

893--A

2015-2016 Regular Sessions

I N S E N A T E

January 7, 2015

Introduced by Sens. AVELLA, STAVISKY -- 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 amend the real property tax law, the administrative code of the city of New York and the real property law, 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 condomin-  
5 ium 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; THE DEPARTMENT OF FINANCE OF ANY CITY ENACTING A  
44 LOCAL LAW PURSUANT TO THIS SECTION SHALL RECLASSIFY CLASS ONE-A  
45 PROPERTIES USED PRIMARILY TO GENERATE RENTAL INCOME TO CLASS  
46 TWO. THE DEPARTMENT OF FINANCE OF ANY CITY ENACTING A LOCAL LAW  
47 PURSUANT TO THIS SECTION SHALL HAVE, IN ADDITION TO ANY OTHER  
48 FUNCTIONS, POWERS AND DUTIES WHICH HAVE BEEN OR MAY BE CONFERRED  
49 ON IT BY LAW, THE POWER TO MAKE AND PROMULGATE RULES TO CARRY  
50 OUT THE PURPOSES OF THIS SECTION INCLUDING, BUT NOT LIMITED TO,  
51 RULES DEFINING THE CLASS ONE-A PROPERTIES PRIMARILY USED TO  
52 GENERATE RENTAL INCOME, AND RELATING TO THE TIMING, FORM AND  
53 MANNER OF ANY CERTIFICATION REQUIRED TO BE SUBMITTED UNDER THIS  
54 SECTION. IF A PROPERTY PREVIOUSLY RECLASSIFIED FROM CLASS ONE-A  
55 TO CLASS TWO CEASES TO BE USED PRIMARILY TO GENERATE RENTAL  
56 INCOME, THE DEPARTMENT SHALL RECLASSIFY SUCH PROPERTY TO CLASS

1 ONE-A. THE DEPARTMENT SHALL USE A FIVE-YEAR PERIOD WHEN DETER-  
2 MINING WHETHER A PROPERTY IS USED PRIMARILY TO GENERATE RENTAL  
3 INCOME;

4 CLASS TWO: ALL OTHER RESIDENTIAL REAL PROPERTY WHICH IS NOT DESIGNATED  
5 AS CLASS ONE OR CLASS ONE-A, except hotels and motels and other  
6 similar commercial property;

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

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

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

15 1. Generally. Notwithstanding any provision of any general, special  
16 or local law to the contrary, any city with a population of one million  
17 or more is hereby authorized and empowered to adopt and amend local laws  
18 in accordance with this section imposing an additional tax on certain  
19 class one AND CLASS ONE-A properties, as such properties are defined in  
20 section eighteen hundred two of this chapter, excluding vacant land.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50 Each applicant that has filed an application of a property as defined  
51 in subdivision one of section eighteen hundred two of this chapter as  
52 "CLASS 1-A", "Class 2", "Class 3" or "Class 4", shall receive a notice  
53 as to the final determination of the assessment review commission or a  
54 statement that the commission has not yet made a determination as to the  
55 final assessed valuation which shall be made as soon as the petitioners  
56 application is reviewed or heard. Such applicants determinations shall

1 contain the statement: "If you are dissatisfied with the determination  
2 of the Assessment Review Commission you may seek judicial review of your  
3 assessment under title one of article seven of the real property tax  
4 law." Such notice shall also state the last date to file petitions for  
5 judicial review. A final determination when rendered shall contain the  
6 same statement. Failure to mail any such notice or failure of the appli-  
7 cant to receive the same shall not affect the validity of the assess-  
8 ment.

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

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

15 S 10. Subparagraph 2 of paragraph (a) of subdivision 3 of section 720  
16 of the real property tax law, as amended by chapter 679 of the laws of  
17 1986, is amended to read as follows:

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

23 S 11. The opening paragraph of subdivision 1 of section 1805 of the  
24 real property tax law, as amended by chapter 935 of the laws of 1984, is  
25 amended and two new subdivisions 1-a and 1-b are added to read as  
26 follows:

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

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

47 1-A. ASSESSMENT ROLLS COMPUTED FOR CLASS ONE-A SHALL INCLUDE ANY  
48 OUTSTANDING PHASED-IN INCREASES ACCRUED PRIOR TO THE EFFECTIVE DATE OF  
49 THE CHAPTER OF THE LAWS OF TWO THOUSAND FIFTEEN WHICH ADDED THIS SUBDI-  
50 VISION PURSUANT TO SUBDIVISION THREE OF THIS SECTION.

51 1-B. CLASS ONE-A PARCELS SHALL BE ASSESSED IN A METHOD COMPARABLE TO  
52 CLASS ONE PARCELS.

53 S 12. Subdivisions e and f of section 11-208.1 of the administrative  
54 code of the city of New York, subdivision e as amended by local law  
55 number 41 of the city of New York for the year 1986 and subdivision f as

1 amended by chapter 385 of the laws of 2006, are amended to read as  
2 follows:

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

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

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

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

1 assessed on class one property after deduction for any exemption or  
2 abatement received pursuant to the real property tax law or this title.

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

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

1 random thereto, relating to active duty military personnel, or where the  
2 owner of any two or three family residential real property in class one  
3 has been allowed a credit pursuant to subsection (e) of section six  
4 hundred six of the tax law for the calendar year in which the date of  
5 the first publication, pursuant to subdivision a of section 11-320 of  
6 this chapter, of the notice of sale, occurs or for the calendar year  
7 immediately preceding such date. A tax lien or tax liens on any property  
8 classified as a class two property, except [a class two property that is  
9 a residential condominium or residential cooperative, or] a class two  
10 residential property owned by a company organized pursuant to article XI  
11 of the state private housing finance law [that is not a residential  
12 condominium or a residential cooperative], or class three property, as  
13 such classes of property are defined in subdivision one of section eight-  
14 teen hundred two of the real property tax law, shall not be sold by the  
15 city unless such tax lien or tax liens include a real property tax  
16 component as of the date of the first publication, pursuant to subdivi-  
17 sion a of section 11-320 of this chapter, of the notice of sale.  
18 Notwithstanding any provision of this subdivision to the contrary, any  
19 such tax lien or tax liens that remain unpaid in whole or in part after  
20 such date may be sold regardless of whether such tax lien or tax liens  
21 include a real property tax component. A tax lien or tax liens on a  
22 property classified as a class four property, as such class of property  
23 is defined in subdivision one of section eighteen hundred two of the  
24 real property tax law, shall not be sold by the city unless such tax  
25 lien or tax liens include a real property tax component or sewer rents  
26 component or sewer surcharges component or water rents component or  
27 emergency repair charges component, where such emergency repair charges  
28 accrued on or after January first, two thousand six and are made a lien  
29 pursuant to section 27-2144 of this code, as of the date of the first  
30 publication, pursuant to subdivision a of section 11-320 of this chap-  
31 ter, of the notice of sale, provided, however, that any tax lien or tax  
32 liens that remain unpaid in whole or in part after such date may be sold  
33 regardless of whether such tax lien or tax liens include a real property  
34 tax component, sewer rents component, sewer surcharges component, water  
35 rents component or emergency repair charges component. For purposes of  
36 this subdivision, the words "real property tax" shall not include an  
37 assessment or charge upon property imposed pursuant to section 25-411 of  
38 the administrative code. A sale of a tax lien or tax liens shall  
39 include, in addition to such lien or liens that have remained unpaid in  
40 whole or in part for one year, or, in the case of any class one property  
41 or class [two] ONE-A property [that is a residential condominium or  
42 residential cooperative], when the real property tax component of such  
43 lien or liens has remained unpaid in whole or in part for three years,  
44 or, in the case of any class two residential property owned by a company  
45 organized pursuant to article XI of the state private housing finance  
46 law [that is not a residential condominium or a residential cooper-  
47 ative], when the real property tax component of such lien or liens has  
48 remained unpaid in whole or in part for two years, and equals or exceeds  
49 the sum of five thousand dollars, any taxes, assessments, sewer rents,  
50 sewer surcharges, water rents, any other charges that are made a lien  
51 subject to the provisions of this chapter, the costs of any advertise-  
52 ments and notices given pursuant to this chapter, any other charges that  
53 are due and payable, a surcharge pursuant to section 11-332 of this  
54 chapter, and interest and penalties thereon or such component of the  
55 amount thereof as shall be determined by the commissioner of finance.



1 The commissioner of finance may promulgate rules defining "abandoned"  
2 property, as such term is used in this subdivision.

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

1 prior tax lien or tax liens remain unpaid as of the date of the first  
2 publication, pursuant to subdivision a of section 11-320 of this chap-  
3 ter, of the notice of sale of the subsequent tax lien or tax liens. A  
4 subsequent tax lien or tax liens on any property classified as a class  
5 two property, except [a class two property that is a residential condo-  
6 minium or residential cooperative, or] a class two residential property  
7 owned by a company organized pursuant to article XI of the state private  
8 housing finance law [that is not a residential condominium or a residen-  
9 tial cooperative], or class three property, as such classes of property  
10 are defined in subdivision one of section eighteen hundred two of the  
11 real property tax law, shall not be sold by the city unless such tax  
12 lien or tax liens include a real property tax component as of the date  
13 of the first publication, pursuant to subdivision a of section 11-320 of  
14 this chapter, of the notice of sale. Notwithstanding any provision of  
15 this subdivision to the contrary, any such tax lien or tax liens that  
16 remain unpaid in whole or in part after such date may be sold regardless  
17 of whether such tax lien or tax liens include a real property tax compo-  
18 nent. A subsequent tax lien or tax liens on a property classified as a  
19 class four property, as such class of property is defined in subdivision  
20 one of section eighteen hundred two of the real property tax law, shall  
21 not be sold by the city unless such tax lien or tax liens include a real  
22 property tax component or sewer rents component or sewer surcharges  
23 component or water rents component or emergency repair charges compo-  
24 nent, where such emergency repair charges accrued on or after January  
25 first, two thousand six and are made a lien pursuant to section 27-2144  
26 of this code, as of the date of the first publication, pursuant to  
27 subdivision a of section 11-320 of this chapter, of the notice of sale,  
28 provided, however, that any tax lien or tax liens that remain unpaid in  
29 whole or in part after such date may be sold regardless of whether such  
30 tax lien or tax liens include a real property tax component, sewer rents  
31 component, sewer surcharges component, water rents component or emergen-  
32 cy repair charges component. For purposes of this subdivision, the words  
33 "real property tax" shall not include an assessment or charge upon prop-  
34 erty imposed pursuant to section 25-411 of the administrative code.  
35 Nothing in this subdivision shall be deemed to limit the rights  
36 conferred by section 11-332 of this chapter on the holder of a tax lien  
37 certificate with respect to a subsequent tax lien.

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

1 section eighteen hundred two of the real property tax law, for two  
2 years, and equals to exceeds the sum of five thousand dollars; provided,  
3 however, that such water rents, sewer rents or sewer surcharges compo-  
4 nent of such tax lien may not be sold pursuant to this subdivision on  
5 any one family residential real property in class one or on any two or  
6 three family residential real property in class one that is receiving an  
7 exemption pursuant to section 11-245.3 or 11-245.4 of this title, or  
8 pursuant to section four hundred fifty-eight of the real property tax  
9 law with respect to real property purchased with payments received as  
10 prisoner of war compensation from the United States government, or  
11 pursuant to paragraph (b) or (c) of subdivision two of section four  
12 hundred fifty-eight-a of the real property tax law, or where the owner  
13 of any two or three family residential real property in class one is  
14 receiving benefits in accordance with department of finance memorandum  
15 05-3, or any successor memorandum thereto, relating to active duty mili-  
16 tary personnel, or where the owner of any two or three family residen-  
17 tial real property in class one has been allowed a credit pursuant to  
18 subsection (e) of section six hundred six of the tax law for the calen-  
19 dar year in which the date of the first publication, pursuant to subdivi-  
20 sion a of section 11-320 of this chapter, of the notice of sale,  
21 occurs or for the calendar year immediately preceding such date. After  
22 such sale, any such water rents, sewer rents or sewer surcharges compo-  
23 nent of such tax lien may be transferred in the manner provided by this  
24 chapter.

25 a-3. In addition to any sale authorized pursuant to subdivision a or  
26 subdivision a-1 of this section and notwithstanding any provision of  
27 this chapter to the contrary, beginning on December first, two thousand  
28 seven, a subsequent tax lien on any class of real property, as such real  
29 property is classified in subdivision one of section eighteen hundred  
30 two of the real property tax law, may be sold by the city pursuant to  
31 this chapter, regardless of whether such subsequent tax lien, or any  
32 component of the amount thereof, shall have remained unpaid in whole or  
33 in part for one year, and regardless of whether such subsequent tax  
34 lien, or any component of the amount thereof, equals or exceeds the sum  
35 of one thousand dollars or beginning on March first, two thousand elev-  
36 en, in the case of any two or three family residential real property in  
37 class one, a subsequent tax lien on such property may be sold by the  
38 city pursuant to this chapter, regardless of whether such subsequent tax  
39 lien, or any component of the amount thereof, shall have remained unpaid  
40 in whole or in part for one year, and regardless of whether such subse-  
41 quent tax lien, or any component of the amount thereof, equals or  
42 exceeds the sum of two thousand dollars, or, beginning on January first,  
43 two thousand twelve, in the case of any class two residential property  
44 owned by a company organized pursuant to article XI of the state private  
45 housing finance law [that is not a residential condominium or a residen-  
46 tial cooperative], as such class of property is defined in subdivision  
47 one of section eighteen hundred two of the real property tax law, a  
48 subsequent tax lien on such property may be sold by the city pursuant to  
49 this chapter, regardless of whether such subsequent tax lien, or any  
50 component of the amount thereof, shall have remained unpaid in whole or  
51 in part for two years, and regardless of whether such subsequent tax  
52 lien, or any component of the amount thereof, equals or exceeds the sum  
53 of five thousand dollars; provided, however, that such subsequent tax  
54 lien may not be sold pursuant to this subdivision on any one family  
55 residential real property in class one or on any two or three family  
56 residential real property in class one that is receiving an exemption

1 pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to  
2 section four hundred fifty-eight of the real property tax law with  
3 respect to real property purchased with payments received as prisoner of  
4 war compensation from the United States government, or pursuant to para-  
5 graph (b) or (c) of subdivision two of section four hundred  
6 fifty-eight-a of the real property tax law, or where the owner of any  
7 two or three family residential real property in class one is receiving  
8 benefits in accordance with department of finance memorandum 05-3, or  
9 any successor memorandum thereto, relating to active duty military  
10 personnel, or where the owner of any two or three family residential  
11 real property in class one has been allowed a credit pursuant to  
12 subsection (e) of section six hundred six of the tax law for the calen-  
13 dar year in which the date of the first publication, pursuant to subdi-  
14 vision a of section 11-320 of this chapter, of the notice of sale,  
15 occurs or for the calendar year immediately preceding such date. After  
16 such sale, any such subsequent tax lien, or any component of the amount  
17 thereof, may be transferred in the manner provided by this chapter. For  
18 purposes of this subdivision, the term "subsequent tax lien" shall mean  
19 the water rents, sewer rents or sewer surcharges component of any tax  
20 lien on property that becomes such on or after the date of sale of any  
21 water rents, sewer rents or sewer surcharges component of any tax lien  
22 on such property that has been sold pursuant to this chapter, provided  
23 that the prior tax lien remains unpaid as of the date of the first  
24 publication, pursuant to subdivision a of section 11-320 of this chap-  
25 ter, of the notice of sale of the subsequent tax lien. Nothing in this  
26 subdivision shall be deemed to limit the rights conferred by section  
27 11-332 of this chapter on the holder of a tax lien certificate with  
28 respect to a subsequent tax lien.

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

1 provisions of section 27-2153 of this code and is not the primary resi-  
2 dence of the owner. After such sale, any such emergency repair charges  
3 component or alternative enforcement expenses and fees component of such  
4 tax lien may be transferred in the manner provided by this chapter.

5 a-5. 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, a subsequent tax lien on any class of real property, or begin-  
9 ning on January first, two thousand twelve in the case of any class two  
10 residential property owned by a company organized pursuant to article XI  
11 of the state private housing finance law [that is not a residential  
12 condominium or a residential cooperative], a subsequent tax lien on such  
13 property, may be sold by the city pursuant to this chapter, regardless  
14 of the length of time such subsequent tax lien, or any component of the  
15 amount thereof, shall have remained unpaid, and regardless of the amount  
16 of such subsequent tax lien. After such sale, any such subsequent tax  
17 lien, or any component of the amount thereof, may be transferred in the  
18 manner provided by this chapter. For purposes of this subdivision, the  
19 term "subsequent tax lien" shall mean the emergency repair charges  
20 component or alternative enforcement expenses and fees component, where  
21 such emergency repair charges accrued on or after January first, two  
22 thousand six and are made a lien pursuant to section 27-2144 of this  
23 code, or where such alternative enforcement expenses and fees are made a  
24 lien pursuant to section 27-2153 of this code, of any tax lien on prop-  
25 erty that becomes such on or after the date of sale of any emergency  
26 repair charges component or alternative enforcement expenses and fees  
27 component, of any tax lien on such property that has been sold pursuant  
28 to this chapter, provided that the prior tax lien remains unpaid as of  
29 the date of the first publication, pursuant to subdivision a of section  
30 11-320 of this chapter, of the notice of sale of the subsequent tax  
31 lien. Nothing in this subdivision shall be deemed to limit the rights  
32 conferred by section 11-332 of this chapter on the holder of a tax lien  
33 certificate with respect to a subsequent tax lien.

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

41 (i) Such notices shall also include, with respect to any property  
42 owner in class one, CLASS ONE-A or class two, as such classes of proper-  
43 ty are defined in subdivision one of section eighteen hundred two of the  
44 real property tax law, an exemption eligibility checklist. The exemption  
45 eligibility checklist shall also be posted on the website of the depart-  
46 ment no later than the first business day after March fifteenth of every  
47 year prior to the date of sale, and shall continue to be posted on such  
48 website until ten days prior to the date of sale. Within ten business  
49 days of receipt of a completed exemption eligibility checklist from such  
50 property owner, provided that such receipt occurs prior to the date of  
51 sale of any tax lien or tax liens on his or her property, the department  
52 of finance shall review such checklist to determine, based on the infor-  
53 mation provided by the property owner, whether such property owner could  
54 be eligible for any exemption, credit or other benefit that would enti-  
55 tle them to be excluded from a tax lien sale and, if the department  
56 determines that such property owner could be eligible for any such

1 exemption, credit or other benefit, shall mail such property owner an  
2 application for the appropriate exemption, credit or other benefit. If,  
3 within twenty business days of the date the department mailed such  
4 application, the department has not received a completed application  
5 from such property owner, the department shall mail such property owner  
6 a second application, and shall telephone the property owner, if the  
7 property owner has included his or her telephone number on the exemption  
8 eligibility checklist.

9 (ii) all class two residential property owned by a company organized  
10 pursuant to article XI of the state private housing finance law [that is  
11 not a residential condominium or a residential cooperative] on which any  
12 tax lien has been sold pursuant to subdivision a, a-2 or a-4 of section  
13 11-319 of this title.

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

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

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

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

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

52 a. The commissioner of finance shall, not less than sixty days preced-  
53 ing the date of the sale of a tax lien or tax liens, submit to the  
54 commissioner of housing preservation and development a description by  
55 block and lot, or by such other identification as the commissioner of  
56 finance may deem appropriate, of any parcel of class one, CLASS ONE-A or

1 class two real property on which there is a tax lien that may be fore-  
2 closed by the city. The commissioner of housing preservation and devel-  
3 opment shall determine, and direct the commissioner of finance, not less  
4 than ten days preceding the date of the sale of a tax lien or tax liens,  
5 whether any such parcel is a distressed property as defined in subdivi-  
6 sion four of section 11-401 of this chapter. Any tax lien on a parcel so  
7 determined to be a distressed property shall not be included in such  
8 sale. In connection with a subsequent sale of a tax lien or tax liens,  
9 the commissioner of finance may, not less than sixty days preceding the  
10 date of the sale, resubmit to the commissioner of housing preservation  
11 and development a description by block and lot, or by such other iden-  
12 tification as the commissioner of finance may deem appropriate, of any  
13 parcel of class one, CLASS ONE-A or class two real property that was  
14 previously determined to be a distressed property pursuant to this para-  
15 graph and on which there is a tax lien that may be included in such  
16 sale. The commissioner of housing preservation and development shall  
17 determine, and direct the commissioner of finance, not less than ten  
18 days preceding the date of the sale, whether such parcel remains a  
19 distressed property. If the commissioner of housing preservation and  
20 development determines that the parcel is not a distressed property,  
21 then the tax lien on the parcel may be included in the sale.

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

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

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

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

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

1 taxes, assessments or other legal charges and the interest and penalties  
2 thereon. The remaining installments, which shall be twice the number of  
3 unpaid quarters of real estate taxes or the equivalent thereof, but  
4 which shall in no event exceed thirty-two in number, shall be payable  
5 quarterly on the first days of July, October, January and April. For the  
6 purposes of calculating the number of such remaining installments,  
7 unpaid real estate taxes that are due and payable on other than a quar-  
8 terly basis shall be deemed to be payable on a quarterly basis.

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

11 3. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, BEGIN-  
12 NING IN THE FISCAL YEAR COMMENCING ON OR AFTER JULY FIRST, TWO THOUSAND  
13 SIXTEEN, THE ANNUAL PERCENTAGE CHANGE IN THE REAL PROPERTY TAX RATE FOR  
14 TAXES LEVIED BY THE CITY OF NEW YORK AND THE COUNTIES CONTAINED THEREIN  
15 FOR CITY AND COUNTY PURPOSES FOR CLASS ONE-A PROPERTIES SHALL NOT EXCEED  
16 THE ANNUAL PERCENTAGE CHANGE IN SUCH TAX RATE FOR CLASS ONE PROPERTIES,  
17 AS SUCH CLASSES OF PROPERTY ARE DEFINED IN SUBDIVISION ONE OF SECTION  
18 EIGHTEEN HUNDRED TWO OF THE REAL PROPERTY TAX LAW. FOR PURPOSES OF THIS  
19 SUBDIVISION "ANNUAL PERCENTAGE CHANGE" SHALL MEAN THE PERCENTAGE  
20 DIFFERENCE BETWEEN THE RATE OF TAX IMPOSED DURING THE COMING FISCAL YEAR  
21 AND THE RATE OF TAX IMPOSED DURING THE FISCAL YEAR IMMEDIATELY PRECEDING  
22 THE COMING FISCAL YEAR.

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

25 S 2023-C. LIMITATIONS UPON NEW YORK CITY SCHOOL DISTRICT TAX LEVIES.  
26 NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, BEGINNING IN  
27 THE FISCAL YEAR COMMENCING ON OR AFTER JULY FIRST, TWO THOUSAND SIXTEEN,  
28 THE ANNUAL PERCENTAGE CHANGE IN THE TAX RATE FOR TAXES LEVIED BY OR ON  
29 BEHALF OF ANY SCHOOL DISTRICT IN THE CITY OF NEW YORK AND THE COUNTIES  
30 CONTAINED THEREIN FOR SCHOOL DISTRICT PURPOSES FOR CLASS ONE-A PROPER-  
31 TIES SHALL NOT EXCEED THE ANNUAL PERCENTAGE CHANGE IN SUCH TAX RATE FOR  
32 CLASS ONE PROPERTIES, AS SUCH CLASSES OF PROPERTY ARE DEFINED IN SUBDI-  
33 VISION ONE OF SECTION EIGHTEEN HUNDRED TWO OF THE REAL PROPERTY TAX LAW.  
34 FOR PURPOSES OF THIS SUBDIVISION "ANNUAL PERCENTAGE CHANGE" SHALL MEAN  
35 THE PERCENTAGE DIFFERENCE BETWEEN THE RATE OF TAX IMPOSED DURING THE  
36 COMING FISCAL YEAR AND THE RATE OF TAX IMPOSED DURING THE FISCAL YEAR  
37 IMMEDIATELY PRECEDING THE COMING FISCAL YEAR.

38 S 23. Subdivision 1 of section 581 of the real property tax law is  
39 amended by adding a new paragraph (d) to read as follows:

40 (D) THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVISION SHALL NOT  
41 APPLY TO PROPERTIES CLASSIFIED AS "CLASS ONE-A".

42 S 24. Subdivision 1 of section 339-y of the real property law, as  
43 amended by chapter 218 of the laws of 1986, subparagraph (ii) of para-  
44 graph (d) as amended by chapter 223 of the laws of 1989, paragraph (e)  
45 as added by chapter 135 of the laws of 1996 and paragraph (f) as added  
46 by chapter 293 of the laws of 1997, is amended to read as follows:

47 1. (a) With respect to all property submitted to the provisions of  
48 this article other than property which is the subject of a qualified  
49 leasehold condominium, each unit and its common interest, not including  
50 any personal property, shall be deemed to be a parcel and shall be  
51 subject to separate assessment and taxation by each assessing unit,  
52 school district, special district, county or other taxing unit, for all  
53 types of taxes authorized by law including but not limited to special ad  
54 valorem levies and special assessments, except that the foregoing shall  
55 not apply to a unit held under lease or sublease unless the declaration  
56 requires the unit owner to pay all taxes attributable to his unit.



1 Neither the building, the property nor any of the common elements shall  
2 be deemed to be a parcel.

3 (b) [In no event shall the aggregate of the assessment of the units  
4 plus their common interests exceed the total valuation of the property  
5 were the property assessed as a parcel.

6 (c)] For the purposes of this and the next succeeding section the  
7 terms "assessing unit", "assessment", "parcel", "special ad valorem  
8 levy", "special assessment", "special district", "taxation" and "taxes"  
9 shall have the meanings specified in section one hundred two of the real  
10 property tax law.

11 [(d) The provisions of paragraph (b) of this subdivision shall not  
12 apply to such real property classified within:

13 (i) on and after January first, nineteen hundred eighty-six, class one  
14 of section one thousand eight hundred two of the real property tax law;  
15 or

16 (ii) on and after January first, nineteen hundred eighty-four, the  
17 homestead class of an approved assessing unit which has adopted the  
18 provisions of section one thousand nine hundred three of the real prop-  
19 erty tax law, or the homestead class of the portion outside an approved  
20 assessing unit of an eligible split school district which has adopted  
21 the provisions of section nineteen hundred three-a of the real property  
22 tax law; provided, however, that, in an approved assessing unit which  
23 adopted the provisions of section one thousand nine hundred three of the  
24 real property tax law prior to the effective date of this subdivision,  
25 paragraph (b) of this subdivision shall apply to all such real property

26 (i) which is classified within the homestead class pursuant to paragraph  
27 one of subdivision (e) of section one thousand nine hundred one of the  
28 real property tax law and (ii) which, regardless of classification, was  
29 on the assessment roll prior to the effective date of this subdivision  
30 unless the governing body of such approved assessing unit provides by  
31 local law adopted after a public hearing, prior to the taxable status  
32 date of such assessing unit next occurring after December thirty-first,  
33 nineteen hundred eighty-three, that such paragraph (b) shall not apply  
34 to such real property to which this clause applies. Provided further,  
35 however, real property subject to the provisions of this subparagraph  
36 shall be assessed pursuant to subdivision two of section five hundred  
37 eighty-one of the real property tax law.

38 (e)] (C) On the first assessment roll with a taxable status date on or  
39 after the effective date of a declaration filed with the recording offi-  
40 cer and on every assessment roll thereafter, the assessor shall enter  
41 each unit as a parcel, as provided in paragraph (a) of this subdivision,  
42 based upon the condition and ownership of each such unit on the appro-  
43 priate valuation and taxable status dates. Units owned by a developer  
44 may be entered as a single parcel with a parcel description correspond-  
45 ing to the entire development, including the land under such develop-  
46 ment, and excluding those units appearing separately. Upon the first  
47 assessment roll where each unit is separately assessed, only an individ-  
48 ual unit and its common interest shall constitute a parcel.

49 [(f) The provisions of paragraph (b) of this subdivision shall not  
50 apply to a converted condominium unit in a municipal corporation other  
51 than a special assessing unit, which has adopted, prior to the taxable  
52 status date of the assessment roll upon which its taxes will be levied,  
53 a local law or, for a school district, a resolution providing that the  
54 provisions of paragraph (b) of this subdivision shall not apply to a  
55 converted condominium unit within that municipal corporation. A  
56 converted condominium unit for purposes of this paragraph shall mean a

1 dwelling unit held in condominium form of ownership that has previously  
2 been on an assessment roll as a dwelling unit in other than condominium  
3 form of ownership, and has not been previously subject to the provisions  
4 of paragraph (b) of this subdivision.]

5 S 25. The New York city department of finance shall prepare a method-  
6 ology to adjust class shares.

7 S 26. 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 is authorized  
13 and directed to be made and completed on or before such effective date.