



NEW YORK STATE SENATOR

Jeffrey D. Klein

## Senate Passes Klein Bill to Help Cities Raise Revenue on Delinquent Property Taxes

JEFFREY D. KLEIN April 13, 2010

| ISSUE: **CITIES, LOCAL GOVERNMENT, NEW YORK CITY, TAXES, PROPERTY TAX**

*Senator Klein's Bill Estimated to Raise More Than \$50 Million for Local Governments this Year*

ALBANY, NY – State Senator and Deputy Majority Leader Jeff Klein announced on Monday that the Senate passed legislation to make it easier for localities to raise revenue on delinquent property taxes in a cost-effective manner. Klein's bill (S.6225/NYS Assembly companion bill A.9460) grants cities and villages in New York State the ability to sell municipal tax liens in bulk to private parties. This change is estimated to raise more than \$50 million in revenue for local governments across New York State this year.

"While cities and villages across New York are hurting, we must find creative, fiscally-prudent ways to help them remain strong. Property taxes are a vital source of funding, and countless localities have been hurt by those evading or unable to pay their property taxes. I urge my colleagues in the Assembly to pass this legislation so that we can promptly bring it to the Governor to be signed into law," said State Senator and Deputy Majority Leader Jeffrey D. Klein (D-Bronx/Westchester).

Under Klein's bill, New York City, New Rochelle, and the Villages of Tuckahoe and Pelham, as well as a number of others across the state, will be able to conduct bulk sales of real property

tax liens. While some cities and villages are able to conduct these bulk sales under current law – including Yonkers, Mount Vernon, and the Village of Bronxville – Senator Klein's bill allows them to sell these liens at a discounted rate, in an effort to entice more bidders.

“In a small village like Tuckahoe, every tax dollar makes a difference in providing and maintaining a high quality of life for our residents. The Village of Tuckahoe greatly appreciates Senator Klein for spearheading this imperative effort to assist municipalities in collecting money owed them. I hope the Assembly will pass this crucial bill,” said Tuckahoe Mayor John Fitzpatrick.

Because cities and villages would be able to sell over-due property tax liens in bulk and at a discounted rate, consumer protections are included in Senator Klein's legislation to ensure that this new procedure is not abused by the private party bidders who will be in charge of collecting the bulk tax liens. In particular, a public hearing must be held and local law adopted before the bulk lien sale procedure can be implemented in a city or village. Additionally, a municipality must also hold a public hearing to announce its intent to conduct a bulk sale to a private party, and property owners whose liens are included must be given 30-days notice before the sale.

The New York State Conference of Mayors and Municipal Officials (NYCOM) is a strong supporter of Senator Klein's bill.

"Not only would this bill help cities and villages with the collection of much needed revenue, but by increasing property tax collection overall, it may finally relieve some of the upward pressure on local property tax rates," said Peter Baynes, Executive Director of the New York State Conference of Mayors. "NYCOM applauds Senator Klein's leadership on this important legislation, and we urge the Assembly and the Governor to follow the Senate's lead. In these tough fiscal times, localities across New York State need to have as many options as possible to generate additional revenue."