

7981--A

I N S E N A T E

June 2, 2016

Introduced by Sen. MARTINS -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to authorize the village of Plandome Manor to enter into a contract to sell or pledge as collateral for a loan some or all of the delinquent liens held by such village 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:

1 Section 1. Notwithstanding any provision of any general, special or
2 local law to the contrary, the village of Plandome Manor may enter into
3 a contract to sell some or all of the delinquent tax liens held by it to
4 a private party, subject to the following conditions:
5 (a) The consideration to be paid for a sale of the delinquent tax
6 liens held by it may be more or less than the face amount of the tax
7 liens sold.
8 (b) Property owners shall be given at least 30 days advance notice of
9 sale in the same form and manner as provided by subdivision 2 of section
10 1190 of the real property tax law. Failure to provide such notice or the
11 failure of the addressee to receive the same shall not in any way affect
12 the validity of any sale of a tax lien or tax liens or the validity of
13 the taxes or interest prescribed by law with respect thereto.
14 (c) The village of Plandome Manor shall set the terms and conditions
15 of the contract of sale or loan.
16 (d) The tax lien purchaser must 30 days prior to the commencement of
17 any foreclosure action provide to the village of Plandome Manor a list
18 of liens to be foreclosed. The village of Plandome Manor may, at its
19 sole option and discretion, repurchase a lien or liens on the foreclo-
20 sure list from the tax lien purchaser. The repurchase price shall be the
21 amount of the lien or liens plus any accrued interest and collection
22 fees incurred by the tax lien purchaser through the date of repurchase.

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

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1 The tax lien purchaser shall provide the foreclosure list to the village
2 of Plandome Manor, along with the applicable repurchase price of each
3 lien, by certified mail, and the village of Plandome Manor shall have 30
4 days from receipt to notify the tax lien purchaser of its option to
5 purchase one or more of the liens. If the village of Plandome Manor opts
6 to purchase the lien, it shall provide payment within 30 days of receipt
7 of the repurchase price of said lien or liens. If the village of Plan-
8 dome Manor shall fail to repurchase the lien or liens the tax lien
9 purchaser shall have the right to commence a foreclosure action imme-
10 diately upon notice from the village of Plandome Manor of its refusal or
11 at the expiration of the 30 day review period whichever occurs first.

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

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

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

28 S 2. Notwithstanding any provision of any general, special or local
29 law to the contrary, the village of Plandome Manor may enter into a
30 contract to pledge as collateral for a loan some or all of the delin-
31 quent tax liens held by it to a third party or engage a third party to
32 collect some or all of the delinquent tax liens held by it subject to
33 the following conditions:

34 (a) Any loan provided under this section shall bear an interest rate
35 to be determined by the village of Plandome Manor.

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

40 S 3. This act shall take effect immediately and shall expire December
41 31, 2019 when upon such date the provisions of this act shall be deemed
42 repealed.