

## A message from NYSLTA Land Records Committee Chairman, Thomas Tafuri

For many years The City of New York Department of Finance (DOF) has required owners of most income producing properties to file an annual RPIE form. However, until recently, the DOF has not imposed a penalty for failure to file said form.

In November 2012, the DOF began issuing penalties to late (or non) filers of the RPIE and entering the charge on the tax records of the real property. Thus, making the charge a lien on the real property at the time it is entered.

[CLICK HERE](#) for a summary of the RPIE program to learn if and when your building owner clients must file the form.

This penalty creates a danger for purchasers of real property because there appears a lag time between the time the penalty was accrued and/ or assessed and the time that the penalty is entered on the tax records.

We learned from the DOF that RPIE 2010 non compliance monetary penalties were billed on the November 30, 2012 Statement of Account (a two year lag from the time of the filing deadline to entry in the tax records).

The DOF is working to reduce the lag time between the RPIE filing deadlines, noticing periods and the billing. The penalties for non filers, as determined by the DOF Executive Office, can be up to 3 to 5 percent of the final actual assessed value of the property (we have seen many four figure penalties entered on the tax searches).

Unfortunately, the DOF has not stated that it would accept an "innocent purchaser defense" (from buyers of real property that were unaware of the penalty) in order to strike the penalty from the tax records.

*Therefore, we strongly recommend that a purchaser (or his/ her attorneys) ascertain prior to closing that all RPIE forms have been filed.*

We will advise you immediately if the DOF changes its position or enforcement procedures regarding the RPIE