

# STATE OF NEW YORK

8399

## IN SENATE

January 26, 2024

Introduced by Sen. BRISPORT -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the real property law, in relation to prohibiting the recording of conveyances suspected to be fraudulent

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

Section 1. Section 291 of the real property law, as amended by chapter 641 of the laws of 2019, is amended to read as follows:

§ 291. Recording of conveyances. 1. A conveyance of real property, within the state, on being duly acknowledged by the person executing the same, or proved as required by this chapter, and such acknowledgment or proof duly certified when required by this chapter, may be recorded in the office of the clerk of the county where such real property is situated, and such county clerk or city registrar where applicable shall, upon the request of any party, on tender of the lawful fees therefor, record the same in said office.

(a) A county clerk or city registrar shall not register any conveyance for real property if the clerk or registrar has reason to believe that the conveyance is false or fraudulent in any manner. If the county clerk or city registrar has reason to believe or suspect that the conveyance is fraudulent, the office of the clerk or registrar shall conduct reasonable investigation into the transaction.

(b) If after reasonable investigation the transaction is suspected or believed to be false or fraudulent, the office of the clerk or the city registrar shall report the investigation to local law enforcement, or, if in the city of New York, the office of the sheriff.

(c) The office of the clerk or city registrar shall notify the buyer and seller of property of any investigation and provide the opportunity for each party to participate in the investigation.

2. Every such conveyance not so recorded is void as against any person who subsequently purchases or acquires by exchange or contracts to purchase or acquire by exchange, the same real property or any portion thereof, or acquires by assignment the rent to accrue therefrom as provided in section two hundred ninety-four-a of this article, in good

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

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1 faith and for a valuable consideration, from the same vendor or assign-  
2 nor, his or her distributees or devisees, and whose conveyance, contract  
3 or assignment is first duly recorded, and is void as against the lien  
4 upon the same real property or any portion thereof arising from payments  
5 made upon the execution of or pursuant to the terms of a contract with  
6 the same vendor, his or her distributees or devisees, if such contract  
7 is made in good faith and is first duly recorded.

8 3. Notwithstanding the foregoing, any increase in the principal  
9 balance of a mortgage lien by virtue of the addition thereto of unpaid  
10 interest in accordance with the terms of the mortgage shall retain the  
11 priority of the original mortgage lien as so increased provided that any  
12 such mortgage instrument sets forth its terms of repayment.

13 4. The clerk of the county or city registrar where such conveyance of  
14 residential real property is recorded and maintained shall mail via  
15 certified mail a written notice of such conveyance to the owner of  
16 record. The notice shall have the heading printed in 20 point bold type  
17 and read as follows:

18 "NOTICE OF SALE OR TRANSFER OF OWNERSHIP OF YOUR RESIDENTIAL PROPERTY.

19 To: \_\_\_\_\_

20 Name of owner of record

21 Our records show that you are listed as the current owner of record for  
22 residential property:

23 Block # \_\_\_\_\_ Lot # \_\_\_\_\_

24 Located At: \_\_\_\_\_

25 street address

26 in the county of \_\_\_\_\_ New York

27 On \_\_\_\_\_, documents were filed at this

28 date

29 office to change ownership and transfer title of your property.

30 To: \_\_\_\_\_

31 name of new owner

32 If you have any questions regarding the validity of the documents, and  
33 wish to dispute the recording of the transfer, you should obtain legal  
34 counsel. If you believe you are a victim of a crime related to this  
35 recording, contact your local law enforcement agency or, if in the City  
36 of New York, the office of the sheriff."

37 The party seeking to record such conveyance shall bear the cost of  
38 such written notice. The clerk of the county or city registrar is enti-  
39 tled to charge a reasonable fee to cover the cost of mailing the envel-  
40 ope to the owner of record. Failure to mail such notice or the failure  
41 of any party to receive the same, shall not affect the validity of the  
42 conveyance of the property.

43 § 2. This act shall take effect on the ninetieth day after it shall  
44 have become a law.