

STATE OF NEW YORK

9958

IN SENATE

April 17, 2026

Introduced by Sen. FAHY -- 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 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.

26 4. If any portion of interest and penalties cancelled pursuant to this
27 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.

LBD13534-05-6

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

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

9 § 2. Section 1182 of the real property tax law, as amended by chapter
10 532 of the laws of 1994, is amended to read as follows:

11 § 1182. Cancellation or reduction of interest, penalties and other
12 charges. 1. If the governing body of any tax district shall determine
13 that it is for the best interests of the tax district, it shall have the
14 power, by resolution, to authorize the enforcing officer to permit the
15 cancellation in whole or in part of any interest, penalties or other
16 charges imposed by law to which the tax district or any other municipal
17 corporation shall be lawfully entitled; provided, however, that in cases
18 where such interest, penalties, or other charges, if collected by the
19 tax district, belong to a municipal corporation therein, no reduction or
20 remission in whole or in part of such interest, penalties, or other
21 charges shall be made without the consent of the municipal corporation
22 affected, which consent may be given by resolution adopted after a
23 public hearing.

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

30 § 3. This act shall take effect immediately.