

§12 - C.54:5-20.1

§13 - C.54:5-57.1

§14 - C.54:5-54.1

P.L.2009, CHAPTER 320, *approved January 18, 2010*
Assembly, No. 1619

1 AN ACT concerning the sale of real property to enforce liens,
2 amending various parts of statutory law and supplementing
3 chapter 5 of Title 54 of the Revised Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. R.S.54:5-19 is amended to read as follows:

9 54:5-19. **【**When unpaid taxes or any municipal lien, or part
10 thereof, on real property, remains in arrears on the 11th day of the
11 eleventh month in the fiscal year when the same became in arrears,
12 the collector or other officer charged by law in the municipality
13 with that duty, shall, subject to the provisions of the next paragraph,
14 enforce the lien by selling the property in the manner set forth in
15 this article, provided that the sale is conducted no earlier than in the
16 last month of the fiscal year. **】**

17 The term "collector" as hereinafter used includes any such
18 officer, and the term "officer" includes the collector.

19 A municipality shall have the authority to conduct both standard
20 and accelerated tax sales.

21 When unpaid taxes or any municipal lien, or part thereof, on real
22 property remain in arrears at the close of the fiscal year, the
23 collector or other officer charged by law in the municipality with
24 that duty, shall enforce the lien by selling the property in the
25 manner set forth in this article by holding a standard tax sale in the
26 following fiscal year.

27 When unpaid taxes or any municipal lien, or part thereof, on real
28 property remains in arrears on the 11th day of the eleventh month in
29 the fiscal year when the taxes or lien became in arrears, the
30 collector or other officer charged by law in the municipality with
31 that duty, shall enforce the lien by selling the property in the
32 manner set forth in this article by conducting an accelerated tax sale
33 by selling the property in the manner set forth in this article,
34 provided that the sale is conducted and completed no earlier than in
35 the last month of the fiscal year.

36 **【The】** In either a standard or an accelerated tax sale, the
37 municipality may by resolution direct that when unpaid taxes or
38 other municipal liens or charges, or part thereof, are in arrears as of
39 the 11th day of the eleventh month of the fiscal year, such sale shall

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 include only such unpaid taxes or other municipal liens or charges
2 as were in arrears in the fiscal year designated in such resolution,
3 and may by resolution, either general or special, direct that there
4 shall be omitted from such sale any or all such unpaid taxes, and
5 other municipal liens, or parts thereof, on real property, upon which
6 regular, equal monthly installment payments are being made, in
7 pursuance to such agreement as may be authorized by said
8 resolution between the collector and the owner or person interested
9 in the property upon which such delinquent taxes may be due;
10 provided, that said agreement shall require payment of such
11 installment payments in amounts large enough to pay in full all
12 delinquent taxes, assessments and other municipal liens held by the
13 municipality, in not more than five years from the date of such
14 agreement; provided, that the extension of time for payment of such
15 arrearages herein authorized shall not apply to any parcel of
16 property which prior thereto has been included in any plan
17 theretofore adopted by any municipality of this State under and
18 pursuant to the provisions of any public statute of this State
19 whereunder prior extensions for the payment of delinquent taxes
20 were authorized; provided further, that the right of any person
21 interested in such property to pay such arrears in such installments
22 shall be conditioned on the prompt payment of the installments of
23 taxes for the current year in which such agreement is made, and all
24 subsequent taxes, assessments and other municipal liens imposed or
25 becoming a lien thereafter, including all installments thereafter
26 payable on assessments theretofore levied, and also the prompt
27 payment of all installments of arrears as hereinbefore authorized;
28 and provided further, that in case any such installment of arrears or
29 any new taxes, assessments or other liens are not promptly paid,
30 that is to say, within thirty days after the date when the same is due
31 and payable, then such agreement shall be void, and in any such
32 case the collector, or other officer charged by law with that duty,
33 shall proceed to enforce such lien by selling in the manner in this
34 article provided.

35 (cf: P.L.1997, c.99, s.5)

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37 2. R.S.54:5-21 is amended to read as follows:

38 54:5-21. The collector shall make a list of the lands so subject to
39 sale, describing them in accordance with the last tax duplicate,
40 including the name of the owner as shown on the duplicate,
41 amplifying the description in the duplicate if necessary to better
42 identify the parcel. He shall enter on the list all taxes, assessments
43 and other municipal charges which were a lien at the close of the
44 fiscal year. He shall add to the list all unpaid installments of
45 assessments for benefits theretofore levied and existing as
46 immediate or direct benefits, whether then payable or not, so that
47 the list shall be a complete statement of all municipal charges
48 against the property existing at the close of the fiscal year, together

1 with all interest and costs on all of the items of the list computed to
2 date of sale. If directed so to do by resolution, the collector shall
3 omit from such list such lands as may be subject to sale for unpaid
4 taxes or for any municipal lien, or part thereof, upon which regular
5 installment payments are being made under any agreement or
6 agreements approved by the municipality.

7 In the case of a standard tax sale, the list shall be prepared at
8 least 50 calendar days prior to the date of sale. The collector may
9 prepare the list after the 11th day of the eleventh month of the fiscal
10 year, and prior to the close of the fiscal year, in order to start
11 advertising the standard tax sale prior to the close of the current
12 fiscal year.

13 In the case of an accelerated tax sale, the list shall be prepared as
14 of the 11th day of the 11th month of the current fiscal year, and
15 shall include only those taxes, assessments and other municipal
16 charges that were delinquent as of that date.

17 (cf: P.L.1991, c.75, s.44)

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19 3. R.S.54:5-24 is amended to read as follows:

20 54:5-24. The list shall be **[bound in book form]** maintained as a
21 permanent record of that office. The list shall be either a bound
22 book or a bound hard copy of a computer-generated list. The list
23 may be made up in one or more sections and the term "list" as used
24 in this chapter shall apply to any such section.

25 (cf: R.S.54:5-24)

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27 4. R.S.54:5-26 is amended to read as follows:

28 54:5-26. Copies of the notice of a tax sale shall be set up in five
29 of the most public places in the municipality, and a copy of the
30 notice shall be published in a newspaper circulating in the
31 municipality, once in each of the four calendar weeks preceding the
32 calendar week containing the day appointed for the sale. In lieu of
33 any two publications, notice to the property owner and to any
34 person or entity entitled to notice of foreclosure pursuant to section
35 20 of P.L.1948, c.96 (C.54:5-104.48) may be given by regular or
36 certified mail, the costs of which shall be added to the cost of the
37 sale in addition to those provided in R.S.54:5-38, not to exceed \$25
38 for each **[set of notices]** notice for a particular property.

39 For the purposes of notice in connection with a special tax sale
40 for eligible properties which are on an abandoned property list
41 established by the municipality pursuant to section 36 of P.L.1996,
42 c.62 (C.55:19-55), a single advertisement published in a newspaper
43 circulating in the municipality no less than four and no more than
44 six weeks prior to the sale, along with notice to the property owner
45 and any person or entity entitled to notice of foreclosure pursuant to
46 section 20 of P.L.1948, c.96 (C.54:5-104.48), shall constitute
47 sufficient notice of sale on the part of the municipality.

1 Failure of the property owner to receive a notice of a tax sale
2 properly mailed by the tax collector shall not constitute grounds to
3 void the subsequent tax sale. If ordinances of the municipality are
4 required to be published in any special newspaper or newspapers,
5 the notice shall be published therein.
6 (cf: P.L.2005, c.118, s.10)

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8 5. R.S.54:5-29 is amended to read as follows:

9 54:5-29. At any time before sale the collector shall receive
10 payment of the amount due on any property, together with the
11 interest and costs set forth in R.S.54:5-38, incurred up to the time of
12 payment. When a taxpayer whose property is included in a tax sale
13 shall, prior to the sale, pay the full amount advertised in the sale,
14 plus any interest on any other delinquencies, the tax collector shall
15 then post the receipts, first to the interest, followed by the oldest
16 delinquencies, costs and penalties which action shall then be cause
17 for said property to be removed from the sale.
18 (cf: P.L.1994, c.32, s.7)

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20 6. R.S.54:5-32 is amended to read as follows:

21 54:5-32. The sale shall be made in fee to such person as will
22 purchase the property, subject to redemption at the lowest rate of
23 interest, but in no case in excess of 18% per annum. If at the sale a
24 person shall offer to purchase subject to redemption at a rate of
25 interest less than 1%, or at no interest, he may, in lieu of any rate of
26 interest to redeem, offer a premium over and above the amount of
27 taxes, assessments or other charges, as in this chapter specified,
28 due the municipality, and the property shall be struck off and sold
29 to the bidder who offers to pay the amount of such taxes,
30 assessments or charges, plus the highest amount of premium.
31 (cf: P.L.1979, c.435, s.2)

32
33 7. R.S.54:5-33 is amended to read as follows:

34 54:5-33. Payment for the sale shall be made before the
35 conclusion of the sale, or the property shall be resold. Any
36 premium payment shall be held by the collector and returned to the
37 purchaser of the fee if and when redemption is made. If redemption
38 is not made within five years from date of sale the premium
39 payment shall be turned over to the treasurer of the municipality
40 and become a part of the funds of the municipality. In the event
41 that a petition of bankruptcy has been filed by the property owner,
42 the five year limitation shall be extended for each day that the
43 foreclosure action is precluded by that bankruptcy filing.
44 (cf: P.L.1942, c.193, s.1)

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46 8. R.S.54:5-38 is amended to read as follows:

47 54:5-38. The officer conducting a tax sale shall collect and pay
48 into the treasury of the municipality a fee for all costs incurred by

1 the municipality in holding the sale. The amount of the fee so paid
2 shall be 2% of the existing lien as stated in R.S.54:5-19 and
3 R.S.54:5-2, but not less than \$15.00 and not more than \$100.00 for
4 each parcel **[sold]** listed. **[The]** In the case of a standard tax sale,
5 the fee shall be payable and collected beginning the 50th calendar
6 day prior to the date of the sale, and in the case of an accelerated
7 tax sale, the fee shall be payable and collected beginning on the
8 11th day of the eleventh month of the current fiscal year. If unpaid
9 prior to the tax sale, the fee shall form part of the tax lien and be
10 paid by the purchaser at the tax sale. [If a tax lien on a specific
11 parcel is not sold at a sale, the fee for the sale shall be added to the
12 amount due to the municipality and shall form part of the lien and
13 be paid by a purchaser at a subsequent tax sale.]

14 (cf: P.L.1983, c.478, s.1)

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16 9. R.S.54:5-51 is amended to read as follows:

17 54:5-51. When the certificate of sale is not made to the
18 municipality, it shall, unless so recorded within three months of the
19 date of sale, be void as against a bona fide purchaser, lessee or
20 mortgagee whose deed, lease or mortgage is recorded before the
21 recording of the certificate. After recording the tax sale certificate,
22 the lien holder shall deliver a copy of the recorded certificate
23 showing the book, page, date, and cost of recording to the tax
24 collector. The tax collector shall maintain the information as a
25 permanent record.

26 (cf: R.S.54:5-51)

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28 10. R.S.54:5-54 is amended to read as follows:

29 54:5-54. Except as hereinafter provided, the owner, his heirs,
30 holder of any prior outstanding tax lien certificate, mortgagee, or
31 occupant of land sold for municipal taxes, assessment for benefits
32 pursuant to R.S.54:5-7 or other municipal charges, may redeem it at
33 any time until the right to redeem has been cut off in the manner in
34 this chapter set forth, by paying to the collector, or to the collector
35 of delinquent taxes on lands of the municipality where the land is
36 situate, for the use of the purchaser, his heirs or assigns, the amount
37 required for redemption as hereinafter set forth.

38 The tax collector shall provide to any party entitled to redeem a
39 certificate pursuant to this section two calculations of the amount
40 required for redemption within a calendar year at no cost. The
41 governing body of a municipality may, by ordinance, require a fee
42 not to exceed \$50 for each subsequent calculation requested of the
43 tax collector. A request for a redemption calculation shall be made
44 in writing to the tax collector.

45 (cf: P.L.1997, c.190, s.4)

1 11. Section 7 of P.L.1965, c.187 (C.54:5-97.1) is amended to
2 read as follows:

3 7. No search fee, counsel fee or other fee related to certified
4 mailings shall be allowed a plaintiff other than a municipality in the
5 foreclosure of a tax lien unless, prior to the filing of the complaint,
6 the plaintiff shall have given 30 days' written notice to the parties
7 entitled to redeem whose interests appear of record at the time of
8 the tax sale, by certified mail with postage prepaid thereon,
9 addressed to the last known address of such persons, of intention to
10 file such complaint. The notice shall also contain the amount due
11 on such tax lien as of the date of the notice. A copy of such notice
12 shall also be filed with the municipal tax collector's office. Upon
13 the filing and service of such notice, a plaintiff shall be entitled to
14 such fees and expenses.

15 A municipality, by ordinance, may authorize the tax collector to
16 charge to a lienholder a fee not to exceed \$50 for the calculation of
17 the amount due to redeem the tax lien required to be provided
18 pursuant to this section. Any request for a redemption calculation
19 shall specify the date to be used for the calculation, which shall be
20 the date of the notice. Neither the tax collector or the municipality
21 shall be liable for an incorrect calculation. The fee paid to the
22 municipality shall not become part of the lien and shall not be
23 passed on to any party entitled to redeem pursuant to R.S.54:5.54.
24 (cf: P.L.1994, c.32, s.13)
25

26 12. (New section) When a tax on real property, or other
27 municipal fee or charge levied against real property, together with
28 the interest, penalties, charges and costs of advertising, would
29 amount to less than \$100, it shall be discretionary with the tax
30 collector as to whether or not the property shall be advertised and
31 sold for the enforcement of the lien. The tax, fee or charge shall
32 remain a lien on the property and may be included in any tax sale or
33 other municipal lien sale affecting the property, notwithstanding
34 any other law to the contrary. When any such tax, lien or charge
35 shall be due for a period of five years following the year in which it
36 became in arrears, the collector shall sell the property.
37

38 13. (New section) In the event that the owner of a tax lien shall
39 fail to surrender a tax sale certificate within five years of being
40 notified of redemption pursuant to R.S.54:5-57, the unclaimed
41 redemption monies shall escheat to the municipality. The
42 provisions of this section shall apply to any redemption monies
43 being held by a tax collector on or after the effective date of
44 P.L. , c. (C.) (pending before the Legislature as this bill).
45

46 14. (New section) All redemptions shall be made through the
47 tax collector's office, unless authorized by court order or pursuant to
48 federal bankruptcy law. Any lienholder who knowingly causes a

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1 redemption to be made outside a tax collector's office in violation of
2 this section shall forfeit the tax sale certificate to the redeeming
3 party.

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5 15. This act shall take effect immediately.

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10 Revises certain statutes concerning sale of tax and other
11 municipal liens.