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

3947--A

2013-2014 Regular Sessions

I N A S S E M B L Y

January 30, 2013

Introduced by M. of A. DenDEKKER -- read once and referred to the Committee on Real Property Taxation -- recommitted to the Committee on Real Property Taxation in accordance with Assembly Rule 3, sec. 2 -- 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:

Section 1. Subdivision 1 of section 1802 of the real property tax law, as separately amended by chapters 123 and 529 of the laws of 1990, paragraph class one as amended by chapter 332 of the laws of 2008, is amended to read as follows:

1. All real property, for the purposes of this article, in a special assessing unit shall be classified as follows:

Class one: (a) all one, two and three family residential real property, including such dwellings used in part for nonresidential purposes but which are used primarily for residential purposes, except such property held in cooperative or condominium forms of ownership other than (i) property defined in subparagraphs (b) and (c) of this paragraph and (ii) property which contains no more than three dwelling units held in condominium form of ownership and which was classified within this class on a previous assessment roll; and provided that, notwithstanding the provisions of paragraph (g) of subdivision twelve of section one hundred two of this chapter, a mobile home or a trailer shall not be classified within this class unless it is owner-occupied

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

LBD03714-03-4

and separately assessed; and (b) residential real property not 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 in accordance with this section imposing an additional tax on certain class one AND CLASS ONE-A properties, as such properties are defined in section eighteen hundred two of this chapter, excluding vacant land.

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

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

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

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

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

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

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

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

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

7. "Eligible building" shall mean a class one, CLASS ONE-A, class two or class four real property, as defined in subdivision one of section eighteen hundred two of this chapter, located within a city having a

population of one million or more persons. No building shall be eligible for more than one tax abatement pursuant to this title.

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

(b) in a special assessing unit, the determination, pursuant to section eighteen hundred two of this chapter, of whether real property is included in class one, ONE-A, two, three or four.

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

10. On or before April first, each year the commission shall mail to each applicant, who has filed an application for the correction of the assessment, a notice of the commission's determination of such applicant's assessment. Such notice shall also contain the statement as to the final determination of the assessment review commission, or a statement that the commission has not yet made a determination as to the final assessed valuation which shall be made as soon as the petitioners application is reviewed or heard. If the applicants property is a property defined in subdivision one of section eighteen hundred two of this chapter as "Class 1", the commissions determination shall contain the statement: "If you are dissatisfied with the determination of the Assessment Review Commission and you are the owner of a one, two or three family residential structure or residential real property not 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 you reside at such residence, you may seek judicial review of your assessment either under title one of article seven of the real property tax law or under small claims assessment review law provided by title one-A of article seven of the real property tax law." Such notice shall also state that the last date to file petitions for judicial review and the location where small claims assessment review petitions may be obtained.

Each applicant that has filed an application of a property as defined in subdivision one of section eighteen hundred two of this chapter as "CLASS 1-A, "Class 2", "Class 3" or "Class 4", shall receive a notice as to the final determination of the assessment review commission or a statement that the commission has not yet made a determination as to the final assessed valuation which shall be made as soon as the petitioners application is reviewed or heard. Such applicants determinations shall contain the statement: "If you are dissatisfied with the determination of the Assessment Review Commission you may seek judicial review of your assessment under title one of article seven of the real property tax law." Such notice shall also state the last date to file petitions for judicial review. A final determination when rendered shall contain the same statement. Failure to mail any such notice or failure of the applicant to receive the same shall not affect the validity of the assessment.

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

(b) In a special assessing unit, the determination, pursuant to section eighteen hundred two of this chapter, of whether real property is included in class one, ONE-A, two, three or four.

S 10. Subparagraph 2 of paragraph (a) of subdivision 3 of section 720 of the real property tax law, as amended by chapter 679 of the laws of 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, ONE-A, two, three and four as defined in subdivision one of section eighteen hundred two of this chapter.

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

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

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

S 12. 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, ONE-A or two 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 state-

ments 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 ONE-A OR class two 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 13. Subdivision a of section 11-238 of the administrative code of the city of New York, as amended by local law number 27 of the city of New York for the year 2006, is amended to read as follows:

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

S 14. 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:

a. A tax lien or tax liens on a property or any component of the amount thereof may be sold by the city as authorized by subdivision b of this section, when such tax lien or tax liens shall have remained unpaid in whole or in part for one year, provided, however, that a tax lien or tax liens on any class one property or on class [two] ONE-A property [that is a residential condominium or residential cooperative], as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city only when the real property tax component of such tax lien or tax liens shall have remained unpaid in whole or in part for three years or, 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, for two years, and equals or exceeds the sum of five thousand dollars or, in the case of abandoned

class one property or abandoned class [two] ONE-A property [that is a residential condominium or residential cooperative], for eighteen months, and after such sale, shall be transferred, in the manner provided by this chapter, and provided, further, however, that (i) the real property tax component of such tax lien may not be sold pursuant to this subdivision on any 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 such 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 such 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 and (ii) the sewer rents component, sewer surcharges component or water rents component of such 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. A tax lien or tax liens on any property classified as a class two property, except [a class two property that is a residential condominium or residential cooperative, or] a 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], or class three property, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale. Notwithstanding any provision of this subdivision to the contrary, any such tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component. A tax lien or tax liens on a property classified as a class four property, as such class of property is defined in subdivision one of section eighteen hundred two of the

real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component or sewer rents component or sewer surcharges component or water rents component or emergency repair charges component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, provided, however, that any tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component, sewer rents component, sewer surcharges component, water rents component or emergency repair charges component. For purposes of this subdivision, the words "real property tax" shall not include an assessment or charge upon property imposed pursuant to section 25-411 of the administrative code. A sale of a tax lien or tax liens shall include, in addition to such lien or liens that have remained unpaid in whole or in part for one year, or, in the case of any class one property or class [two] ONE-A property [that is a residential condominium or residential cooperative], when the real property tax component of such lien or liens has remained unpaid in whole or in part for three years, or, 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], when the real property tax component of such lien or liens has remained unpaid in whole or in part for two years, and equals or exceeds the sum of five thousand dollars, any taxes, assessments, sewer rents, sewer surcharges, water rents, any other charges that are made a lien subject to the provisions of this chapter, the costs of any advertisements and notices given pursuant to this chapter, any other charges that are due and payable, a surcharge pursuant to section 11-332 of this chapter, and interest and penalties thereon or such component of the amount thereof as shall be determined by the commissioner of finance. The commissioner of finance may promulgate rules defining "abandoned" property, as such term is used in this subdivision.

a-1. A subsequent tax lien or tax liens on a property or any component of the amount thereof may be sold by the city pursuant to this chapter, provided, however, that notwithstanding any provision in this chapter to the contrary, such tax lien or tax liens may be sold regardless of whether such tax lien or tax liens have remained unpaid in whole or in part for one year and, notwithstanding any provision in this chapter to the contrary, in the case of any class one property or class [two] ONE-A property [that is a residential condominium or residential cooperative] or, beginning 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], such tax lien or tax liens may be sold if the real property tax component of such tax lien or tax liens has remained unpaid in whole or in part for one year, and provided, further, however, that (i) the real property tax component of such tax lien may not be sold pursuant to this subdivision on any 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 such 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 such 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 and (ii) the sewer rents component, sewer surcharges component or water rents component of such 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. For purposes of this subdivision, the term "subsequent tax lien or tax liens" shall mean any tax lien or tax liens on property that become such on or after the date of sale of any tax lien or tax liens on such property that have been sold pursuant to this chapter, provided that the prior tax lien or tax liens remain 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 or tax liens. A subsequent tax lien or tax liens on any property classified as a class two property, except [a class two property that is a residential condominium or residential cooperative, or] a 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], or class three property, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale. Notwithstanding any provision of this subdivision to the contrary, any such tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component. A subsequent tax lien or tax liens on a property classified as a class four property, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component or sewer rents component or sewer surcharges component or water rents component or emergency repair charges component, where such emergency repair charges accrued on or after January

first, two thousand six and are made a lien pursuant to section 27-2144 of this code, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, provided, however, that any tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component, sewer rents component, sewer surcharges component, water rents component or emergency repair charges component. For purposes of this subdivision, the words "real property tax" shall not include an assessment or charge upon property imposed pursuant to section 25-411 of the administrative code. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

a-2. In addition to any sale authorized pursuant to subdivision a or subdivision a-1 of this section and notwithstanding any provision of this chapter to the contrary, beginning on December first, two thousand seven, the water rents, sewer rents and sewer surcharges components of any 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, where such water rents, sewer rents or sewer surcharges component of such tax lien, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale: (i) shall have remained unpaid in whole or in part for one year and (ii) 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, for one year, and 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, for two years, and equals to exceeds the sum of five thousand dollars; provided, however, that such water rents, sewer rents or sewer surcharges component of such 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 water rents, sewer rents or sewer surcharges component of such tax lien may be transferred in the manner provided by this chapter.

a-3. In addition to any sale authorized pursuant to subdivision a or subdivision a-1 of this section and notwithstanding any provision of 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 chap-

ter, of the notice of sale of the subsequent tax lien. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

a-4. In addition to any sale authorized pursuant to subdivision a, a-1, a-2 or a-3 of this section and notwithstanding any provision of this chapter to the contrary, beginning on March first, two thousand eleven, the emergency repair charges component or alternative enforcement expenses and fees component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, or where such alternative enforcement expenses and fees are made a lien pursuant to section 27-2153 of this code, of any tax lien on any class of real property, as such real property is defined in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter, where such emergency repair charges component or alternative enforcement expenses and fees component of such tax lien, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale: (i) shall have remained unpaid in whole or in part for one year, and (ii) equals or exceeds the sum of one 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, for two years, and equals or exceeds the sum of five thousand dollars; provided, however, that such emergency repair charges component of alternative enforcement expenses and fees component of such tax lien may not be sold pursuant to this subdivision on any one, two or three family residential real property in class one, except a three family residential property in class one where such property is subject to the provisions of section 27-2153 of this code and is not the primary residence of the owner. After such sale, any such emergency repair charges component or alternative enforcement expenses and fees component of such tax lien may be transferred in the manner provided by this chapter.

a-5. In addition to any sale authorized pursuant to subdivision a, a-1, a-2 or a-3 of this section and notwithstanding any provision of this chapter to the contrary, beginning on March first, two thousand eleven, a subsequent tax lien on any class of real property, 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], a subsequent tax lien on such property, may be sold by the city pursuant to this chapter, regardless of the length of time such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid, and regardless of the amount of such subsequent tax lien. 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 emergency repair charges component or alternative enforcement expenses and fees component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, or where such alternative of enforcement expenses and fees are made a lien pursuant to section 27-2153 of this code, of any tax lien on

property that becomes such on or after the date of sale of any emergency repair charges component or alternative enforcement expenses and fees 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 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

S 15. Subparagraph (i) of paragraph 2 of subdivision b and subparagraph (ii) of paragraph 1 of subdivision h of section 11-320 of the administrative code of the city of New York, subparagraph (i) of paragraph 2 of subdivision b as amended by local law number 147 of the city of New York for the year 2013 and subparagraph (ii) of paragraph 1 of subdivision h as added by local law number 15 of the city of New York for the year 2011, are amended to read as follows:

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

(ii) all 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] on which any tax lien has been sold pursuant to subdivision a, a-2 or a-4 of section 11-319 of this title.

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

(a) Notwithstanding any other provision of law and notwithstanding any omission to hold a tax lien sale, whenever any tax, assessment, sewer rent, sewer surcharge, water rent, any charge that is made a lien subject to the provisions of this chapter or chapter four of this title, or interest and penalties thereon, has been due and unpaid for a period of at least one year from the date on which the tax, assessment or other legal charge represented thereby became a lien, or in the case of any class one property or any class [two] ONE-A property [that is a residential condominium or residential cooperative], as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, or in the case of a multiple dwelling owned by a company organized pursuant to article XI of the private housing finance

law with the consent and approval of the department of housing preservation and development, for a period of at least three years from the date on which the tax, assessment or other legal charge became a lien, the city, as owner of a tax lien, may maintain an action in the supreme court to foreclose such lien. Such action shall be governed by the procedures set forth in section 11-335 of this chapter; provided, however, that such parcel shall only be sold to the highest responsible bidder. Such purchaser shall be deemed qualified as a responsible bidder pursuant to such criteria as are established in rules promulgated by the commissioner of finance after consultation with the commissioner of housing preservation and development.

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

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

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

a. The commissioner of finance shall, not less than sixty days preceding the date of the sale of a tax lien or tax liens, submit to the commissioner of housing preservation and development a description by block and lot, or by such other identification as the commissioner of finance may deem appropriate, of any parcel of class one, CLASS ONE-A or class two real property on which there is a tax lien that may be foreclosed by the city. The commissioner of housing preservation and development shall determine, and direct the commissioner of finance, not less than ten days preceding the date of the sale of a tax lien or tax liens, whether any such parcel is a distressed property as defined in subdivision four of section 11-401 of this chapter. Any tax lien on a parcel so determined to be a distressed property shall not be included in such sale. In connection with a subsequent sale of a tax lien or tax liens, the commissioner of finance may, not less than sixty days preceding the date of the sale, resubmit to the commissioner of housing preservation and development a description by block and lot, or by such other identification as the commissioner of finance may deem appropriate, of any parcel of class one, CLASS ONE-A or class two real property that was previously determined to be a distressed property pursuant to this paragraph and on which there is a tax lien that may be included in such sale. The commissioner of housing preservation and development shall determine, and direct the commissioner of finance, not less than ten days preceding the date of the sale, whether such parcel remains a distressed property. If the commissioner of housing preservation and development determines that the parcel is not a distressed property, then the tax lien on the parcel may be included in the sale.

b. The commissioner of housing preservation and development may periodically review whether a parcel of class one, CLASS ONE-A or class two real property that is subject to subdivision c of this section or subdivision j of section 11-412.1 of this chapter remains a distressed property. If the commissioner determines that the parcel is not a distressed property as defined in subdivision four of section 11-401 of this chapter, then the parcel shall not be subject to such subdivisions.

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

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

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

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

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

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

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

S 2023-C. LIMITATIONS UPON NEW YORK CITY SCHOOL DISTRICT TAX LEVIES. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, BEGINNING IN THE FISCAL YEAR COMMENCING ON OR AFTER JULY FIRST, TWO THOUSAND FIFTEEN, THE ANNUAL PERCENTAGE CHANGE IN THE TAX RATE FOR TAXES LEVIED BY OR ON

BEHALF OF ANY SCHOOL DISTRICT IN THE CITY OF NEW YORK AND THE COUNTIES CONTAINED THEREIN FOR SCHOOL DISTRICT PURPOSES FOR CLASS ONE-A PROPERTIES SHALL NOT EXCEED THE ANNUAL PERCENTAGE CHANGE IN SUCH TAX RATE FOR CLASS ONE PROPERTIES, AS SUCH CLASSES OF PROPERTY ARE DEFINED IN SUBDIVISION ONE OF SECTION EIGHTEEN HUNDRED TWO OF THE REAL PROPERTY TAX LAW. FOR PURPOSES OF THIS SUBDIVISION "ANNUAL PERCENTAGE CHANGE" SHALL MEAN THE PERCENTAGE DIFFERENCE BETWEEN THE RATE OF TAX IMPOSED DURING THE COMING FISCAL YEAR AND THE RATE OF TAX IMPOSED DURING THE FISCAL YEAR IMMEDIATELY PRECEDING THE COMING FISCAL YEAR.

S 23. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to assessment rolls prepared pursuant to a taxable status date occurring on or after such date; provided, however, that effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized and directed to be made and completed on or before such effective date.