



NEW YORK STATE SENATOR

Sean M. Ryan

Senator Sean Ryan Passes Reforms To Delinquent Property Tax Rate, Financing For Manufactured Homes

SEAN M. RYAN January 19, 2023

| ISSUE: **MANUFACTURED HOMES, NYS SENATOR SEAN RYAN, NYS SENATE DISTRICT 61, DELINQUENT TAXES**



SENATOR SEAN RYAN PASSES REFORMS TO DELINQUENT PROPERTY TAX RATE, FINANCING FOR MANUFACTURED HOMES

*Package of Affordability-Focused Legislation Passed by Senate Majority Wednesday Included Two Bills
Sponsored by Senator Ryan*

ALBANY – Today, January 19, 2023, New York State Senator Sean Ryan announced that bills he sponsored to lower the cap on delinquent property rates in New York and to enhance financing options for purchasers of manufactured homes have passed the Senate. Both bills were part of a [package of legislation](#) advanced by the Senate Majority on Wednesday to help to disentangle New Yorkers from rampant nickel and diming that quickly snowballs into debt.

The delinquent property tax rate bill ([S.967](#)) caps the interest rate on delinquent property taxes at a maximum of 7.5% and removes the current 12% floor as the lowest rate municipalities may charge. The delinquent tax interest rate floor has not been updated since its introduction in New York in 1983, when prime rates were several times higher than they are today. This change will help New Yorkers resolve their tax foreclosure delinquency and avoid foreclosure.

In [research done in conjunction with WNYLC in 2021](#), High Road Fellow Hannah Drexler of Cornell University found that 20% of homeowners who owe back-property taxes in Erie County's low-to-moderate income zip codes owe more in interest than they do in back taxes. On average, interest accrued makes up 41% of the total amount owed by these homeowners. Drexler's report also found that these "credit-card level" interest rates on delinquent property taxes have contributed to a cycle of debt and poverty for many in low-to-moderate income communities.

The manufactured homes bill ([S.101](#)) establishes a process, similar to those already available in an overwhelming majority of states, that provides for the ability to surrender a certificate of title to and convert a manufactured home to real property. Interest rates on chattel loans – the only loans for which manufactured homes are currently eligible – can be as high as 13%. The process established by the bill will meet the guidelines and requirements of secondary market mortgage investors, and therefore help ensure that affordable mortgage financing

remains a viable option.

Senator Sean Ryan said, “Every year, many New Yorkers who have fallen on hard times have their misfortune compounded by unfair interest rates for back property taxes. These outdated, punitive rates often keep homeowners from recovering from their financial distress and can make it impossible to build wealth. Paving the way for municipalities to lower their interest rates to modern standards will help us to break this cycle of poverty while also cutting down on zombie properties in cities across New York.”

In addition to Senator Ryan’s bills, the legislation passed Wednesday by the Senate Majority included:

- **Toll Payer Protection Act:** This bill, [S.492A](#), sponsored by Senator Leroy Comrie, relates to enacting the “toll payer protection act” which includes a tolls-by-mail system for the payment of tolls by electronic toll devices; provides for the repeal of such system five years after the enactment of such system.
- **Reasonable Notice for Safety Inspection:** This bill, [S.1242](#), sponsored by Senator Simcha Felder, establishes that the Department of Motor Vehicles shall notify individuals via postal mail or electronic notification that their vehicle inspection is subject to expiration 30 days before such expiration, and provides for a five-day grace period after the expiration where operators will not be fined.
- **Wire Fraud Warning:** This bill, [S.177](#), sponsored by Senate Deputy Leader Michael Gianaris, requires money transmitters to warn customers about consumer fraud related to wire transfers.
- **Private Right of Action in Mortgage Servicer Violations:** This bill, [S.564A](#), sponsored by Senator Brian Kavanagh, authorizes a private right of action, counterclaims, and third

party claims regarding mortgage servicer violations in foreclosure actions.

- **Expanding Low Interest Rate Program:** This bill, [S.935](#), sponsored by Senator Tim Kennedy, expands eligibility for the Low Interest Rate Program, offered by the State of New York Mortgage Agency to graduates of post secondary education or a comparable apprenticeship or workforce training programs, for a period of seven years post-graduation.
- **Bank Account Closure Protections:** This bill, [S.1065](#), sponsored by Senator Shelley Mayer, prohibits state-chartered banks from making deposits or withdrawals, keeping or reopening an account, and charging certain maintenance fees if a customer has indicated their desire to close the account.
- **Increased Penalties for Unlicensed Mortgage Brokers:** This bill, [S.1144](#), sponsored by Senator James Sanders, increases penalties for unlicensed entities that engage as mortgage brokers and prohibits others from doing business with unlicensed mortgage brokers.

###

RELATED LEGISLATION

2023-S967

-
- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Vetoed By Governor
- Signed By Governor
-

Relates to delinquent tax interest rates

January 09, 2023

Vetoed

Sponsored by Sean M. Ryan

Do you support this bill?

2023-S101

manufactured homes

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to manufactured homes certificate of title and the conveyance and encumbrance of manufactured homes as real property

December 28, 2022

In Assembly Committee

Sponsored by Sean M. Ryan

Do you support this bill?