

STATE OF NEW JERSEY

INTRODUCED MARCH 10, 1941

By Mr. DRISCOLL

Referred to Committee on Judiciary

AN ACT concerning liens and encumbrances of the State of New Jersey, and amending section 2:61-4 of the Revised Statutes.

1 BE IT ENACTED by the Senate and General Assembly of the State of New
2 Jersey:

1 1. Section 2:61-4 of the Revised Statutes is amended to read as follows:

2 2:61-4. On the return of the notice, duly served, or on appearance for
3 the State, the suit may proceed as in other cases, and a judgment or decree
4 therein shall bind the State the same as if it had been made against an in-
5 dividual; and the lien of the State, on sale under such judgment or decree,
6 shall be cut off and the claim of the State shall be made out of the surplus, if
7 any, in the order of priority in which the encumbrance of the State stands;
8 provided, however, that in any suit to foreclose the equity of redemption of
9 a certificate of sale for taxes or other municipal liens, there may be entered
10 a decree barring and extinguishing any lien or encumbrance of the State on
11 the lands described in the bill of complaint, in case (a) no answer shall be
12 made by the State within the time limited by statute or rule of court; or (b)
13 where a disclaimer shall be filed by the State; or (c) where it shall be deter-
14 mined that the lien of the tax or assessment is prior to the lien or encum-
15 brance of the State.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this act is to allow a decree against the State in municipal tax sale foreclosures in all cases except when the lien of the State shall be determined to be prior to the municipal lien. As section R. S. 2:61-4 now stands the lien of the State even though it be subsequent to the municipal tax lien, cannot be divested except by a judicial sale of the property. The proceeding to foreclose a municipal tax sale being by strict foreclosure, there is, of course, no sale. This bill has the approval of the New Jersey Title Association.

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SENATE, No. 132

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