

LEGISLATIVE FISCAL ESTIMATE TO

**SENATE, No. 2196**

**STATE OF NEW JERSEY**

DATED: JULY 3, 1997

Senate Bill No. 2196 of 1997 clarifies the priority of municipal liens and clarifies tax lien redemption law. This bill is substantially similar to Senate Bill No. 1456 (2R), which was conditionally vetoed by the Governor on May 15, 1997, except that this bill does not include those sections of law amended by P.L.1997, c.99 generally concerning early tax sales. This bill conforms to the Governor's conditional veto recommendations except for the addition of a clarifying sentence in subsection a. of section 11 of P.L.1963, c.144 (C.17:12B-11) to preserve the priority of municipal liens, and the omission of various amendatory sections which were substantially enacted in P.L.1997, c.99. Sections 1 and 2 of this bill clarify that municipal liens have priority over mortgage liens and condominium liens. Section 3 of the bill makes a technical change to a section of law concerning the form of tax sale certificates by removing obsolete references to when the right to redeem expires. Section 4 specifies that a lien for assessments for benefits pursuant to R.S.54:5-7 may be redeemed in the same manner as tax liens. Sections 5 and 6 remove a reference to a repealed statute from R.S.54:5-55 and R.S.54:5-57 respectively. Sections 7 through 12 require that unless an assignment of a tax sale certificate is recorded, the municipality will be held harmless for the payment of redemption amounts to a person recorded as the holder of the certificate on the records of the tax collector.

The Office of Legislative Services (OLS) states that there are no State or municipal costs associated with this bill. The extent to which municipal revenues may be enhanced due to the technical and clarifying provisions of this bill which may facilitate the marketability of tax sale certificates and other municipal liens cannot be estimated due to the lack of specific relevant municipal data. Sections 7 through 12 of the bill are projected to save municipalities various unspecified amounts in legal fees and mistakenly paid redemption amounts.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.