

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

8118--A

2011-2012 Regular Sessions

I N A S S E M B L Y

June 2, 2011

Introduced by M. of A. DenDEKKER -- read once and referred to the Committee on Real Property Taxation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law and the administrative code of the city of New York, in relation to classifying properties held in condominium and cooperative form for assessment purposes as class one-a properties and to amend the general municipal law and the education law, in relation to establishing limitations upon school district and local government tax levies in the city of New York

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

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

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more than three stories in height held in condominium form of ownership, provided that no dwelling unit therein previously was on an assessment roll as a dwelling unit in other than condominium 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 ONE-A: ALL OTHER RESIDENTIAL REAL PROPERTY HELD IN CONDOMINIUM OR COOPERATIVE FORM OF OWNERSHIP WHICH IS NOT DESIGNATED AS CLASS ONE;

Class two: all other residential real property which is not designated as class one OR CLASS ONE-A, 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 ONE-A, class two, or class three.

S 2. Subdivision 1, paragraph (c) of subdivision 2 and subdivision 4 of section 307-a of the real property tax law, as added by section 1 of part G of chapter 63 of the laws of 2003, are amended to read as follows:

1. Generally. Notwithstanding any provision of any general, special or local law to the contrary, any city with a population of one million or more is hereby authorized and empowered to adopt and amend local laws

1 in accordance with this section imposing an additional tax on certain
2 class one AND CLASS ONE-A properties, as such properties are defined in
3 section eighteen hundred two of this chapter, excluding vacant land.

4 (c) "Net real property tax" means the real property tax assessed on A
5 class one OR CLASS ONE-A property after deduction for any exemption or
6 abatement received pursuant to this chapter.

7 4. Property subject to additional tax. Such surcharge shall be imposed
8 on class one AND CLASS ONE-A property, excluding vacant land, that
9 provides rental income and is not the primary residence of the owner or
10 owners of such class one OR CLASS ONE-A property, or the primary resi-
11 dence of the parent or child of such owner or owners.

12 S 3. Paragraph (d) of subdivision 2 of section 425 of the real proper-
13 ty tax law, as added by section 1 of part B of chapter 389 of the laws
14 of 1997 and as further amended by subdivision (b) of section 1 of part W
15 of chapter 56 of the laws of 2010, is amended to read as follows:

16 (d) Equalization adjustment. To account for the variance in the level
17 of assessment among assessing units, the figure determined in paragraph
18 (c) of this subdivision shall be multiplied by an "equalization factor,"
19 which shall be the appropriate state equalization rate or special equal-
20 ization rate established by the commissioner. Provided, that in the case
21 of a special assessing unit, (i) the equalization factor for class one
22 in each school district portion shall be the class equalization rate for
23 class one in the portion, [and] (ii) THE EQUALIZATION FACTOR FOR CLASS
24 ONE-A IN EACH SCHOOL DISTRICT PORTION SHALL BE THE EQUALIZATION RATE FOR
25 CLASS ONE IN THE PORTION, MULTIPLIED BY THE LATEST TAX RATE FOR CLASS
26 ONE IN THE PORTION, AND THEN DIVIDED BY THE LATEST TAX RATE FOR CLASS
27 ONE-A IN THE PORTION, AND (III) the equalization factor for class two in
28 each school district portion shall be the equalization factor for class
29 one in the portion, multiplied by the latest tax rate for class one in
30 the portion, and then divided by the latest tax rate for class two in
31 the portion. Provided further, that in any instance when school district
32 taxes are levied upon an assessment roll which predates the latest final
33 assessment roll, the equalization factor shall be the state equalization
34 rate for the assessment roll upon which school district taxes are to be
35 levied.

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

39 (f) "Property" means real property designated as class [two] ONE-A,
40 pursuant to section eighteen hundred two of this chapter, held in the
41 cooperative or condominium form of ownership.

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

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

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

52 7. "Eligible building" shall mean a class one, CLASS ONE-A, class two
53 or class four real property, as defined in subdivision one of section
54 eighteen hundred two of this chapter, located within a city having a
55 population of one million or more persons. No building shall be eligible
56 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, ONE-A, two, three or four.

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 and
30 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 1-A, "Class 2", "Class 3" or "Class 4", shall receive a notice as
35 to the final determination of the assessment review commission or a
36 statement that the commission has not yet made a determination as to the
37 final assessed valuation which shall be made as soon as the petitioners
38 application is reviewed or heard. Such applicants determinations shall
39 contain the statement: "If you are dissatisfied with the determination
40 of the Assessment Review Commission you may seek judicial review of your
41 assessment under title one of article seven of the real property tax
42 law." Such notice shall also state the last date to file petitions for
43 judicial review. A final determination when rendered shall contain the
44 same statement. Failure to mail any such notice or failure of the appli-
45 cant to receive the same shall not affect the validity of the assess-
46 ment.

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, ONE-A, two, three or four.

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:

1 (2) "Major type of property" in special assessing units, for assess-
2 ments on rolls completed after December thirty-first, nineteen hundred
3 eighty-one, shall mean classes one, ONE-A, two, three and four as
4 defined in subdivision one of section eighteen hundred two of this chap-
5 ter.

6 S 11. The opening paragraph of subdivision 1 of section 1805 of the
7 real property tax law, as amended by chapter 935 of the laws of 1984, is
8 amended to read as follows:

9 The assessor of any special assessing unit shall not increase the
10 assessment of any individual parcel classified in class one OR CLASS
11 ONE-A in any one year, as measured from the assessment on the previous
12 year's assessment roll, by more than six percent and shall not increase
13 such assessment by more than twenty percent in any five-year period. The
14 first such five-year period shall be measured from the individual
15 assessment appearing on the assessment roll completed in nineteen
16 hundred eighty; provided that if such parcel would not have been subject
17 to the provisions of this subdivision in nineteen hundred eighty had
18 this subdivision then been in effect, the first such five-year period
19 shall be measured from the first year after nineteen hundred eighty in
20 which this subdivision applied to such parcel or would have applied to
21 such parcel had this subdivision been in effect in such year.

22 If, in respect to any individual parcel classified in class one on the
23 assessment roll completed and applicable for the year nineteen hundred
24 eighty-two, the assessment for the year nineteen hundred eighty-one
25 exceeds by more than twenty percent the assessment for the year nineteen
26 hundred eighty, such assessor shall compute the actual assessments to be
27 entered on assessment rolls applicable to the years nineteen hundred
28 eighty-two through nineteen hundred ninety as follows:

29 S 12. Subdivisions e and f of section 11-208.1 of the administrative
30 code of the city of New York, subdivision e as amended by local law
31 number 41 of the city of New York for the year 1986 and subdivision f as
32 amended by chapter 385 of the laws of 2006, are amended to read as
33 follows:

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

41 f. Except in accordance with proper judicial order or as otherwise
42 provided by law, it shall be unlawful for the commissioner, any officer
43 or employee of the department, the president or a commissioner or
44 employee of the tax commission, any person engaged or retained by the
45 department or the tax commission on an independent contract basis, or
46 any person, who, pursuant to this section, is permitted to inspect any
47 income and expense statement or to whom a copy, an abstract or a portion
48 of any such statement is furnished, to divulge or make known in any
49 manner except as provided in this subdivision, the amount of income
50 and/or expense or any particulars set forth or disclosed in any such
51 statement required under this section. The commissioner, the president
52 of the tax commission, or any commissioner or officer or employee of the
53 department or the tax commission charged with the custody of such state-
54 ments shall not be required to produce any income and expense statement
55 or evidence of anything contained in them in any action or proceeding in
56 any court, except on behalf of the department or the tax commission.

1 Nothing herein shall be construed to prohibit the delivery to an owner
2 or his or her duly authorized representative of a certified copy of any
3 statement filed by such owner pursuant to this section or to prohibit
4 the publication of statistics so classified as to prevent the identifi-
5 cation of particular statements and the items thereof, or making known
6 aggregate income and expense information disclosed with respect to prop-
7 erty classified as class four as defined in article eighteen of the real
8 property tax law without identifying information about individual leas-
9 es, or making known a range as determined by the commissioner within
10 which the income and expenses of a property classified as CLASS ONE-A OR
11 class two falls, or the inspection by the legal representatives of the
12 department or of the tax commission of the statement of any owner who
13 shall bring an action to correct the assessment. Any violation of the
14 provisions of this subdivision shall be punished by a fine not exceeding
15 one thousand dollars or by imprisonment not exceeding one year, or both,
16 at the discretion of the court, and if the offender be an officer or
17 employee of the department or the tax commission, the offender shall be
18 dismissed from office.

19 S 13. Subdivision a of section 11-238 of the administrative code of
20 the city of New York, as amended by local law number 27 of the city of
21 New York for the year 2006, is amended to read as follows:

22 a. Imposition of surcharge. A real property tax surcharge is hereby
23 imposed on class one AND CLASS ONE-A property, as defined in section
24 eighteen hundred two of the real property tax law, excluding vacant
25 land, that provides rental income and is not the primary residence of
26 the owner or owners of such class one OR CLASS ONE-A property, or the
27 primary residence of the parent or child of such owner or owners, in an
28 amount equal to zero percent of the net real property taxes for fiscal
29 years beginning on or after July first, two thousand six. As used in
30 this section, "net real property tax" means the real property tax
31 assessed on class one property after deduction for any exemption or
32 abatement received pursuant to the real property tax law or this title.

33 S 14. Subdivisions a, a-1, a-2, a-3, a-4 and a-5 of section 11-319 of
34 the administrative code of the city of New York, subdivisions a, a-1,
35 a-2 and a-3 as amended and subdivisions a-4 and a-5 as added by local
36 law number 15 of the city of New York for the year 2011, are amended to
37 read as follows:

38 a. A tax lien or tax liens on a property or any component of the
39 amount thereof may be sold by the city as authorized by subdivision b of
40 this section, when such tax lien or tax liens shall have remained unpaid
41 in whole or in part for one year, provided, however, that a tax lien or
42 tax liens on any class one property or on class [two] ONE-A property
43 [that is a residential condominium or residential cooperative], as such
44 classes of property are defined in subdivision one of section eighteen
45 hundred two of the real property tax law, may be sold by the city only
46 when the real property tax component of such tax lien or tax liens shall
47 have remained unpaid in whole or in part for three years or, in the case
48 of any class two residential property owned by a company organized
49 pursuant to article XI of the state private housing finance law [that is
50 not a residential condominium or a residential cooperative], as such
51 class of property is defined in subdivision one of section eighteen
52 hundred two of the real property tax law, for two years, and equals or
53 exceeds the sum of five thousand dollars or, in the case of abandoned
54 class one property or abandoned class [two] ONE-A property [that is a
55 residential condominium or residential cooperative], for eighteen
56 months, and after such sale, shall be transferred, in the manner

1 provided by this chapter, and provided, further, however, that (i) the
2 real property tax component of such tax lien may not be sold pursuant to
3 this subdivision on any residential real property in class one that is
4 receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this
5 title, or pursuant to section four hundred fifty-eight of the real prop-
6 erty tax law with respect to real property purchased with payments
7 received as prisoner of war compensation from the United States govern-
8 ment, or pursuant to paragraph (b) or (c) of subdivision two of section
9 four hundred fifty-eight-a of the real property tax law, or where the
10 owner of such residential real property in class one is receiving bene-
11 fits in accordance with department of finance memorandum 05-3, or any
12 successor memorandum thereto, relating to active duty military person-
13 nel, or where the owner of such residential real property in class one
14 has been allowed a credit pursuant to subsection (e) of section six
15 hundred six of the tax law for the calendar year in which the date of
16 the first publication, pursuant to subdivision a of section 11-320 of
17 this chapter, of the notice of sale, occurs or for the calendar year
18 immediately preceding such date and (ii) the sewer rents component,
19 sewer surcharges component or water rents component of such tax lien may
20 not be sold pursuant to this subdivision on any one family residential
21 real property in class one or on any two or three family residential
22 real property in class one that is receiving an exemption pursuant to
23 section 11-245.3 or 11-245.4 of this title, or pursuant to section four
24 hundred fifty-eight of the real property tax law with respect to real
25 property purchased with payments received as prisoner of war compen-
26 sation from the United States government, or pursuant to paragraph (b)
27 or (c) of subdivision two of section four hundred fifty-eight-a of the
28 real property tax law, or where the owner of any two or three family
29 residential real property in class one is receiving benefits in accord-
30 ance with department of finance memorandum 05-3, or any successor memo-
31 randum thereto, relating to active duty military personnel, or where the
32 owner of any two or three family residential real property in class one
33 has been allowed a credit pursuant to subsection (e) of section six
34 hundred six of the tax law for the calendar year in which the date of
35 the first publication, pursuant to subdivision a of section 11-320 of
36 this chapter, of the notice of sale, occurs or for the calendar year
37 immediately preceding such date. A tax lien or tax liens on any property
38 classified as a class two property, except [a class two property that is
39 a residential condominium or residential cooperative, or] a class two
40 residential property owned by a company organized pursuant to article XI
41 of the state private housing finance law [that is not a residential
42 condominium or a residential cooperative], or class three property, as
43 such classes of property are defined in subdivision one of section eigh-
44 teen hundred two of the real property tax law, shall not be sold by the
45 city unless such tax lien or tax liens include a real property tax
46 component as of the date of the first publication, pursuant to subdivi-
47 sion a of section 11-320 of this chapter, of the notice of sale.
48 Notwithstanding any provision of this subdivision to the contrary, any
49 such tax lien or tax liens that remain unpaid in whole or in part after
50 such date may be sold regardless of whether such tax lien or tax liens
51 include a real property tax component. A tax lien or tax liens on a
52 property classified as a class four property, as such class of property
53 is defined in subdivision one of section eighteen hundred two of the
54 real property tax law, shall not be sold by the city unless such tax
55 lien or tax liens include a real property tax component or sewer rents
56 component or sewer surcharges component or water rents component or

1 emergency repair charges component, where such emergency repair charges
2 accrued on or after January first, two thousand six and are made a lien
3 pursuant to section 27-2144 of this code, as of the date of the first
4 publication, pursuant to subdivision a of section 11-320 of this chap-
5 ter, of the notice of sale, provided, however, that any tax lien or tax
6 liens that remain unpaid in whole or in part after such date may be sold
7 regardless of whether such tax lien or tax liens include a real property
8 tax component, sewer rents component, sewer surcharges component, water
9 rents component or emergency repair charges component. For purposes of
10 this subdivision, the words "real property tax" shall not include an
11 assessment or charge upon property imposed pursuant to section 25-411 of
12 the administrative code. A sale of a tax lien or tax liens shall
13 include, in addition to such lien or liens that have remained unpaid in
14 whole or in part for one year, or, in the case of any class one property
15 or class [two] ONE-A property [that is a residential condominium or
16 residential cooperative], when the real property tax component of such
17 lien or liens has remained unpaid in whole or in part for three years,
18 or, in the case of any class two residential property owned by a company
19 organized pursuant to article XI of the state private housing finance
20 law [that is not a residential condominium or a residential cooper-
21 ative], when the real property tax component of such lien or liens has
22 remained unpaid in whole or in part for two years, and equals or exceeds
23 the sum of five thousand dollars, any taxes, assessments, sewer rents,
24 sewer surcharges, water rents, any other charges that are made a lien
25 subject to the provisions of this chapter, the costs of any advertise-
26 ments and notices given pursuant to this chapter, any other charges that
27 are due and payable, a surcharge pursuant to section 11-332 of this
28 chapter, and interest and penalties thereon or such component of the
29 amount thereof as shall be determined by the commissioner of finance.
30 The commissioner of finance may promulgate rules defining "abandoned"
31 property, as such term is used in this subdivision.

32 a-1. A subsequent tax lien or tax liens on a property or any component
33 of the amount thereof may be sold by the city pursuant to this chapter,
34 provided, however, that notwithstanding any provision in this chapter to
35 the contrary, such tax lien or tax liens may be sold regardless of
36 whether such tax lien or tax liens have remained unpaid in whole or in
37 part for one year and, notwithstanding any provision in this chapter to
38 the contrary, in the case of any class one property or class [two] ONE-A
39 property [that is a residential condominium or residential cooperative]
40 or, beginning January first, two thousand twelve, in the case of any
41 class two residential property owned by a company organized pursuant to
42 article XI of the state private housing finance law [that is not a resi-
43 dential condominium or a residential cooperative], such tax lien or tax
44 liens may be sold if the real property tax component of such tax lien or
45 tax liens has remained unpaid in whole or in part for one year, and
46 provided, further, however, that (i) the real property tax component of
47 such tax lien may not be sold pursuant to this subdivision on any resi-
48 dential real property in class one that is receiving an exemption pursu-
49 ant to section 11-245.3 or 11-245.4 of this title, or pursuant to
50 section four hundred fifty-eight of the real property tax law with
51 respect to real property purchased with payments received as prisoner of
52 war compensation from the United States government, or pursuant to para-
53 graph (b) or (c) of subdivision two of section four hundred
54 fifty-eight-a of the real property tax law, or where the owner of such
55 residential real property in class one is receiving benefits in accord-
56 ance with department of finance memorandum 05-3, or any successor memo-

1 random thereto, relating to active duty military personnel, or where the
2 owner of such residential real property in class one has been allowed a
3 credit pursuant to subsection (e) of section six hundred six of the tax
4 law for the calendar year in which the date of the first publication,
5 pursuant to subdivision a of section 11-320 of this chapter, of the
6 notice of sale, occurs or for the calendar year immediately preceding
7 such date and (ii) the sewer rents component, sewer surcharges component
8 or water rents component of such tax lien may not be sold pursuant to
9 this subdivision on any one family residential real property in class
10 one or on any two or three family residential real property in class one
11 that is receiving an exemption pursuant to section 11-245.3 or 11-245.4
12 of this title, or pursuant to section four hundred fifty-eight of the
13 real property tax law with respect to real property purchased with
14 payments received as prisoner of war compensation from the United States
15 government, or pursuant to paragraph (b) or (c) of subdivision two of
16 section four hundred fifty-eight-a of the real property tax law, or
17 where the owner of any two or three family residential real property in
18 class one is receiving benefits in accordance with department of finance
19 memorandum 05-3, or any successor memorandum thereto, relating to active
20 duty military personnel, or where the owner of any two or three family
21 residential real property in class one has been allowed a credit pursu-
22 ant to subsection (e) of section six hundred six of the tax law for the
23 calendar year in which the date of the first publication, pursuant to
24 subdivision a of section 11-320 of this chapter, of the notice of sale,
25 occurs or for the calendar year immediately preceding such date. For
26 purposes of this subdivision, the term "subsequent tax lien or tax
27 liens" shall mean any tax lien or tax liens on property that become such
28 on or after the date of sale of any tax lien or tax liens on such prop-
29 erty that have been sold pursuant to this chapter, provided that the
30 prior tax lien or tax liens remain unpaid as of the date of the first
31 publication, pursuant to subdivision a of section 11-320 of this chap-
32 ter, of the notice of sale of the subsequent tax lien or tax liens. A
33 subsequent tax lien or tax liens on any property classified as a class
34 two property, except [a class two property that is a residential condo-
35 minium or residential cooperative, or] a class two residential property
36 owned by a company organized pursuant to article XI of the state private
37 housing finance law [that is not a residential condominium or a residen-
38 tial cooperative], or class three property, as such classes of property
39 are defined in subdivision one of section eighteen hundred two of the
40 real property tax law, shall not be sold by the city unless such tax
41 lien or tax liens include a real property tax component as of the date
42 of the first publication, pursuant to subdivision a of section 11-320 of
43 this chapter, of the notice of sale. Notwithstanding any provision of
44 this subdivision to the contrary, any such tax lien or tax liens that
45 remain unpaid in whole or in part after such date may be sold regardless
46 of whether such tax lien or tax liens include a real property tax compo-
47 nent. A subsequent tax lien or tax liens on a property classified as a
48 class four property, as such class of property is defined in subdivision
49 one of section eighteen hundred two of the real property tax law, shall
50 not be sold by the city unless such tax lien or tax liens include a real
51 property tax component or sewer rents component or sewer surcharges
52 component or water rents component or emergency repair charges compo-
53 nent, where such emergency repair charges accrued on or after January
54 first, two thousand six and are made a lien pursuant to section 27-2144
55 of this code, as of the date of the first publication, pursuant to
56 subdivision a of section 11-320 of this chapter, of the notice of sale,

1 provided, however, that any tax lien or tax liens that remain unpaid in
2 whole or in part after such date may be sold regardless of whether such
3 tax lien or tax liens include a real property tax component, sewer rents
4 component, sewer surcharges component, water rents component or emergen-
5 cy repair charges component. For purposes of this subdivision, the words
6 "real property tax" shall not include an assessment or charge upon prop-
7 erty imposed pursuant to section 25-411 of the administrative code.
8 Nothing in this subdivision shall be deemed to limit the rights
9 conferred by section 11-332 of this chapter on the holder of a tax lien
10 certificate with respect to a subsequent tax lien.

11 a-2. In addition to any sale authorized pursuant to subdivision a or
12 subdivision a-1 of this section and notwithstanding any provision of
13 this chapter to the contrary, beginning on December first, two thousand
14 seven, the water rents, sewer rents and sewer surcharges components of
15 any tax lien on any class of real property, as such real property is
16 classified in subdivision one of section eighteen hundred two of the
17 real property tax law, may be sold by the city pursuant to this chapter,
18 where such water rents, sewer rents or sewer surcharges component of
19 such tax lien, as of the date of the first publication, pursuant to
20 subdivision a of section 11-320 of this chapter, of the notice of sale:
21 (i) shall have remained unpaid in whole or in part for one year and (ii)
22 equals or exceeds the sum of one thousand dollars or, beginning on March
23 first, two thousand eleven, in the case of any two or three family resi-
24 dential real property in class one, for one year, and equals or exceeds
25 the sum of two thousand dollars, or, beginning on January first, two
26 thousand twelve, in the case of any class two residential property owned
27 by a company organized pursuant to article XI of the state private hous-
28 ing finance law [that is not a residential condominium or a residential
29 cooperative], as such class of property is defined in subdivision one of
30 section eighteen hundred two of the real property tax law, for two
31 years, and equals to exceeds the sum of five thousand dollars; provided,
32 however, that such water rents, sewer rents or sewer surcharges compo-
33 nent of such tax lien may not be sold pursuant to this subdivision on
34 any one family residential real property in class one or on any two or
35 three family residential real property in class one that is receiving an
36 exemption pursuant to section 11-245.3 or 11-245.4 of this title, or
37 pursuant to section four hundred fifty-eight of the real property tax
38 law with respect to real property purchased with payments received as
39 prisoner of war compensation from the United States government, or
40 pursuant to paragraph (b) or (c) of subdivision two of section four
41 hundred fifty-eight-a of the real property tax law, or where the owner
42 of any two or three family residential real property in class one is
43 receiving benefits in accordance with department of finance memorandum
44 05-3, or any successor memorandum thereto, relating to active duty mili-
45 tary personnel, or where the owner of any two or three family residen-
46 tial real property in class one has been allowed a credit pursuant to
47 subsection (e) of section six hundred six of the tax law for the calen-
48 dar year in which the date of the first publication, pursuant to subdivi-
49 sion a of section 11-320 of this chapter, of the notice of sale,
50 occurs or for the calendar year immediately preceding such date. After
51 such sale, any such water rents, sewer rents or sewer surcharges compo-
52 nent of such tax lien may be transferred in the manner provided by this
53 chapter.

54 a-3. In addition to any sale authorized pursuant to subdivision a or
55 subdivision a-1 of this section and notwithstanding any provision of
56 this chapter to the contrary, beginning on December first, two thousand

seven, a subsequent tax lien on any class of real property, as such real property is classified in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for one year, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of one thousand dollars or beginning on March first, two thousand eleven, in the case of any two or three family residential real property in class one, a subsequent tax lien on such property may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for one year, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of two thousand dollars, or, beginning on January first, two thousand twelve, in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law [that is not a residential condominium or a residential cooperative], as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, a subsequent tax lien on such property may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for two years, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of five thousand dollars; provided, however, that such subsequent tax lien may not be sold pursuant to this subdivision on any one family residential real property in class one or on any two or three family residential real property in class one that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to section four hundred fifty-eight of the real property tax law with respect to real property purchased with payments received as prisoner of war compensation from the United States government, or pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law, or where the owner of any two or three family residential real property in class one is receiving benefits in accordance with department of finance memorandum 05-3, or any successor memorandum thereto, relating to active duty military personnel, or where the owner of any two or three family residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date. After such sale, any such subsequent tax lien, or any component of the amount thereof, may be transferred in the manner provided by this chapter. For purposes of this subdivision, the term "subsequent tax lien" shall mean the water rents, sewer rents or sewer surcharges component of any tax lien on property that becomes such on or after the date of sale of any water rents, sewer rents or sewer surcharges component of any tax lien on such property that has been sold pursuant to this chapter, provided that the prior tax lien remains unpaid as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale of the subsequent tax lien. Nothing in this subdivision shall be deemed to limit the rights conferred by section

1 11-332 of this chapter on the holder of a tax lien certificate with
2 respect to a subsequent tax lien.

3 a-4. In addition to any sale authorized pursuant to subdivision a,
4 a-1, a-2 or a-3 of this section and notwithstanding any provision of
5 this chapter to the contrary, beginning on March first, two thousand
6 eleven, the emergency repair charges component or alternative enforce-
7 ment expenses and fees component, where such emergency repair charges
8 accrued on or after January first, two thousand six and are made a lien
9 pursuant to section 27-2144 of this code, or where such alternative
10 enforcement expenses and fees are made a lien pursuant to section
11 27-2153 of this code, of any tax lien on any class of real property, as
12 such real property is defined in subdivision one of section eighteen
13 hundred two of the real property tax law, may be sold by the city pursu-
14 ant to this chapter, where such emergency repair charges component or
15 alternative enforcement expenses and fees component of such tax lien, as
16 of the date of the first publication, pursuant to subdivision a of
17 section 11-320 of this chapter, of the notice of sale: (i) shall have
18 remained unpaid in whole or in part for one year, and (ii) equals or
19 exceeds the sum of one thousand dollars or, beginning on January first,
20 two thousand twelve, in the case of any class two residential property
21 owned by a company organized pursuant to article XI of the state private
22 housing finance law [that is not a residential condominium or a residen-
23 tial cooperative], as such class of property is defined in subdivision
24 one of section eighteen hundred two of the real property tax law, for
25 two years, and equals or exceeds the sum of five thousand dollars;
26 provided, however, that such emergency repair charges component of
27 alternative enforcement expenses and fees component of such tax lien may
28 not be sold pursuant to this subdivision on any one, two or three family
29 residential real property in class one, except a three family residen-
30 tial property in class one where such property is subject to the
31 provisions of section 27-2153 of this code and is not the primary resi-
32 dence of the owner. After such sale, any such emergency repair charges
33 component or alternative enforcement expenses and fees component of such
34 tax lien may be transferred in the manner provided by this chapter.

35 a-5. In addition to any sale authorized pursuant to subdivision a,
36 a-1, a-2 or a-3 of this section and notwithstanding any provision of
37 this chapter to the contrary, beginning on March first, two thousand
38 eleven, a subsequent tax lien on any class of real property, or begin-
39 ning on January first, two thousand twelve in the case of any class two
40 residential property owned by a company organized pursuant to article XI
41 of the state private housing finance law [that is not a residential
42 condominium or a residential cooperative], a subsequent tax lien on such
43 property, may be sold by the city pursuant to this chapter, regardless
44 of the length of time such subsequent tax lien, or any component of the
45 amount thereof, shall have remained unpaid, and regardless of the amount
46 of such subsequent tax lien. After such sale, any such subsequent tax
47 lien, or any component of the amount thereof, may be transferred in the
48 manner provided by this chapter. For purposes of this subdivision, the
49 term "subsequent tax lien" shall mean the emergency repair charges
50 component or alternative enforcement expenses and fees component, where
51 such emergency repair charges accrued on or after January first, two
52 thousand six and are made a lien pursuant to section 27-2144 of this
53 code, or where such alternative of enforcement expenses and fees are
54 made a lien pursuant to section 27-2153 of this code, of any tax lien on
55 property that becomes such on or after the date of sale of any emergency
56 repair charges component or alternative enforcement expenses and fees

1 component, of any tax lien on such property that has been sold pursuant
2 to this chapter, provided that the prior tax lien remains unpaid as of
3 the date of the first publication, pursuant to subdivision a of section
4 11-320 of this chapter, of the notice of sale of the subsequent tax
5 lien. Nothing in this subdivision shall be deemed to limit the rights
6 conferred by section 11-332 of this chapter on the holder of a tax lien
7 certificate with respect to a subsequent tax lien.

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

13 (i) Such notices shall also include, with respect to any property
14 owner in class one, CLASS ONE-A or class two, as such classes of proper-
15 ty are defined in subdivision one of section eighteen hundred two of the
16 real property tax law, an exemption eligibility checklist. Within ten
17 business days of receipt of a completed exemption eligibility checklist
18 from such property owner, provided that such receipt occurs prior to the
19 date of sale of any tax lien or tax liens on his or her property, the
20 department of finance shall review such checklist to determine, based on
21 the information provided by the property owner, whether such property
22 owner could be eligible for any exemption, credit or other benefit that
23 would entitle them to be excluded from a tax lien sale and, if the
24 department determines that such property owner could be eligible for any
25 such exemption, credit or other benefit, shall mail such property owner
26 an application for the appropriate exemption, credit or other benefit.
27 If, within twenty business days of the date the department mailed such
28 application, the department has not received a completed application
29 from such property owner, the department shall mail such property owner
30 a second application, and shall telephone the property owner, if the
31 property owner has included his or her telephone number on the exemption
32 eligibility checklist.

33 (ii) all class two residential property owned by a company organized
34 pursuant to article XI of the state private housing finance law [that is
35 not a residential condominium or a residential cooperative] on which any
36 tax lien has been sold pursuant to subdivision a, a-2 or a-4 of section
37 11-319 of this title.

38 S 16. Subdivision (a) of section 11-354 of the administrative code of
39 the city of New York, as amended by local law number 37 of the city of
40 New York for the year 1996, is amended to read as follows:

41 (a) Notwithstanding any other provision of law and notwithstanding any
42 omission to hold a tax lien sale, whenever any tax, assessment, sewer
43 rent, sewer surcharge, water rent, any charge that is made a lien
44 subject to the provisions of this chapter or chapter four of this title,
45 or interest and penalties thereon, has been due and unpaid for a period
46 of at least one year from the date on which the tax, assessment or other
47 legal charge represented thereby became a lien, or in the case of any
48 class one property or any class [two] ONE-A property [that is a residen-
49 tial condominium or residential cooperative], as such classes of proper-
50 ty are defined in subdivision one of section eighteen hundred two of the
51 real property tax law, or in the case of a multiple dwelling owned by a
52 company organized pursuant to article XI of the private housing finance
53 law with the consent and approval of the department of housing preserva-
54 tion and development, for a period of at least three years from the date
55 on which the tax, assessment or other legal charge became a lien, the
56 city, as owner of a tax lien, may maintain an action in the supreme

1 court to foreclose such lien. Such action shall be governed by the
2 procedures set forth in section 11-335 of this chapter; provided, howev-
3 er, that such parcel shall only be sold to the highest responsible
4 bidder. Such purchaser shall be deemed qualified as a responsible bidder
5 pursuant to such criteria as are established in rules promulgated by the
6 commissioner of finance after consultation with the commissioner of
7 housing preservation and development.

8 S 17. The opening paragraph of subdivision 4 of section 11-401 of the
9 administrative code of the city of New York, as added by local law
10 number 37 of the city of New York for the year 1996, is amended to read
11 as follows:

12 "Distressed property." Any parcel of class one, CLASS ONE-A or class
13 two real property that is subject to a tax lien or liens with a lien or
14 liens to value ratio, as determined by the commissioner of finance,
15 equal to or greater than fifteen percent and that meets one of the
16 following two criteria:

17 S 18. Subdivisions a and b of section 11-401.1 of the administrative
18 code of the city of New York, as added by local law number 37 of the
19 city of New York for the year 1996, are amended to read as follows:

20 a. The commissioner of finance shall, not less than sixty days preced-
21 ing the date of the sale of a tax lien or tax liens, submit to the
22 commissioner of housing preservation and development a description by
23 block and lot, or by such other identification as the commissioner of
24 finance may deem appropriate, of any parcel of class one, CLASS ONE-A or
25 class two real property on which there is a tax lien that may be fore-
26 closed by the city. The commissioner of housing preservation and devel-
27 opment shall determine, and direct the commissioner of finance, not less
28 than ten days preceding the date of the sale of a tax lien or tax liens,
29 whether any such parcel is a distressed property as defined in subdivi-
30 sion four of section 11-401 of this chapter. Any tax lien on a parcel so
31 determined to be a distressed property shall not be included in such
32 sale. In connection with a subsequent sale of a tax lien or tax liens,
33 the commissioner of finance may, not less than sixty days preceding the
34 date of the sale, resubmit to the commissioner of housing preservation
35 and development a description by block and lot, or by such other iden-
36 tification as the commissioner of finance may deem appropriate, of any
37 parcel of class one, CLASS ONE-A or class two real property that was
38 previously determined to be a distressed property pursuant to this para-
39 graph and on which there is a tax lien that may be included in such
40 sale. The commissioner of housing preservation and development shall
41 determine, and direct the commissioner of finance, not less than ten
42 days preceding the date of the sale, whether such parcel remains a
43 distressed property. If the commissioner of housing preservation and
44 development determines that the parcel is not a distressed property,
45 then the tax lien on the parcel may be included in the sale.

46 b. The commissioner of housing preservation and development may peri-
47 odically review whether a parcel of class one, CLASS ONE-A or class two
48 real property that is subject to subdivision c of this section or subdivi-
49 sion j of section 11-412.1 of this chapter remains a distressed prop-
50 erty. If the commissioner determines that the parcel is not a distressed
51 property as defined in subdivision four of section 11-401 of this chap-
52 ter, then the parcel shall not be subject to such subdivisions.

53 S 19. Subdivision b of section 11-404 of the administrative code of
54 the city of New York, as amended by local law number 37 of the city of
55 New York for the year 1996, is amended to read as follows:

1 b. A tax lien on any class one property or any class [two] ONE-A prop-
2 erty [that is a residential condominium or residential cooperative], as
3 such classes of property are defined in subdivision one of section eigh-
4 teen hundred two of the real property tax law, and on any multiple
5 dwelling owned by a company organized pursuant to article XI of the
6 private housing finance law with the consent and approval of the depart-
7 ment of housing preservation and development, shall not be foreclosed in
8 the manner provided in this chapter until such tax lien has been due and
9 unpaid for a period of at least three years from the date on which the
10 tax, assessment or other legal charge represented thereby became a lien.

11 S 20. Paragraph 5 of subdivision c of section 11-405 of the adminis-
12 trative code of the city of New York, as added by local law number 37 of
13 the city of New York for the year 1996, is amended to read as follows:

14 (5) Notwithstanding paragraph one, two or three of this subdivision,
15 with respect to installment agreements duly made, executed and filed on
16 or after the date on which this paragraph takes effect, the commissioner
17 of finance may also exclude or thereafter remove from such list any
18 parcel of class one, CLASS ONE-A or class two real property, other than
19 a parcel described in paragraph four of this subdivision, as to which an
20 agreement has been duly made, executed and filed with such commissioner
21 for the payment of the delinquent taxes, assessments or other legal
22 charges, and the interest and penalties thereon, in installments. The
23 first installment thereof shall be paid upon the filing of the install-
24 ment agreement with the commissioner and shall be in an amount equal to
25 not less than fifteen percent of the total amount of such delinquent
26 taxes, assessments or other legal charges and the interest and penalties
27 thereon. The remaining installments, which shall be twice the number of
28 unpaid quarters of real estate taxes or the equivalent thereof, but
29 which shall in no event exceed thirty-two in number, shall be payable
30 quarterly on the first days of July, October, January and April. For the
31 purposes of calculating the number of such remaining installments,
32 unpaid real estate taxes that are due and payable on other than a quar-
33 terly basis shall be deemed to be payable on a quarterly basis.

34 S 21. Section 3-b of the general municipal law is amended by adding a
35 new subdivision 3 to read as follows:

36 3. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, BEGIN-
37 NING IN THE FISCAL YEAR COMMENCING ON OR AFTER JULY FIRST, TWO THOUSAND
38 THIRTEEN, THE ANNUAL PERCENTAGE CHANGE IN THE REAL PROPERTY TAX RATE FOR
39 TAXES LEVIED BY THE CITY OF NEW YORK AND THE COUNTIES CONTAINED THEREIN
40 FOR CITY AND COUNTY PROPOSES FOR CLASS ONE-A PROPERTIES SHALL NOT EXCEED
41 THE ANNUAL PERCENTAGE CHANGE IN SUCH TAX RATE FOR CLASS ONE PROPERTIES,
42 AS SUCH CLASSES OF PROPERTY ARE DEFINED IN SUBDIVISION ONE OF SECTION
43 EIGHTEEN HUNDRED TWO OF THE REAL PROPERTY TAX LAW. FOR PURPOSES OF THIS
44 SUBDIVISION "ANNUAL PERCENTAGE CHANGE" SHALL MEAN THE PERCENTAGE
45 DIFFERENCE BETWEEN THE RATE OF TAX IMPOSED DURING THE COMING FISCAL YEAR
46 AND THE RATE OF TAX IMPOSED DURING THE FISCAL YEAR IMMEDIATELY PRECEDING
47 THE COMING FISCAL YEAR.

48 S 22. The education law is amended by adding a new section 2023-b to
49 read as follows:

50 S 2023-B. LIMITATIONS UPON NEW YORK CITY SCHOOL DISTRICT TAX LEVIES.
51 NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, BEGINNING IN
52 THE FISCAL YEAR COMMENCING ON OR AFTER JULY FIRST, TWO THOUSAND THIR-
53 TEEN, THE ANNUAL PERCENTAGE CHANGE IN THE TAX RATE FOR TAXES LEVIED BY
54 OR ON BEHALF OF ANY SCHOOL DISTRICT IN THE CITY OF NEW YORK AND THE
55 COUNTIES CONTAINED THEREIN FOR SCHOOL DISTRICT PURPOSES FOR CLASS ONE-A
56 PROPERTIES SHALL NOT EXCEED THE ANNUAL PERCENTAGE CHANGE IN SUCH TAX

1 RATE FOR CLASS ONE PROPERTIES, AS SUCH CLASSES OF PROPERTY ARE DEFINED
2 IN SUBDIVISION ONE OF SECTION EIGHTEEN HUNDRED TWO OF THE REAL PROPERTY
3 TAX LAW. FOR PURPOSES OF THIS SUBDIVISION "ANNUAL PERCENTAGE CHANGE"
4 SHALL MEAN THE PERCENTAGE DIFFERENCE BETWEEN THE RATE OF TAX IMPOSED
5 DURING THE COMING FISCAL YEAR AND THE RATE OF TAX IMPOSED DURING THE
6 FISCAL YEAR IMMEDIATELY PRECEDING THE COMING FISCAL YEAR.
7 S 23. 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.