

**RESOLUTION NO. 1220 -2017, ADOPTING LOCAL LAW
NO. 7 -2018, A LOCAL LAW TO ALLOW FOR MORE
EQUITABLE DISTRIBUTION OF PROCEEDS FROM AUCTION
SALES**

WHEREAS, there was duly presented and introduced to this County Legislature at a meeting held on October 3, 2017, a proposed local law entitled, "**A LOCAL LAW TO ALLOW FOR MORE EQUITABLE DISTRIBUTION OF PROCEEDS FROM AUCTION SALES**"; now, therefore be it

RESOLVED, that said local law be enacted in form as follows:

LOCAL LAW NO. 7 -2018, SUFFOLK COUNTY, NEW YORK

**A LOCAL LAW TO ALLOW FOR MORE EQUITABLE
DISTRIBUTION OF PROCEEDS FROM AUCTION SALES**

**BE IT ENACTED BY THE COUNTY LEGISLATURE OF THE COUNTY OF
SUFFOLK**, as follows:

Section 1. Legislative Intent.

This Legislature hereby finds and determines that the County of Suffolk typically sells properties it acquires by tax default at a public auction.

This Legislature further finds that in some cases, the price the County receives at auction exceeds the amount the prior property owner owed in unpaid taxes, penalties and interest.

This Legislature determines that Local Law No. 33-2004 sought to eliminate "the gross unfairness that occurs when a residential owner-occupied property is sold by the County for a large sum with small sums being due for unpaid taxes." Local Law No. 33-2004 established a process that allows residential homeowners who have lost their property through tax default to apply for surplus monies realized by the County when that property is auctioned.

This Legislature finds that since Local Law No. 33-2004 was enacted, only a handful of prior property owners have successfully applied for and received surplus monies from an auction sale.

This Legislature concludes that the County should take affirmative steps to advise the prior owners of tax default properties of their right to apply for excess auction proceeds.

Therefore, the purpose of this law is to establish a requirement that the Department of Economic Development and Planning make reasonable efforts to notify prior owners of tax default properties of their ability to apply for a distribution from the proceeds of an auction sale.

Section 2. Amendments.

Section A40-4 of the SUFFOLK COUNTY ADMINISTRATIVE CODE is hereby amended as follows:

§ A40-4. Disposition of Property Acquired Through Suffolk County Tax Act.

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L. In the event that an auction parcel is improved by an owner-occupied residence which has been owner-occupied for a period of at least five years prior to the date of the recording of the County's deed, then the prior owner may make application in writing to the Division of Real Property Acquisition and Management for a distribution from the proceeds of the auction sale. The amount that the applicant is eligible to receive is a sum equal to the remaining proceeds after deducting payment for all sums set forth in § A40-3 hereinabove and an amount equal to the sum of all valid liens, judgments, or encumbrances which existed on the date that the County took title to the subject parcel. For the purposes of this subsection, "proceeds" shall be defined as either the amount of the sale at auction or the amount of an appraisal made as of the date which the County took title, whichever amount is less. In the event the County auctions a parcel covered by this paragraph, and there are excess proceeds available for distribution, the Commissioner or his or her designee shall make reasonable efforts to notify, in writing, the prior owner of their right to make an application for a distribution from the proceeds of the auction sale. The Commissioner is hereby authorized and empowered to promulgate rules and regulations to govern the application process, the method of providing notice to a prior owner and the deadline for submitting such applications.

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Section 3. Applicability.

This law shall apply to all actions occurring on or after the effective date of this law.

Section 4. Severability.

If any clause, sentence, paragraph, subdivision, section, or part of this law or the application thereof to any person, individual, corporation, firm, partnership, entity, or circumstance shall be adjudged by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section, or part of this law, or in its application to the person, individual, corporation, firm, partnership, entity, or circumstance directly involved in the controversy in which such order or judgment shall be rendered.

Section 5. SEQRA Determination.

This Legislature, being the State Environmental Quality Review Act (SEQRA) lead agency, hereby finds and determines that this law constitutes a Type II action pursuant to Section 617.5(c)(20), (21), and/or (27) of Title 6 of the NEW YORK CODE OF RULES AND REGULATIONS (6 NYCRR) and within the meaning of Section 8-0109(2) of the NEW YORK ENVIRONMENTAL CONSERVATION LAW as a promulgation of regulations, rules, policies,

procedures, and legislative decisions in connection with continuing agency administration, management and information collection. The Suffolk County Council on Environmental Quality (CEQ) is hereby directed to circulate any appropriate SEQRA notices of determination of non-applicability or non-significance in accordance with this law.

Section 6. Effective Date.

This law shall take effect on the ninetieth (90th) day immediately subsequent to filing in the Office of the Secretary of State.

___ Underlining denotes addition of new language

DATED: December 19, 2017

APPROVED BY:

/s/ Steven Bellone
County Executive of Suffolk County

Date: January 17, 2018

After a public hearing duly held on January 2, 2018
Filed with the Secretary of State on January 30, 2018