STATE OF NEW YORK

8455

IN SENATE

May 8, 2018

Introduced by Sen. JACOBS -- 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, in relation to surplus proceeds from tax lien foreclosures

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 1166 of the real property tax law is amended by adding a new subdivision 3 to read as follows:

3. (a) A former owner of residential or farm property, as defined in this article, shall be entitled to any surplus proceeds which result from the sale of such real property acquired by a tax entity through tax foreclosure proceedings. The term "surplus" shall mean the amount that is left after the property has been auctioned and all outstanding taxes, issues, payments for county tax and utility liens and administrative and other fees have been paid.

(b) In the event that a sale authorized under this section shall result in a surplus as to any piece or parcel of land offered at such sale, the enforcing officer shall report the fact of such surplus to the court which shall direct the enforcing officer to deposit such surplus in trust with the county treasurer or commissioner of finance for the benefit of whomsoever may be entitled to such surplus pursuant to this subdivision. Such surplus shall be retained for a period of at least three years.

(c) A municipality shall notify a property owner when the owner's property netted a surplus at a tax foreclosure auction that was held on or after the effective date of this subdivision. The notification shall be made as directed by the court and shall state the possible existence of a surplus, how to obtain the surplus and the steps the homeowner must take to obtain the surplus.

(d) Notwithstanding subdivision two of section eleven hundred four of this article, the provisions of this subdivision shall apply to all counties, cities, towns and villages in this state.

§ 2. This act shall take effect immediately.

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

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