

STATE OF NEW YORK

9116

2025-2026 Regular Sessions

IN ASSEMBLY

September 26, 2025

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

AN ACT to amend the real property tax law, in relation to the collection of monies owed for unpaid real property tax liens and water and sewer charges; to amend the state finance law, in relation to establishing the homeowner protection fund; to prohibit municipalities from conveying tax liens on real property to any private entity, trust, or third-party servicer; and to repeal certain provisions of the real property tax law and the administrative code of the city of New York, relating to foreclosure of real property tax liens

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "community wealth and homeownership protection act".
3 § 2. Legislative intent. The legislature finds that the sale of prop-
4 erty tax liens to private entities has disproportionately harmed low-in-
5 come, elderly, and Black and brown homeowners, leading to displacement,
6 foreclosure, and the erosion of generational wealth. This act affirms
7 the state's commitment to equitable taxation, community stability, and
8 the protection of homeownership.
9 § 3. Prohibition of property tax lien sales. (a) Notwithstanding any
10 other provision of law, no municipality, including the city of New York,
11 shall sell, assign, transfer, or otherwise convey any tax lien on real
12 property to any private entity, trust, or third-party servicer.
13 (b) Any existing municipal authority to conduct tax lien sales is
14 hereby revoked.
15 (c) No future legislation, local law, or administrative rule shall
16 authorize the sale of property tax liens unless expressly approved by
17 the state legislature through a two-thirds majority vote.
18 § 4. Titles 3, 5 and 6 of article 11 of the real property tax law are
19 REPEALED.

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

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1 § 5. Sections 11-319, 11-320, 11-321, 11-321.1, 11-322, 11-322.1,
2 11-323, 11-324, 11-327, 11-328, 11-330, 11-331, 11-332, 11-333, 11-334,
3 11-335, 11-336, 11-337, 11-338, 11-339, 11-340, 11-341, 11-342 and
4 11-347 and chapter 4 of title 11 of the administrative code of the city
5 of New York are REPEALED.

6 § 6. Subdivision 1 of section 202 of the real property tax law is
7 amended by adding a new paragraph (q) to read as follows:

8 (q) Develop a model program to collect unpaid real property taxes,
9 school taxes and water and sewer charges and a grant program as provided
10 in title three of article eleven of this chapter.

11 § 7. Article 11 of the real property tax law is amended by adding a
12 new title 3 to read as follows:

13 TITLE 3
14 COLLECTION MEASURES

15 Section 1120. Collection.

16 1121. Grants.

17 § 1120. Collection. The commissioner of taxation and finance, in
18 consultation with the state comptroller, shall develop a model program
19 to collect unpaid real property and school taxes, and water and sewer
20 charges, without tax lien sales. Each municipality collecting real prop-
21 erty or school taxes shall adopt and implement the program in its real
22 property tax jurisdiction.

23 § 1121. Grants. 1. The commissioner of taxation and finance, in
24 consultation with the state comptroller, shall develop and implement a
25 grant program to assist counties and, in the case of a county wholly
26 contained within a city, such city, in implementing real property tax
27 collection programs as an alternative to selling liens on real property
28 due to unpaid real property taxes, school taxes or water and sewer
29 charges assessed to the property, including legal assistance, estate
30 planning, and outreach to tax-distressed homeowners.

31 2. The attorney general shall establish the application criteria and
32 qualifications for grant recipients.

33 3. The program shall prioritize grants to municipalities with high
34 rates of tax lien sales prior to the effective date of this title.

35 4. Funds received by a county or city through the program shall be
36 used to supplement and not supplant any local funds which such county or
37 city would otherwise have had to expend for the provision of real prop-
38 erty tax collection programs.

39 § 8. The state finance law is amended by adding a new section 97-vvvv
40 to read as follows:

41 § 97-vvvv. Homeowner protection fund. 1. There is hereby established
42 in the joint custody of the comptroller and the commissioner of taxation
43 and finance a special fund to be known as the homeowner protection fund.

44 2. Such fund shall consist of all moneys appropriated for the purpose
45 of such fund, all other moneys required to be paid into or credited to
46 such fund, and all moneys received by the fund or donated to it.

47 3. Monies in the fund shall be used to implement the grant program
48 described in section eleven hundred twenty-one of the real property tax
49 law.

50 4. Monies in the fund shall be kept separate from and not commingled
51 with other funds held in the custody of the comptroller.

52 5. Monies in the fund shall be payable from the fund on the audit and
53 warrant of the comptroller on vouchers approved and certified by the
54 commissioner of taxation and finance.

55 § 9. Severability. If any clause, sentence, paragraph, subdivision,
56 section or part of this act shall be adjudged by any court of competent

1 jurisdiction to be invalid, such judgment shall not affect, impair, or
2 invalidate the remainder thereof, but shall be confined in its operation
3 to the clause, sentence, paragraph, subdivision, section or part thereof
4 directly involved in the controversy in which such judgment shall have
5 been rendered. It is hereby declared to be the intent of the legislature
6 that this act would have been enacted even if such invalid provisions
7 had not been included herein.

8 § 10. This act shall take effect one year after it shall have become a
9 law and shall apply to tax and water and sewer assessments made on and
10 after such effective date. Effective immediately, the addition, amend-
11 ment and/or repeal of any rule or regulation necessary for the implemen-
12 tation of this act on its effective date are authorized to be made and
13 completed on or before such effective date.