

# 46:10B-51

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2014                      **CHAPTER:** 5

**NJSA:** 46:10B-51 (Authorizes municipalities to impose penalties on creditors that fail to timely remedy code violations of certain properties in foreclosure)

**BILL NO:** A347                      (Substituted for S288)

**SPONSOR(S)** Caputo and others

**DATE INTRODUCED:** January 16, 2014

**COMMITTEE:**                      **ASSEMBLY:** Housing and Community Development  
    **SENATE:** Community and Urban Affairs

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**                      **ASSEMBLY:** February 27, 2014  
   **SENATE:** March 27, 2014

**DATE OF APPROVAL:** May 15, 2014

### FOLLOWING ARE ATTACHED IF AVAILABLE:

#### **FINAL TEXT OF BILL** (First reprint enacted)

##### **A347**

<b>SPONSOR'S STATEMENT:</b> (Begins on page 3 of introduced bill)	Yes
<b>COMMITTEE STATEMENT:</b>	<b>ASSEMBLY:</b> Yes
	<b>SENATE:</b> Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

<b>FLOOR AMENDMENT STATEMENT:</b>	No
<b>LEGISLATIVE FISCAL ESTIMATE:</b>	No

##### **S288**

<b>SPONSOR'S STATEMENT:</b> (Begins on page 3 of introduced bill)	Yes
<b>COMMITTEE STATEMENT:</b>	<b>ASSEMBLY:</b> No
	<b>SENATE:</b> Yes
<b>FLOOR AMENDMENT STATEMENT:</b>	No
<b>LEGISLATIVE FISCAL ESTIMATE:</b>	No

(continued)

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

LAW/RWH

P.L.2014, CHAPTER 5, *approved May 15, 2014*  
Assembly, No. 347 (*First Reprint*)

1 AN ACT concerning maintenance of <sup>1</sup>vacant<sup>1</sup> residential properties  
2 during foreclosure and <sup>1</sup>**【supplementing Title 40 of the Revised**  
3 **Statutes】** amending P.L.2008, c.127<sup>1</sup>.  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 <sup>1</sup>**【**1. a. A creditor that serves a notice of intention to foreclose on  
9 a mortgage on residential property in this State pursuant to the “Fair  
10 Foreclosure Act,” P.L.1995, c.244 (C.2A:50-53 et seq.), shall serve  
11 the public officer of the municipality in which the property is  
12 located, or, if the municipality has not designated a public officer  
13 pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal  
14 clerk, with a copy of the notice at the same time that the creditor  
15 serves the notice on the owner of the property. The creditor shall  
16 include the full name and contact information of a person located  
17 within the State who is authorized to accept service on behalf of the  
18 creditor with the copy of the notice served on the public officer or  
19 municipal clerk.

20 b. If the residential property becomes vacant at any time after  
21 the creditor files the notice of intention to foreclose, but prior to  
22 vesting of title in any third party, and the municipality determines  
23 that the property is in violation of any applicable State or local  
24 housing code, the municipality may notify the creditor of the  
25 violation, by providing a copy of the notice to the person located  
26 within the State who is authorized to accept service on behalf of the  
27 creditor, and may require the creditor to correct the violation.

28 c. A municipality that requires a creditor to correct a violation  
29 pursuant to this act shall include a description of the conditions that  
30 gave rise to the violation with the notice of violation and shall  
31 provide a period of not less than 30 days from the creditor’s receipt  
32 of the notice for the creditor to remedy the violation. If the creditor  
33 fails to remedy the violation within that time period, the  
34 municipality may impose penalties allowed for the violation of  
35 municipal ordinances pursuant to R.S.40:49-5.

36 d. For the purposes of this section, “creditor” means a federal  
37 or State chartered bank, savings bank, savings and loan association  
38 or credit union, any person required to be licensed under the  
39 provisions of the “New Jersey Licensed Lenders Act,” P.L.1996,  
40 c.157 (C.17:11C-1 et seq.), and any entity acting on behalf of the

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly AHO committee amendments adopted February 6, 2014.

1 creditor named in the debt obligation including, but not limited to,  
2 servicers.】<sup>1</sup>

3

4 <sup>1</sup>1. Section 17 of P.L.2008, c.127 (C.46:10B-51) is amended to  
5 read as follows:

6 17. a. (1) A creditor serving a summons and complaint in an  
7 action to foreclose on a mortgage on residential property in this  
8 State shall, within 10 days of serving the summons and complaint,  
9 notify the municipal clerk of the municipality in which the property  
10 is located that a summons and complaint in an action to foreclose  
11 on a mortgage has been filed against the subject property. The  
12 notice shall contain the name and contact information for the  
13 representative of the creditor who is responsible for receiving  
14 complaints of property maintenance and code violations, may  
15 contain information about more than one property, and shall be  
16 provided by mail or electronic communication, at the discretion of  
17 the municipal clerk. If the municipality has appointed a public  
18 officer pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the  
19 municipal clerk shall forward a copy of the notice to the public  
20 officer or shall otherwise provide it to any other local official  
21 responsible for administration of any property maintenance or  
22 public nuisance code.

23 In the event that the property being foreclosed on is an  
24 affordable unit pursuant to the "Fair Housing Act," P.L.1985, c.222  
25 (C.52:27D-301 et al.), then the creditor shall identify that the  
26 property is subject to the "Fair Housing Act."

27 The notice shall also include the street address, lot and block  
28 number of the property, and the full name and contact information  
29 of an individual located within the State who is authorized to accept  
30 service on behalf of the creditor. The notice shall be provided to  
31 the municipal clerk within 10 days of service of a summons and  
32 complaint in an action to foreclose on a mortgage against the  
33 subject property.

34 (2) Within 30 days following the effective date of P.L.2009,  
35 c.296 (C.2A:50-69 et al.), any creditor that has initiated a  
36 foreclosure proceeding on any residential property which is pending  
37 in Superior Court shall provide to the municipal clerk of the  
38 municipality in which the property is located, a listing of all  
39 residential properties in the municipality for which the creditor has  
40 foreclosure actions pending by street address and lot and block  
41 number. If the municipality has appointed a public officer pursuant  
42 to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal clerk shall  
43 forward a copy of the notice to the public officer, or shall otherwise  
44 provide it to any other local official responsible for administration  
45 of any property maintenance or public nuisance code.

46 b. If the owner of a residential property vacates or abandons  
47 any property on which a foreclosure proceeding has been initiated

1 or if a residential property becomes vacant at any point subsequent  
2 to the creditor's filing the summons and complaint in an action to  
3 foreclose on a mortgage against the subject property, but prior to  
4 vesting of title in the creditor or any other third party, and the  
5 property is found to be a nuisance or in violation of any applicable  
6 State or local code, the local public officer, municipal clerk, or  
7 other authorized municipal official shall notify the creditor, which  
8 shall have the responsibility to abate the nuisance or correct the  
9 violation in the same manner and to the same extent as the title  
10 owner of the property, to such standard or specification as may be  
11 required by State law or municipal ordinance. The municipality  
12 shall include a description of the conditions that gave rise to the  
13 violation with the notice of violation and shall provide a period of  
14 not less than 30 days from the creditor's receipt of the notice for the  
15 creditor to remedy the violation. If the creditor fails to remedy the  
16 violation within that time period, the municipality may impose  
17 penalties allowed for the violation of municipal ordinances pursuant  
18 to R.S.40:49-5.

19 c. If the municipality expends public funds in order to abate a  
20 nuisance or correct a violation on a residential property in situations  
21 in which the creditor was given notice pursuant to the provisions of  
22 subsection b. of this section but failed to abate the nuisance or  
23 correct the violation as directed, the municipality shall have the  
24 same recourse against the creditor as it would have against the title  
25 owner of the property, including but not limited to the recourse  
26 provided under section 23 of P.L.2003, c.210 (C.55:19-100).<sup>1</sup>  
27 (cf: P.L.2009, c.296, s.5)

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29 2. This act shall take effect 60 days following enactment.

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34 \_\_\_\_\_  
35 Authorizes municipalities to impose penalties on creditors that  
36 fail to timely remedy code violations of certain properties in  
foreclosure.

# ASSEMBLY, No. 347

## STATE OF NEW JERSEY 216th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

**Sponsored by:**

**Assemblyman RALPH R. CAPUTO**

**District 28 (Essex)**

**Assemblyman VINCENT PRIETO**

**District 32 (Bergen and Hudson)**

**Assemblywoman CLEOPATRA G. TUCKER**

**District 28 (Essex)**

**Assemblyman TIMOTHY J. EUSTACE**

**District 38 (Bergen and Passaic)**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Co-Sponsored by:**

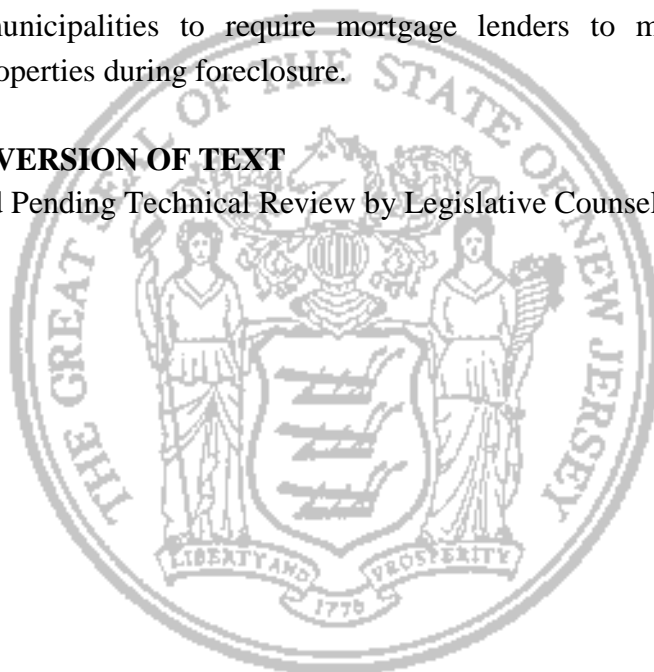
**Assemblywoman Handlin, Assemblymen Lagana and Garcia**

**SYNOPSIS**

Allows municipalities to require mortgage lenders to maintain vacant residential properties during foreclosure.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



**(Sponsorship Updated As Of: 1/28/2014)**

1 AN ACT concerning maintenance of residential properties during  
2 foreclosure and supplementing Title 40 of the Revised Statutes.

3

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

6

7 1. a. A creditor that serves a notice of intention to foreclose on  
8 a mortgage on residential property in this State pursuant to the “Fair  
9 Foreclosure Act,” P.L.1995, c.244 (C.2A:50-53 et seq.), shall serve  
10 the public officer of the municipality in which the property is  
11 located, or, if the municipality has not designated a public officer  
12 pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal  
13 clerk, with a copy of the notice at the same time that the creditor  
14 serves the notice on the owner of the property. The creditor shall  
15 include the full name and contact information of a person located  
16 within the State who is authorized to accept service on behalf of the  
17 creditor with the copy of the notice served on the public officer or  
18 municipal clerk.

19 b. If the residential property becomes vacant at any time after  
20 the creditor files the notice of intention to foreclose, but prior to  
21 vesting of title in any third party, and the municipality determines  
22 that the property is in violation of any applicable State or local  
23 housing code, the municipality may notify the creditor of the  
24 violation, by providing a copy of the notice to the person located  
25 within the State who is authorized to accept service on behalf of the  
26 creditor, and may require the creditor to correct the violation.

27 c. A municipality that requires a creditor to correct a violation  
28 pursuant to this act shall include a description of the conditions that  
29 gave rise to the violation with the notice of violation and shall  
30 provide a period of not less than 30 days from the creditor’s receipt  
31 of the notice for the creditor to remedy the violation. If the creditor  
32 fails to remedy the violation within that time period, the  
33 municipality may impose penalties allowed for the violation of  
34 municipal ordinances pursuant to R.S.40:49-5.

35 d. For the purposes of this section, “creditor” means a federal  
36 or State chartered bank, savings bank, savings and loan association  
37 or credit union, any person required to be licensed under the  
38 provisions of the “New Jersey Licensed Lenders Act,” P.L.1996,  
39 c.157 (C.17:11C-1 et seq.), and any entity acting on behalf of the  
40 creditor named in the debt obligation including, but not limited to,  
41 servicers.

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43 2. This act shall take effect 60 days following enactment.

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STATEMENT

This bill allows a municipality to require a creditor who initiates a foreclosure proceeding against a residential property located in the municipality to maintain the property in accordance with State and local housing codes if the property becomes vacant during the foreclosure proceeding.

The bill requires a creditor that serves a notice of intention to foreclose on a mortgage on residential property in this State pursuant to the "Fair Foreclosure Act," P.L.1995, c.244 (C.2A:50-53 et seq.), to serve the public officer or municipal clerk of the municipality in which the property is located, with a copy of the notice at the same time that the creditor serves the notice on the owner of the property. The creditor shall include the full name and contact information of a person located within the State who is authorized to accept service on behalf of the creditor with the copy of the notice served on the public officer or municipal clerk.

The bill also provides that if the residential property becomes vacant at any time after the creditor files the notice of intention to foreclose, but prior to vesting of title in any third party, and the municipality determines that the property is in violation of any applicable State or local housing code, the municipality may provide the creditor with notice of the violation, and may require the creditor to correct the violation.

Further, the bill provides that a municipality that requires a creditor to correct a violation pursuant to this bill shall include a description of the conditions that gave rise to the violation with the notice of violation and shall provide a period of not less than 30 days for the creditor to remedy the violation. If the creditor fails to remedy the violation within that time period, the bill allows the municipality to impose penalties currently allowed for the violation of municipal ordinances pursuant to R.S.40:49-5.



ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 347**

with committee amendments

**STATE OF NEW JERSEY**

DATED: FEBRUARY 6, 2014

The Assembly Housing and Community Development Committee reports favorably and with committee amendments Assembly Bill No. 347.

As amended by the committee, this bill would authorize municipalities to impose penalties on creditors that fail to timely remedy code violations with respect to residential properties in foreclosure for which they are responsible under current law. This bill provides that a municipality shall include a description of the conditions that gave rise to a code violation with the notice of violation already required under current law. The bill also requires that a municipality provide a period of not less than 30 days for the creditor to remedy the violation. Under the bill, if the creditor fails to remedy the violation within that time period, the municipality may impose penalties currently allowed for the violation of municipal ordinances pursuant to R.S.40:49-5.

This bill was pre-filed for introduction in the 2014-2015 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amendments to this bill make it identical to Senate Committee Substitute for Senate, No. 1740 of 2012-2013 (Rice/Stack) in order to reflect changes to existing law which made the bill, as pre-filed, inaccurate.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 347**

**STATE OF NEW JERSEY**

DATED: MARCH 17, 2014

The Senate Community and Urban Affairs Committee reports favorably Assembly Bill No. 347 (1R).

This bill would authorize municipalities to impose penalties on creditors that fail to timely remedy code violations with respect to vacant residential properties in foreclosure for which the creditors are responsible under current law. This bill provides that a municipality shall include a description of the conditions that gave rise to a code violation with the notice of violation already required under current law. The bill would also require that a municipality provide a period of not less than 30 days for the creditor to remedy the violation. Under the bill, if the creditor fails to remedy the violation within that time period, the municipality may impose penalties currently allowed for the violation of municipal ordinances pursuant to R.S.40:49-5.

# SENATE, No. 288

## STATE OF NEW JERSEY 216th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

**Sponsored by:**

**Senator RONALD L. RICE**

**District 28 (Essex)**

**Senator BRIAN P. STACK**

**District 33 (Hudson)**

**Co-Sponsored by:**

**Senators Ruiz and Connors**

**SYNOPSIS**

Authorizes municipalities to impose penalties on creditors that fail to timely remedy code violations of certain properties in foreclosure.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



**(Sponsorship Updated As Of: 3/18/2014)**

S288 RICE, STACK

2

1 AN ACT concerning maintenance of vacant residential properties  
2 during foreclosure and amending P.L.2008, c.127 (C.55:14K-82  
3 et al.).  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. Section 17 of P.L.2008, c.127 (C.46:10B-51) is amended to  
9 read as follows:

10 17. a. (1) A creditor serving a summons and complaint in an  
11 action to foreclose on a mortgage on residential property in this  
12 State shall, within 10 days of serving the summons and complaint,  
13 notify the municipal clerk of the municipality in which the property  
14 is located that a summons and complaint in an action to foreclose  
15 on a mortgage has been filed against the subject property. The  
16 notice shall contain the name and contact information for the  
17 representative of the creditor who is responsible for receiving  
18 complaints of property maintenance and code violations, may  
19 contain information about more than one property, and shall be  
20 provided by mail or electronic communication, at the discretion of  
21 the municipal clerk. If the municipality has appointed a public  
22 officer pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the  
23 municipal clerk shall forward a copy of the notice to the public  
24 officer or shall otherwise provide it to any other local official  
25 responsible for administration of any property maintenance or  
26 public nuisance code.

27 In the event that the property being foreclosed on is an  
28 affordable unit pursuant to the "Fair Housing Act,"  
29 P.L.1985, c.222 (C.52:27D-301 et al.), then the creditor shall  
30 identify that the property is subject to the "Fair Housing Act."

31 The notice shall also include the street address, lot and block  
32 number of the property, and the full name and contact information  
33 of an individual located within the State who is authorized to accept  
34 service on behalf of the creditor. The notice shall be provided to  
35 the municipal clerk within 10 days of service of a summons and  
36 complaint in an action to foreclose on a mortgage against the  
37 subject property.

38 (2) Within 30 days following the effective date of  
39 P.L.2009, c.296 (C.2A:50-69 et al.), any creditor that has initiated a  
40 foreclosure proceeding on any residential property which is pending  
41 in Superior Court shall provide to the municipal clerk of the  
42 municipality in which the property is located, a listing of all  
43 residential properties in the municipality for which the creditor has  
44 foreclosure actions pending by street address and lot and block  
45 number. If the municipality has appointed a public officer pursuant

**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 to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal clerk shall  
2 forward a copy of the notice to the public officer, or shall otherwise  
3 provide it to any other local official responsible for administration  
4 of any property maintenance or public nuisance code.

5 b. If the owner of a residential property vacates or abandons  
6 any property on which a foreclosure proceeding has been initiated  
7 or if a residential property becomes vacant at any point subsequent  
8 to the creditor's filing the summons and complaint in an action to  
9 foreclose on a mortgage against the subject property, but prior to  
10 vesting of title in the creditor or any other third party, and the  
11 property is found to be a nuisance or in violation of any applicable  
12 State or local code, the local public officer, municipal clerk, or  
13 other authorized municipal official shall notify the creditor, which  
14 shall have the responsibility to abate the nuisance or correct the  
15 violation in the same manner and to the same extent as the title  
16 owner of the property, to such standard or specification as may be  
17 required by State law or municipal ordinance. The municipality  
18 shall include a description of the conditions that gave rise to the  
19 violation with the notice of violation and shall provide a period of  
20 not less than 30 days from the creditor's receipt of the notice for the  
21 creditor to remedy the violation. If the creditor fails to remedy the  
22 violation within that time period, the municipality may impose  
23 penalties allowed for the violation of municipal ordinances pursuant  
24 to R.S.40:49-5.

25 c. If the municipality expends public funds in order to abate a  
26 nuisance or correct a violation on a residential property in situations  
27 in which the creditor was given notice pursuant to the provisions of  
28 subsection b. of this section but failed to abate the nuisance or  
29 correct the violation as directed, the municipality shall have the  
30 same recourse against the creditor as it would have against the title  
31 owner of the property, including but not limited to the recourse  
32 provided under section 23 of P.L.2003, c.210 (C.55:19-100).

33 (cf: P.L.2009, c.296, s.5)

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35 2. This act shall take effect 60 days following enactment.

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#### STATEMENT

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40 This bill would authorize municipalities to impose penalties on  
41 creditors that fail to timely remedy code violations with respect to  
42 residential properties in foreclosure for which they are responsible  
43 under current law. This bill provides that a municipality shall  
44 include a description of the conditions that gave rise to a code  
45 violation with the notice of violation already required under current  
46 law. The bill would also require that a municipality provide a  
47 period of not less than 30 days for the creditor to remedy the

**S288 RICE, STACK**

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1 violation. Under the bill, if the creditor fails to remedy the  
2 violation within that time period, the municipality may impose  
3 penalties currently allowed for the violation of municipal  
4 ordinances pursuant to R.S. 40:49-5.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

**SENATE, No. 288**

**STATE OF NEW JERSEY**

DATED: MARCH 17, 2014

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 288.

This bill would authorize municipalities to impose penalties on creditors that fail to timely remedy code violations with respect to vacant residential properties in foreclosure for which the creditors are responsible under current law. This bill provides that a municipality shall include a description of the conditions that gave rise to a code violation with the notice of violation already required under current law. The bill would also require that a municipality provide a period of not less than 30 days for the creditor to remedy the violation. Under the bill, if the creditor fails to remedy the violation within that time period, the municipality may impose penalties currently allowed for the violation of municipal ordinances pursuant to R.S.40:49-5.

This bill was pre-filed for introduction in the 2014-2015 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.