

STATE OF NEW YORK

228

2019-2020 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 9, 2019

Introduced by M. of A. BRAUNSTEIN, WEPRIN -- Multi-Sponsored by -- M. of A. RAMOS -- read once and referred to the Committee on Real Property Taxation

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

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

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on an assessment roll as a dwelling unit in other than condominium form of ownership; and (c) residential real property consisting of one family house structures owned by the occupant, situated on land held in cooperative ownership by owner occupiers, provided that; (i) such house structures and land constituted bungalow colonies in existence prior to nineteen hundred forty; and (ii) the land is held in cooperative ownership for the sole purpose of maintaining one family residences for members own use; and (d) all vacant land located within a special assessing unit which is a city (i) other than such land in the borough of Manhattan, provided that any such vacant land which is not zoned residential must be situated immediately adjacent to property improved with a residential structure as defined in subparagraphs (a) and (b) of this paragraph, be owned by the same owner as such immediately adjacent residential property immediately prior to and since January 1, 1989, and have a total area not exceeding 10,000 square feet; and (ii) located in the borough of Manhattan north of or adjacent to the north side of 110th street provided such vacant land was classified within this class on the assessment roll with a taxable status date of January 5, 2008 and the owner of such land has entered into a recorded agreement with a governmental entity on or before December 31, 2008 requiring construction of housing affordable to persons or families of low income in accordance with the provisions of the private housing finance law. Notwithstanding the foregoing, such vacant land shall be classified according to its use on the assessment roll with a taxable status date immediately following commencement of construction, provided further, that construction pursuant to an approved plan for affordable housing shall commence no later than December 31, 2010; and (e) all vacant land located within a special assessing unit which is not a city, provided that such vacant land which is not zoned residential must be situated immediately adjacent to real property defined in subparagraph (a), (b) or (c) of this paragraph and be owned by the same person or persons who own the real property defined in such subparagraph immediately prior to and since January 1, 2003;

Class two: [~~all other~~] residential real property held in cooperative or condominium form of ownership which is not designated as class one[~~, except hotels and motels and other similar commercial property~~];

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

Class four: all other real property which is not designated as class one, class two, [~~or~~] class three[~~+~~], or class five;

Class five: all other residential real property which is not designated as class one, except hotels and motels and other similar commercial property, or class two.

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

The assessment roll of a special assessing unit wholly contained within a city shall identify those parcels classified in class two or class five which have fewer than eleven residential units. The assessor of any such special assessing unit shall not increase the assessment of any parcel so identified in any one year, as measured from the actual

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

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

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

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

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

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

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

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

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

§ 7. Paragraph (b) of subdivision 3 of section 522 of the real property tax law, as added by chapter 714 of the laws of 1982, is amended to read as follows:

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

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

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

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

§ 9. Paragraph (b) of subdivision 3 of section 701 of the real property tax law, as added by chapter 714 of the laws of 1982, is amended to read as follows:

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

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

(2) "Major type of property" in special assessing units, for assessments on rolls completed after December thirty-first, nineteen hundred eighty-one, shall mean classes one, two, three ~~and~~, four and five as defined in subdivision one of section eighteen hundred two of this chapter.

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

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

f. Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for the commissioner, any officer or employee of the department, the president or a commissioner or employee of the tax commission, any person engaged or retained by the department or the tax commission on an independent contract basis, or any person, who, pursuant to this section, is permitted to inspect any income and expense statement or to whom a copy, an abstract or a portion of any such statement is furnished, to divulge or make known in any manner except as provided in this subdivision, the amount of income and/or expense or any particulars set forth or disclosed in any such statement required under this section. The commissioner, the president of the tax commission, or any commissioner or officer or employee of the department or the tax commission charged with the custody of such statements shall not be required to produce any income and expense statement or evidence of anything contained in them in any action or proceeding in any court, except on behalf of the department or the tax commission. Nothing herein shall be construed to prohibit the delivery to an owner or his or her duly authorized representative of a certified copy of any statement filed by such owner pursuant to this section or to prohibit the publication of statistics so classified as to prevent the identification of particular statements and the items thereof, or making known aggregate income and expense information disclosed with respect to property classified as class four as defined in article eighteen of the real property tax law without identifying information about individual leases, or making known a range as determined by the commissioner within which the income and expenses of a property classified as class two or class five falls, or the inspection by the legal representatives of the department or of the tax commission of the statement of any owner who shall bring an action to correct the assessment. Any violation of the provisions of this subdivision shall be punished by a fine not exceeding one thousand dollars or by imprisonment not exceeding one year, or both, at the discretion of the court, and if the offender be an officer or employee of the department or the tax commission, the offender shall be dismissed from office.

§ 12. Subdivisions a, a-1, a-2, a-3, a-4 and a-5 of section 11-319 of the administrative code of the city of New York, subdivisions a, a-1, a-2 and a-3 as amended and subdivision a-5 as added by local law number 15 of the city of New York for the year 2011 and subdivision a-4 as

1 amended by local law number 4 of the city of New York for the year 2017,
2 are amended to read as follows:

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

notice of sale, occurs or for the calendar year immediately preceding such date. A tax lien or tax liens on any property classified as a ~~[class two property, except a class two property that is a residential condominium or residential cooperative, or a class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, or]~~ class three property, or a class five property owned by a company organized pursuant to article XI of the state private housing finance law as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale. Notwithstanding any provision of this subdivision to the contrary, any such tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component. A tax lien or tax liens on a property classified as a class four property, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component or sewer rents component or sewer surcharges component or water rents component or emergency repair charges component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, provided, however, that any tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component, sewer rents component, sewer surcharges component, water rents component or emergency repair charges component. For purposes of this subdivision, the words "real property tax" shall not include an assessment or charge upon property imposed pursuant to section 25-411 of ~~[the administrative]~~ this code. A sale of a tax lien or tax liens shall include, in addition to such lien or liens that have remained unpaid in whole or in part for one year, or, in the case of any class one property or class two property ~~[that is a residential condominium or residential cooperative]~~, when the real property tax component of such lien or liens has remained unpaid in whole or in part for three years, or, in the case of any class ~~[two]~~ five residential property owned by a company organized pursuant to article XI of the state private housing finance law ~~[that is not a residential condominium or a residential cooperative]~~, when the real property tax component of such lien or liens has remained unpaid in whole or in part for two years, and equals or exceeds the sum of five thousand dollars, any taxes, assessments, sewer rents, sewer surcharges, water rents, any other charges that are made a lien subject to the provisions of this chapter, the costs of any advertisements and notices given pursuant to this chapter, any other charges that are due and payable, a surcharge pursuant to section 11-332 of this chapter, and interest and penalties thereon or such component of the amount thereof as shall be determined by the commissioner of finance. The commissioner of finance may promulgate rules defining "abandoned" property, as such term is used in this subdivision.

a-1. A subsequent tax lien or tax liens on a property or any component of the amount thereof may be sold by the city pursuant to this chapter, provided, however, that notwithstanding any provision in this chapter to

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

~~minium or residential cooperative, or a class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, or~~ class three property, or a class five property owned by a company organized pursuant to article XI of the state private housing finance law, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale. Notwithstanding any provision of this subdivision to the contrary, any such tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component. A subsequent tax lien or tax liens on a property classified as a class four property, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component or sewer rents component or sewer surcharges component or water rents component or emergency repair charges component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, provided, however, that any tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component, sewer rents component, sewer surcharges component, water rents component or emergency repair charges component. For purposes of this subdivision, the words "real property tax" shall not include an assessment or charge upon property imposed pursuant to section 25-411 of ~~[the administrative]~~ this code. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

a-2. In addition to any sale authorized pursuant to subdivision a or subdivision a-1 of this section and notwithstanding any provision of this chapter to the contrary, beginning on December first, two thousand seven, the water rents, sewer rents and sewer surcharges components of any tax lien on any class of real property, as such real property is classified in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter, where such water rents, sewer rents or sewer surcharges component of such tax lien, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale: (i) shall have remained unpaid in whole or in part for one year and (ii) equals or exceeds the sum of one thousand dollars or, beginning on March first, two thousand eleven, in the case of any two or three family residential real property in class one, for one year, and equals or exceeds the sum of two thousand dollars, or, beginning on January first, two thousand twelve, in the case of any class ~~[two]~~ five residential property owned by a company organized pursuant to article XI of the state private housing finance law ~~[that is not a residential condominium or a residential cooperative]~~, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, for two years, and equals or exceeds the sum of five thousand dollars; provided, however, that such water rents, sewer rents or sewer

1 surcharges component of such tax lien may not be sold pursuant to this
2 subdivision on any one family residential real property in class one or
3 on any two or three family residential real property in class one that
4 is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of
5 this title, or pursuant to section four hundred fifty-eight of the real
6 property tax law with respect to real property purchased with payments
7 received as prisoner of war compensation from the United States govern-
8 ment, or pursuant to paragraph (b) or (c) of subdivision two of section
9 four hundred fifty-eight-a of the real property tax law, or where the
10 owner of any two or three family residential real property in class one
11 is receiving benefits in accordance with department of finance memoran-
12 dum 05-3, or any successor memorandum thereto, relating to active duty
13 military personnel, or where the owner of any two or three family resi-
14 dential real property in class one has been allowed a credit pursuant to
15 subsection (e) of section six hundred six of the tax law for the calen-
16 dar year in which 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 occurs or for the calendar year immediately preceding such date. After
19 such sale, any such water rents, sewer rents or sewer surcharges compo-
20 nent of such tax lien may be transferred in the manner provided by this
21 chapter.

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

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

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

a-5. In addition to any sale authorized pursuant to subdivision a, a-1, a-2 or a-3 of this section and notwithstanding any provision of this chapter to the contrary, beginning on March first, two thousand eleven, a subsequent tax lien on any class of real property, or beginning on January first, two thousand twelve in the case of any class ~~[two]~~ five residential property owned by a company organized pursuant to article XI of the state private housing finance law ~~[that is not a residential condominium or a residential cooperative]~~, a subsequent tax lien on such property, may be sold by the city pursuant to this chapter, regardless of the length of time such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid, and regardless of the amount of such subsequent tax lien. After such sale, any such subsequent tax lien, or any component of the amount thereof, may be transferred in the manner provided by this chapter. For purposes of this subdivision, the term "subsequent tax lien" shall mean the emergency repair charges component or alternative enforcement expenses and fees component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, or where such alternative enforcement expenses and fees are made a lien pursuant to section 27-2153 of this code, of any tax lien on property that becomes such on or after the date of sale of any emergency repair charges component or alternative enforcement expenses and fees component, of any tax lien on such property that has been sold pursuant to this chapter, provided that the prior tax lien remains unpaid as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale of the subsequent tax lien. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

§ 13. Subparagraph (i) of paragraph 2 of subdivision b and subparagraph (ii) of paragraph 1 of subdivision h of section 11-320 of the administrative code of the city of New York, subparagraph (i) of paragraph 2 of subdivision b as amended by local law number 147 of the city of New York for the year 2013 and subparagraph (ii) of paragraph 1 of subdivision h as added by local law number 15 of the city of New York for the year 2011, are amended to read as follows:

(i) Such notices shall also include, with respect to any property owner in class one ~~[or]~~, class two or class five, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, an exemption eligibility checklist. The exemption eligibility checklist shall also be posted on the website of the department no later than the first business day after March fifteenth of every year prior to the date of sale, and shall continue to be posted on such website until ten days prior to the date of sale. Within ten business days of receipt of a completed exemption eligibility checklist from such property owner, provided that such receipt occurs prior to the date of sale of any tax lien or tax liens on his or her property, the department of finance shall review such checklist to determine, based on the information provided by the property owner, whether such property owner could be eligible for any exemption, credit or other benefit that would entitle them to be excluded from a tax lien sale and, if the department determines that such property owner could be eligible for any such exemption, credit or other benefit, shall mail such property owner an application for the appropriate exemption, credit or other benefit. If, within twenty business days of the date the department mailed such application, the department has not received a

1 completed application from such property owner, the department shall
2 mail such property owner a second application, and shall telephone the
3 property owner, if the property owner has included his or her telephone
4 number on the exemption eligibility checklist.

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

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

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

36 § 15. Subdivision 3 and the opening paragraph of subdivision 4 of
37 section 11-401 of the administrative code of the city of New York,
38 subdivision 3 as added by local law number 37 of the city of New York
39 for the year 1996 and the opening paragraph of subdivision 4 as amended
40 by local law number 152 of the city of New York for the year 2017, are
41 amended to read as follows:

42 3. "Class." Any class of real property defined in subdivision one of
43 section eighteen hundred two of the real property tax law, and any
44 subclassification of class two or class five real property where such
45 subclassification is established by rule of the commissioner of finance
46 promulgated pursuant to this subdivision.

47 Any parcel of class one ~~[or]~~, class two or class five real property
48 that is subject to a tax lien or liens that result from an environmental
49 control board judgment against the owner of such parcel for a building
50 code violation with a lien or liens to value ratio, as determined by the
51 commissioner of finance, equal to or greater than 25 percent or any
52 parcel of class one or class two real property that is subject to a tax
53 lien or liens with a lien or liens to value ratio, as determined by the
54 commissioner of finance, equal to or greater than fifteen percent and
55 that meets one of the following two criteria:

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

a. The commissioner of finance shall, not less than sixty days preceding the date of the sale of a tax lien or tax liens, submit to the commissioner of housing preservation and development a description by block and lot, or by such other identification as the commissioner of finance may deem appropriate, of any parcel of class one or class two real property on which there is a tax lien that may be foreclosed by the city. The commissioner of housing preservation and development shall determine, and direct the commissioner of finance, not less than ten days preceding the date of the sale of a tax lien or tax liens, whether any such parcel is a distressed property as defined in subdivision four of section 11-401 of this chapter. Any tax lien on a parcel so determined to be a distressed property shall not be included in such sale. In connection with a subsequent sale of a tax lien or tax liens, the commissioner of finance may, not less than sixty days preceding the date of the sale, resubmit to the commissioner of housing preservation and development a description by block and lot, or by such other identification as the commissioner of finance may deem appropriate, of any parcel of class one ~~[or]~~, class two or class five real property that was previously determined to be a distressed property pursuant to this paragraph and on which there is a tax lien that may be included in such sale. The commissioner of housing preservation and development shall determine, and direct the commissioner of finance, not less than ten days preceding the date of the sale, whether such parcel remains a distressed property. If the commissioner of housing preservation and development determines that the parcel is not a distressed property, then the tax lien on the parcel may be included in the sale.

b. The commissioner of housing preservation and development may periodically review whether a parcel of class one ~~[or]~~, class two or class five real property that is subject to subdivision c of this section or subdivision j of section 11-412.1 of this chapter remains a distressed property. If the commissioner determines that the parcel is not a distressed property as defined in subdivision four of section 11-401 of this chapter, then the parcel shall not be subject to such subdivisions.

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

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

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

(5) Notwithstanding paragraph one, two or three of this subdivision, with respect to installment agreements duly made, executed and filed on or after the date on which this paragraph takes effect, the commissioner

1 of finance may also exclude or thereafter remove from such list any
2 parcel of class one ~~[ex]~~, class two or class five real property, other
3 than a parcel described in paragraph four of this subdivision, as to
4 which an agreement has been duly made, executed and filed with such
5 commissioner for the payment of the delinquent taxes, assessments or
6 other legal charges, and the interest and penalties thereon, in install-
7 ments. The first installment thereof shall be paid upon the filing of
8 the installment agreement with the commissioner and shall be in an
9 amount equal to not less than fifteen percent of the total amount of
10 such delinquent taxes, assessments or other legal charges and the inter-
11 est and penalties thereon. The remaining installments, which shall be
12 twice the number of unpaid quarters of real estate taxes or the equiv-
13 alent thereof, but which shall in no event exceed thirty-two in number,
14 shall be payable quarterly on the first days of July, October, January
15 and April. For the purposes of calculating the number of such remaining
16 installments, unpaid real estate taxes that are due and payable on other
17 than a quarterly basis shall be deemed to be payable on a quarterly
18 basis.

19 § 19. Subparagraph (iii) of paragraph 3 of subdivision i of section
20 11-409 of the administrative code of the city of New York, as added by
21 local law number 37 of the city of New York for the year 1996, is
22 amended to read as follows:

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

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

45 Special procedures relating to final judgment and release of class one
46 ~~[and]~~, class two or class five real property.

47 § 21. Paragraph 1 of subdivision b, subdivisions c and d, paragraphs 1
48 and 4 of subdivision e, and subdivisions f, g, h, i and j of section
49 11-412.1 of the administrative code of the city of New York, as added by
50 local law number 37 of the city of New York for the year 1996, are
51 amended to read as follows:

52 (1) The court shall make a final judgment authorizing the award of
53 possession of any parcel of class one ~~[ex]~~, class two or class five real
54 property described in the list of delinquent taxes not redeemed or with-
55 drawn as provided in this chapter and as to which no answer is inter-
56 posed as provided herein, and authorizing the commissioner of finance to

1 prepare, execute and cause to be recorded a deed conveying either to the
2 city or to a third party deemed qualified and designated by the commis-
3 sioner of housing preservation and development full and complete title
4 to such lands. Any such conveyance to a third party shall be for an
5 existing use.

6 c. Following the expiration of the four-month period prescribed in
7 subdivision d of this section, but not more than eight months after the
8 date on which, pursuant to subdivision b of this section, the final
9 judgment authorizing the award of possession of a parcel of class one
10 ~~[ex]~~, class two or class five real property was entered, the commis-
11 sioner of finance may execute a deed, pursuant to subdivision b of this
12 section, with respect to such parcel. The owner of said parcel shall
13 continue to have all of the rights, liabilities, responsibilities,
14 duties and obligations of an owner of such parcel, including, but not
15 limited to, maintaining such parcel in compliance with the housing main-
16 tenance, building and fire codes, and all other applicable laws, unless
17 and until the commissioner of finance has prepared and executed a deed
18 conveying to the city or to a third party full and complete title to
19 such parcel. Upon the execution of such deed, the city or the third
20 party shall be seized of an estate in fee simple absolute in such land
21 and all persons, including the state of New York, infants, incompetents,
22 absentees and non-residents who may have had any right, title, interest,
23 claim, lien or equity of redemption in or upon such lands shall be
24 barred and forever foreclosed of all such right, title, interest, claim,
25 lien or equity of redemption, except as otherwise provided in subdivi-
26 sions e and f of this section. The appointment and tenure of receivers,
27 trustees or any other persons, including administrators under article
28 seven-A of the real property actions and proceedings law, appointed by
29 an order of a court to manage real property, shall terminate when title
30 to such property vests in the city or a third party pursuant to the
31 provisions of this chapter. After such termination, said receivers,
32 trustees or administrators shall be accountable to the courts that
33 appointed them for the faithful performance of their fiduciary obli-
34 gations during the term of their appointment and to the city or such
35 third party for any rents and income received by them for any period
36 subsequent to the date of the vesting of title in the city or such third
37 party.

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

45 d. Within four months after the date on which, pursuant to subdivision
46 b of this section, the final judgment authorizing the award of
47 possession of a parcel of class one ~~[ex]~~, class two or class five real
48 property was entered, any person claiming to have an interest in such
49 parcel shall have the right to make a payment to the commissioner of
50 finance consisting of all taxes, assessments and other legal charges
51 owing on said parcel, the lawful interest thereon to the date of payment
52 and a penalty of five percent of said payment of taxes, assessments and
53 other legal charges and interest, which penalty may not exceed one thou-
54 sand dollars. Such payment shall be made in cash or by certified or bank
55 check. Within such four-month period, such interested person may also
56 request an installment agreement from the commissioner of finance. Such

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

39 1. If the commissioner of finance has prepared, executed and caused to
40 be recorded a deed conveying to the city full and complete title to a
41 parcel of class one ~~[ex]~~, class two or class five real property acquired
42 by in rem tax foreclosure, the city's interest in such parcel may be
43 released pursuant to this subdivision on the application of any party
44 who has an interest in said parcel as either owner, mortgagee, lienor,
45 or encumbrancer at the time of the city's acquisition thereof where such
46 application is made at any time up to sixteen months from the date on
47 which the deed by which the city acquired title to said parcel was
48 recorded.

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

51 (a) where such provisions are inconsistent with the provisions
52 contained in this subdivision, the provisions contained in this subdivi-
53 sion shall govern such application; and

54 (b) where the in rem foreclosure release board denies a written
55 request for an installment agreement that was filed in connection with
56 an application for release of the city's interest in a parcel of class

1 one ~~[ex]~~, class two or class five real property and such application was
2 filed within thirty days of the date of the city's acquisition of the
3 property sought to be released, the board may, in its discretion,
4 authorize a release of the city's interest, provided that the applicant
5 thereafter pays all the amounts required to be paid pursuant to subdivi-
6 sion d of section 11-424 of this chapter within thirty days of the date
7 on which a letter requesting such payment is mailed or delivered to such
8 applicant.

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

47 g. If the commissioner of finance has prepared, executed and caused to
48 be recorded a deed conveying to the city or to a third party full and
49 complete title to a parcel of class one ~~[ex]~~, class two or class five
50 real property acquired by in rem tax foreclosure, the provisions
51 contained in subdivisions f and i of section 11-424 of this chapter for
52 the release of property so acquired shall not be available. If the
53 commissioner of finance has prepared, executed and caused to be recorded
54 a deed conveying to a third party full and complete title to a parcel of
55 class one or class two real property acquired by in rem tax foreclosure,

1 the provisions contained in subdivisions e and f of this section for the
2 release of property so acquired shall not be available.

3 h. Every deed given pursuant to the provisions of this section shall
4 be presumptive evidence that the action and all proceedings therein and
5 all proceedings prior thereto from and including the assessment of the
6 lands affected and all notices required by law were regular and in
7 accordance with all provisions of law relating thereto. After four
8 months from the date of entry of the final judgment authorizing the
9 award of possession of any parcel of class one ~~[ex]~~, class two or class
10 five real property pursuant to the provisions of this section, the
11 presumption shall be conclusive. No action to set aside such deed may be
12 maintained unless the action is commenced and a notice of pendency of
13 the action is filed in the office of the property county clerk prior to
14 the time that the presumption becomes conclusive as aforesaid. Should
15 any lawsuit or proceeding be commenced to set aside a deed conveying to
16 a third party a parcel of class one ~~[ex]~~, class two or class five real
17 property pursuant to the provisions of this section, such third party
18 shall send to the corporation counsel within ten days of their receipt a
19 copy of any papers served on such third party in such lawsuit or
20 proceeding.

21 i. If the commissioner of finance does not execute a deed conveying to
22 the city or to a third party a parcel of class one ~~[ex]~~, class two or
23 class five real property within eight months after the entry of final
24 judgment authorizing the award of possession of such parcel pursuant to
25 subdivision b of this section, the commissioner of finance shall direct
26 the corporation counsel to prepare and cause to be entered an order
27 discontinuing the in rem foreclosure action as to said property, cancel-
28 ing the notice of pendency of such action as to said property and vacat-
29 ing and setting aside said final judgment. The entry of such order shall
30 restore all parties, including owners, mortgagees and any and all
31 lienors, receivers and administrators and encumbrancers, to the status
32 they held immediately before such final judgment was entered.

33 j. If the commissioner of finance directs the corporation counsel,
34 pursuant to subdivision i of this section, to prepare and cause to be
35 entered an order discontinuing the in rem foreclosure action with
36 respect to a parcel of class one ~~[ex]~~, class two or class five real
37 property determined to be distressed pursuant to section 11-401.1 of
38 this chapter, the commissioner of housing preservation and development
39 shall evaluate the parcel determined to be distressed and take such
40 action as he or she deems appropriate under the programs, existing at
41 the time of such evaluation, that are designed to encourage the rehabil-
42 itation and preservation of existing housing, and shall monitor or cause
43 to be monitored the status of the property. The commissioner of housing
44 preservation and development shall maintain a register of properties
45 determined to be distressed.

46 § 22. Section 11-412.2 of the administrative code of the city of New
47 York, as added by local law number 37 of the city of New York for the
48 year 1996, is amended to read as follows:

49 § 11-412.2 Council review of conveyance to a third party. The commis-
50 sioner of finance shall, prior to the execution of a deed conveying full
51 and complete title of any parcel of class one ~~[ex]~~, class two or class
52 five real property to a third party pursuant to subdivision c of section
53 11-412.1 of this chapter, notify the council of the proposed conveyance.
54 Within forty-five days of such notification, the council may act by
55 local law disapproving the proposed conveyance. In the event the council
56 does not act by local law within such forty-five day period, the council

1 shall be deemed to have approved the proposed conveyance. During such
2 forty-five day period or, if the city council acts by local law pursuant
3 to this section, during the period of time from the notification of the
4 council to the presentation to the mayor of such local law and during
5 any additional period of time prescribed in section 37 of the charter,
6 the eight-month period provided in subdivisions c and i of section
7 11-412.1 of this chapter shall be tolled.

8 § 23. Paragraph 1 of subdivision a of section 163 of the New York city
9 charter, as amended by local law number 77 of the city of New York for
10 the year 1984, is amended to read as follows:

11 1. "Class designation" shall mean the determination, pursuant to
12 section eighteen hundred two of the real property tax law, of whether
13 real property is included in class one, two, three ~~[or]~~, four or five.

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

17 1. "Class designation" shall mean the determination, pursuant to arti-
18 cle eighteen of the real property tax law, of whether real property is
19 included in class one, two, three ~~[or]~~, four or five.

20 § 25. This act shall take effect on the first of January next succeed-
21 ing the date on which it shall have become a law and shall apply to
22 assessment rolls prepared pursuant to a taxable status date occurring on
23 or after such date; provided, however, that if local law number 152 of
24 the city of New York for the year 2017 shall not have taken effect on or
25 before such date then section fifteen of this act shall take effect on
26 the same date and in the same manner as such local law of the city of
27 New York for the year 2017, takes effect; provided, however, that effec-
28 tive immediately, the addition, amendment and/or repeal of any rule or
29 regulation necessary for the implementation of this act on its effective
30 date are authorized and directed to be made and completed on or before
31 such effective date.