

STATE OF NEW YORK

1130

2023-2024 Regular Sessions

IN ASSEMBLY

January 13, 2023

Introduced by M. of A. JACOBSON -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to authorizing certain municipalities to add unpaid housing code violation penalties, costs and fines to such municipalities' annual tax levy in accordance with applicable law

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

Section 1. The real property tax law is amended by adding a new section 903 to read as follows:

§ 903. Collection of unpaid housing code violation penalties; levy. 1. Authorization. In addition to and not in limitation of any power otherwise granted by law, municipalities in the county of Orange, including the county of Orange, are hereby authorized to collect any unpaid housing, building and fire code violation penalties, costs and fines through placement by the municipality's commissioner of finance, treasurer, or other public official charged with the duties of overseeing tax collections on the municipality's annual tax levy in accordance with the provisions of this section.

2. Eligibility. In order to be eligible for placement on the municipality's annual tax levy such unpaid code violation penalties, costs and fines shall have been adjudicated and imposed through a judgment in a court of competent jurisdiction on an owner of real property within the municipality and recorded by the county clerk, as certified by the municipal counsel to the commissioner of finance, treasurer or other public official charged with the duties of overseeing tax collections and have remained unpaid for one year after the final adjudication and exhaustion of all appeals relating to the imposition of the fines for a code violation preceding the placement on the municipality's tax levy.

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

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1 3. Minimum amount owed. To qualify for placement on the tax levy the
2 amount owed for unpaid code violations must be at least five percent of
3 the amount of the tax assessed value of the property.

4 4. Levy. Such code violation penalty, cost or fine as set forth in a
5 copy of the judgment certified by the municipal counsel to the commis-
6 sioner of finance, treasurer or other public official charged with the
7 duties of overseeing tax collections shall be set down in the annual tax
8 levy under the heading uncollected fines and penalties and in according
9 with this section shall be levied, enforced and collected in the same
10 manner, by the same proceedings, at the same time, under the same penal-
11 ties and having the same lien upon the property assessed as the general
12 municipal tax and as a part thereof.

13 5. Notice. The municipality shall notify all owners or known inter-
14 ested parties of record of the placement of the code violations on the
15 municipal tax levy as uncollected fines and penalties within thirty days
16 of placement, pursuant to section three hundred eight of the civil prac-
17 tice law and rules. The notice shall include the date or dates of such
18 violations, the description of the violations, the amount owed, a state-
19 ment detailing the foreclosure process that will occur if the violations
20 remain unpaid, the process to claim any surplus funds and the contact
21 information for the municipal office in charge of receiving payments.

22 6. Tax year. Any unpaid code violations shall be placed on the tax
23 roll the municipality is currently in and shall not be placed on a list,
24 roll or levy of delinquent taxes.

25 7. Owner occupied. Notwithstanding any other applicable provisions of
26 law, nothing in this section shall be applied to a residential dwelling
27 that is owner-occupied or is the primary residence of a homeowner.

28 8. Tenants. Prior to the placement of any property with unpaid code
29 violations on the tax levy, the municipality shall develop a program to
30 assist tenants residing in a dwelling at risk for tax foreclosure due to
31 unpaid code violations. Such program shall include housing counseling
32 assistance or other support in relocating the tenants to suitable hous-
33 ing prior to the tax foreclosure.

34 9. Payment plan. Nothing in this section shall preclude an owner or
35 landlord from entering into a payment plan with a municipality for past
36 amounts due for code violations.

37 10. Curing code violations. (a) If all of the violations for which the
38 penalties, fees and costs have been assessed are cured, removed or
39 corrected prior to the expiration of the period for redemption pursuant
40 to section eleven hundred ten of this chapter, the property shall be
41 removed from the levy and auction and the balance of the amount owed
42 shall be placed as a lien on the property pursuant to applicable laws
43 for debt collection and an action for foreclosure of the property shall
44 not be maintained for the amount owed.

45 (b) The determination of whether or not the code violations have been
46 cured shall be made by the local municipal enforcing officer in charge
47 of ensuring compliance with applicable housing, building, and fire codes
48 such as a code enforcement officer. An appeal of this determination may
49 be made to the municipality's zoning board of appeals or other local
50 administrative body as provided for in local law. The final determi-
51 nation made by the administrative body shall be reviewable pursuant to
52 article seventy-eight of the civil practice law and rules.

53 (c) This section shall not be applicable to any cause of action
54 brought for money due based on the curing of code violations under any
55 form for receivership or a mechanics lien.

1 11. Payment prior to auction. (a) If the balance owed for code
2 violations placed on the tax levy is paid prior to the expiration of the
3 period for redemption pursuant to section eleven hundred ten of this
4 chapter and there is no balance due for unpaid real property taxes, the
5 property may not be auctioned, and the property shall be removed from
6 the tax levy.

7 (b) The owner shall have the right to pay the full balance prior to
8 the expiration of the period for redemption pursuant to section eleven
9 hundred ten of this chapter in order to redeem the property.

10 12. Surplus. Any surplus funds remaining after the sale of a property
11 at a tax foreclosure for unpaid code violations shall be returned to the
12 former owner of the property in a manner provided under local law. This
13 provision shall not apply to a sale of a property at a tax foreclosure
14 due to unpaid taxes. If a property has both unpaid taxes and unpaid code
15 violations on the same tax levy and is auctioned at a tax foreclosure
16 the amount of the surplus funds returned to the former owner shall be
17 proportionate to the amount of unpaid code violations owed in the total
18 amount of debt owed to the municipality. For the purpose of this
19 section, "surplus funds" shall mean the balance of money received after
20 auction of a property at a tax foreclosure sale minus the amount owed
21 for code violations and the costs and attorneys fees incurred in the
22 collection of the fees by the municipalities.

23 13. Balance due. If after an auction a balance is due for code
24 violations, the municipality may proceed with any action against the
25 former owner pursuant to applicable laws.

26 14. Exclusions. The provisions of this section shall not apply to any
27 municipality that sells their tax liens in a tax lien sale.

28 § 2. This act shall take effect immediately.