

[First Reprint]  
SENATE, No. 1303

STATE OF NEW JERSEY

INTRODUCED JUNE 13, 1996

By Senators LYNCH and GORMLEY

1 AN ACT establishing a State municipal property tax lien fund and  
2 supplementing Title 52 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. The State Municipal Property Tax Lien Fund (hereinafter  
8 referred to as the "fund") is established as a non-lapsing, revolving  
9 fund. The fund shall be administered by the Department of Commerce  
10 and Economic Development, and shall be credited with all proceeds  
11 from the sale or assignment of municipal tax liens pursuant to this  
12 section. Interest received on moneys in the fund and sums received as  
13 repayment of principal and interest on outstanding loans made from  
14 the fund shall be credited to the fund. The Department of Commerce  
15 and Economic Development, in the administration of the fund, is  
16 authorized to assign to the New Jersey Economic Development  
17 Authority the responsibility for the purchase or assignment of property  
18 tax liens held by a municipality, the issuance of debt secured by such  
19 liens, and the sale of purchased or assigned tax liens, either  
20 individually or in bulk. The department is further authorized to pay or  
21 reimburse the authority in the amounts as the department agrees are  
22 appropriate for all services rendered by the authority in connection  
23 with any assignment of responsibility under the terms of this section  
24 out of moneys held in the fund for the purchase of municipally held  
25 property tax liens. The authority, if assigned responsibility by the  
26 department, is authorized to service liens held by the fund, foreclose  
27 liens, and manage, sell and own property for the benefit of the fund.  
28 The authority is further authorized to contract with private vendors for  
29 the servicing of liens held by the fund or the management of property  
30 owned by the authority for the benefit of the fund.

31 b. Moneys in the fund shall be allocated and used for the following

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SCO committee amendments adopted June 24, 1996.

1 purposes and no others:

2 (1) Purchase of property tax liens held by a municipality, either  
3 individually or in bulk <sup>1</sup>pursuant to P.L.1993, c.325 (C.54:5-113.4)<sup>1</sup>;  
4 and

5 (2) <sup>1</sup>[Loans] Subsequent tax payments<sup>1</sup> to a municipality secured by  
6 property tax liens held by <sup>1</sup>[that municipality.] the fund; and

7 (3) To secure debt for redevelopment projects or economic  
8 development projects located in a municipality participating in the  
9 fund.<sup>1</sup>

10 c. The fund may accept the assignment or transfer, either for value  
11 or not for value, of property tax liens held by a municipality.

12 d. The fund may be temporarily funded initially by other moneys of  
13 the authority upon such terms as are approved by the Commissioner  
14 of Commerce and Economic Development.

15  
16 2. The Commissioner of Commerce and Economic Development  
17 shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968,  
18 c.410 (C.52:14B-1 et seq.), rules and regulations necessary to  
19 effectuate the purposes of this act.

20  
21 3. This act shall take effect immediately.

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26 Establishes State Municipal Property Tax Lien Fund.