§ 1194-a. Administration of surplus in connection with tax lien sales. Real property tax liens owned by third parties, including those tax liens sold pursuant to former title three of article fourteen of this chapter or pursuant to a special or local law or charter shall only be enforced in the manner described in this section:

1. Upon written application and the surrender of the tax lien certificate of sale, a treasurer's deed may be issued vesting in the tax lien certificate holder an absolute estate in fee, subject to all claims the taxing jurisdiction or state may have thereon for taxes, liens or encumbrances, if (a) a New York state licensed real estate appraiser conducts an appraisal of the property prior to the issuance of the deed to establish the property's fair market value and (b) the property's appraised value does not exceed the outstanding amount due to the tax lien holder. The tax district shall levy the cost of conducting the appraisal as a lien upon the property to be collected along with any other pending taxes, liens, or encumbrances; or

2. Notwithstanding any other law to the contrary, after the applicable redemption period has elapsed, an action to foreclose a tax sale certificate issued pursuant to former title three of article fourteen of this chapter or pursuant to a local law or charter may be commenced and maintained pursuant to this title.

3. Notwithstanding any other law to the contrary, when a tax lien has been sold to a third party, the lienholder shall send a homeowner warning notice in the manner provided by section eleven hundred forty-four of this article at least one hundred eighty days prior to making application for a treasurer's deed or commencing a foreclosure proceeding, as the case may be.

4. Notwithstanding the foregoing provisions of this section, in a city with a population of one million or more, real property tax liens owned by third parties shall be enforced in the manner provided by the administrative code of such city.