
TAX - NEW YORK

In re Foreclosure of Tax Liens by City of Hudson

Supreme Court, Appellate Division, Third Department, New York - February 27, 2014 - N.Y.S.2d - 2014 N.Y. Slip Op. 01361

Religious corporation petitioned to set aside judgment of property tax foreclosure and transfer of title to city concerning real property that religious corporation purportedly had transferred to its then-minister. The Supreme Court, Columbia County, dismissed petition. Religious corporation appealed.

The Supreme Court, Appellate Division, held that:

- Petition was timely under two-year statute of limitations, and
- City reasonably provided notice to ascertainable interested parties.

Unlike a motion to vacate a default judgment in a tax foreclosure proceeding, which may not be brought later than one month after entry of the judgment, a person or entity challenging the validity of a deed transferred in connection with a tax foreclosure proceeding faces a two-year statute of limitations.

Religious corporation's petition to set aside underlying judgment of property tax foreclosure and transfer of title to city was subject to two-year statute of limitations, since religious corporation was not party to foreclosure proceeding, and it sought to set aside judgment on basis that city failed to provide notice to religious corporation, which claimed to be rightful owner of property.

City reasonably provided notice to ascertainable interested parties, as required by law. Even though religious corporation did not receive personal notice, city sent notice, by ordinary and certified mail, to minister, who was listed on tax rolls as owner of property. Despite questions raised by religious corporation as to validity of its transfer, public record, on its face, did not disclose that religious corporation had any interest in property, and religious corporation failed to take any action to regain title after discovering noncompliance with statutory requirement of court approval for transfers from religious corporations.

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