STATE OF NEW YORK

8381

2025-2026 Regular Sessions

IN SENATE

June 6, 2025

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

AN ACT in relation to authorizing the village of Bloomingburg to enter into a contract to sell or pledge as collateral for a loan some or all of the delinquent liens held by such village to a private party or engage a private party to collect some or all of the delinquent tax liens held by it

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

Section 1. Notwithstanding any provision of any general, special or local law to the contrary, the village of Bloomingburg may enter into a contract to sell some or all of the delinquent tax liens held by it to a private party, subject to the following conditions:

(a) The consideration to be paid for a sale of the delinquent tax liens held by it may be more or less than the face amount of the tax liens sold.

(b) Property owners shall be given at least 30 days advance notice of sale in the same form and manner as is provided by subdivision 2 of section 1190 of the real property tax law. Failure to provide such notice or the failure of the addressee to receive the same shall not in any way affect the validity of any sale of a tax lien or tax liens or the validity of the taxes or interest prescribed by law with respect thereto.

(c) The village of Bloomingburg shall set the terms and conditions of the contract of sale or loan.

(d) The tax lien purchaser must 30 days prior to the commencement of any foreclosure action provide to the village of Bloomingburg a list of liens to be foreclosed. The village of Bloomingburg may, at its sole option and discretion, repurchase a lien or liens on the foreclosure list from the tax lien purchaser. The repurchase price shall be the amount of the lien or liens plus any accrued interest and collection

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

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fees incurred by the tax lien purchaser through the date of repurchase. The tax lien purchaser shall provide the foreclosure list to the village of Bloomingburg, along with the applicable repurchase price of each lien, by certified mail, and the village of Bloomingburg shall have 30 days from receipt to notify the tax lien purchaser of its option to purchase one or more of the liens. If the village of Bloomingburg opts to purchase the lien, it shall provide payment within 30 days of receipt of the repurchase price of said lien or liens. If the village of Bloomingburg shall fail to repurchase the lien or liens the tax lien purchaser shall have the right to commence a foreclosure action immediately upon notice from the village of Bloomingburg of its refusal or at the expiration of the 30-day review period whichever occurs first.

(e) The sale of a tax lien pursuant to this act shall not operate to shorten the otherwise applicable redemption period or change the otherwise applicable interest rate.

(f) Upon the expiration of the redemption period prescribed by law, the purchaser of a delinquent tax lien, or its successors or assigns, may foreclose the lien as in an action to foreclose a mortgage as provided in section 1194 of the real property tax law. The procedure in such action shall be the procedure prescribed by article 13 of the real property actions and proceedings law for the foreclosure of mortgages. At any time following the commencement of an action to foreclose a lien, the amount required to redeem the lien, or the amount received upon sale of a property, shall include reasonable and necessary collection costs, attorneys' fees, legal costs, allowances, and disbursements.

(g) The provisions of title 5 of article 11 of the real property tax law shall apply so far as is practicable to a contract for the sale of tax liens pursuant to this act.

§ 2. Notwithstanding any provision of any general, special or local law to the contrary, the village of Bloomingburg may enter into a contract to pledge as collateral for a loan some or all of the delinquent tax liens held by it to a third party or engage a third party to collect some or all of the delinquent tax liens held by it subject to the following conditions:

(a) Any loan provided under this section shall bear an interest rate to be determined by the village of Bloomingburg.

(b) Any contract for the collection of delinquent tax liens the fee paid by the village of Bloomingburg shall not exceed 10% of the outstanding balance of the tax lien being collected and said fee shall be borne by the delinquent taxpayer.

§ 3. This act shall take effect immediately.