

LEGISLATIVE HISTORY CHECKLIST

NJSA: 54:5-38 (Tax sales-municipal-increase fees)

LAWS OF: 1983 CHAPTER: 478

Bill No: A1402

Sponsor(s): Albohn and Bishop

Date Introduced: May 17, 1982

Committee: Assembly: Municipal Government
Senate: County and Municipal Government

Amended during passage: No

Date of Passage: Assembly: December 20, 1982
Senate: January 9, 1984

Date of Approval: January 12, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes
Senate No

Fiscal Note: No

Veto Message: No

Message on Signing: No Yes

Following were printed:

Reports: No

Hearings: No

Vertical stamp: DO NOT WRITE IN THESE SPACES

ASSEMBLY, No. 1402

STATE OF NEW JERSEY

INTRODUCED MAY 17, 1982

By Assemblymen ALBOHN and BISHOP

AN ACT concerning the "tax sale law" and amending R. S. 54:5-38.

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

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

2 54:5-38. The officer **making sale** shall receive for his services
3 the following fees: For giving notice of sale, twenty-five cents for
4 each parcel of land advertised; for selling, twenty-five cents for
5 each parcel sold; for each certificate, fifty cents, besides necessary
6 disbursements for printing, postage, advertisement and acknowledg-
7 ments. All fees and expenses **conducting a tax sale** shall collect
8 and pay into the treasury of the municipality a fee for all costs
9 incurred by the municipality in holding the sale. *The amount of*
10 *the fee so paid shall be 2% of the existing lien as stated in R. S.*
11 *54:5-19 and R. S. 54:5-2, but not less than \$15.00 and not more than*
12 *\$100.00 for each parcel sold. The fee shall form part of the tax lien*
13 *and be paid by the purchaser at the tax sale. In all taxing districts*
14 *where the officer making sale is compensated by salary, the fees*
15 *shall be paid into the treasury of the municipality. If a tax lien*
16 *on a specific parcel is not sold at a sale, the fee for the sale shall be*
17 *added to the amount due to the municipality and shall form part*
18 *of the lien and be paid by a purchaser at a subsequent tax sale.*

1 2. This act shall take effect immediately.

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 printed in italics thus is new matter.

STATEMENT

Administrative fees charged by municipalities for tax sales have not been increased since the tax sale law was enacted in 1918. This bill provides a mandated fee which more accurately reflects the costs incurred by the municipalities and ensures they are not borne by the tax paying public. If a lien on a given parcel is not sold at any given tax sale, the fee for such sale shall be added to the amount due to the municipality, thus increasing the size of the lien.

The final sentence of the statute is deleted in recognition of N. J. S. 40A:5-15. That section of the "Local Fiscal Affairs Law" requires that all money received on behalf of a municipality must be deposited to its credit in a local depository. Thus any money received from a tax sale first has to be paid into the municipal treasury, regardless of whether the collecting officer is salaried or not.

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A1402 (1983)

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1402

STATE OF NEW JERSEY

DATED: SEPTEMBER 8, 1982

Assembly Bill No. 1402 amends R. S. 54:5-38 in order to establish a new schedule to govern the administrative fees charged by municipalities for tax sales.

Under the provisions of the bill, the amount of the fee would be equal to 2% of the existing lien, but not less than \$15.00 or more than \$100.00 for each parcel.

The bill also amends the section to provide that if a parcel is not sold at the time of the sale, the fee for the sale is to be added to the amount due the municipality and, therefore, will become part of the lien against the parcel.

Assembly Bill No. 1402 further amends the section to bring it into conformity with the provisions of the "Local Fiscal Affairs Law," P. L. 1960, c. 169 (C. 40A:5-1 et seq.).

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATE

CONTACT: PAUL WOLCOTT

TUESDAY, JANUARY 17, 1984

Governor Thomas H. Kean has signed legislation to implement a new program of financial regulation of the State's local authorities.

The bill, A-4112, sponsored by Assemblyman John P. Doyle, D-Ocean, appropriates \$275,000 to the Division of Local Government Services to fund the program.

The Governor also signed a bill which outlaws the advertisement of the sale of machine guns. Also barred is advertisement of the sale of semi-automatic rifles unless the ad contains a statement that the purchaser must hold a valid permit to purchase and possess these weapons.

The Governor also signed the following bills:

A-1402, sponsored by Assemblyman Authur R. Albohn, R-Morris, which revises the fees a municipality may charge when it conducts a tax sale. The bill sets fees at 2 percent of the lien, but in no event less than \$15. Existing law, in effect since 1918, set a fee of \$1 per sale.

A-1308, sponsored by Assemblyman David C. Schwartz, D-Middlesex, which amends the New Jersey Housing Finance Agency Law of 1967 to specifically mention the Agency's power to finance conversions of existing structures not originally designed for housing.

A-3702/S-3502, sponsored by Assemblyman Robert J. Meyer and State Senator H. James Saxton, both R-Burlington, which exempts antique cannons from those sections of the law that would otherwise prohibit their possession. The bill requires that persons transporting, exhibiting or firing an antique cannon comply with State Police regulations and notify the State Police not less than 30 days before an event.