

## NOTICE OF RULE MAKING

Pursuant to the power vested in me as Commissioner of Finance by New York State Real Property Tax Law section 1184, 11-322 of the Administrative Code of the City of New York and New York City Charter ("Charter") §§ 1043 and 1504, I hereby promulgate the within amendment to the Rules relating to the sale of tax liens in order to expand the list of extenuating circumstances which allow a property owner or other eligible person to enter into a new installment agreement after previously defaulting on an installment agreement. These rules were published in proposed form on February 7, 2017. A hearing for public comment was held on March 9, 2017.

S/S

Jacques Jiha, Commissioner of Finance

### Statement of Basis and Purpose of Rule

The City of New York conducts an annual tax lien sale for properties which have unpaid property taxes, water bills and other related charges in accordance with section 11-319 of the Administrative Code of the City of New York and section 40-02 of Title 19 of the Rules of the City of New York. These unpaid charges become tax liens that under certain conditions may be sold by the Department of Finance in a tax lien sale. The purchaser of tax liens will utilize a lien servicing company to collect these tax liens. Section 11-322 of the Administrative Code of the City of New York authorizes and section 40-03 of Title 19 of the Rules of the City of New York sets forth the rules relating to installment agreements with the Department of Finance that allow for installment payments of any delinquent real property taxes or any charges that are made a lien on real property under Chapter 3 of Title 11 of the Administrative Code, excluding any delinquent sewer rents, sewer surcharges and water rents that are collected by the New York City Water Board. The current rule contains a list of extenuating circumstances which allow the property owner or other eligible person to enter into a new installment agreement after defaulting on a previous installment agreement.

This rule expands the list of extenuating circumstances to include a property owner or other eligible person who is actively enrolled (enrolled and up-to-date with payments) in the New York City Department of Environmental Protection's water debt assistance program. The effective date of this rule shall be February 1, 2017 so that this additional extenuating circumstance applies to the 2017 tax lien sale.

Matter underlined is new. Matter in [brackets] is to be deleted.

"Shall" and "must" denote mandatory requirements and may be used interchangeably in the rules of this department unless otherwise specified or unless the context clearly indicates otherwise.

§1. Subparagraph (i) of paragraph (4) of subdivision (e) of section 40-03 of Title 19 of the Rules of the City of New York is amended to read as follows:

(4) "Extenuating circumstances" for purposes of paragraph (3) of this subdivision:

(i) "Extenuating circumstances" shall mean (1) the death of the signatory to the agreement, of any person named on the deed for the property or of a contributing household member, (2) a

loss of income to the signatory, to any person named on the deed for the property or to a contributing household member due to his or her involuntary absence from the property for any consecutive period of six months or more for treatment of an illness, for military service, or pursuant to a court order, that results in a default of the agreement or inability to cure the default prior to the date of sale of the tax lien or tax liens, [or] (3) a loss of income to the signatory to the agreement, to any person named on the deed for the property or to a contributing household member due to his or her unemployment for any consecutive period of six months or more that results in a default of the agreement or inability to cure the default prior to the date of sale of the tax lien or tax liens or (4) active enrollment in, that is, enrolled and up-to-date with payments, as well as compliance with, the requirements of the New York City Department of Environmental Protection's water debt assistance program as authorized by the New York City Water Board and Wastewater Rate Schedule which is set forth in Part VIII, section 4 of Appendix A of Title 15, Chapter 42 of the Rules of the City of New York.

§2. This rule shall be effective as of February 1, 2017.