

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:

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

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

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1 and separately assessed; and (b) residential real property not
 2 more than three stories in height held in condominium form of
 3 ownership, provided that no dwelling unit therein previously was
 4 on an assessment roll as a dwelling unit in other than condomi-
 5 nium form of ownership; and (c) residential real property
 6 consisting of one family house structures owned by the occupant,
 7 situated on land held in cooperative ownership by owner occupi-
 8 ers, provided that; (i) such house structures and land consti-
 9 tuted bungalow colonies in existence prior to nineteen hundred
 10 forty; and (ii) the land is held in cooperative ownership for
 11 the sole purpose of maintaining one family residences for
 12 members own use; and (d) all vacant land located within a
 13 special assessing unit which is a city (i) other than such land
 14 in the borough of Manhattan, provided that any such vacant land
 15 which is not zoned residential must be situated immediately
 16 adjacent to property improved with a residential structure as
 17 defined in subparagraphs (a) and (b) of this paragraph, be owned
 18 by the same owner as such immediately adjacent residential prop-
 19 erty immediately prior to and since January 1, 1989, and have a
 20 total area not exceeding 10,000 square feet; and (ii) located in
 21 the borough of Manhattan north of or adjacent to the north side
 22 of 110th street provided such vacant land was classified within
 23 this class on the assessment roll with a taxable status date of
 24 January 5, 2008 and the owner of such land has entered into a
 25 recorded agreement with a governmental entity on or before
 26 December 31, 2008 requiring construction of housing affordable
 27 to persons or families of low income in accordance with the
 28 provisions of the private housing finance law. Notwithstanding
 29 the foregoing, such vacant land shall be classified according to
 30 its use on the assessment roll with a taxable status date imme-
 31 diately following commencement of construction, provided
 32 further, that construction pursuant to an approved plan for
 33 affordable housing shall commence no later than December 31,
 34 2010; and (e) all vacant land located within a special assessing
 35 unit which is not a city, provided that such vacant land which
 36 is not zoned residential must be situated immediately adjacent
 37 to real property defined in subparagraph (a), (b) or (c) of this
 38 paragraph and be owned by the same person or persons who own the
 39 real property defined in such subparagraph immediately prior to
 40 and since January 1, 2003;

41 CLASS ONE-A: ALL OTHER RESIDENTIAL REAL PROPERTY HELD IN CONDOMINIUM
 42 OR COOPERATIVE FORM OF OWNERSHIP WHICH IS NOT DESIGNATED AS
 43 CLASS ONE;

44 Class two: all other residential real property which is not designated
 45 as class one OR CLASS ONE-A, except hotels and motels and other
 46 similar commercial property;

47 Class three: utility real property and property subject to former
 48 section four hundred seventy of this chapter;

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

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

55 1. Generally. Notwithstanding any provision of any general, special
 56 or local law to the contrary, any city with a population of one million

1 or more is hereby authorized and empowered to adopt and amend local laws
2 in accordance with this section imposing an additional tax on certain
3 class one AND CLASS ONE-A properties, as such properties are defined in
4 section eighteen hundred two of this chapter, excluding vacant land.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 S 10. Subparagraph 2 of paragraph (a) of subdivision 3 of section 720
2 of the real property tax law, as amended by chapter 679 of the laws of
3 1986, is amended to read as follows:

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

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

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

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

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

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

44 f. Except in accordance with proper judicial order or as otherwise
45 provided by law, it shall be unlawful for the commissioner, any officer
46 or employee of the department, the president or a commissioner or
47 employee of the tax commission, any person engaged or retained by the
48 department or the tax commission on an independent contract basis, or
49 any person, who, pursuant to this section, is permitted to inspect any
50 income and expense statement or to whom a copy, an abstract or a portion
51 of any such statement is furnished, to divulge or make known in any
52 manner except as provided in this subdivision, the amount of income
53 and/or expense or any particulars set forth or disclosed in any such
54 statement required under this section. The commissioner, the president
55 of the tax commission, or any commissioner or officer or employee of the
56 department or the tax commission charged with the custody of such state-

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

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

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

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

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

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

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

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

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

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

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

1 a-3. In addition to any sale authorized pursuant to subdivision a or
2 subdivision a-1 of this section and notwithstanding any provision of
3 this chapter to the contrary, beginning on December first, two thousand
4 seven, a subsequent tax lien on any class of real property, as such real
5 property is classified in subdivision one of section eighteen hundred
6 two of the real property tax law, may be sold by the city pursuant to
7 this chapter, regardless of whether such subsequent tax lien, or any
8 component of the amount thereof, shall have remained unpaid in whole or
9 in part for one year, and regardless of whether such subsequent tax
10 lien, or any component of the amount thereof, equals or exceeds the sum
11 of one thousand dollars or beginning on March first, two thousand elev-
12 en, in the case of any two or three family residential real property in
13 class one, a subsequent tax lien on such property may be sold by the
14 city pursuant to this chapter, regardless of whether such subsequent tax
15 lien, or any component of the amount thereof, shall have remained unpaid
16 in whole or in part for one year, and regardless of whether such subse-
17 quent tax lien, or any component of the amount thereof, equals or
18 exceeds the sum of two thousand dollars, or, beginning on January first,
19 two thousand twelve, in the case of any class two residential property
20 owned by a company organized pursuant to article XI of the state private
21 housing finance law [that is not a residential condominium or a residen-
22 tial cooperative], as such class of property is defined in subdivision
23 one of section eighteen hundred two of the real property tax law, a
24 subsequent tax lien on such property may be sold by the city pursuant to
25 this chapter, regardless of whether such subsequent tax lien, or any
26 component of the amount thereof, shall have remained unpaid in whole or
27 in part for two years, and regardless of whether such subsequent tax
28 lien, or any component of the amount thereof, equals or exceeds the sum
29 of five thousand dollars; provided, however, that such subsequent tax
30 lien may not be sold pursuant to this subdivision on any one family
31 residential real property in class one or on any two or three family
32 residential real property in class one that is receiving an exemption
33 pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to
34 section four hundred fifty-eight of the real property tax law with
35 respect to real property purchased with payments received as prisoner of
36 war compensation from the United States government, or pursuant to para-
37 graph (b) or (c) of subdivision two of section four hundred
38 fifty-eight-a of the real property tax law, or where the owner of any
39 two or three family residential real property in class one is receiving
40 benefits in accordance with department of finance memorandum 05-3, or
41 any successor memorandum thereto, relating to active duty military
42 personnel, or where the owner of any two or three family residential
43 real property in class one has been allowed a credit pursuant to
44 subsection (e) of section six hundred six of the tax law for the calen-
45 dar year in which the date of the first publication, pursuant to subdi-
46 vision a of section 11-320 of this chapter, of the notice of sale,
47 occurs or for the calendar year immediately preceding such date. After
48 such sale, any such subsequent tax lien, or any component of the amount
49 thereof, may be transferred in the manner provided by this chapter. For
50 purposes of this subdivision, the term "subsequent tax lien" shall mean
51 the water rents, sewer rents or sewer surcharges component of any tax
52 lien on property that becomes such on or after the date of sale of any
53 water rents, sewer rents or sewer surcharges component of any tax lien
54 on such property that has been sold pursuant to this chapter, provided
55 that the prior tax lien remains unpaid as of the date of the first
56 publication, pursuant to subdivision a of section 11-320 of this chap-

1 ter, of the notice of sale of the subsequent tax lien. Nothing in this
2 subdivision shall be deemed to limit the rights conferred by section
3 11-332 of this chapter on the holder of a tax lien certificate with
4 respect to a subsequent tax lien.

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

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

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

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

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

37 (ii) all class two residential property owned by a company organized
38 pursuant to article XI of the state private housing finance law [that is
39 not a residential condominium or a residential cooperative] on which any
40 tax lien has been sold pursuant to subdivision a, a-2 or a-4 of section
41 11-319 of this title.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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