

4371

2015-2016 Regular Sessions

I N S E N A T E

March 17, 2015

Introduced by Sen. STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the real property tax law, the administrative code of the city of New York and the New York city charter, in relation to establishing a new classification of properties for properties held in condominium and cooperative form for assessment purposes

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

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

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

7 Class one: (a) all one, two and three family residential real proper-  
8 ty, including such dwellings used in part for nonresidential  
9 purposes but which are used primarily for residential purposes,  
10 except such property held in cooperative or condominium forms of  
11 ownership other than (i) property defined in subparagraphs (b)  
12 and (c) of this paragraph and (ii) property which contains no  
13 more than three dwelling units held in condominium form of  
14 ownership and which was classified within this class on a previ-  
15 ous assessment roll; and provided that, notwithstanding the  
16 provisions of paragraph (g) of subdivision twelve of section one  
17 hundred two of this chapter, a mobile home or a trailer shall  
18 not be classified within this class unless it is owner-occupied  
19 and separately assessed; and (b) residential real property not  
20 more than three stories in height held in condominium form of  
21 ownership, provided that no dwelling unit therein previously was  
22 on an assessment roll as a dwelling unit in other than condomin-  
23 ium form of ownership; and (c) residential real property

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

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

36 Class two: [all other] residential real property HELD IN COOPERATIVE  
 37 OR CONDOMINIUM FORM OF OWNERSHIP which is not designated as  
 38 class one[, except hotels and motels and other similar commer-  
 39 cial property];

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

42 Class four: all other real property which is not designated as class  
 43 one, class two, [or] class three[.], OR CLASS FIVE;

44 CLASS FIVE: ALL OTHER RESIDENTIAL REAL PROPERTY WHICH IS NOT DESIG-  
 45 NATED AS CLASS ONE, EXCEPT HOTELS AND MOTELS AND OTHER SIMILAR  
 46 COMMERCIAL PROPERTY, OR CLASS TWO.

47 S 2. The opening paragraph of subdivision 2 of section 1805 of the  
 48 real property tax law, as amended by chapter 586 of the laws of 1992, is  
 49 amended to read as follows:

50 The assessment roll of a special assessing unit wholly contained with-  
 51 in a city shall identify those parcels classified in class two OR CLASS  
 52 FIVE which have fewer than eleven residential units. The assessor of any  
 53 such special assessing unit shall not increase the assessment of any  
 54 parcel so identified in any one year, as measured from the actual  
 55 assessment on the previous year's assessment roll, by more than eight  
 56 percent and shall not increase such assessment by more than thirty

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50 S 10. Subparagraph 2 of paragraph (a) of subdivision 3 of section 720  
51 of the real property tax law, as amended by chapter 679 of the laws of  
52 1986, is amended to read as follows:

53 (2) "Major type of property" in special assessing units, for assess-  
54 ments on rolls completed after December thirty-first, nineteen hundred  
55 eighty-one, shall mean classes one, two, three [and], four AND FIVE as

1 defined in subdivision one of section eighteen hundred two of this chap-  
2 ter.

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

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

15 f. Except in accordance with proper judicial order or as otherwise  
16 provided by law, it shall be unlawful for the commissioner, any officer  
17 or employee of the department, the president or a commissioner or  
18 employee of the tax commission, any person engaged or retained by the  
19 department or the tax commission on an independent contract basis, or  
20 any person, who, pursuant to this section, is permitted to inspect any  
21 income and expense statement or to whom a copy, an abstract or a portion  
22 of any such statement is furnished, to divulge or make known in any  
23 manner except as provided in this subdivision, the amount of income  
24 and/or expense or any particulars set forth or disclosed in any such  
25 statement required under this section. The commissioner, the president  
26 of the tax commission, or any commissioner or officer or employee of the  
27 department or the tax commission charged with the custody of such state-  
28 ments shall not be required to produce any income and expense statement  
29 or evidence of anything contained in them in any action or proceeding in  
30 any court, except on behalf of the department or the tax commission.  
31 Nothing herein shall be construed to prohibit the delivery to an owner  
32 or his or her duly authorized representative of a certified copy of any  
33 statement filed by such owner pursuant to this section or to prohibit  
34 the publication of statistics so classified as to prevent the identifi-  
35 cation of particular statements and the items thereof, or making known  
36 aggregate income and expense information disclosed with respect to prop-  
37 erty classified as class four as defined in article eighteen of the real  
38 property tax law without identifying information about individual leas-  
39 es, or making known a range as determined by the commissioner within  
40 which the income and expenses of a property classified as class two OR  
41 CLASS FIVE falls, or the inspection by the legal representatives of the  
42 department or of the tax commission of the statement of any owner who  
43 shall bring an action to correct the assessment. Any violation of the  
44 provisions of this subdivision shall be punished by a fine not exceeding  
45 one thousand dollars or by imprisonment not exceeding one year, or both,  
46 at the discretion of the court, and if the offender be an officer or  
47 employee of the department or the tax commission, the offender shall be  
48 dismissed from office.

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

54 a. A tax lien or tax liens on a property or any component of the  
55 amount thereof may be sold by the city as authorized by subdivision b of  
56 this section, when such tax lien or tax liens shall have remained unpaid

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

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

49 a-1. A subsequent tax lien or tax liens on a property or any component  
50 of the amount thereof may be sold by the city pursuant to this chapter,  
51 provided, however, that notwithstanding any provision in this chapter to  
52 the contrary, such tax lien or tax liens may be sold regardless of  
53 whether such tax lien or tax liens have remained unpaid in whole or in  
54 part for one year and, notwithstanding any provision in this chapter to  
55 the contrary, in the case of any class one property or class two proper-  
56 ty [that is a residential condominium or residential cooperative] or,

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

1 HOUSING FINANCE LAW, as such classes of property are defined in subdivi-  
2 sion one of section eighteen hundred two of the real property tax law,  
3 shall not be sold by the city unless such tax lien or tax liens include  
4 a real property tax component as of the date of the first publication,  
5 pursuant to subdivision a of section 11-320 of this chapter, of the  
6 notice of sale. Notwithstanding any provision of this subdivision to the  
7 contrary, any such tax lien or tax liens that remain unpaid in whole or  
8 in part after such date may be sold regardless of whether such tax lien  
9 or tax liens include a real property tax component. A subsequent tax  
10 lien or tax liens on a property classified as a class four property, as  
11 such class of property is defined in subdivision one of section eighteen  
12 hundred two of the real property tax law, shall not be sold by the city  
13 unless such tax lien or tax liens include a real property tax component  
14 or sewer rents component or sewer surcharges component or water rents  
15 component or emergency repair charges component, where such emergency  
16 repair charges accrued on or after January first, two thousand six and  
17 are made a lien pursuant to section 27-2144 of this code, as of the date  
18 of the first publication, pursuant to subdivision a of section 11-320 of  
19 this chapter, of the notice of sale, provided, however, that any tax  
20 lien or tax liens that remain unpaid in whole or in part after such date  
21 may be sold regardless of whether such tax lien or tax liens include a  
22 real property tax component, sewer rents component, sewer surcharges  
23 component, water rents component or emergency repair charges component.  
24 For purposes of this subdivision, the words "real property tax" shall  
25 not include an assessment or charge upon property imposed pursuant to  
26 section 25-411 of [the administrative] THIS code. Nothing in this subdivi-  
27 sion shall be deemed to limit the rights conferred by section 11-332  
28 of this chapter on the holder of a tax lien certificate with respect to  
29 a subsequent tax lien.

30 a-2. In addition to any sale authorized pursuant to subdivision a or  
31 subdivision a-1 of this section and notwithstanding any provision of  
32 this chapter to the contrary, beginning on December first, two thousand  
33 seven, the water rents, sewer rents and sewer surcharges components of  
34 any tax lien on any class of real property, as such real property is  
35 classified in subdivision one of section eighteen hundred two of the  
36 real property tax law, may be sold by the city pursuant to this chapter,  
37 where such water rents, sewer rents or sewer surcharges component of  
38 such tax lien, as of the date of the first publication, pursuant to  
39 subdivision a of section 11-320 of this chapter, of the notice of sale:  
40 (i) shall have remained unpaid in whole or in part for one year and (ii)  
41 equals or exceeds the sum of one thousand dollars or, beginning on March  
42 first, two thousand eleven, in the case of any two or three family resi-  
43 dential real property in class one, for one year, and equals or exceeds  
44 the sum of two thousand dollars, or, beginning on January first, two  
45 thousand twelve, in the case of any class [two] FIVE residential proper-  
46 ty owned by a company organized pursuant to article XI of the state  
47 private housing finance law [that is not a residential condominium or a  
48 residential cooperative], as such class of property is defined in subdivi-  
49 sion one of section eighteen hundred two of the real property tax law,  
50 for two years, and equals or exceeds the sum of five thousand dollars;  
51 provided, however, that such water rents, sewer rents or sewer  
52 surcharges component of such tax lien may not be sold pursuant to this  
53 subdivision on any one family residential real property in class one or  
54 on any two or three family residential real property in class one that  
55 is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of  
56 this title, or pursuant to section four hundred fifty-eight of the real

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

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

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

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

53 a-5. In addition to any sale authorized pursuant to subdivision a,  
54 a-1, a-2 or a-3 of this section and notwithstanding any provision of  
55 this chapter to the contrary, beginning on March first, two thousand  
56 eleven, a subsequent tax lien on any class of real property, or begin-

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

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

33 (i) Such notices shall also include, with respect to any property  
34 owner in class one [or], class two OR CLASS FIVE, as such classes of  
35 property are defined in subdivision one of section eighteen hundred two  
36 of the real property tax law, an exemption eligibility checklist. The  
37 exemption eligibility checklist shall also be posted on the website of  
38 the department no later than the first business day after March  
39 fifteenth of every year prior to the date of sale, and shall continue to  
40 be posted on such website until ten days prior to the date of sale.  
41 Within ten business days of receipt of a completed exemption eligibility  
42 checklist from such property owner, provided that such receipt occurs  
43 prior to the date of sale of any tax lien or tax liens on his or her  
44 property, the department of finance shall review such checklist to  
45 determine, based on the information provided by the property owner,  
46 whether such property owner could be eligible for any exemption, credit  
47 or other benefit that would entitle them to be excluded from a tax lien  
48 sale and, if the department determines that such property owner could be  
49 eligible for any such exemption, credit or other benefit, shall mail  
50 such property owner an application for the appropriate exemption, credit  
51 or other benefit. If, within twenty business days of the date the  
52 department mailed such application, the department has not received a  
53 completed application from such property owner, the department shall  
54 mail such property owner a second application, and shall telephone the  
55 property owner, if the property owner has included his or her telephone  
56 number on the exemption eligibility checklist.

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

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

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

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

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

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

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

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

1 any such parcel is a distressed property as defined in subdivision four  
2 of section 11-401 of this chapter. Any tax lien on a parcel so deter-  
3 mined to be a distressed property shall not be included in such sale. In  
4 connection with a subsequent sale of a tax lien or tax liens, the  
5 commissioner of finance may, not less than sixty days preceding the date  
6 of the sale, resubmit to the commissioner of housing preservation and  
7 development a description by block and lot, or by such other identifica-  
8 tion as the commissioner of finance may deem appropriate, of any parcel  
9 of class one [or], class two OR CLASS FIVE real property that was previ-  
10 ously determined to be a distressed property pursuant to this paragraph  
11 and on which there is a tax lien that may be included in such sale. The  
12 commissioner of housing preservation and development shall determine,  
13 and direct the commissioner of finance, not less than ten days preceding  
14 the date of the sale, whether such parcel remains a distressed property.  
15 If the commissioner of housing preservation and development determines  
16 that the parcel is not a distressed property, then the tax lien on the  
17 parcel may be included in the sale.

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

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

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

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

42 (5) Notwithstanding paragraph one, two or three of this subdivision,  
43 with respect to installment agreements duly made, executed and filed on  
44 or after the date on which this paragraph takes effect, the commissioner  
45 of finance may also exclude or thereafter remove from such list any  
46 parcel of class one [or], class two OR CLASS FIVE real property, other  
47 than a parcel described in paragraph four of this subdivision, as to  
48 which an agreement has been duly made, executed and filed with such  
49 commissioner for the payment of the delinquent taxes, assessments or  
50 other legal charges, and the interest and penalties thereon, in install-  
51 ments. The first installment thereof shall be paid upon the filing of  
52 the installment agreement with the commissioner and shall be in an  
53 amount equal to not less than fifteen percent of the total amount of  
54 such delinquent taxes, assessments or other legal charges and the inter-  
55 est and penalties thereon. The remaining installments, which shall be  
56 twice the number of unpaid quarters of real estate taxes or the equiv-

1 alent thereof, but which shall in no event exceed thirty-two in number,  
2 shall be payable quarterly on the first days of July, October, January  
3 and April. For the purposes of calculating the number of such remaining  
4 installments, unpaid real estate taxes that are due and payable on other  
5 than a quarterly basis shall be deemed to be payable on a quarterly  
6 basis.

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

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

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

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

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

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

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

1 continue to have all of the rights, liabilities, responsibilities,  
2 duties and obligations of an owner of such parcel, including, but not  
3 limited to, maintaining such parcel in compliance with the housing main-  
4 tenance, building and fire codes, and all other applicable laws, unless  
5 and until the commissioner of finance has prepared and executed a deed  
6 conveying to the city or to a third party full and complete title to  
7 such parcel. Upon the execution of such deed, the city or the third  
8 party shall be seized of an estate in fee simple absolute in such land  
9 and all persons, including the state of New York, infants, incompetents,  
10 absentees and non-residents who may have had any right, title, interest,  
11 claim, lien or equity of redemption in or upon such lands shall be  
12 barred and forever foreclosed of all such right, title, interest, claim,  
13 lien or equity of redemption, except as otherwise provided in subdivi-  
14 sions e and f of this section. The appointment and tenure of receivers,  
15 trustees or any other persons, including administrators under article  
16 seven-A of the real property actions and proceedings law, appointed by  
17 an order of a court to manage real property, shall terminate when title  
18 to such property vests in the city or a third party pursuant to the  
19 provisions of this chapter. After such termination, said receivers,  
20 trustees or administrators shall be accountable to the courts that  
21 appointed them for the faithful performance of their fiduciary obli-  
22 gations during the term of their appointment and to the city or such  
23 third party for any rents and income received by them for any period  
24 subsequent to the date of the vesting of title in the city or such third  
25 party.

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

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

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

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

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

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

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

53 f. If the commissioner of finance has prepared, executed and caused to  
54 be recorded a deed conveying to the city full and complete title to a  
55 parcel of class one [or], class two OR CLASS FIVE real property acquired  
56 by in rem tax foreclosure and such parcel is entitled to an exemption

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

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

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

1 the time that the presumption becomes conclusive as aforesaid. Should  
2 any lawsuit or proceeding be commenced to set aside a deed conveying to  
3 a third party a parcel of class one [or], class two OR CLASS FIVE real  
4 property pursuant to the provisions of this section, such third party  
5 shall send to the corporation counsel within ten days of their receipt a  
6 copy of any papers served on such third party in such lawsuit or  
7 proceeding.

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

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

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

36 S 11-412.2 Council review of conveyance to a third party. The commis-  
37 sioner of finance shall, prior to the execution of a deed conveying full  
38 and complete title of any parcel of class one [or], class two OR CLASS  
39 FIVE real property to a third party pursuant to subdivision c of section  
40 11-412.1 of this chapter, notify the council of the proposed conveyance.  
41 Within forty-five days of such notification, the council may act by  
42 local law disapproving the proposed conveyance. In the event the council  
43 does not act by local law within such forty-five day period, the council  
44 shall be deemed to have approved the proposed conveyance. During such  
45 forty-five day period or, if the city council acts by local law pursuant  
46 to this section, during the period of time from the notification of the  
47 council to the presentation to the mayor of such local law and during  
48 any additional period of time prescribed in section 37 of the charter,  
49 the eight-month period provided in subdivisions c and i of section  
50 11-412.1 of this chapter shall be tolled.

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

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

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

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

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