RESOLUTION OF THE CITY OF POUGHKEEPSIE COMMON COUNCIL INTRODUCING A LOCAL LAW ADOPTING THE STATE PROVISIONS FOR THE ENFORCEMENT OF UNPAID TAXES, FEES AND ASSESSMENTS AND REPEALING THOSE PORTIONS OF THE CITY'S ADMINISTRATIVE CODE PROVIDING FOR THE LOCAL ENFORCEMENT OF UNPAID TAXES, FEES AND ASSESSMENTS

(LL-21-____)

INTRODUCED BY COUNCILMEMBER BRANNEN:

WHEREAS, currently the City of Poughkeepsie enforces delinquent taxes, fees and assessments pursuant to its Administrative Code through the annual sale of tax liens having opted out of Article 11 of the Real Property Tax Law; and

WHEREAS, selling tax liens has become an inefficient tax enforcement practice whereby profitable liens are sold to investors and the City is left holding liens with little or no value; and

WHEREAS, research also reveals that tax liens severely impact communities of color and senior citizens, particularly low-income seniors who face the potential of not only losing their home, but their home's equity; and

WHEREAS, the judicial foreclosure process contained in Article 11 of the Real Property Tax Law is a more just, fair and equitable tax enforcement procedure; and

WHEREAS, this local law is hereby introduced, laid on the desk of the Common Council and a public hearing shall hereby be scheduled for its consideration; and

WHEREAS, history has shown that in rem tax foreclosures are a better vehicle for the collection of unpaid taxes, resulting in the overwhelming majority of communities in New York State repealing their previous opt out from RPTL Article 11.

SECTION 1. BE IT ENACTED, by the Common Council of the City of Poughkeepsie, a local law adopting the state provisions for the enforcement of unpaid taxes, interest and penalties pursuant to Title 3, Article 11 of the Real Property Tax Law and repealing those sections of Article XIV of the Administrative Code which are contract to the states provisions for the foreclosure of tax liens by an action in rem, as follows:

~~STRIKETHROUGH~~ INDICATES DELETION

BOLD and UNDERLINE INDICATES ADDED LANGUAGE

Section 14.06. Adoption of State Provisions

The City of Poughkeepsie, New York elects to adopt Title 3 of Article 11 of the Real Property Tax Law, foreclosure of tax lien by action in rem, as the procedure to be used for the tax year 2022 and subsequent years thereto for the enforcement of the collection of delinquent taxes, interest, penalties, assessments, water rates and other charges the city is authorized to collect under its Charter.

Pursuant to RPTL §1106, there shall be a transition period of up to four years where taxes that have become liens prior to January 1, 2022 shall be enforced pursuant to the procedures for tax lien sales existing as of the adoption of this local law. If an installment agreement is executed by a property owner pursuant to RPTL §1184, that agreement shall apply to all outstanding liens held by the City no matter when arising and a default under that will be enforced under RPTL Article 11. At any point during this transition period of up to four years, the Commissioner of Taxes shall have the option to relevy taxes becoming liens prior to January 1, 2022 and enforce same pursuant RPTL Article 11.

Section 14.07. Title Search

Pursuant to § 1102 Subsection 1(e), of the Real Property Tax Law, a charge per parcel shall be imposed for the reasonable and necessary costs of title searches required or authorized to satisfy the notice requirements of the Real Property Tax Law.

Section 14.08. Taxes – Interest on Unpaid Taxes and Payment of Delinquent Taxes In Installments

(a) Payment without interest or penalty. There shall be no interest or penalty charged on taxes paid in full on or before February 15.

~~(b) Late penalty. There shall be a two-percent penalty levied on taxes paid in full on or after February 16~~.

~~(c)~~ **(b)** Installment payments. When not paid in full by February 15, partial payments in any amount will be accepted by the Commissioner of Finance until the balance is paid in full. ~~When paid in installments, the~~ **The** payments shall be applied in the following order:

(1) Outstanding fees.
(2) Interest
(3) Oldest tax due.

~~(d)~~**(c)** Interest charges. Payments made after ~~March 1~~ **February 16** or after shall~~, in addition to the late fee set forth in (b) above,~~ be subject to interest charges at 1% per month **retroactive to January 1st** on the outstanding remaining balance **as shown below**. The payments shall be applied in the same manner as forth in section ~~(c)~~**(b)** above.

Interest	**Date of Payment of Delinquent Taxes**
2%	**February 16 — February 28/29**
3%	**March 1 — March 31**
4%	**April 1 — April 30**
5%	**May 1 — May 31**
6%	**June 1 — June 30**
7%	**July 1 — July 31**
8%	**August 1 — August 31**
9%	**September 1 — September 30**
10%	**October 1 — October 31**
11%	**November 1 — November 30**
12%	**December 1 – December 31**

(d) Pursuant to §1184 subsection (2) any owner of any property may enter into an installment payment plan for eligible delinquent taxes with the Commissioner of Taxes provided that such agreement shall not exceed thirty-six months in length, requires monthly payments and provided that such agreement requires the property owner to pay a minimum of ten percent of the outstanding taxes at the time the agreement is executed. Any agreement shall be pursuant to §1184 of the Real Property Tax law.

~~Section 14.06 **Taxes — continuation of collection of taxes pursuant to charter.**~~
~~**(a)** The collection of taxes within the city shall continue to be enforced pursuant to the charter of the city and this code as they may from time to time be amended. This provision is intended to~~

~~constitute a determination to "opt-out" from the otherwise applicable provisions of the Real Property Tax Law as provided in Section 6 of chapter 602 of the Laws of 1993.~~
~~**(b)** This section shall take effect immediately upon compliance with all applicable provisions of law including filing with the state board of equalization and assessment.~~

~~Section 14.07~~~~**Taxes — notice regarding collection of taxes.**~~
~~On the delivery of the city roll and warrant to the commissioner of finance and again three (3) months and again six (6) months and again eight (8) months after the date of the first publication of the first notice, he shall post in five (5) conspicuous places in the city and shall publish once a week for two (2) successive weeks notice that he will attend at his office with said roll and warrant for one (1) month next after the first publication of each of said four (4) notices from ten o'clock in the morning to three o'clock in the afternoon to receive city, county and state taxes.~~

SECTION 2. The following Sections of the City of Poughkeepsie Administrative Code shall be repealed and replaced by the in rem tax foreclosure procedure contained in Real Property Tax Law Title 3, Article 11 except to the extent that the procedures below shall apply for __ year pursuant to new Section 14.06 :

~~Section 14.16 **Taxes — action to collect taxes.**~~
~~Whenever any person or corporation shall refuse or neglect to pay any tax or assessment, the same may be collected by action in the name of the city against any such person or corporation, unless the property taxed or assessed is advertised for sale as provided in this code; such action shall not operate to release any lien upon property for such tax, until the judgment rendered in such action shall have been satisfied.~~

~~Section 14.17 **Taxes — lien of taxes, assessments, water, sewer rents; manner of collection.**~~
~~Every tax for city, county or state purposes, and every assessment on real estate under this act for whatever purpose imposed or charged upon any real estate within the city, shall be a lien upon such real estate from the time of the first publication of the notice for the collection of the same until paid. Water rates and sewer rents shall be a lien from the date of the delivery to the commissioner of finance of the warrant for the collection thereof, until paid. And every assessment upon real estate, water rates or sewer rents imposed under this act, may, when due, be collected in the same manner as herein provided for the collection of taxes, except that the warrant for the collection of water rates and sewer rents shall be issued by the city administrator and the commissioner of the department of public works.~~

~~Section 14.18 **Taxes — transcript of unpaid taxes; correction of assessments.**~~
~~(a) Immediately after the fifteenth day of October next after any tax shall have been imposed upon any real estate in said city, the commissioner of finance shall make and deliver to the~~

~~assessor a transcript of all such taxes which remain unpaid, and the commissioner of assessment, on or before the fifteenth day of November thereafter shall make and deliver to the commissioner of finance a statement containing the name of the owner or occupant so far as the same shall be known to said commissioner of assessment, with a brief description of the property, boundary, and the estimated quantity of each parcel of said land. If any such lands shall have been erroneously assessed, it shall be the duty of such officer to include in such statement a corrected assessment at the same valuation as before.~~

~~(b) A corrected assessment shall only be made after notice to the owner or occupant of such property. Such notice shall be directed to the owner or occupant of such property and shall contain a brief description of the property, to whom it is assessed, the amount of the assessment thereon and the amount of taxes imposed upon such assessment, the time when and the place where such reassessment will be made, not earlier than ten days after the second publication of such notice, and shall be published twice prior to such reassessment in the official newspaper. Any erroneous assessment appearing upon the assessment rolls of the city, heretofore or hereafter made upon real estate herein, upon which taxes have been or may be imposed may be reassessed in like manner. Any such corrected assessment, and the amount of taxes levied upon said lands shall be valid.~~

~~Section 14.19~~ **~~Taxes — sale of land for unpaid tax, penalty, interest — authorized.~~**
~~Whenever any tax, penalty or interest shall remain unpaid on the fifteenth day of November, the commissioner of finance shall advertise and sell the land upon which the same was imposed, for the payment of such tax, penalty or interest remaining unpaid, and the expenses of sale, as hereinafter prescribed, shall also be a charge upon such lands.~~

~~Section 14.20~~ **~~Taxes — obtaining of title search and identification of lienors for unpaid real property taxes.~~**
~~Whenever any tax, or portion thereof, penalty or interest shall remain due and unpaid on the 16th day of August, in any year, the commissioner of finance shall cause to be obtained a title search for the premises which are the subject of the unpaid tax, penalty, or interest, sufficient to indicate the owner or owners of record for the premises, and the lienors, if any, or record for the premises. Further, whenever any tax, or portion thereof, penalty or interest not due as of August 16th of any year, becomes due and remains unpaid as of the 16th day of October, in any year, the commissioner of finance shall cause to be obtained a title search for the premises which are the subject of the unpaid tax, penalty, or interest, sufficient to indicate the owner or owners of record for the premises, and lienors, if any, of the record for the premises. The commissioner of finance shall provide notice to such owner or owners of record, and such lienors, if any, of record of the public auction to be held on the date established pursuant to Section 14.21 of this code for the purpose of selling parcels of land on account of unpaid taxes, penalties, or interest. The expense incurred by the commissioner of finance in obtaining such title search shall be an expense of sale~~

~~to be due and payable at the same time as the tax, penalty, interest, and other expenses of sale.~~

~~Section 14.21 **Taxes — advertisement, conduct of sale.**~~

~~The commissioner of finance shall immediately after the fifteenth day of November cause to be published once in each week for three successive weeks in the official newspaper a list or statement of the parcels of land charged with unpaid tax, penalty or interest, describing each parcel with a notice that each of the parcels of land will on a day within ten days after the expiration of said three weeks, to be specified in said notice, be sold at public auction at the county court house in the city, to discharge the tax, penalty or interest and expenses aforesaid, which shall be due thereon at the time of sale. On the day and at the place stated in said notice the commissioner of finance shall commence the sale of said parcels of land, and shall continue the sale from day to day until all shall be disposed of.~~

~~Section 14.22 **Taxes — duty of purchaser; purchase by city; certification of sale.**~~

~~The purchasers on such sales shall pay the amounts of their respective bids to the commissioner of finance immediately after each parcel shall be struck off. In case a purchaser shall fail to pay the amount of his bid, as herein prescribed, the commissioner of finance shall forthwith offer the parcel for sale again and proceed as though it had not been struck off, and the sale shall be held open for that purpose. Should there be no bid sufficient to cover the amount due on any lot or parcel of land to be sold, then the commissioner of finance shall bid in the same for the city, and the city is hereby authorized to acquire said parcels, and the common council shall have the care and control of all such parcels, and may lease or sell and convey the same. As soon as practicable after the completion of the sale the commissioner of finance shall prepare and execute in duplicate as to each parcel sold, a certificate describing the parcel purchased, by a brief general description of the location, boundary and estimated quantity thereof, and stating the fact of the sale, the name of the purchaser, the sum paid therefor on the sale, the amount due thereon at the time of the sale, the name of the person or persons against whom said tax was assessed, the name of the reported owner thereof, together with any other facts the commissioner of finance may deem essential. One of said duplicates shall be delivered to the said purchaser, or in case the parcel was struck off to the city, then it shall be retained by the commissioner of finance. The commissioner of finance shall deliver the other duplicate certificate to the clerk of the county, who shall file said certificate in his office and record the same in a book to be kept in the said clerk's office for that purpose, and index the certificate in the name of the person, company or corporation to whom the parcel was assessed, the name of the reported owner thereof, and in the name of the purchaser, in the same book and manner as deeds are required by law to be indexed. The county clerk shall be entitled to receive a fee of fifty cents ($0.50) for each certificate so filed and recorded, which fee shall be paid by the commissioner of finance and shall be a part of the expenses of the sale of the parcel.~~

~~Section 14.23~~ **~~Taxes — conduct of sale by city chamberlain.~~**
~~If from any cause the commissioner of finance shall be unable to attend at the time and place of sale, the chamberlain of said city may conduct the sale with the same force and effect as though made by the commissioner of finance.~~

~~Section 14.24~~ **~~Taxes — disposition of proceeds.~~**
~~The proceeds of the sale of each parcel, other than those struck off to the city, shall be applied to the payment of the expenses of the sale as herein provided, and to the extinguishment of the tax, percentage and interest for which it was sold; and if there shall be any residue the commissioner of finance shall hold the same until the owner, at the time of such sale, or any other person or persons entitled to do so, shall redeem said premises from the sale as herein provided, then the commissioner of finance shall pay such owner or other person or persons entitled thereto the said surplus. In all other cases the commissioner of finance shall hold the same until the period of redemption shall have expired, when he shall pay such surplus to the person or persons entitled thereto; and the person or persons entitled thereto shall be ascertained in the same manner and by the same proceedings as in case of surplus on statutory foreclosure of a mortgage upon real estate.~~

~~Section 14.25~~ **~~Taxes — redemption of property sold at tax sale.~~**
~~The owner of or any person interested in or having a lien upon any parcel or lot so sold may redeem the same from such sale at any time within two years by paying to the commissioner of finance, for the use of the purchaser or his assigns, or, if the same shall have been redeemed by any person other than the owner thereof, then for the use of such person, the sum mentioned in the certificate, with interest thereon at the rate of twelve per centum per annum from the day of sale, together with any tax, assessment, sewer rents or water rates upon said parcel or any part thereof that the said purchasers or assigns or persons before redeeming shall have paid between the days of sale and such redemption, with interest at the rate of twelve per centum per annum upon such tax, assessment, rent or rate from the time of payment.~~

~~Section 14.26~~ **~~Taxes — notice of redemption from tax sale; publication, effect.~~**
~~At least one month before the expiration of the time for the final redemption of any parcels of land so sold, the commissioner of finance shall publish once a week for three successive weeks in the official newspaper a notice of redemption from such sales, which shall consist of a statement showing in a general way the property sold, the year when the sale took place and the last day for the redemption of lands not already redeemed by the owners, without other or further description. The publication of such notice shall preclude all persons except the purchaser on said sale, or his heirs or assigns, or the lienor finally redeeming from claiming any interest in or lien upon said lands, or any part thereof, in case the lands shall not be redeemed from such sale as herein provided.~~

~~Section 14.27~~ **~~Taxes — conveyance of property upon expiration of period of redemption.~~**
~~If any parcel or lot so sold shall not be redeemed as herein provided, the commissioner of finance immediately after the expiration of said two years, shall execute and deliver to the purchaser, his heirs or assigns, or to the city or its assigns, or to the lienor finally redeeming, as the case may be, a conveyance of the real estate so sold, which conveyance shall vest in the grantee an estate in fee, subject only to the liens, if any, of unpaid taxes, assessments or water rates thereon. The commissioner of finance executing such conveyance shall be entitled to demand and receive from the grantee one dollar ($1.00) for preparing every such conveyance, but all purchases made for the city in any one year shall be included in one conveyance, for which the commissioner of finance shall be entitled to receive ten dollars ($10.00).~~

~~Section 14.28~~ **~~Taxes — tax deed; execution, recordation, effect.~~**
~~Every such conveyance shall be executed by the commissioner of finance and the execution thereof shall be acknowledged before some officer authorized to take and certify acknowledgements of instruments for record in said county, and such conveyance shall be conclusive evidence that the sale and subsequent proceedings were regular, and presumptive evidence that all previous proceedings were regular and according to law. Any such conveyance may be recorded in the manner and with the effect of any other conveyance of real estate.~~

~~Section 14.29~~ **~~Taxes — right of grantee in tax deed to possession.~~**
~~The said grantee or his assigns, or the city or its assigns, as the case may be, shall be entitled to have and possess the granted lands from and after the execution of such conveyance and he, they or it may cause the occupants of such lands to be removed therefrom and the possession thereof delivered to him or it, in the same manner and by the same proceedings and by and before the officers, as in case of a tenant holding over after the expiration of his term without permission of his landlord.~~

~~Section 14.30~~ **~~Taxes — refund of money paid at tax sale.~~**
~~Whenever any grantee under any such sale shall be unable to obtain possession of the lands conveyed to him by reason of any error or irregularity in the assessment of any person or property or in the levying of a tax or any proceedings for the collection of any tax, the common council shall refund the purchaser the money so paid with interest, the same to be audited and paid as other city charges.~~

~~Section 14.31~~ **~~Taxes — lands acquired by city for taxes; exemption from tax, sale.~~**
~~After the city shall have acquired the title to any lands sold for taxes, such lands shall be exempt while owned by the city from all taxes. Whenever a sale of any lands belonging to the city shall be made, the city chamberlain shall forthwith notify the assessor thereof, and in case the sale shall be made after the first day of July the commissioner of assessment shall certify to the~~

~~common council the proper assessed value of said lands, with the name of the person or persons to whom assessed, and the said council shall add the same to the town or city assessment roll, and apportion and levy the proper tax thereon.~~

~~Section 14.32~~ ~~**Taxes — unpaid assessments, water rates, other liens; levy correction, enforcement, collection.**~~

~~Whenever any assessment, water rate, sewer rent or other lien upon real estate, except general city, county and state taxes and assessments made in accordance with the law shall remain unpaid in whole or in part thirty days before the time designated by the Tax Law for the filing of the annual assessment roll for general city, county and state taxes, the commissioner of finance shall prepare and deliver for the commissioner of assessment a statement of all such unpaid assessments, water rates, sewer rents and other liens together with the penalties and interest then due thereon, and the commissioner of assessment shall in a separate column of such annual assessment roll assess the amount of such unpaid assessments, water rates, sewer rents and other liens upon the property against which the same are a lien and the amount so assessed shall be paid in equal quarterly installments at the same time as general city taxes as prescribed herein. Hearings shall be held thereon and the same shall be levied, corrected, enforced and collected in the same manner, by the same proceedings, under the same penalties and having the same lien upon the property assessed as the general city, county and state tax and as a part thereof.~~

SECTION 3. This Local Law shall take effect on January 1, 2022 and shall be immediately filed with the New York State Secretary of State and the New York State Department of Taxation and Finance.

SECONDED BY COUNCILMEMBER ______________________________________ :

BE IT FURTHER RESOLVED, that copies of the aforesaid proposed Local Law be laid upon the desk of each council member; and

BE IT FURTHER RESOLVED, that the Common Council shall hold a public hearing on said proposed Local Law virtually via videoconferencing, (as permitted by the NYS Open Meetings Law) for the purpose of receiving comment on the proposed Local Law; and

BE IT FURTHER RESOLVED, that the City Clerk shall publish or cause to be published a public notice in the official newspaper of the City of Poughkeepsie of said public hearing at least five (5) days prior thereto.