

# STATE OF NEW YORK

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606

2023-2024 Regular Sessions

## IN SENATE

January 5, 2023

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Introduced by Sens. KAVANAGH, HARCKHAM -- 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 certain interest rates imposed on late payment of taxes and delinquencies and redemption of certain property subject to more than one tax lien

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

1 Section 1. Subdivision 1 of section 924-a of the real property tax  
2 law, as amended by chapter 26 of the laws of 2003, is amended to read as  
3 follows:

4 1. The amount of interest to be added on all taxes received after the  
5 interest free period and all delinquent taxes shall be one-twelfth the  
6 rate of interest as determined pursuant to subdivision two or two-a of  
7 this section rounded to the nearest one-hundredth of a percentage point,  
8 except as otherwise provided by a general or special law, or a local law  
9 adopted by a city pursuant to the municipal home rule law or any special  
10 law or by a local law adopted by a county. Such interest shall be added  
11 for each month or fraction thereof until such taxes are paid.

12 § 2. Section 936 of the real property tax law, as amended by chapter  
13 237 of the laws of 1995, subdivision 1 as amended by chapter 355 of the  
14 laws of 1997, is amended to read as follows:

15 § 936. Return of unpaid delinquent taxes. 1. Upon the expiration of  
16 his warrant, each collecting officer shall make and deliver to the coun-  
17 ty treasurer an account, subscribed and affirmed by him as true under  
18 the penalties of perjury, of all taxes listed on the tax roll which  
19 remain unpaid, except that such collecting officer shall not include in  
20 such account the amount of the installments of taxes returned unpaid  
21 pursuant to [~~section nine hundred twenty-eight-b or~~] subdivision one of  
22 section nine hundred seventy-six of this chapter. The county treasurer  
23 shall, if satisfied that such account is correct, credit him with the

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

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1 amount of such unpaid delinquent taxes. Such return shall be endorsed  
2 upon or attached to the tax roll.

3 2. In making the return of unpaid taxes, the collecting officer shall  
4 add five per centum to the amount of each tax as levied. In the event  
5 that the collecting officer fails to do so, the county treasurer shall  
6 make such addition. In a county in which there is a local law in effect  
7 pursuant to [~~section nine hundred twenty-eight b or~~] section nine  
8 hundred seventy-two of this chapter providing for the collection of  
9 taxes in installments, the five per centum provided by this subdivision  
10 shall not be added to the taxes which a real property owner has elected  
11 to pay in installments pursuant to [~~section nine hundred twenty-eight b~~  
12 ~~or~~] section nine hundred seventy-five of this chapter. Such five per  
13 centum shall be added by the county treasurer to the amount of such  
14 taxes as shall have remained unpaid after the date upon which the last  
15 installment was due as provided in such local law. Such five per centum  
16 shall not be added where the taxable real property upon which such  
17 unpaid tax was levied is an owner occupied residential property as  
18 defined by section eleven hundred eleven of this chapter. The amount of  
19 such added per centum shall thereafter be deemed part of the amount of  
20 the unpaid tax.

21 § 3. Subdivision 1 and paragraph (a) of subdivision 2 of section 1112  
22 of the real property tax law, as amended by chapter 532 of the laws of  
23 1994, are amended to read as follows:

24 1. (a) When a tax district holds more than one tax lien against a  
25 parcel, the liens need not be redeemed simultaneously. However, the  
26 liens must be redeemed in reverse chronological order, so that the lien  
27 with the most recent lien date is redeemed first, and the lien with the  
28 earliest lien date is redeemed last. Notwithstanding the redemption of  
29 one or more of the liens against a parcel as provided herein, the  
30 enforcement process shall proceed according to the provisions of this  
31 article as long as the earliest lien remains unredeemed.

32 (b) Notwithstanding the provisions of paragraph (a) of this subdivi-  
33 sion, when a tax district holds more than one tax lien against a parcel  
34 and such parcel is an owner occupied residential property as defined by  
35 section eleven hundred eleven of this title, the liens need not be  
36 redeemed simultaneously. However, the liens shall be redeemed in chron-  
37 ological order, so that the lien with the earliest lien date is redeemed  
38 first, and the lien with the most recent lien date is redeemed last.  
39 Notwithstanding the redemption of one or more of the liens against a  
40 parcel as provided herein, the enforcement process shall proceed accord-  
41 ing to the provisions of this article as long as any lien remains unre-  
42 deemed for a period of three years or more from the date of delinquency  
43 of such lien.

44 (a) (i) When one or more liens against a parcel are redeemed as  
45 provided herein, but the earliest lien remains unredeemed, the receipt  
46 issued to the person redeeming shall include a statement in substantial-  
47 ly the following form: "This parcel remains subject to one or more  
48 delinquent tax liens. The payment you have made will not postpone the  
49 enforcement of the outstanding lien or liens. Continued failure to pay  
50 the entire amount owed will result in the loss of the property."

51 (ii) Notwithstanding the provisions of subparagraph (i) of this para-  
52 graph, when one or more liens against a parcel are redeemed as provided  
53 herein and such parcel is an owner occupied residential property as  
54 defined by section eleven hundred eleven of this title, but any lien  
55 remains unredeemed for a period of three years or more from the date of  
56 delinquency of such lien, the receipt issued to the person redeeming

1 shall include a statement in substantially the following form: "This  
2 parcel remains subject to one or more delinquent tax liens. The payment  
3 you have made will not postpone the enforcement of the outstanding lien  
4 or liens. Continued failure to pay the entire amount owed will result  
5 in the loss of the property."

6 § 4. Subdivision 2 of section 924-a of the real property tax law, as  
7 amended by chapter 355 of the laws of 2003 and as further amended by  
8 subdivision (b) of section 1 of part W of chapter 56 of the laws of  
9 2010, is amended to read as follows:

10 2. The rate of interest applicable to the third calendar quarter of  
11 each year, as set by the commissioner of taxation and finance pursuant  
12 to subparagraph (A) of paragraph two of subsection (j) of section six  
13 hundred ninety-seven of the tax law, shall be the rate of interest  
14 applicable to unpaid real property taxes for purposes of this section.  
15 Such commissioner shall set such rate on or before the fifteenth day of  
16 July in each year. Such rate shall be effective for all warrants issued  
17 for a collection period commencing on or after the first day of September  
18 next succeeding the date the rate of interest is set. Provided,  
19 however, the rate of interest prescribed by this subdivision shall in no  
20 event be less than twelve per centum per annum unless the taxable real  
21 property upon which such tax was levied is an owner occupied residential  
22 property as defined in section eleven hundred eleven of this chapter.  
23 The commissioner shall inform each affected municipality of any change  
24 in the rate established pursuant to this subdivision.

25 § 5. This act shall take effect on the ninetieth day after it shall  
26 have become a law.