SENATE JUDICIARY COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1127

STATE OF NEW JERSEY

DATED: SEPTEMBER 19, 1996

The Senate Judiciary Committee reports favorably Senate Committee Substitute for Senate Bill No. 1127.

In 1994, an amendment to R.S.54:5-54 was enacted limiting the persons who may redeem land sold for municipal taxes to the owner, heirs of the owner, mortgagees, holders of outstanding tax sale certificates or the occupant of the land. SCS for S-1127 would clarify that the plaintiff in a foreclosure action must join as a party defendant only those persons having right of redemption as set forth in R.S.54:5-54.

By limiting party defendants to those with a right to redemption, SCS for S-1127 would clarify that judgement creditors would not be required to be joined as party defendants. If a property owner has a common name, the joining of judgement creditors as defendants in a tax lien foreclosure action can be a very expensive process since it is difficult to determine whether a judgment is against a particular property owner and even after a proper judgment creditor is identified, it is often difficult to then find an address at which the creditor can be served.

It should be noted that under existing law, judgment creditors may require debtors to reveal the location of any assets and to then have a levy placed on those assets to satisfy the judgment.