

STATE OF NEW YORK

10641--A

IN ASSEMBLY

March 17, 2026

Introduced by M. of A. SHRESTHA -- read once and referred to the Committee on Real Property Taxation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

1 Section 1. The real property tax law is amended by adding a new
2 section 924-c to read as follows:

3 § 924-c. Waiver of interest and penalties for victims of property tax
4 fraud. 1. Notwithstanding any provision of law to the contrary, the
5 governing body of any tax district may, by resolution, authorize the
6 enforcing officer, on a general or case-by-case basis, to cancel, in
7 whole or in part, any interest and penalties imposed upon a parcel of
8 real property where the owner of such property establishes, to the
9 satisfaction of such enforcing officer, that such owner was the victim
10 of property tax fraud in connection with an attempted payment of prop-
11 erty taxes. Property tax fraud shall include, without limitation, check
12 fraud, mail theft, or any theft, interception, diversion, or unauthor-
13 ized receipt of a payment intended to satisfy a real property tax obli-
14 gation.

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

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

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

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

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

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

LBD13534-04-6

1 4. If any portion of interest and penalties cancelled pursuant to this
2 section would, if collected, be payable to a municipal corporation with-
3 in such tax district, no such cancellation shall be made without the
4 consent of such municipal corporation. Such consent may be granted on a
5 case-by-case basis or on a general basis by local law or resolution
6 adopted after a public hearing.

7 5. The commissioner may promulgate rules and regulations to implement
8 the provisions of this section, including, but not limited to, standards
9 for documentation, application procedures, and guidance for enforcing
10 officers.

11 § 2. Section 1182 of the real property tax law, as amended by chapter
12 532 of the laws of 1994, is amended to read as follows:

13 § 1182. Cancellation or reduction of interest, penalties and other
14 charges. 1. If the governing body of any tax district shall determine
15 that it is for the best interests of the tax district, it shall have the
16 power, by resolution, to authorize the enforcing officer to permit the
17 cancellation in whole or in part of any interest, penalties or other
18 charges imposed by law to which the tax district or any other municipal
19 corporation shall be lawfully entitled; provided, however, that in cases
20 where such interest, penalties, or other charges, if collected by the
21 tax district, belong to a municipal corporation therein, no reduction or
22 remission in whole or in part of such interest, penalties, or other
23 charges shall be made without the consent of the municipal corporation
24 affected, which consent may be given by resolution adopted after a
25 public hearing.

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

32 § 3. This act shall take effect immediately.