

**LOCAL LAWS  
OF  
THE CITY OF NEW YORK  
FOR THE YEAR 2007**

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**No. 68**

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Introduced by The Speaker (Council Member Quinn) and Council Members Weprin, Gennaro, Fidler, Liu, James, Avella, Brewer, Comrie, Gentile, Gerson, Gonzalez, Koppell, Nelson, Recchia Jr., Stewart, Yassky, Vacca and Sears (by request of the Mayor).

**A LOCAL LAW**

**To amend the administrative code of the city of New York, in relation to the sale of tax liens.**

*Be it enacted by the Council as follows:*

Section 1. Section 11-301 of the administrative code of the city of New York, as amended by local law number 26 for the year 1996, is amended to read as follows:

§ 11-301 When taxes, assessments, sewer rents, sewer surcharges and water rents to be liens on land assessed. All taxes and all assessments and all sewer rents, sewer surcharges and water rents, and the interest and charges thereon, which may be laid or may have heretofore been laid, upon any real estate now in the city, shall continue to be, until paid, a lien thereon, and shall be preferred in payment to all other charges. The words "water rents" whenever they are used in this chapter shall include uniform annual charges and extra and miscellaneous charges for the supply of water, charges in accordance with meter rates, minimum charges for the supply of water by meter, annual service charges and charges for meters and their connections and for their setting, repair and maintenance, penalties and fines and all lawful charges for the supply of water *imposed pursuant to the New York city municipal water finance authority act, which is set forth in title two-A of article five of the public authorities law*. Charges for expense of meters, their connections, setting, repair or maintenance shall not be due or become a charge or lien on the premises where a water meter shall be installed or against which a charge shall be made, until such charge shall have been definitely fixed by the commissioner of environmental protection, and an entry of the

amount thereof shall have been made with the date of such entry in the book in which the charges for water supplied by meter against such premises are to be entered. A charge in accordance with meter rates or minimum charges for the supply of water measured by meter, and a service charge shall not be due or become a lien or charge upon the premises where such meter is installed until an entry shall have been made indicating that such premises are metered, with the date of such entry in the book in which the charges for water by meter measurement against such premises are to be entered. The words "sewer rents" when used in this chapter shall mean any rents or charges imposed pursuant to section 24-514 of the code *or pursuant to the New York city municipal water finance authority act, which is set forth in title two-A of article five of the public authorities law.* The words "sewer surcharges" when used in this chapter shall mean the charges imposed pursuant to section 24-523 of the code *or pursuant to the New York city municipal water finance authority act, which is set forth in title two-A of article five of the public authorities law.* Whenever an increase in the amount of uniform annual charges or extra or miscellaneous charges shall have been made or a charge shall have been made for water services for any building completed subsequent to the first day of January in each year, the amount of such increase of the charge or new charge for such new building shall not be due or become a lien or charge against the premises until the amounts thereof shall have been entered with the date of such entries, respectively, in the books in which the uniform annual charges and extra or miscellaneous charges against such premises are to be entered. The words "tax lien" when used in this chapter shall mean the lien arising pursuant to the provisions of this chapter *or pursuant to the New York city municipal water finance authority act, which is set forth in title two-A of article five of the public authorities law,* as a result of the nonpayment of taxes, assessments, sewer rents, sewer surcharges, water rents, any other charges that are made a lien subject to the provisions of this chapter, the costs of any advertisements and notices given pursuant to this chapter, any other charges that are due and payable, a surcharge pursuant to section 11-332 of this chapter if the tax lien is sold, interest and penalties thereon and the right of the city to receive such amounts. The words "tax lien certificate" when used in this chapter shall mean the instrument evidencing a tax lien and executed by the commissioner of finance or his or her designee at such time as such lien is transferred to a purchaser upon sale of such lien by the city.

§ 2. Subdivisions a and a-1 of section 11-319 of the administrative code of the city of New York, as amended by local law number 36 for the year 2001, are amended to read as follows:

a. A tax lien or tax liens on a property or any component of the amount thereof may be sold by the city as authorized by subdivision b of this section, when such tax lien or tax liens shall have remained unpaid in whole or in part for one year, provided, however, that a tax lien or tax liens on any class 1 property or on class 2 property that is a residential condominium or residential cooperative, as such classes of property are defined in subdivision 1 of section 1802 of the real property tax law, may be sold by the city only when the real property tax component of such tax lien or tax liens shall have remained unpaid in whole or in part for three years *or, in the case of abandoned class 1 property or abandoned class 2 property that is a residential condominium or residential cooperative, for eighteen months*, and after such sale, shall be transferred, in the manner provided by this chapter, *and provided, further, however, that (i) the real property tax component of such tax lien may not be sold pursuant to this subdivision on any residential real property in class 1 that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or where the owner of such residential real property in class 1 has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date and (ii) the sewer rents component, sewer surcharges component or water rents component of such tax lien may not be sold pursuant to this subdivision on any one family residential real property in class 1 or on any two or three family residential real property in class 1 that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or where the owner of any two or three family residential real property in class 1 has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date.* A tax lien or tax liens on any property classified as a class 2 property, except a class 2 property that is a residential condominium or residential cooperative, or class 3 property, as such classes of property are defined in subdivision 1 of section 1802 of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component as of the date of the first publication, pursuant to subdivision a of section 11-320 of

this chapter, of the notice of sale. Notwithstanding any provision of this subdivision to the contrary, any such tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component. A tax lien or tax liens on a property classified as a class 4 property, as such class of property is defined in subdivision 1 of section 1802 of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component or sewer rents component or sewer surcharges component or water rents component as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, provided, however, that any tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component, sewer rents component, sewer surcharges component or water rents component. For purposes of this subdivision, the words "real property tax" shall not include an assessment or charge upon property imposed pursuant to section 25-411 of the administrative code. A sale of a tax lien or tax liens shall include, in addition to such lien or liens that have remained unpaid in whole or in part for one year, or, in the case of any class 1 property or class 2 property that is a residential condominium or residential cooperative, when the real property tax component of such lien or liens has remained unpaid in whole or in part for three years, any taxes, assessments, sewer rents, sewer surcharges, water rents, any other charges that are made a lien subject to the provisions of this chapter, the costs of any advertisements and notices given pursuant to this chapter, any other charges that are due and payable, a surcharge pursuant to section 11-332 of this chapter, and interest and penalties thereon or such component of the amount thereof as shall be determined by the commissioner of finance. *The commissioner of finance may promulgate rules defining "abandoned" property, as such term is used in this subdivision.*

a-1. A subsequent tax lien or tax liens on a property or any component of the amount thereof may be sold by the city pursuant to this chapter, provided, however, that notwithstanding any provision in this chapter to the contrary, such tax lien or tax liens may be sold regardless of whether such tax lien or tax liens have remained unpaid in whole or in part for one year and, notwithstanding any provision in this chapter to the contrary, in the case of any class 1 property or class 2 property that is a residential condominium or residential cooperative, such tax lien or tax liens may be sold if the real property tax component of such tax lien or tax liens has remained unpaid in whole or in part for one year,

*and provided, further, however, that (i) the real property tax component of such tax lien may not be sold pursuant to this subdivision on any residential real property in class 1 that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or where the owner of such residential real property in class 1 has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date and (ii) the sewer rents component, sewer surcharges component or water rents component of such tax lien may not be sold pursuant to this subdivision on any one family residential real property in class 1 or on any two or three family residential real property in class 1 that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or where the owner of any two or three family residential real property in class 1 has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date. For purposes of this subdivision, the term "subsequent tax lien or tax liens" shall mean any tax lien or tax liens on property that become such on or after the date of sale of any tax lien or tax liens on such property that have been sold pursuant to this chapter, provided that the prior tax lien or tax liens remain unpaid as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale of the subsequent tax lien or tax liens. A subsequent tax lien or tax liens on any property classified as a class 2 property, except a class 2 property that is a residential condominium or residential cooperative, or class 3 property, as such classes of property are defined in subdivision 1 of section 1802 of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale. Notwithstanding any provision of this subdivision to the contrary, any such tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component. A subsequent tax lien or tax liens on a property classified as a class 4 property, as such class of property is defined in subdivision 1 of section 1802 of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component or sewer rents component or sewer surcharges component or water rents component as of*

the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, provided, however, that any tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component, sewer rents component, sewer surcharges component or water rents component. For purposes of this subdivision, the words "real property tax" shall not include an assessment or charge upon property imposed pursuant to section 25-411 of the administrative code. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.

§ 3. Section 11-319 of the administrative code of the city of New York is amended by adding new subdivisions a-2 and a-3 to read as follows:

*a-2. In addition to any sale authorized pursuant to subdivision a or subdivision a-1 of this section and notwithstanding any provision of this chapter to the contrary, beginning on December first, two thousand seven, the water rents, sewer rents and sewer surcharges components of any tax lien on any class of real property, as such real property is classified in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter, where such water rents, sewer rents or sewer surcharges component of such tax lien, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale: (i) shall have remained unpaid in whole or in part for one year, and (ii) equals or exceeds the sum of one thousand dollars; provided, however, that such water rents, sewer\_rents or sewer surcharges component of such tax lien may not be sold pursuant to this subdivision on any one family residential real property in class one or on any two or three family residential real property in class one that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or where the owner of any two or three family residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date. After such sale, any such water rents, sewer rents or sewer surcharges component of such tax lien may be transferred in the manner provided by this chapter.*

*a-3. In addition to any sale authorized pursuant to subdivision a or subdivision a-1 of this section and notwithstanding any provision of this chapter to the contrary, beginning on December first, two thousand seven, a subsequent tax lien on any class of real property, as such real property is classified in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city pursuant to this chapter, regardless of whether such subsequent tax lien, or any component of the amount thereof, shall have remained unpaid in whole or in part for one year, and regardless of whether such subsequent tax lien, or any component of the amount thereof, equals or exceeds the sum of one thousand dollars; provided, however, that such subsequent tax lien may not be sold pursuant to this subdivision on any one family residential real property in class one or on any two or three family residential real property in class one that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or where the owner of any two or three family residential real property\_in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date. After such sale, any such subsequent tax lien, or any component of the amount thereof, may be transferred in the manner provided by this chapter. For purposes of this subdivision, the term “subsequent tax lien” shall mean the water rents, sewer rents or sewer surcharges component of any tax lien on property that becomes such on or after the date of sale of any water rents, sewer rents or sewer surcharges component of any tax lien on such property that has been sold pursuant to this chapter, provided that the prior tax lien remains unpaid as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale of the subsequent tax lien. Nothing in this subdivision shall be deemed to limit the rights conferred by section 11-332 of this chapter on the holder of a tax lien certificate with respect to a subsequent tax lien.*

§ 4. The opening paragraph of subdivision b of section 11-319 of the administrative code of the city of New York, as amended by local law number 2 for the year 2006, is amended to read as follows:

The commissioner of finance, on behalf of the city, may sell tax liens, either individually, in combinations, or in the aggregate, pursuant to the procedures provided herein. The commissioner of finance shall establish the terms and conditions of a sale of a tax lien or tax liens. [Enactment of the local

law that added this sentence shall be deemed to constitute authorization by the council for the commissioner of finance to conduct a sale or sales of tax liens through and including August thirty-first, two thousand six. Subsequent to August thirty-first, two thousand six, the city shall not have the authority to sell tax liens.] *Enactment of the local law that added this sentence shall be deemed to constitute authorization by the council for the commissioner of finance to conduct a sale or sales of tax liens through and including December thirty-first, two thousand ten. Subsequent to December thirty-first, two thousand ten, the city shall not have the authority to sell tax liens.*

§ 5. Subdivisions a and f of section 11-320 of the administrative code of the city of New York, subdivision a as amended by local law number 26 for the year 1996 and subdivision f as amended by local law number 98 for the year 1997, are amended to read as follows:

a. The tax lien on property in the city shall not be sold pursuant to section 11-319 of this chapter unless notice of such sale as provided herein has been published twice, the first publication to be in a newspaper of general circulation in the city, not less than [sixty] *ninety* days preceding the date of the sale, and the second publication to be in a publication designated by the commissioner of finance, not less than ten days preceding the date of the sale. Such publication shall include a description by block and lot or by such other identification as the commissioner of finance may deem appropriate, of the property upon which the tax lien exists that may be included in the sale, and a statement that a list of the tax liens that may be included in the sale is available for inspection in the office of the city register and the office of the county clerk of Richmond county. The commissioner of finance shall file such list in the office of the city register and the office of the county clerk of Richmond county not less than [sixty] *ninety* days prior to the date of sale.

f. The commissioner of finance shall designate an employee of the department to respond to inquiries from owners of property for which a tax lien has been sold or noticed for sale pursuant to subdivision a of *this* section [11-320 of this chapter] and shall designate an employee of the department to respond to inquiries from owners sixty-five years of age or older of property for which a tax lien has been sold or noticed for sale pursuant to subdivision a of *this* section [11-320 of this chapter]. *The commissioner of environmental protection shall designate at least one employee of the department of environmental protection to respond to inquiries from owners of property for which a tax lien containing a water rents,*



*sewer rents or sewer surcharges component has been sold or noticed for sale pursuant to subdivision a of this section.*

§ 6. This local law shall take effect immediately.

The City of New York, Office of the City Clerk, s.s.:

I hereby certify that the foregoing is a true copy of a local law of The City of New York, passed by the Council on December 19, 2007 and approved by the Mayor on December 31, 2007.

Michael McSweeney, First Deputy City Clerk  
Acting City Clerk of the Council.

**CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW §27**

Pursuant to the provisions of Municipal Home Rule Law §27, I hereby certify that the enclosed Local Law (Local Law 68 of 2007, Council Int. No.656) contains the correct text and:

Received the following vote at the meeting of the New York City Council on December 19, 2007:

45 For, 1 Against, 0 Not Voting

Was signed by the Mayor on December 31, 2007

Was returned to the City Clerk on December 31, 2007.

Jeffrey D. Friedlander, Acting Corporation Counsel.