

SENATE, No. 1127

STATE OF NEW JERSEY

INTRODUCED MAY 9, 1996

By Senator ZANE

1 AN ACT concerning the creation of judgment liens and amending
2 N.J.S.2A:16-1 and N.J.S.2A:16-33.

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

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7 1. N.J.S.2A:16-1 is amended to read as follows:

8 2A:16-1. No judgment of the Superior Court shall affect or bind
9 any parcel of real estate, but from the time of the actual entry of such
10 judgment on the minutes or records of the court and of the actual entry
11 of the judgment in the judgment registry of the tax collector of the
12 municipality wherein the judgment debtor owns or has an interest in
13 that particular parcel of real estate. The tax collector shall maintain a
14 judgment registry of all such judgments, and shall record in the
15 judgment registry all judgments received by the tax collector. The
16 record of a judgment shall include the mailing address of the judgment
17 creditor and of the creditor's attorney, if applicable. The tax collector
18 shall index the judgments in the judgment registry by surname of the
19 judgment debtor and by lot and block numbers of the property in
20 which the judgment creditor claims to have an interest. The tax
21 collector shall charge a recording fee of \$10 to record a judgment;
22 however, no additional fee shall be charged to subsequently record a
23 change of address of a judgment creditor or the creditor's attorney.

24 (cf: P.L.1981, c.388, s.1)

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26 2. N.J.S.2A:16-33 is amended to read as follows:

27 2A:16-33. Where an appeal is taken from a municipal court in a
28 civil action to the Superior Court, the judgment of the court on appeal
29 shall not be binding on real estate unless an order is or has been
30 entered in the minutes of the Superior Court directing the judgment to
31 be recorded. From the time of the entry of the order, the judgment
32 binds and shall bind all real estate of the judgment debtor in the State
33 for which the judgment of the court on appeal has been recorded in the
34 judgment registry of the municipality wherein the real estate is located

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

Matter underlined thus is new matter.

1 pursuant to N.J.S.2A:16-1.

2 Such order may be entered at any time without notice. When
3 entered, the judgment shall be recorded and indexed as other
4 judgments of the court.

5 (cf: P.L.1991, c.91, s.36)

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7 3. This act shall take effect immediately but shall be applicable only
8 to judgments or orders for the payment of money entered by notation
9 thereof upon the civil judgment and order docket on or after the first
10 day of the sixth month following enactment.

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STATEMENT

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15 This bill would amend N.J.S.2A:16-1 to provide that a Superior
16 Court judgment for money would not affect or bind a particular parcel
17 of real estate until the time of the actual entry of the judgment on the
18 records of the court and the actual entry of the judgment in the
19 judgment registry of the tax collector of the municipality wherein the
20 judgment debtor owns or has an interest in that particular parcel of
21 real estate. Under current law a Superior Court judgment binds all
22 real estate owned by a judgment debtor in the State from the time that
23 the judgment is entered on the records of the court.

24 The intent of the bill is to simplify the notice procedures for
25 municipalities when utilizing the in rem tax foreclosure statutes. The
26 bill changes the definition of when a judgment creditor is entitled to a
27 statutory lien against real estate. Under the bill a judgment creditor
28 would not have an automatic lien against all real property owned by a
29 judgment debtor within the State, but instead would have to locate
30 specific parcels of real estate and file the judgment with the tax
31 collector in the municipality wherein the property is located.

32 Specifically, the bill would require the tax collector to maintain a
33 judgment registry, and to record in the judgment registry all judgments
34 received by the tax collector. The record of a judgment would be
35 required to include the mailing address of the judgment creditor and
36 of the creditor's attorney, if applicable, and the tax collector would be
37 directed to index the judgments in the judgment registry by surname
38 of the judgment debtor and by lot and block numbers of the property
39 in which the judgment creditor claims to have an interest. Finally, the
40 bill would require the tax collector to charge a recording fee of \$10 to
41 record a judgment, and would prohibit an additional fee from being
42 charged to subsequently record a change of address of a judgment
43 creditor or the creditor's attorney.

44 The bill also modifies N.J.S.2A:16-33 to make it consistent with the
45 proposed additional requirements of N.J.S.2A:16-1.

46 Finally the bill is prospective and would only apply to judgments or

1 orders for the payment of money entered by notation upon the civil
2 judgment and order docket on or after the first day of the sixth month
3 following enactment.

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8 Requires judgment creditor to record judgment with tax collector to
9 obtain lien against debtor's land within that municipality.