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Memorandum of Support

Reduce the Waiting Period for Tax Districts to Foreclose on Vacant and Abandoned Properties (A.4403/S.1864)

Empire Justice Center strongly supports A.4403(McDonald)/S.1864(Gaughran) which would reduce the waiting period for tax districts to foreclose on properties that are registered as vacant and abandoned. The bill amends New York Real Property Law section 1110 to allow tax districts to reduce the redemption period – the time provided to allow a homeowner to cure a tax delinquency and “redeem” the property - for residential vacant and abandoned from two years to one year.

The two year waiting period makes sense when someone is living in or intends to live in a property and is taking care of it otherwise, but who fell behind on property taxes because of a financial hardship. For properties that are abandoned, however, and the homeowner has clearly walked away from, the two year waiting period is a frustrating hurdle for tax districts and neighborhoods. Even where property has already been identified to be vacant and abandoned by the property owner and property taxes are not being paid, the taxing authority has had to wait out the two year redemption period and watch unoccupied and uncared for properties deteriorate further until the tax district can take possession of the property or bring it to public auction. A.4403/S.1864 is a common sense bill to allow tax districts to foreclose on these delinquent and abandoned properties.

The bill includes adequate consumer protections for homeowners. First, the property had to have been vacant and abandoned prior to the tax delinquency. Second, three inspections have to be conducted on the property, thirty days apart and at different times of the day. The inspector has to record evidence of abandonment on an affidavit at each inspection which must be filed with the clerk of the town, village, or city in which the property is located. The affidavit and notice must be promptly served on the homeowner pursuant to New York Civil Practice Law and Rules section 308 along with copies of the evidence of abandonment including pictures, exhibits and other supporting documentation. Taxing localities may maintain rolls of vacant and abandoned property. Notice must be served on the homeowner when a property is placed on a roll of vacant and abandoned property. A homeowner has the right to grieve a determination that a property has been found to be vacant and abandoned through an application to the supreme court within four months of notice.

The public policy supporting this bill is strong. Tax districts, of course, need to be able to do their best to return these properties to active tax status, rather than watching the tax delinquency mount. Vacant and abandoned properties impose heavy financial burdens on localities which are ultimately responsible for allocating their own resources to maintain vacant and abandoned properties for the safety and health of neighborhoods. The longer a property sits vacant and abandoned, the more

difficult and expensive it becomes to ultimately rehab the property and return it to use. If left too long, the best option for vacant properties unfortunately often ends up being demolition. Vacant properties inflict blight on neighborhoods, pose health risks to neighbors, and invite crime and nefarious conduct. Often, community members want to buy these properties to prevent the ills they cause to their neighborhood but are hamstrung in doing so because of the current two year waiting period for a tax district to foreclose.

This bill is in the best interests of all parties. By definition, if a property is vacant and abandoned, the homeowner has walked away from it. The two year waiting period only furthers the homeowner's attachment to the property and ongoing ultimate responsibility and liability for it. As noted above, tax districts lose money when property taxes are not being paid annually. Localities have to spend money to maintain and secure vacant and abandoned properties, as well as address fire, criminal and other hazardous conditions. Neighboring property values decline, and communities are frustrated by the blight caused by these buildings. Ultimately, properties left vacant and abandoned that ultimately need to be torn down reduce the housing stock in communities.

For these reasons, Empire Justice strongly supports A4403/S.1864 and urges immediate passage of the bill this session by the New York State Legislature.

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