

**THE CITY OF NEW YORK
DEPARTMENT OF FINANCE**

NOTICE OF RULEMAKING

Pursuant to the power vested in me as Commissioner of Finance by sections 389(b) and 1043 of the New York New York City Charter, I hereby promulgate the within amendment to the Rules Relating to the Sale of Tax Liens. This amendment was published in proposed form on May 14, 2004. A hearing for public comment was held on June 14, 2004.

/s/ Martha E. Stark
Commissioner of Finance

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

AMENDMENT TO RULES RELATING TO THE SALE OF TAX LIENS

Section 1. Subdivision (a) of section 40-03 of the Rules Relating to the Sale of Tax Liens (chapter 40 of title 19 of the Rules of the City of New York) is amended to read as follows:

(a) Execution of installment agreements following 60-day notice. Notwithstanding any other provision of these rules, in the event that a tax lien is to be sold pursuant to a notice of sale of tax liens published not less than 60 days preceding the date of sale in compliance with Administrative Code § 11-320, the Commissioner of Finance will not execute an in rem installment agreement for the affected property on or after the date of publication of such notice, unless

(1) [the property is a property classified under Real Property Tax Law §1802 as class one property, or class two property that is a residential condominium or cooperative; and

(2)] the Commissioner includes in the 60-day notice published pursuant to Administrative Code § 11-320, or publishes in the City Record on or prior to the date of publication of such 60-day notice, notice to the effect that an in rem installment agreement for [a] an affected property [described in paragraph (1) of this subdivision] may be executed under the terms specified in Administrative Code § 11-405 or § 11-409, whichever is applicable; [and

(3)] (2) such agreement is executed, and the required down payment is made, no later than the last date for payment specified in the notice pursuant to subdivision (a) of § 40-02 of these rules, and in the manner specified in subdivision (b) of § 40-02 of these rules;

(3) there is no outstanding in rem installment agreement for the affected property; and

(4) any unpaid water rents, sewer rents and/or sewer surcharges on the affected property, the collection of which is administered by the Department of Environmental Protection, are the subject of an agreement to pay such unpaid water rents, sewer rents and/or sewer surcharges in installments, executed with the Department of Environmental Protection, and any installments or other charges that have come due under such agreement have been paid.

BASIS AND PURPOSE OF AMENDMENT

The Rules Relating to the Sale of Tax Liens presently allow the Commissioner of Finance to execute an installment agreement for the payment of arrears in real property taxes and other property-related charges for a property that was included in a 60-day notice of intention to sell tax liens only if such a property is a tax class one property or a tax class two property that is a residential condominium or cooperative. The rule allows agreements in these cases only if the Department of Finance publishes a notice to that effect together with the 60-day notice. This amendment will allow the Commissioner of Finance to execute an installment agreement for any type of property that has been included in a notice of intention to sell tax liens, but adds the requirement that any outstanding water and sewer charges, the collection of which is administered by the Department of Environmental Protection, must be made the subject of an installment agreement with the Department of Environmental Protection. As is presently the case, the rules will not allow an installment agreement if there is presently an outstanding installment agreement with the Department of Finance for the property.