

## New York City Department of Finance

### **Notice of Public Hearing and Opportunity to Comment on Proposed Rule**

**What are we proposing?** The Department of Finance proposes revising 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. The list will be revised to include property owners who are actively enrolled in the New York City Department of Environmental Protection's water debt assistance program.

**When and where is the hearing?** The Department of Finance will hold a public hearing on the proposed rule. The public hearing will take place at 11:00am on March 9, 2017. The hearing will be in the Department of Finance hearing room at 345 Adams Street, 3<sup>rd</sup> Floor, Brooklyn, N.Y. 11201.

**This location has the following accessibility option available:** Wheelchair Accessible

**How do I comment on the proposed rule?** Anyone can comment on the proposed rule by:

- **Website.** You can submit comments to the Department of Finance through the NYC rules website: <http://rules.cityofnewyork.us>.
- **Email.** You can email comments to [laroset@finance.nyc.gov](mailto:laroset@finance.nyc.gov).
- **Mail.** You can mail comments to NYC Department of Finance, Legal Affairs Division, 345 Adams Street, 3<sup>rd</sup> Floor, Brooklyn, N.Y. 11201, Attn: Timothy LaRose.
- **Fax.** You can fax comments to NYC Department of Finance, Attn: Timothy LaRose, at (718) 488-2491.
- **Hearing.** You can speak at the public hearing. Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by calling Joan Best at (718) 488-2007, or you can sign up in the hearing room before the hearing begins on March 9, 2017. You can speak for up to three minutes.

**Is there a deadline to submit written comments?** The deadline to submit written comments is March 9, 2017.

**What if I need assistance to participate in the hearing?** The meeting will be held at 345 Adams Street, 3<sup>rd</sup> Floor, Brooklyn, N.Y. 11201. The back entrance is accessible to persons using wheelchairs and others with disabilities. Accessible restrooms are available. Materials in alternative formats, ASL interpreters, real-time captioning and other accommodations will be made available upon request. Please contact Joan Best; by telephone, by calling (718) 488-2007; or by e-mail at [bestj@finance.nyc.gov](mailto:bestj@finance.nyc.gov) to make your accommodation requests. Provide at least 72 hours' notice prior to the hearing to ensure availability. In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are requested to refrain from using perfume, cologne, and other fragrances. You must tell the Office of Legal Affairs if you need a reasonable

accommodation of a disability at the hearing. Please note that the hearing room is wheelchair accessible. You must tell us if you need a sign language interpreter. You may tell us by mail at the address given above, sent to the attention of Joan Best; by telephone, by calling Joan Best at (718) 488-2007; or by e-mail at bestj@finance.nyc.gov. You must tell us by March 6, 2017.

**Can I review the comments made on the proposed rule?** You can review the comments that have been submitted online by visiting the NYC rules website: <http://rules.cityofnewyork.us/>. A few days after the hearing, copies of all comments concerning the proposed rule will be available to the public at NYC Department of Finance, Legal Affairs Division, 345 Adams Street, 3<sup>rd</sup> Floor, Brooklyn, N.Y. 11201.

**What authorizes the Department of Finance to adopt this rule?** 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 authorize the Department of Finance to adopt this proposed rule. This proposed rule was not included in the Department of Finance’s regulatory agenda for this fiscal year because it was not anticipated when the agenda was developed.

**Where can I find the Department of Finance’s rules?** The Department of Finance’s rules can be found in Title 19 of the Rules of the City of New York.

**What laws govern the rulemaking process?** The Department of Finance must meet the requirements of § 1043 of the Charter when creating or amending rules. This notice is made according to the requirements of § 1043 of the Charter.

### **Statement of Basis and Purpose of Proposed 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.

The proposed rule will expand 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 proposed 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.

**NEW YORK CITY LAW DEPARTMENT  
DIVISION OF LEGAL COUNSEL  
100 CHURCH STREET  
NEW YORK, NY 10007  
212-356-4028**

**CERTIFICATION PURSUANT TO  
CHARTER §1043(d)**

**RULE TITLE:** Amendment of Rules Governing Installment Payment of Property Taxes

**REFERENCE NUMBER:** 2017 RG 005

**RULEMAKING AGENCY:** Department of Finance

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN  
Acting Corporation Counsel

Date: January 25, 2017

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS  
253 BROADWAY, 10<sup>th</sup> FLOOR  
NEW YORK, NY 10007  
212-788-1400**

**CERTIFICATION / ANALYSIS  
PURSUANT TO CHARTER SECTION 1043(d)**

**RULE TITLE: Amendment of Rules Governing Installment Payment of Property Taxes**

**REFERENCE NUMBER: DOF-26**

**RULEMAKING AGENCY: Department of Finance**

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro  
Mayor's Office of Operations

January 25, 2016  
Date