737

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

June 18, 2012

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

IN ASSEMBLY -- Introduced by COMMITTEE ON RULES -- (at request of M. of A. Braunstein) -- read once and referred to the Committee on Real Property Taxation

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-

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

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ium form of ownership; and (c) residential real property 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

53 S 10. Subparagraph 2 of paragraph (a) of subdivision 3 of section 720  
54 of the real property tax law, as amended by chapter 679 of the laws of  
55 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 defined in subdivision one of section eighteen hundred two of this chapter.

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

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

f. Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for the commissioner, any officer or employee of the department, the president or a commissioner or employee of the tax commission, any person engaged or retained by the department or the tax commission on an independent contract basis, or any person, who, pursuant to this section, is permitted to inspect any income and expense statement or to whom a copy, an abstract or a portion of any such statement is furnished, to divulge or make known in any manner except as provided in this subdivision, the amount of income and/or expense or any particulars set forth or disclosed in any such statement required under this section. The commissioner, the president of the tax commission, or any commissioner or officer or employee of the department or the tax commission charged with the custody of such statements shall not be required to produce any income and expense statement or evidence of anything contained in them in any action or proceeding in any court, except on behalf of the department or the tax commission. Nothing herein shall be construed to prohibit the delivery to an owner or his or her duly authorized representative of a certified copy of any statement filed by such owner pursuant to this section or to prohibit the publication of statistics so classified as to prevent the identification of particular statements and the items thereof, or making known aggregate income and expense information disclosed with respect to property classified as class four as defined in article eighteen of the real property tax law without identifying information about individual leases, or making known a range as determined by the commissioner within which the income and expenses of a property classified as class two OR CLASS FIVE falls, or the inspection by the legal representatives of the department or of the tax commission of the statement of any owner who shall bring an action to correct the assessment. Any violation of the provisions of this subdivision shall be punished by a fine not exceeding one thousand dollars or by imprisonment not exceeding one year, or both, at the discretion of the court, and if the offender be an officer or employee of the department or the tax commission, the offender shall be dismissed from office.

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

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

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

52 a-1. A subsequent tax lien or tax liens on a property or any component  
53 of the amount thereof may be sold by the city pursuant to this chapter,  
54 provided, however, that notwithstanding any provision in this chapter to  
55 the contrary, such tax lien or tax liens may be sold regardless of  
56 whether such tax lien or tax liens have remained unpaid in whole or in

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

1 housing finance law that is not a residential condominium or a residen-  
2 tial cooperative, or]class three property, OR A CLASS FIVE PROPERTY  
3 OWNED BY A COMPANY ORGANIZED PURSUANT TO ARTICLE XI OF THE STATE PRIVATE  
4 HOUSING FINANCE LAW, as such classes of property are defined in subdivi-  
5 sion one of section eighteen hundred two of the real property tax law,  
6 shall not be sold by the city unless such tax lien or tax liens include  
7 a real property tax component as of the date of the first publication,  
8 pursuant to subdivision a of section 11-320 of this chapter, of the  
9 notice of sale. Notwithstanding any provision of this subdivision to the  
10 contrary, any such tax lien or tax liens that remain unpaid in whole or  
11 in part after such date may be sold regardless of whether such tax lien  
12 or tax liens include a real property tax component. A subsequent tax  
13 lien or tax liens on a property classified as a class four property, as  
14 such 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 code. Nothing in this subdivision  
30 shall be deemed to limit the rights conferred by section 11-332 of this  
31 chapter on the holder of a tax lien certificate with respect to a subse-  
32 quent tax lien.

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

1 on any two or three family residential real property in class one that  
2 is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of  
3 this title, or pursuant to section four hundred fifty-eight of the real  
4 property tax law with respect to real property purchased with payments  
5 received as prisoner of war compensation from the United States govern-  
6 ment, or pursuant to paragraph (b) or (c) of subdivision two of section  
7 four hundred fifty-eight-a of the real property tax law, or where the  
8 owner of any two or three family residential real property in class one  
9 is receiving benefits in accordance with department of finance memoran-  
10 dum 05-3, or any successor memorandum thereto, relating to active duty  
11 military personnel, or where the owner of any two or three family resi-  
12 dential real property in class one has been allowed a credit pursuant to  
13 subsection (e) of section six hundred six of the tax law for the calen-  
14 dar year in which the date of the first publication, pursuant to subdi-  
15 vision a of section 11-320 of this chapter, of the notice of sale,  
16 occurs or for the calendar year immediately preceding such date. After  
17 such sale, any such water rents, sewer rents or sewer surcharges compo-  
18 nent of such tax lien may be transferred in the manner provided by this  
19 chapter.

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

1 hundred fifty-eight-a of the real property tax law, or where the owner  
2 of any two or three family residential real property in class one is  
3 receiving benefits in accordance with department of finance memorandum  
4 05-3, or any successor memorandum thereto, relating to active duty mili-  
5 tary personnel, or where the owner of any two or three family residen-  
6 tial real property in class one has been allowed a credit pursuant to  
7 subsection (e) of section six hundred six of the tax law for the calen-  
8 dar year in which the date of the first publication, pursuant to subdivi-  
9 sion a of section 11-320 of this chapter, of the notice of sale,  
10 occurs or for the calendar year immediately preceding such date. After  
11 such sale, any such subsequent tax lien, or any component of the amount  
12 thereof, may be transferred in the manner provided by this chapter. For  
13 purposes of this subdivision, the term "subsequent tax lien" shall mean  
14 the water rents, sewer rents or sewer surcharges component of any tax  
15 lien on property that becomes such on or after the date of sale of any  
16 water rents, sewer rents or sewer surcharges component of any tax lien  
17 on such property that has been sold pursuant to this chapter, provided  
18 that the prior tax lien remains unpaid as of the date of the first  
19 publication, pursuant to subdivision a of section 11-320 of this chap-  
20 ter, of the notice of sale of the subsequent tax lien. Nothing in this  
21 subdivision shall be deemed to limit the rights conferred by section  
22 11-332 of this chapter on the holder of a tax lien certificate with  
23 respect to a subsequent tax lien.

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

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

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

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

55 (ii) all class [two] FIVE residential property owned by a company  
56 organized pursuant to article XI of the state private housing finance

1 law [that is not a residential condominium or a residential cooperative]  
2 on which any tax lien has been sold pursuant to subdivision a, a-2 or  
3 a-4 of section 11-319 of this title.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 and April. For the purposes of calculating the number of such remaining  
2 installments, unpaid real estate taxes that are due and payable on other  
3 than a quarterly basis shall be deemed to be payable on a quarterly  
4 basis.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 a third party a parcel of class one [or], class two OR CLASS FIVE real  
2 property pursuant to the provisions of this section, such third party  
3 shall send to the corporation counsel within ten days of their receipt a  
4 copy of any papers served on such third party in such lawsuit or  
5 proceeding.

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

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

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

34 S 11-412.2 Council review of conveyance to a third party. The commis-  
35 sioner of finance shall, prior to the execution of a deed conveying full  
36 and complete title of any parcel of class one [or], class two OR CLASS  
37 FIVE real property to a third party pursuant to subdivision c of section  
38 11-412.1 of this chapter, notify the council of the proposed conveyance.  
39 Within forty-five days of such notification, the council may act by  
40 local law disapproving the proposed conveyance. In the event the council  
41 does not act by local law within such forty-five day period, the council  
42 shall be deemed to have approved the proposed conveyance. During such  
43 forty-five day period or, if the city council acts by local law pursuant  
44 to this section, during the period of time from the notification of the  
45 council to the presentation to the mayor of such local law and during  
46 any additional period of time prescribed in section 37 of the charter,  
47 the eight-month period provided in subdivisions c and i of section  
48 11-412.1 of this chapter shall be tolled.

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

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

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

4 1. "Class designation" shall mean the determination, pursuant to arti-  
5 cle eighteen of the real property tax law, of whether real property is  
6 included in class one, two, three [or], four OR FIVE.

7 S 25. This act shall take effect on the first of January next succeed-  
8 ing the date on which it shall have become a law and shall apply to  
9 assessment rolls prepared pursuant to a taxable status date occurring on  
10 or after such date; provided, however, that effective immediately, the  
11 addition, amendment and/or repeal of any rule or regulation necessary  
12 for the implementation of this act on its effective date are authorized  
13 and directed to be made and completed on or before such effective date.