

54: 5-39

LEGISLATIVE HISTORY CHECKLIST

(Tax sale certificates - further taxes and assessments shall be added to amount of sale)

WJSA 54:5-39

LAWS OF 1979

CHAPTER 142

Bill No. A1815

Sponsor(s) Van Wagner and Flynn

Date Introduced Nov. 22, 1978

Committee: Assembly Taxation

Senate County and Municipal Govt.

Amended during passage xxxx No

Date of Passage: Assembly Jan. 16, 1979

Senate April 26, 1979

Date of approval July 6, 1979

Following statements are attached if available:

Sponsor statement Yes xxxx

Committee Statement: Assembly Yes xxxx

Senate xxxx No

Fiscal Note xxxx No

Veto message xxxx No

Message on signing xxxx No

Following were printed:

Reports xxxx No

Hearings xxxx No

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9/1/78

ASSEMBLY, No. 1815

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 22, 1978

By Assemblymen VAN WAGNER and FLYNN

Referred to Committee on Taxation

AN ACT concerning unpaid taxes, assessments and other municipal charges on real property, and providing for the collection thereof by the creation and enforcement of liens thereon and amending R. S. 54:5-39.

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

1 1. R. S. 54:5-39 is amended to read as follows:

2 54:5-39. When a parcel of land is held by **[the municipality]**
3 *a purchaser* under a sale not redeemed, until the right of redemp-
4 tion is barred, all subsequent taxes, assessments for benefits and
5 other municipal charges shall be assessed in the name of the owner,
6 as if no sale had been made**[, and]**. *In the event the municipality is*
7 *such purchaser, such subsequent taxes, assessments for benefits and*
8 *other municipal charges, shall be additional liens on the land and*
9 *be added to the amount of the sale, and shall be paid before the*
10 *land can be redeemed from the sale. No further sale of a parcel*
11 *while held by the municipality shall be made for subsequent*
12 *municipal liens, unless directed by resolution of the governing*
13 *body of the municipality. In that case the officer shall enter the*
14 *property on his tax sale list, and make up a new calculation to*
15 *July first preceding the time of the proposed sale, in the manner*
16 *hereinbefore directed, the amount included in the former sale to be*
17 *entered in the calculation as a sale, as if it were an independent lien*
18 *originating on the date of the sale, the interest thereon to be com-*
19 *puted from that date, so that whenever a sale is held to enforce a*
20 *municipal lien it shall include all municipal liens or charges against*
21 *the property mentioned in the notice of 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.

STATEMENT

The present section provides that where a tax sale certificate is held by a municipality the lands shall be assessed in the name of the owner, the plain inference being that when such certificate is held by one other than a municipality, the land shall be assessed in the name of the certificate holder, a wholly anomalous situation.

A tax sale certificate does not operate to give the purchaser thereof title to the land and does not divest the tax delinquent owner of his title. It merely vests in the purchaser of the tax sale certificate with an inchoate right or interest and gives him the right to proceed to foreclose the equity of redemption pursuant to the established statutory scheme. *Gasorek v. Gruber*, 126 *N. J. Super.* 511, 515 (*App. Div.* 1974); *Clark v. Jersey City*, 8 *N. J. Super.* 33, 37 (*App. Div.* 1950). In the meantime the purchaser has no right of entry on the property and has no right to the rents issues and profits therefrom. *Brewer v. Porch*, 52 *N. J.* 167 (1969). In fact a claim to such right to possession or rents would constitute a criminal offense *N. J. S.* 2A:111-23.

Under *N. J. S. A.* 54:4-64, as soon as the tax duplicate is delivered to the tax collector he is required to mail "tax bills to the individuals assessed." If the statutory language in *R. S.* 54:5-39 (which is, in the main, ignored by the tax collectors) were carried out, the owners of the property would not receive their tax bills and in consequence, would be completely out of touch with the tax status of their properties, a situation which, of necessity, does, and would, lead to further tax delinquency.

Manifestly, the property should be assessed in the name of the owner until such time as he may be divested of his title by the completion of proceedings to bar his right to redeem the same from the tax sale.

ASSEMBLY TAXATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1815

STATE OF NEW JERSEY

DATED: DECEMBER 11, 1978

The Assembly Committee on Taxation released Assembly Bill No. 1815 favorably and without amendment, as one of three bills which are designed to clear up technicalities in the tax sale law which hopefully, will lessen litigation through the clarification of that law.

The statement on the bill explains its effect in detail.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

JULY 9, 1979

KATHRYN FORSYTH

Governor Brendan Byrne has signed the following bills into law:

A-299, sponsored by Assemblymen Ernest F. Schuck and Walter Rand (both D-Camden), which provides that all counties of the second class may, either by resolution or ordinance of the governing body of the county, make adjustments in the amounts of pension benefits payable to retired county detectives to reflect increases or decreases in living costs and maintain the purchasing power of their pension benefits.

The bill applies to Middlesex, Union, Passaic, Camden, Burlington and Mercer Counties. Morris County already has the authority under prior provisions of the law.

A-1631, sponsored by Assembly Speaker Christopher J. Jackman (D-Hudson) which permits the Commissioner of Banking to waive for up to one year the statutory requirement that banks have blanket fidelity bonds.

In order to grant such a waiver, the Commissioner must be satisfied that the bank is adequately capitalized and that a waiver will not otherwise endanger the financial condition of the bank. He may also require the bank to take other protective measures he deems necessary.

Banks occasionally experience difficulty in obtaining fidelity bond coverage, and under prior law the Department of Banking had to begin disciplinary actions, leading up to eventual takeover, if a bank did not have a bond. This bill gives the Commissioner of Banking the needed flexibility to waive the requirement while the bank seeks coverage.

A-1815, sponsored by Assemblyman Richard Van Wagner (D-Monmouth) which provides that when a tax sale certificate is held by a municipality or any other purchaser, the land will be assessed in the name of the property owner.

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