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

6525--A

Cal. No. 228

I N S E N A T E

February 3, 2014

Introduced by Sen. ZELDIN -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to authorize the village of Mastic Beach to enter into a contract to sell or pledge as collateral for a loan some or all of the delinquent liens held by such city to a private party or engage a private party to collect some or all of the delinquent tax liens held by it; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. Notwithstanding any provision of any general, special or local law to the contrary, the village of Mastic Beach may enter into a contract to sell some or all of the delinquent tax liens held by it to a private party, subject to the following conditions:

(a) The consideration to be paid for a sale of the delinquent tax liens held by it may be more or less than the face amount of the tax liens sold.

(b) Property owners shall be given at least 45 days advance notice of sale in the same manner as is provided by paragraph (b) of subdivision 1 of section 1125 of the real property tax law. Failure to provide such notice shall invalidate any sale of a tax lien or tax liens. Such notice shall be in the form set forth in paragraph (b) of subdivision 2 of section 1190 of the real property tax law.

(c) The village of Mastic Beach shall set the terms and conditions of the contract of sale or loan.

(d) The tax lien purchaser must 30 days prior to the commencement of any foreclosure action provide to the village of Mastic Beach a list of liens to be foreclosed. The village of Mastic Beach may, at its sole option and discretion, repurchase a lien or liens on the foreclosure list from the tax lien purchaser. The repurchase price shall be the amount of the lien or liens plus any accrued interest and collection

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

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fees incurred by the tax lien purchaser through the date of repurchase. The tax lien purchaser shall provide the foreclosure list to the village of Mastic Beach, along with the applicable repurchase price of each lien, by certified mail, and the village of Mastic Beach shall have 30 days from receipt to notify the tax lien purchaser of its option to purchase one or more of the liens. If the village of Mastic Beach opts to purchase the lien, it shall provide payment within 30 days of receipt of the repurchase price of said lien or liens. If the village of Mastic Beach shall fail to repurchase the lien or liens the tax lien purchaser shall have the right to commence a foreclosure action immediately upon notice from the village of Mastic Beach of its refusal or at the expiration of the 30 day review period whichever occurs first.

(e) The sale of a tax lien pursuant to this act shall not operate to shorten the otherwise applicable redemption period or change the otherwise applicable interest rate.

(f) Upon the expiration of the redemption period prescribed by law, the purchaser of a delinquent tax lien, or its successors or assigns, may foreclose the lien as in an action to foreclose a mortgage as provided in section 1194 of the real property tax law. The procedure in such action shall be the procedure prescribed by article 13 of the real property actions and proceedings law for the foreclosure of mortgages. At any time following the commencement of an action to foreclose a lien, the amount required to redeem the lien, or the amount received upon sale of a property, shall include reasonable and necessary collection costs, attorneys' fees, legal costs, allowances, and disbursements.

(g) The provisions of title 5 of article 11 of the real property tax law shall apply so far as is practicable to a contract for the sale of tax liens pursuant to this act.

S 2. Notwithstanding any provision of any general, special or local law to the contrary, the village of Mastic Beach may enter into a contract to pledge as collateral for a loan some or all of the delinquent tax liens held by it to a third party or engage a third party to collect some or all of the delinquent tax liens held by it subject to the following conditions:

(a) Any loan provided under this section shall bear an interest rate to be determined by the village of Mastic Beach.

(b) Any contract for the collection of delinquent tax liens the fee paid by the village of Mastic Beach shall not exceed 10% of the outstanding balance of the tax lien being collected and said fee shall be borne by the delinquent taxpayer.

S 3. This act shall take effect immediately and shall expire December 31, 2018 when upon such date the provisions of this act shall be deemed repealed.