

STATE OF NEW YORK

7549--A

2023-2024 Regular Sessions

IN SENATE

June 5, 2023

Introduced by Sen. THOMAS -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT relating to a temporary in rem foreclosure moratorium; and providing for the repeal of such provisions upon the expiration thereof

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

- 1 Section 1. Legislative findings. The legislature finds that the United
2 States Supreme Court Case of Tyler v. Hennepin County, Minnesota,
3 decided on May 25, 2023, has created legal uncertainty with regard to
4 how municipalities must conduct their in rem delinquent real property
5 tax lien foreclosures and return any surplus funds thereby derived to
6 the appropriate parties, when necessary. As such, the legislature seeks
7 to find a solution that will provide legal certainty in this process and
8 ensure the rights of property owners and municipalities are adequately
9 protected.
- 10 § 2. No tax district, as defined in subdivision 6 of section 1102 of
11 the real property tax law or enforcing officer, as defined in subdivi-
12 sion 3 of such section, shall convey to any person title to any tax-del-
13 inquent parcel of real property which has been the subject of an in rem
14 tax foreclosure proceeding in any court of competent jurisdiction
15 against any parcel or parcels of real property located within the
16 geographic boundaries of such tax district until the expiration of the
17 moratorium under this act.
- 18 § 3. This act shall not apply to:
- 19 1. properties owned by a tax district which were acquired at any time
20 after May 25, 2023 and prior to July 1, 2023, pursuant to article 11 of
21 the real property tax law, or where the tax district filed the final
22 foreclosure judgement order with the court within such time period. In

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

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1 the event that any tax district has acquired title to any delinquent
2 parcel of real property prior to July 1, 2023 pursuant to an in rem tax
3 foreclosure proceeding under article 11 of the real property tax law,
4 the tax district may auction said parcel or parcels contingent upon the
5 foreclosing tax district holding any and all surplus funds in a segre-
6 gated trust account to be maintained by the chief fiscal officer of such
7 tax district until such time that this moratorium is repealed on June
8 30, 2024; or

9 2. a tax district that has a mechanism by which the municipality
10 offers the return of surplus funds to the delinquent tax property owner
11 and such municipality: (a) on January 1, 1993, was authorized to enforce
12 the collection of delinquent taxes pursuant to a county charter, city
13 charter, administrative code or special law; or (b) adopted a local law,
14 no later than July 1, 1994 providing that the collection of taxes in
15 such county, city or town shall continue to be enforced pursuant to such
16 charter, code or special law, as such charter, code or special law may
17 from time to time be amended; and (c) filed a copy of such local law
18 with the commissioner of taxation and finance no later than August 1,
19 1994.

20 § 4. This act shall take effect immediately and shall expire and be
21 deemed repealed on and after June 30, 2024.