

# STATE OF NEW YORK

10168

## IN ASSEMBLY

March 22, 2018

Introduced by M. of A. O'DONNELL -- read once and referred to the  
Committee on Judiciary

AN ACT to amend the real property actions and proceedings law and the  
real property tax law, in relation to requiring the court in a fore-  
closure action to provide notice to the former owner of the real prop-  
erty of the right to apply for surplus moneys from the sale of such  
property

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

1 Section 1. Section 1354 of the real property actions and proceedings  
2 law is amended by adding a new subdivision 5 to read as follows:

3 5. The court shall provide notice to the former owner or owners of the  
4 foreclosed real property of the existence of surplus moneys resulting  
5 from the sale and their right to file a written notice of claim to all  
6 or a portion of such proceeds pursuant to section thirteen hundred  
7 sixty-one of this article.

8 § 2. Section 1136 of the real property tax law is amended by adding a  
9 new subdivision 4 to read as follows:

10 4. Notice to former owners. In the event the court directs the sale of  
11 real property pursuant to this section, the court shall provide notice  
12 to the former owner or owners of the foreclosed real property that  
13 ownership of such property has been transferred to a municipality or a  
14 tax district, that after the sale thereof there is a potential that  
15 surplus moneys may result from the sale and in the event a surplus  
16 results, such owner or owners shall have a right to file a written  
17 notice of claim to all or a portion of such proceeds pursuant to section  
18 thirteen hundred sixty-one of the real property actions and proceedings  
19 law.

20 § 3. This act shall take effect immediately.

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

LBD09300-01-7