

# Executive Order No. 17 Local Government Mandate Evaluation Impact on Local Government and Property Taxpayers

**Submitting Agency:** Department of Financial Services

**NYCRR Citation:** 3 NYCRR 422

## **Description of the Regulation:**

The proposed rule implements authority granted to the Department of Financial Services (the “Department”) in Sections 1308 and 1310 of the Real Property Actions and Proceedings Law (“RPAPL”), as enacted by Part Q of Chapter 73 of the Laws of 2016. The proposed regulation explains the process that will be used to identify the state or federally chartered banks, savings banks, savings and loan associations, or credit unions that are subject to the requirements of Section 1308; the reports that persons subject to the requirements of Section 1308 will have to submit to the Department regarding delinquent loans on residential real property and efforts to inspect, secure, maintain and foreclose on those properties; and the application of federal law and investor guidelines under Section 1308(10). In addition, the proposed regulation explains the process to be followed by covered persons in reporting vacant and abandoned properties to the Department and the procedures to be followed in the event that the Superintendent of Financial Services determines, in the exercise of her sole discretion, to release confidential information concerning vacant and abandoned properties.

## **Statutory Authority for the Regulation:**

RPAPL Sections 1306, 1308 and 1310

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## **1. Does the regulation impose a mandate on a county, city, town, village, school district or special district that requires such entity to:**

### **a. Provide or undertake any program, project or activity;**

Yes  No x

### **b. Increase spending for an existing program, project or activity (even if such program, project or activity is voluntarily undertaken by a local government unit);**

Yes  No x

### **c. Grant any new property tax exemption, or broaden the eligibility or increase the value of any existing property tax exemption; or**

Yes  No x

- d. Carry out a legal requirement that would likely have the effect of raising property taxes.

Yes

No x

If the answer to all questions above are “no,” ensuring the regulation will not result in a mandate on local governments and property taxpayers, an accounting and the approval of the Office for Taxpayer Accountability are not required. If the answer to any question above is “yes,” and the regulation may have a fiscal impact on local governments and property taxpayers, please proceed to items 2 – 3.

**2. Is the mandate required by federal law or regulation or state law?**

Yes x

No

- a. If yes, please cite the specific provision in the statute or federal regulation. RPAPL § 1308 and 1310

- b. If yes, please describe any elements of the regulation not specifically mandated by the statute or regulation.

**3. If any portion of the mandate is not required by federal or state law, please attach to this Checklist an Accounting for such portion containing:\***

- a. A description of the mandate in the regulation;

- b. An accounting of the impacts of such mandate that includes:

- (i) A fiscal impact statement;

- (ii) A cost-benefit analysis, which includes:

- (x) a specific delineation of the costs and benefits to local governments and property taxpayers; and

- (y) a quantification of the impact on local government revenue and expenditures, where such impact is quantifiable based on available information (please consult with the Governor’s Office of Regulatory Reform if further guidance is needed);

- c. A description of input sought and received from affected local governments;

- d. A description of the proposed revenue sources to fund such mandate; and

- e. An explanation as to why this regulation should be advanced with a mandate.

\*Note: The “Regulatory and Flexibility Analysis for Small Businesses and Local Governments” may be attached so long as the items set forth in 3 above are fully accounted for in the Analysis.

**4. To be answered by the Deputy Secretary and Governor's Counsel:**

**Is the cost impact of the mandate negligible?**

Deputy Secretary: (name)

Yes  No

Governor's Counsel: (name)

Yes  No