

54:5-47, ET AL

LEGISLATIVE HISTORY CHECKLIST

NJSA 54:5-47, et al.
Laws of 1974 Chapter 91
Bill No. S 617
Sponsor(s) Merlino & others
Date Introduced January 21
Committee: Assembly County Govt.
Senate County & Municipal Govt.

Amended during passage Yes ~~XX~~ Amendments during passage denoted by asterisks

Date of passage: Assembly May 16
Senate April 4

Date of approval September 10

Following statements are attached if available:

Sponsor statement	Yes	XX
Committee Statement: Assembly	Yes	No
Senate	Yes	XX
Fiscal Note	Yes	No
Veto message	Yes	No
Message on signing	Yes	No

Following were printed:

Reports	Yes	No
Hearings	Yes	No

10/4/76

JAN 1977

[OFFICIAL COPY REPRINT]
SENATE, No. 617

STATE OF NEW JERSEY

INTRODUCED JANUARY 21, 1974

By Senators MERLINO, MUSTO, HORN, FAY, TUMULTY,
HIRKALA and DUNN

Referred to Committee on County and Municipal Government

AN ACT concerning proceedings to bar the right of redemption in
the case of property sold to a municipality at a tax sale, and
amending R. S. 54:5-47, R. S. 54:5-54, R. S. 54:5-77, R. S. 54:5-86
and P. L. 1948, c. 96.

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

1 1. R. S. 54:5-47 is amended to read as follows:

2 54:5-47. The certificate shall be substantially in the following
3 form:

4 "I,, collector of taxes
5 of (name of
6 municipality), hereby certify that on,
7 19...., I sold to for
8 dollars, the lands in the municipality
9 described as on the
10 tax duplicate of the municipality, and assessed thereon to
11 as owner (followed by
12 amplified description if desired). The amount of sale was made
13 up of the following items (followed by the items, including interest
14 and costs). The sale is subject to redemption on repayment of
15 the amount of the sale, together with interest thereon at the rate
16 of per cent per annum from the date of sale,
17 and the costs incurred by the purchaser. The sale is subject only
18 to municipal liens accruing after December 31, 19.... (insert year
19 of last item of taxes or assessment for which sale is made). The
20 right to redeem will expire in 6 months after the service of notice
21 to redeem, except that the right to redeem shall **[in all cases]**
22 *extend for 6 months from the date of sale *or from the date of*
23 *service of notice* when the municipality is the purchaser and*

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

24 extend for 2 years from the date of sale *for all other purchasers.*
 25 ***[In any proceeding, pursuant to the provisions of R. S. 54:5-77 b.,**
 26 *that results in a Superior Court judgment to bar the equity of*
 27 *redemption, the right to redeem will expire in 45 days after the*
 28 *expiration of the right to appeal said judgment, if the judgment is*
 29 *not appealed, or in 45 days of the date of the final disposition of*
 29A *any unsuccessful appeal.]**

30 “Witness my hand and seal this day
 31 of, 19..... (Followed by acknowledgment).”

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

2 54:5-54. *Except as ***[hereinafter]*** provided *in R. S.**
 3 *54:5-77 b.*, the **[The]** owner, mortgagee, occupant or other person*
 4 *having an interest in land sold for municipal liens, may redeem it*
 5 *at any time within **[2 years]** 6 months from the date of sale when*
 6 *the municipality has purchased the property at the tax sale, or*
 7 *within 2 years from the date of sale when the purchaser is other*
 8 *than the municipality, or at any time thereafter until the right to*
 9 *redeem has been cut off in the manner in this chapter set forth, by*
 10 *paying to the collector, or to the collector of delinquent taxes on*
 11 *lands of the municipality where the land is situate, for the use of*
 12 *the purchaser, his heirs or assigns, the amount required for redemp-*
 12A *tion as hereinafter set forth.*

13 ***[In the event that the right to redeem is barred by a judgment as**
 14 *provided for in R. S. 54:5-77 b., the owner, mortgagee, occupant or*
 15 *other person having an interest in the lands, may redeem said prop-*
 16 *erty only within 45 days after the expiration of the right to appeal*
 17 *said judgment, if he does not appeal, or within 45 days of the date*
 18 *of the final disposition of any unsuccessful appeal, by paying to the*
 19 *collector, or to the collector of delinquent taxes on lands of the*
 20 *municipality where the land is situate, the amount required for the*
 21 *redemption as hereinafter set forth, plus such amount as may be*
 22 *required by the court to be paid to the municipal clerk or officer*
 23 *authorized to receive such funds for costs and reasonable attorneys*
 24 *fees incurred by the municipality as the result of any frivolous*
 25 *appeal of any judgment barring the right of redemption.]**

1 3. R. S. 54:5-77 is amended to read as follows:

2 54:5-77 a. The holder of the tax title may at any time within 20
 3 years after the purchase, give notice in writing to all persons
 4 interested in the land of their right to redeem. **[If served within**
 5 18 months after the sale, the notice shall state that their right to
 6 redeem will be barred, unless they do so within 2 years after the
 7 sale. If not served within said 18 months, it shall state that their

8 right of redemption will be barred, unless they do so within 6
9 months after the service of the notice.】 *Except as hereinafter*
10 *provided in subsection b. of this section, the following notice*
11 *requirements and periods of redemption shall govern the fore-*
12 *closure by municipal and private holders of tax titles: for property*
13 *purchased by the municipality, if notice is served within 10 days*
14 *of the tax sale, it shall state that the right to redeem will be barred*
15 *6 months after the date of the sale; for property purchased by other*
16 *than a municipality, if the notice is served within 18 months of the*
17 *sale, it shall state that the right to redeem will be barred 2 years*
18 *after the date of the sale. If notice is served beyond said periods,*
19 *it shall state that the right to redeem shall be barred 6 months from*
20 *the service of the notice. The notice shall be served personally on*
21 *the persons interested who reside in the municipality, and on others*
22 *it may be served personally, or by mailing to their post-office*
23 *address, if it can be ascertained, or by posting on the premises sold,*
24 *if their post-office address cannot be ascertained. In all cases*
25 *where it is not served personally a copy shall be published once*
26 *in a newspaper in which ordinances of the municipality may be*
27 *published. In the event it shall appear by the last tax duplicate*
28 *of said municipality that there is no assessment for a building*
29 *against said lands, in lieu of posting the notice on said premises,*
30 *the holder of the tax sale certificate may cause copies of the notice*
31 *to be posted in the office of the tax collector of said municipality*
32 *and in three other conspicuous places within the taxing district in*
33 *which the land is located.*

34 *b. Any municipality which holds the tax title may at any time*
35 *file an action with the Superior Court in the county wherein said*
36 *municipality is situate, demanding that the right of redemption on*
37 *such land be barred. Such action shall be heard in a summary*
38 *manner, and the court shall grant a judgment barring the right of*
39 *redemption if it finds that the land or any improvement thereon is*
40 *hazardous to the public health, safety and welfare, or unfit for*
41 *human habitation; any judgment rendered pursuant to such sum-*
42 *mary proceeding shall be subject to the appropriate provisions of*
43 *R. S. 54:5-54, except that in the case of an unknown owner or*
44 *unknown claimant, the equity of redemption shall be barred pursu-*
45 *ant to the provisions contained in R. S. 54:5-90. Notice and service*
46 *of process shall be made pursuant to the Rules Governing the*
47 *Courts of the State of New Jersey. It shall be an absolute defense*
48 *to the action that the owner, mortgagee, or other person having*
49 *an interest therein has abated, removed, or corrected the condition*
50 *or conditions which cause the improvement to be hazardous to the*

51 *public health, safety and welfare, or unfit for human habitation, or*
 52 *has deposited with the court (1) the amount of money required, as*
 53 *determined by the court, to abate, remove or correct the condition*
 54 *or conditions, or (2) a performance bond in double the amount*
 55 *thereof. Thereupon, the owner, mortgagee, or other person having*
 56 *an interest in said land, shall proceed to abate, remove or correct*
 57 *said condition or conditions within such time as the court shall deem*
 58 *reasonable under the circumstances. Moneys deposited with the*
 59 *court may, in the court's discretion, be used to abate, remove or*
 60 *correct the condition or conditions involved, or may be paid to the*
 61 *depositor or such other persons, as the court determines, who have*
 62 *abated, removed or corrected such condition or conditions. The*
 63 *amount of any performance guarantee deposited with the court*
 64 *may be proportionately reduced by the court as portions of the*
 65 *work are completed.*

1 4. R. S. 54:5-86 is amended to read as follows:

2 54:5-86. The purchaser, his heirs or assigns, in addition to the
 3 remedy provided by article eight of this chapter (§ 54:5-77 et seq.),
 4 may, at any time after the expiration of the term of **[2 years]** 6
 5 months from the date of sale when the municipality is the purchaser,
 6 and 2 years from the date of sale for all other purchasers, whether
 7 notice to redeem has been given or not, institute an action to fore-
 8 close the right of redemption. On instituting the action the right
 9 to redeem shall exist and continue until barred by the judgment
 10 of the Superior Court.

1 5. Section 6 of P. L. 1948, c. 96 (C. 54:5-104.34) is amended to
 2 read as follows:

3 6. No action may be instituted under this act on any tax sale
 4 certificate unless:

5 a. More than **[2 years]** 6 months have expired from the date of
 6 the tax sale out of which any such certificate arose; and

7 b. All or any portion of the general land taxes levied and
 8 assessed against the land for **[48]** 21 months next preceding the
 9 commencement of the action, other than those subject to payment
 10 by installments authorized by a resolution adopted pursuant to
 11 R. S. 54:5-65, remains unpaid.

1 6. This act shall take effect immediately.

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 56 an interest in said land, shall proceed to abate, remove or correct
 57 said condition or conditions within such time as the court shall deem
 58 reasonable under the circumstances. Moneys deposited with the
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STATEMENT

The prime objective of this bill is to aid municipalities in dealing with the increasing numbers of nonmarketable or not easily marketable properties which come into the possession of municipalities because, at the time of their sale for delinquent taxes, they are not sufficiently attractive to private investors. Moreover, it is

hoped that the escalated foreclosure procedures for properties on which municipalities hold tax sale certificates will improve the marketability of many such properties while, at the same time, permitting their takeover before irreparable deterioration can take place.

This bill contains two essential provisions: (1) it reduces from 2 years to 6 months the time interval which must elapse after tax sale before a municipality may institute proceedings either *in personam* or *in rem*, to bar the right to redeem any property which comes into possession of a municipality at such sales; and (2) it provides summary proceedings which may be initiated by any municipality on any property on which it holds a tax sale certificate, when it is established that said property constitutes a hazard to public health, safety and welfare, or is unfit for human habitation, and the owner, mortgagee or other person having an interest therein, is unwilling or unable to correct such deficiencies.

This bill leaves unaltered the 2-year time interval which must elapse after the tax sale before any other person or party—that is, other than the municipality may institute proceedings to bar the right to redeem any property on which said party or person holds a tax sale certificate.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO
SENATE, No. 617
with Committee Amendments

STATE OF NEW JERSEY

DATED: APRIL 1, 1974

Senate Bill No. 617 contains two essential provisions: (1) it reduces from 2 years to 6 months the time interval which must elapse after tax sale before a municipality may institute proceedings either *in personam* or *in rem*, to bar the right to redeem any property which comes into possession of a municipality at such sales; and (2) it provides summary proceedings which may be initiated by any municipality on any property on which it holds a tax sale certificate, when it is established that said property constitutes a hazard to public health, safety and welfare, or is unfit for human habitation, and the owner, mortgagee or other person having an interest therein, is unwilling or unable to correct such deficiencies.

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The Senate Committee Amendments to Senate Bill No. 617 contain a technical amendment to section 1 so as to make the provisions therein consistent with the detailed provisions of section 3; there is also deleted from sections 1 and 2 the 45 day provision for appealing a Superior Court judgment issued pursuant to the summary proceedings provisions of section 3b of the bill.