STATE OF NEW YORK

69

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sens. KAVANAGH, HARCKHAM -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the real property tax law, in relation to certain interest rates imposed on late payment of taxes and delinquencies and redemption of certain property subject to more than one tax lien

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

Section 1. Subdivision 1 of section 924-a of the real property tax law, as amended by chapter 26 of the laws of 2003, is amended to read as follows:

1. The amount of interest to be added on all taxes received after the interest free period and all delinquent taxes shall be one-twelfth the rate of interest as determined pursuant to subdivision two or two-a of this section rounded to the nearest one-hundredth of a percentage point, except as otherwise provided by a general or special law, or a local law adopted by a city pursuant to the municipal home rule law or any special law **or by a local law adopted by a county**. Such interest shall be added for each month or fraction thereof until such taxes are paid.

§ 2. Section 936 of the real property tax law, as amended by chapter 237 of the laws of 1995, subdivision 1 as amended by chapter 355 of the laws of 1997, is amended to read as follows:

§ 936. Return of unpaid delinquent taxes. 1. Upon the expiration of [~~his~~] **the collecting officer's** warrant, each collecting officer shall make and deliver to the county treasurer an account, subscribed and affirmed by [~~him~~] **such collecting officer** as true under the penalties of perjury, of all taxes listed on the tax roll which remain unpaid, except that such collecting officer shall not include in such account the amount of the installments of taxes returned unpaid pursuant to [~~section nine hundred twenty-eight-b or~~] subdivision one of section nine hundred

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

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seventy-six of this chapter. The county treasurer shall, if satisfied that such account is correct, credit [~~him~~] **such collecting officer** with the amount of such unpaid delinquent taxes. Such return shall be endorsed upon or attached to the tax roll.

2. In making the return of unpaid taxes, the collecting officer shall add five per centum to the amount of each tax as levied. In the event that the collecting officer fails to do so, the county treasurer shall make such addition. In a county in which there is a local law in effect pursuant to [~~section nine hundred twenty-eight-b or~~] section nine hundred seventy-two of this chapter providing for the collection of taxes in installments, the five per centum provided by this subdivision shall not be added to the taxes which a real property owner has elected to pay in installments pursuant to [~~section nine hundred twenty-eight-b or~~] section nine hundred seventy-five of this chapter. Such five per centum shall be added by the county treasurer to the amount of such taxes as shall have remained unpaid after the date upon which the last installment was due as provided in such local law. **Such five per centum shall not be added where the taxable real property upon which such unpaid tax was levied is an owner occupied residential property as defined by section eleven hundred eleven of this chapter.** The amount of such added per centum shall thereafter be deemed part of the amount of the unpaid tax.

§ 3. Subdivision 1 and paragraph (a) of subdivision 2 of section 1112 of the real property tax law, as amended by chapter 532 of the laws of 1994, are amended to read as follows:

1. **(a)** When a tax district holds more than one tax lien against a parcel, the liens need not be redeemed simultaneously. However, the liens must be redeemed in reverse chronological order, so that the lien with the most recent lien date is redeemed first, and the lien with the earliest lien date is redeemed last. Notwithstanding the redemption of one or more of the liens against a parcel as provided herein, the enforcement process shall proceed according to the provisions of this article as long as the earliest lien remains unredeemed.

(b) Notwithstanding the provisions of paragraph (a) of this subdivision, when a tax district holds more than one tax lien against a parcel and such parcel is an owner occupied residential property as defined by section eleven hundred eleven of this title, the liens need not be redeemed simultaneously. However, the liens shall be redeemed in chronological order, so that the lien with the earliest lien date is redeemed first, and the lien with the most recent lien date is redeemed last. Notwithstanding the redemption of one or more of the liens against a parcel as provided herein, the enforcement process shall proceed according to the provisions of this article as long as any lien remains unredeemed for a period of three years or more from the date of delinquency of such lien.

(a) **(i)** When one or more liens against a parcel are redeemed as provided herein, but the earliest lien remains unredeemed, the receipt issued to the person redeeming shall include a statement in substantially the following form: "This parcel remains subject to one or more delinquent tax liens. The payment you have made will not postpone the enforcement of the outstanding lien or liens. Continued failure to pay the entire amount owed will result in the loss of the property."

(ii) Notwithstanding the provisions of subparagraph (i) of this paragraph, when one or more liens against a parcel are redeemed as provided herein and such parcel is an owner occupied residential property as defined by section eleven hundred eleven of this title, but any lien

remains unredeemed for a period of three years or more from the date of delinquency of such lien, the receipt issued to the person redeeming shall include a statement in substantially the following form: "This parcel remains subject to one or more delinquent tax liens. The payment you have made will not postpone the enforcement of the outstanding lien or liens. Continued failure to pay the entire amount owed will result in the loss of the property."

§ 4. Subdivision 2 of section 924-a of the real property tax law, as amended by chapter 355 of the laws of 2003 and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

2. The rate of interest applicable to the third calendar quarter of each year, as set by the commissioner of taxation and finance pursuant to subparagraph (A) of paragraph two of subsection (j) of section six hundred ninety-seven of the tax law, shall be the rate of interest applicable to unpaid real property taxes for purposes of this section. Such commissioner shall set such rate on or before the fifteenth day of July in each year. Such rate shall be effective for all warrants issued for a collection period commencing on or after the first day of September next succeeding the date the rate of interest is set. Provided, however, the rate of interest prescribed by this subdivision shall in no event be less than twelve per centum per annum **unless the taxable real property upon which such tax was levied is an owner occupied residential property as defined in section eleven hundred eleven of this chapter**. The commissioner shall inform each affected municipality of any change in the rate established pursuant to this subdivision.

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