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St. Lawrence County v. City of Ogdensburg

Court of Appeals of New York - May 23, 2023 - N.E.3d - 2023 WL 3587521 - 2023 N.Y. Slip Op. 02757

County commenced combined article 78 and declaratory judgment action against city, which had repealed prior local law that opted out of application of state tax law that outlined process for enforcement and collection of delinquent real property taxes, seeking declaratory judgment that local law that repealed prior law was not in accord with state law and impaired rights of county and county treasurer.

City moved to dismiss for failure to state cause of action, and the Supreme Court, St. Lawrence County, issued declaration in favor of city. The Appellate Division affirmed. County appealed.

The Court of Appeals held that:

- City's passage of clarifying amendment to charter rendered moot cross-claim asserted by school district;
- City ceased to be tax district with respect to future liens;
- Local law that repealed prior law did not violate state tax law that authorized tax districts to make agreements with each other with respect to real property upon which they owned tax liens in regard to disposition of such liens and property; and
- Local law did not violate mandate in state constitution and municipal home rule law.

Passage by city, which had enacted local law that repealed prior law that had opted out of application of state tax law outlining process for enforcement and collection of delinquent real property taxes, of clarifying amendment to city charter that expressly affirmed city's obligation to enforce delinquent taxes on behalf of school district, while appeal from declaration in favor of city in combined article 78 and declaratory judgment action brought by county was pending, rendered moot cross-claim asserted by school district.

City, which enacted local law that repealed prior law that had opted out of application of state tax law outlining process for enforcement and collection of delinquent real property taxes, and provided in charter for county to enforce city's delinquent taxes, ceased to be tax district with respect to future liens, and thus absolved itself of ability and responsibility to appoint enforcing officer and enforce tax law, and instead county was responsible for tax enforcement and benefits or burdens attendant thereto; upon repeal of opt-out law, city became subject to state tax law that outlined process for enforcement and collection of taxes with respect to enforcement of taxes which had become liens on or after date repeal was effective.

City's local law, which repealed prior law that opted out of application of state real property tax law that outlined process for enforcement and collection of delinquent real property taxes at local level, did not violate state tax law that authorized tax districts to make agreements with each other with respect to real property upon which they owned tax liens in regard to disposition of such liens and property, even though county argued city's amendment of charter to repeal prior law circumvented

purported mandate in such tax law that city negotiate agreement with county regarding tax enforcement processes; tax law did not require that localities reach agreement or follow particular procedure, and instead it only authorized tax districts to tax agreements with respect to real property.

City's local law, which repealed prior local law that opted out of application of state real property tax law that outlined process for enforcement and collection of delinquent real property taxes at local level, did not violate mandate in state constitution and municipal home rule law that "local government shall not have power to adopt local laws which impair powers of local government or public corporation," even though county argued local law prevented it from entering into type of agreement contemplated by state tax law and impaired its power by burdening it with financial liability for city's delinquent tax obligations; legislature expressly permitted city to repeal local law, and that repeal may have imposed additional obligations on county was simply consequence of statutory structure outlined in tax law.

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