STATE OF NEW YORK

10641

IN ASSEMBLY

March 17, 2026

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

AN ACT to amend the real property tax law, in relation to allowing municipalities to relieve property owners of penalties due to lack of payment if such property owner was a victim of property tax fraud

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 924-c to read as follows:

§ 924-c. Waiver of interest and penalties for victims of property tax fraud. 1. Notwithstanding any provision of law to the contrary, the governing body of any tax district may, by resolution, authorize the enforcing officer, on a general or case-by-case basis, to cancel, in whole or in part, any interest and penalties imposed upon a parcel of real property where the owner of such property establishes, to the satisfaction of the enforcing officer, that such owner was the victim of property tax fraud in connection with an attempted payment of property taxes. Property tax fraud shall include, without limitation, check fraud, mail theft, or any theft, interception, diversion, or unauthorized receipt of a payment intended to satisfy a real property tax obligation.

2. A property owner seeking relief under this section shall submit such documentation as the enforcing officer may require, which may include, but need not be limited to:

(a) an affidavit describing the incident of property tax fraud;

(b) documentation from a financial institution demonstrating property tax fraud, including reimbursement of funds; or

(c) a police report or other evidence of property tax fraud.

3. Any cancellation of interest and penalties pursuant to this section shall be limited to the period of delinquency attributable to property tax fraud, and in no event shall exceed one year from the date the property taxes became due.

4. If any portion of interest and penalties cancelled pursuant to this section would, if collected, be payable to a municipal corporation with-

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

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in such tax district, no such cancellation shall be made without the consent of such municipal corporation. Such consent may be granted on a case-by-case basis or on a general basis by local law or resolution adopted after a public hearing.

§ 2. Section 1182 of the real property tax law, as amended by chapter 532 of the laws of 1994, is amended to read as follows:

§ 1182. Cancellation or reduction of interest, penalties and other charges. **1.** If the governing body of any tax district shall determine that it is for the best interests of the tax district, it shall have the power, by resolution, to authorize the enforcing officer to permit the cancellation in whole or in part of any interest, penalties or other charges imposed by law to which the tax district or any other municipal corporation shall be lawfully entitled; provided, however, that in cases where such interest, penalties, or other charges, if collected by the tax district, belong to a municipal corporation therein, no reduction or remission in whole or in part of such interest, penalties, or other charges shall be made without the consent of the municipal corporation affected, which consent may be given by resolution adopted after a public hearing.

2. Notwithstanding subdivision one of this section, authorization by the governing body of any tax district and the consent of any municipal corporation therein to waive interest and penalties for victims of property tax fraud pursuant to section nine hundred twenty-four-c of this chapter may be granted on a general basis as described in such section nine hundred twenty-four-c.

§ 3. This act shall take effect immediately.