

[Second Reprint]  
**ASSEMBLY, No. 2877**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED FEBRUARY 20, 2020

**Sponsored by:**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Senator M. TERESA RUIZ**

**District 29 (Essex)**

**Co-Sponsored by:**

**Assemblyman Caputo, Assemblywoman Timberlake, Assemblymen  
Simonsen, McClellan, Assemblywoman Lampitt, Assemblymen McKeon,  
Houghtaling, Assemblywoman Downey, Assemblymen Armato, Mazzeo,  
Assemblywoman Swain, Senators Pou and O'Scanlon**

**SYNOPSIS**

Concerns municipal property registration ordinances to address risk of blight.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on January 6, 2022, with amendments.



**(Sponsorship Updated As Of: 1/10/2022)**

1 AN ACT concerning <sup>2</sup>**[vacant and abandoned]**<sup>2</sup> property <sup>2</sup>**[and]**  
2 registration ordinances to address the risk of blight, revising  
3 various parts of the statutory law and<sup>2</sup> supplementing Title 40 of  
4 the Revised Statutes.

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

8  
9 <sup>2</sup>**[1.a.** The responsible party for a vacant and abandoned  
10 property that is vacant and abandoned on the effective date of  
11 P.L. , c. (C. ) (pending before the Legislature as this bill),  
12 shall file a certificate of registration with the clerk of the  
13 municipality in which the property is located within 30 days after  
14 the effective date. The responsible party for a property that  
15 becomes vacant and abandoned subsequent to the effective date of  
16 P.L. , c. (C. ) (pending before the Legislature as this bill),  
17 shall file a certificate of registration with the clerk of the  
18 municipality in which the property is located within 90 days after  
19 the property becomes vacant and abandoned or within 30 days after  
20 the responsible party assumes ownership of or responsibility for an  
21 already vacant and abandoned property, whichever is later. The  
22 certificate of registration shall be filed on forms prescribed by the  
23 Commissioner of Community Affairs and shall contain:

24 (1) the name, street address, and telephone number of a natural  
25 person who resides or maintains an office within the State and who  
26 is either the responsible party or an authorized agent designated by  
27 the responsible party to receive notices and complaints of property  
28 maintenance and code violations on behalf of the responsible party;

29 (2) the name, street address, and telephone number of the person  
30 responsible for maintaining the property, if different; and

31 (3) evidence of any liability insurance required by an ordinance  
32 adopted pursuant to paragraph (3) of subsection c. of this section.

33 A responsible party for a vacant and abandoned property shall  
34 file an amended certificate of registration within 30 days after any  
35 change in the information required to be included thereon.

36 b. A certificate of registration shall remain valid for one year  
37 and shall be renewed on an annual basis if the property remains  
38 vacant and abandoned. A municipality may by ordinance establish  
39 a fee of not more than \$250 for a certificate of registration for a  
40 vacant and abandoned property. A renewal fee of not more than  
41 \$500 may be established for a renewal if there is an outstanding  
42 property maintenance or code violation on a vacant and abandoned  
43 property that remains unabated at the time of renewal. A renewal  
44 fee of not more than \$750 may be established for a subsequent

**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 ACD committee amendments adopted December 14, 2020.

<sup>2</sup>Senate SBA committee amendments adopted January 6, 2022.

1 renewal if there continues to be an outstanding property  
2 maintenance or code violation or there is a new such violation on a  
3 vacant and abandoned property that remains unabated at the time of  
4 renewal. If a greater fee for the registration or renewal of a vacant  
5 and abandoned property was established by an ordinance adopted  
6 prior to the effective date of P.L. , c. (C. ) (pending before  
7 the Legislature as this bill), then the municipality may continue to  
8 impose and collect that greater fee.

9 c. A municipality may by ordinance require that, no sooner  
10 than 45 days after 'the municipality notifies the responsible party  
11 that' the property **'[becomes] is'** vacant and abandoned and until  
12 the property is reoccupied, the responsible party for a vacant and  
13 abandoned property:

14 (1) **'[Enclose and secure] Secure'** the property against  
15 unauthorized entry;

16 (2) Post a sign affixed to the inside of the property and visible to  
17 the public indicating the name, address, and telephone number of  
18 the responsible party, any authorized agent designated by the  
19 responsible party for the purpose of receiving service of process,  
20 and the person responsible for maintaining the property if different  
21 from the responsible party or authorized agent; or

22 (3) Acquire and otherwise maintain liability insurance by  
23 procuring a vacancy policy, covering any damage to any person or  
24 any property caused by any physical condition of the property.

25 d. A responsible party that violates any provision of this  
26 section or any ordinance adopted pursuant hereto, shall be liable to  
27 a penalty of not less than \$500 and not more than \$1,000; provided,  
28 however, that a greater penalty for such violations that was  
29 established by an ordinance adopted prior to the effective date of  
30 P.L. , c. (C. ) (pending before the Legislature as this bill)  
31 may continue to be imposed and collected. Each day that a  
32 violation continues shall constitute an additional, separate, and  
33 distinct offense. Any penalty imposed pursuant to this section shall  
34 be recoverable by a summary proceeding under the "Penalty  
35 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).  
36 The Superior Court, Law Division, in the county, or the municipal  
37 court of the municipality, in which the property is located shall have  
38 jurisdiction to enforce such penalty.

39 e. This section shall not be construed to diminish any property  
40 maintenance responsibilities of property owners who are not subject  
41 to the provisions of the section.

42 f. For the purposes of this section:

43 "Responsible party" means the title holder of a vacant and  
44 abandoned property or a creditor responsible for the maintenance of  
45 a property pursuant to section 17 of P.L.2008, c.127 (C.46:10B-51).

46 "Street address" means an address at which a natural person who  
47 is the responsible party or an authorized agent actually resides or

1 actively uses for business purposes, and shall include a street name  
2 or rural delivery route.

3 "Vacant and abandoned property" means any residential or  
4 commercial building which is not legally occupied by a mortgagor  
5 or tenant, which is in such condition that it cannot be legally  
6 reoccupied, and at which at least two of the following conditions  
7 exist:

8 (1) Overgrown or neglected vegetation;

9 (2) The accumulation of newspapers, circulars, flyers, or mail  
10 on the property;

11 (3) Disconnected gas, electric, or water utility services to the  
12 property;

13 (4) The accumulation of hazardous, noxious, or unhealthy  
14 substances or materials on the property;

15 (5) The accumulation of junk, litter, trash, or debris on the  
16 property;

17 (6) The absence of window treatments such as blinds, curtains,  
18 or shutters;

19 (7) The absence of furnishings and personal items;

20 (8) Statements of neighbors, delivery persons, or government  
21 employees indicating that the property is vacant and abandoned;

22 (9) Windows or entrances to the property that are boarded up or  
23 closed off, or multiple window panes that are damaged, broken, and  
24 unrepaired;

25 (10) Doors to the property that are smashed through, broken  
26 off, unhinged, or continuously unlocked;

27 (11) A risk to the health, safety, or welfare of the public or any  
28 adjoining or adjacent property owners due to acts of vandalism,  
29 loitering, criminal conduct, or the physical destruction or  
30 deterioration of the property;

31 (12) An uncorrected violation of a municipal building, housing,  
32 or similar code during the preceding year, or an order by municipal  
33 authorities declaring the property to be unfit for occupancy and to  
34 remain vacant and unoccupied;

35 (13) The mortgagee or other authorized party has secured or  
36 winterized the property due to the property being deemed vacant  
37 and unprotected or in danger of freezing;

38 (14) A written statement issued by a mortgagor expressing the  
39 clear intent of all mortgagors to abandon the property; or

40 (15) Any other reasonable indicia of abandonment. **】<sup>2</sup>**

41

42 <sup>2</sup>1. (New section) The Legislature finds and declares that:

43 a. Although New Jersey has made great strides in addressing  
44 previous foreclosure crises, foreclosure continues to be an issue  
45 confronting residents and municipalities;

46 b. Properties in foreclosure proceedings can involve properties  
47 that are vacant and abandoned or have an increased risk of becoming  
48 vacant and abandoned during the foreclosure proceeding;

1       c. Vacant and abandoned properties in foreclosure create a greater  
2 risk of blight and can create a wide range of problems for the  
3 communities in which they are located. These problems can include  
4 fostering criminal activity, creating public health problems, depressing  
5 neighboring property values and reducing revenues for municipalities,  
6 and otherwise diminishing the quality of life for residents and business  
7 operators in those areas;

8       d. Because of the increased risk of blight created by properties in  
9 foreclosure, it is important that municipalities possess tools to identify  
10 such properties, monitor their status, and mitigate the risk that they  
11 become vacant and abandoned and, if vacant and abandoned, lead to  
12 blight. The costs of identifying, monitoring, and mitigating such risks  
13 can adversely impact a municipality's finances;

14       e. The State has enacted statutes intended to assist municipalities  
15 in addressing such risks, including requiring that municipalities  
16 receive notice of the initiation of a foreclosure action in court in  
17 connection with residential properties and authorizing a public officer  
18 in a municipality to take certain action against properties that have  
19 been abandoned for more than six months;

20       f. Although these State laws provide municipalities with certain  
21 tools to address blight and the risk of blight, the laws do not apply to  
22 all properties, enable municipalities to create a comprehensive way to  
23 identify, monitor, and address the risk of blight on all such properties  
24 within their jurisdictions, or address the costs to municipalities to do  
25 so;

26       g. A number of municipalities have adopted ordinances on an ad  
27 hoc basis to create property registration programs to identify, monitor,  
28 and address the risk of blight on residential and commercial properties  
29 within their jurisdictions; and

30       h. The Legislature finds such property registration programs  
31 provide a valuable tool to municipalities in confronting the risk of  
32 blight created by properties on which foreclosure proceedings have  
33 been initiated and such properties that become vacant and abandoned.  
34 The Legislature finds that it is in the State's interest for municipalities  
35 that operate such programs to do so with certain uniformity as part of  
36 the State's overall statutory scheme addressing the risk of blight.<sup>2</sup>

37  
38       <sup>2</sup>2. (New section) a. (1) A creditor serving a summons and  
39 complaint in an action to foreclose on a mortgage on commercial  
40 property in the State shall, within 10 days of serving the summons and  
41 complaint, notify the municipal clerk and the mayor or other chief  
42 executive officer of the municipality in which the property is located  
43 that a summons and complaint in an action to foreclose on a mortgage  
44 has been filed against the subject property. The notice shall contain  
45 the full name, address, and telephone number for the representative of  
46 the creditor who is responsible for receiving complaints of property  
47 maintenance and code violations and the full name and contact  
48 information for any person or entity retained by the creditor or a

1 representative of the creditor to be responsible for any care,  
2 maintenance, security, or upkeep of the property. The notice may  
3 contain information about more than one property, and shall be  
4 provided by mail or electronic communication, at the discretion of the  
5 municipal clerk. In the event the creditor that has served a summons  
6 and complaint in an action to foreclose on a commercial property that  
7 is located out-of-State, the notice shall also contain the full name,  
8 address, and telephone number of an in-State representative or agent  
9 who shall be responsible for the care, maintenance, security, and  
10 upkeep of the exterior of the property if it becomes vacant and  
11 abandoned. If the municipality has designated or appointed a public  
12 officer pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal  
13 clerk shall forward a copy of the notice to the public officer or shall  
14 otherwise provide it to any other local official responsible for  
15 administration of any property maintenance or public nuisance code.  
16 The notice shall also include the street address, lot, and block number  
17 of the property.

18 If there is any change in the name, address, or telephone number  
19 for a representative, agent, or individual authorized to accept service  
20 on behalf of a creditor required to be provided in a notice pursuant to  
21 this paragraph following the filing of the summons and complaint, the  
22 creditor shall provide a notice to the applicable municipal clerk  
23 containing the updated name, address, or telephone number within 10  
24 days of the change in that information.

25 (2) Within 30 days following the effective date of P.L. , c.  
26 (C. ) (pending before the Legislature as this bill), any creditor that  
27 has initiated a foreclosure proceeding on any commercial property that  
28 is pending in Superior Court shall provide to the municipal clerk of the  
29 municipality in which the property is located, a listing of all  
30 commercial properties in the municipality for which the creditor has  
31 foreclosure actions pending by street address and lot and block  
32 number. If the municipality has designated or appointed a public  
33 officer pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal  
34 clerk shall forward a copy of the notice to the public officer, or shall  
35 otherwise provide it to any other local official responsible for  
36 administration of any property maintenance or public nuisance code.

37 b. If the owner of a commercial property vacates or abandons any  
38 property on which a foreclosure proceeding has been initiated or if a  
39 commercial property becomes vacant at any point subsequent to the  
40 creditor's filing the summons and complaint in an action to foreclose  
41 on a mortgage against the subject property, but prior to vesting of title  
42 in the creditor or any other third party, and the exterior of the property  
43 is found to be a nuisance or in violation of any applicable State or local  
44 code, the local public officer, municipal clerk, or other authorized  
45 municipal official shall notify the creditor or the representative or  
46 agent of an out-of-State creditor, as applicable, which shall have the  
47 responsibility to abate the nuisance or correct the violation in the same  
48 manner and to the same extent as the title owner of the property, to

1 such standard or specification as may be required by State law or  
2 municipal ordinance. The municipality shall include a description of  
3 the conditions that gave rise to the violation with the notice of  
4 violation and shall provide a period of not less than 30 days from the  
5 creditor's receipt of the notice for the creditor to remedy the violation.  
6 If the creditor fails to remedy the violation within that time period, the  
7 municipality may impose penalties allowed for the violation of  
8 municipal ordinances.

9 c. If the municipality expends public funds in order to abate a  
10 nuisance or correct a violation on a commercial property in situations  
11 in which the creditor was given notice pursuant to the provisions of  
12 subsection b. of this section but failed to abate the nuisance or correct  
13 the violation as directed, the municipality shall have the same recourse  
14 against the creditor as it would have against the title owner of the  
15 property, including but not limited to the recourse provided under  
16 section 23 of P.L.2003, c.210 (C.55:19-100).

17 d. For the purposes of this section, "creditor" means a State  
18 chartered bank, savings bank, savings and loan association or credit  
19 union, any person required to be licensed under the provisions of the  
20 "New Jersey Residential Mortgage Lending Act," sections 1 through  
21 39 of P.L.2009, c.53 (C.17:11C-51 through C.17:11C-89), and any  
22 entity acting on behalf of the creditor named in the debt obligation  
23 including, but not limited to, servicers. For purposes of this section, a  
24 creditor shall not include the State, a political subdivision of the State,  
25 or a State, county, or local government entity, or their agent or  
26 assignee, such as the servicer.<sup>2</sup>

27  
28 <sup>23.</sup> (New section) a. The governing body of any municipality  
29 may adopt ordinances to:

30 (1) create a property registration program for the purposes of  
31 identifying and monitoring residential and commercial properties  
32 within the municipality for which a summons and complaint in an  
33 action to foreclose on a mortgage has been filed;

34 (2) regulate the care, maintenance, security, and upkeep of the  
35 exterior of vacant and abandoned residential and commercial  
36 properties for which a summons and complaint in an action to  
37 foreclose has been filed; and

38 (3) impose property registration fees on the creditor of residential  
39 or commercial properties, on an annual or semi-annual basis.

40 b. An ordinance adopted pursuant to subsection a. of this section  
41 shall:

42 (1) require that the creditor filing a summons and complaint in an  
43 action to foreclose shall, in addition to the notice provided to the  
44 municipality pursuant to section 17 of P.L.2008, c.127 (C.46:10B-51)  
45 or section 2 of P.L. , c. (C. ) (pending before the Legislature  
46 as this bill), register the residential or commercial property with the  
47 municipality's property registration program as a property in  
48 foreclosure and, as part of that registration: (a) provide the

1 municipality with the information regarding the creditor required by  
2 paragraph (1) of subsection a. of section 17 of P.L.2008, c.127  
3 (C.46:10B-51) or paragraph (1) of subsection a. of section 2 of P.L. ,  
4 c. (C. ) (pending before the Legislature as this bill); (b) identify  
5 the date the summons and complaint in an action to foreclose on a  
6 mortgage was filed against the subject property, the court in which it  
7 was filed, and the docket number of the filing; and (c) identify whether  
8 the property is vacant and abandoned in accordance with the definition  
9 in the ordinance required by paragraph (8) of this subsection;

10 (2) require, if there is any change in the name, address, or  
11 telephone number for a representative, agent, or individual authorized  
12 to accept service on behalf of a creditor required to register pursuant to  
13 the property registration program following the filing of the summons  
14 and complaint, the creditor shall update the property registration  
15 program within 10 days of the change in that information;

16 (3) require that the creditor filing a summons and complaint in an  
17 action to foreclose shall, if the registered property becomes vacant and  
18 abandoned in accordance with the definition in the ordinance required  
19 by paragraph (8) of this subsection after the property is initially  
20 registered with the municipality, update the property registration with  
21 the municipality to reflect the change in the property's status;

22 (4) require that the creditor filing a summons and complaint in an  
23 action to foreclose shall be responsible for the care, maintenance,  
24 security, and upkeep of the exterior of the property if the property is  
25 vacant and abandoned at any time while the property is registered with  
26 the property registration program;

27 (5) require that a creditor located out-of-State shall be responsible  
28 for appointing an in-State representative or agent to act for the  
29 foreclosing creditor;

30 (6) identify any requirements that the municipality imposes on the  
31 creditor filing a summons and complaint in an action to foreclose on a  
32 property, that is or becomes vacant and abandoned, relating to the care,  
33 maintenance, security, and upkeep of the exterior of the property,  
34 including, but not limited to, any requirements to secure the property  
35 against unauthorized entry, post a sign affixed to the inside of the  
36 property and visible to the public indicating the name, address, and  
37 telephone number of the creditor or an out-of-State creditor's in-State  
38 representative or agent for the purpose of receiving service of process,  
39 or acquire and otherwise maintain liability insurance by procuring a  
40 vacancy policy, covering any damage to any person or any property  
41 caused by any physical condition of the property while registered with  
42 the property registration program;

43 (7) identify any fees that may be imposed on the creditor in  
44 connection with the property registration program that are authorized  
45 pursuant to subsection e. of this section; and

46 (8) define that a property shall be considered vacant and  
47 abandoned if it is not legally occupied by a mortgagor or tenant, which



1 is in such condition that it cannot be legally reoccupied, because of the  
2 presence or finding of at least two of the following:

3 (a) overgrown or neglected vegetation;

4 (b) the accumulation of newspapers, circulars, flyers, or mail on  
5 the property;

6 (c) disconnected gas, electric, or water utility services to the  
7 property;

8 (d) the accumulation of hazardous, noxious, or unhealthy  
9 substances or materials on the property;

10 (e) the accumulation of junk, litter, trash, or debris on the  
11 property;

12 (f) the absence of window treatments such as blinds, curtains, or  
13 shutters;

14 (g) the absence of furnishings and personal items;

15 (h) statements of neighbors, delivery persons, or government  
16 employees indicating that the property is vacant and abandoned;

17 (i) windows or entrances to the property that are boarded up or  
18 closed off, or multiple window panes that are damaged, broken, and  
19 unrepaired;

20 (j) doors to the property that are smashed through, broken off,  
21 unhinged, or continuously unlocked;

22 (k) a risk to the health, safety, or welfare of the public or any  
23 adjoining or adjacent property owners due to acts of vandalism,  
24 loitering, criminal conduct, or the physical destruction or deterioration  
25 of the property;

26 (l) an uncorrected violation of a municipal building, housing, or  
27 similar code during the preceding year, or an order by municipal  
28 authorities declaring the property to be unfit for occupancy and to  
29 remain vacant and unoccupied;

30 (m) the mortgagee or other authorized party has secured or  
31 winterized the property due to the property being deemed vacant and  
32 unprotected or in danger of freezing;

33 (m) a written statement issued by a mortgagor expressing the clear  
34 intent of all mortgagors to abandon the property; or

35 (o) any other reasonable indicia of abandonment.

36 c. An ordinance adopted pursuant to subsection a. of this section  
37 shall authorize a public officer, designated or appointed pursuant to  
38 P.L.1942, c.112 (C.40:48-2.3 et seq.), or any other local official  
39 responsible for administration of any property maintenance or public  
40 nuisance code to issue a notice to the creditor filing the summons and  
41 complaint in an action to foreclose, if the public officer or other  
42 authorized municipal official determines that the creditor has violated  
43 the ordinance. In the case of a violation for failure to provide care,  
44 maintenance, security, and upkeep of the exterior of vacant and  
45 abandoned property, such notice shall require the person or entity to  
46 correct the violation within 30 days of receipt of the notice, or within  
47 10 days of receipt of the notice if the violation presents an imminent  
48 threat to public health and safety.

1       d. A municipality may contract with and set the compensation of a  
2 private entity, pursuant to the "Local Public Contracts Law," P.L.1971,  
3 c.198 (C.40A:11-1 et seq.), to assist the municipality in the  
4 implementation and administration of the property registration  
5 program established pursuant to an ordinance adopted pursuant to  
6 subsection a. of this section. A county or county improvement  
7 authority may similarly contract with a private entity to assist the  
8 county or authority in the implementation and administration of a  
9 property registration system established for the use of a municipality  
10 with a property registration program established pursuant to an  
11 ordinance adopted pursuant to subsection a. of this section as well as  
12 for the use of the county or improvement authority. A local unit may  
13 delegate to such private entity any duties under the property  
14 registration program, including, without limitation, identifying  
15 properties located within the municipality that are subject to the  
16 registration requirements of the property registration program,  
17 maintaining and updating the property registrations for the  
18 municipality, communicating with the creditors or the in-State  
19 representative or agent appointed by creditors located out of State of  
20 such properties, invoicing and collecting payment from the creditors  
21 for such properties any fees authorized by the ordinance and  
22 subsection e. of this section, and monitoring compliance with the  
23 requirements of the ordinance. A local unit may conduct property  
24 registration services on behalf of a municipality pursuant to a shared  
25 services agreement subject to the "Uniform Shared Services and  
26 Consolidation Act," P.L.2007, c.63 (C.40A:65-1 et al.). Property  
27 registration fees imposed pursuant to subsection e. of this section and  
28 an ordinance adopted pursuant to subsection a. of this section shall be  
29 considered a municipal charge pursuant to the "tax sale law,"  
30 R.S.54:5-1 et seq., regardless of whether the fees are being collected  
31 by a third-party entity or by the municipality directly. The Local  
32 Finance Board of the Department of Community Affairs may adopt  
33 rules and regulations pertaining to contracts, entered pursuant to this  
34 subsection, with third-party entities for the implementation and  
35 administration of a property registration program.

36       e. A municipality may impose an annual fee on a creditor required  
37 to register a property pursuant to an ordinance adopted pursuant to  
38 subsection a. of this section. The fee shall not exceed: (1) \$500 per  
39 property annually for any property that is required to be registered  
40 because a summons and complaint in an action to foreclose was filed  
41 by the creditor; and (2) an additional \$2,000 per property annually if  
42 the property is vacant or abandoned pursuant to the definition in the  
43 ordinance when the summons and complaint in an action to foreclose  
44 is filed, or becomes vacant and abandoned pursuant to the definition in  
45 the ordinance at any time thereafter while the property is in  
46 foreclosure. All such annual fees and the due dates thereof shall be  
47 identified in the ordinance adopted pursuant to subsection a. of this  
48 section.

1       f. Notwithstanding the provisions of N.J.S.40A:5-15 to the  
2 contrary, any property registration fees imposed pursuant to subsection  
3 e. of this section and an ordinance adopted pursuant to subsection a. of  
4 this section and collected by a third-party entity contracted with  
5 pursuant to subsections d. and e. of this section shall be paid over to  
6 the municipality within a timeframe specified in the contract between  
7 the municipality and the third-party entity. Amounts collected by the  
8 third-party entity on behalf of the local unit shall be paid over in full to  
9 the local unit without any amount deducted as payment for services  
10 rendered by the third-party entity. Once the collected fees are paid  
11 over to the local unit, the officer charged with the custody of the  
12 general funds shall deposit all such funds within 48 hours after the  
13 receipt thereof to the credit of the municipality in its designated legal  
14 depository. A third-party entity shall collect and pay over to the  
15 municipality any interest and penalties, based upon the rate of interest  
16 and penalties fixed by the governing body of the municipality for late  
17 payment of property taxes, assessments, and other municipal charges  
18 pursuant to R.S.54:4-67, for late payment of the property registration  
19 fees imposed pursuant to subsection e. of this section and an ordinance  
20 adopted pursuant to subsection a. of this section. The third-party  
21 entity shall at least once a year, or as requested by the municipal tax  
22 collector, file a certification as may be required by the tax collector to  
23 enforce tax liens for all unpaid property registration program fees due  
24 and owing at the time the certification is filed.

25       g. (1) An out-of-State creditor subject to an ordinance adopted  
26 pursuant to subsection a. of this section found by the municipal court  
27 of the municipality in which the property subject to the ordinance is  
28 located, or by any other court of competent jurisdiction, to be in  
29 violation of the requirement to appoint an in-State representative or  
30 agent pursuant to the ordinance shall be subject to a fine of \$2,500 for  
31 each day of the violation. Any fines imposed on a creditor for the  
32 failure to appoint an in-State representative or agent shall commence  
33 on the day after the 10-day period set forth in paragraph (1) of  
34 subsection a. of section 17 of P.L.2008, c.127 (C.46:10B-51) or  
35 paragraph (1) of subsection a. of section 2 of P.L. , c. (C. )  
36 (pending before the Legislature as this bill) for providing notice to the  
37 municipal clerk that a summons and complaint in an action to  
38 foreclose on a mortgage has been served.

39       (2) A creditor subject to an ordinance adopted pursuant to  
40 subsection a. of this section found by the municipal court of the  
41 municipality in which the property subject to the ordinance is located,  
42 or by any other court of competent jurisdiction, to be in violation,  
43 excluding only a violation addressed by paragraph (1) of this  
44 subsection, of the ordinance shall be subject to a fine of \$1,500 for  
45 each day of the violation. Any fines imposed pursuant to this  
46 paragraph shall commence 31 days following receipt of the notice of  
47 violation, except if the violation presents an imminent risk to public

1 health and safety, in which case any fines shall commence 11 days  
2 following receipt of the notice.

3 h. No less than 20 percent of any money collected pursuant to  
4 subsection f. or g. of this section or an ordinance adopted pursuant to  
5 subsection a. of this section shall be utilized by the municipality for  
6 municipal code enforcement purposes.

7 i. As used in this section:

8 “Creditor” means a mortgagee or an agent or assignee of a  
9 mortgagee, such as the servicer, who has filed a complaint in the  
10 Superior Court seeking to foreclose upon a residential or commercial  
11 mortgage. If the entity seeking to foreclose upon the residential or  
12 commercial mortgage changes as a result of an assignment, transfer, or  
13 otherwise after the filing of the foreclosure complaint in the Superior  
14 Court, the new entity shall be deemed the creditor for purposes of this  
15 section. For purposes of this section, a creditor shall not include the  
16 State, a political subdivision of the State, a State, county, or local  
17 government entity, or their agent or assignee, such as the servicer.

18 “Local unit” means a municipality, a county, or a county  
19 improvement authority or other subdivision of a municipality or  
20 county.<sup>2</sup>

21  
22 <sup>2</sup>4. Section 1 of P.L.2012, c.70 (C.2A:50-73) is amended to read  
23 as follows:

24 1. a. For the purposes of this section, "vacant and abandoned"  
25 residential property means residential real estate with respect to which  
26 the mortgagee proves, by clear and convincing evidence, that the  
27 mortgaged real estate is vacant and has been abandoned or where a  
28 notice of violation has been issued pursuant to **【subsection b. of**  
29 **section 1 of P.L.2014, c.35 (C.40:48-2.12s)】** section 3 of  
30 P.L. , c. (C. ) (pending before the Legislature as this bill).  
31 Where a notice of violation has not been issued pursuant to  
32 **【subsection b. of section 1 of P.L.2014, c.35 (C.40:48-2.12s)】** section  
33 3 of P.L. , c. (C. ) (pending before the Legislature as this bill),  
34 real property shall be deemed "vacant and abandoned" if the court  
35 finds that the mortgaged property is not occupied by a mortgagor or  
36 tenant as evidenced by a lease agreement entered into prior to the  
37 service of a notice of intention to commence foreclosure according to  
38 section 4 of the "Fair Foreclosure Act," P.L.1995, c.244 (C.2A:50-56),  
39 and at least two of the following conditions exist:

40 (1) overgrown or neglected vegetation;

41 (2) the accumulation of newspapers, circulars, flyers or mail on  
42 the property;

43 (3) disconnected gas, electric, or water utility services to the  
44 property;

45 (4) the accumulation of hazardous, noxious, or unhealthy  
46 substances or materials on the property;

47 (5) the accumulation of junk, litter, trash or debris on the property;

- 1 (6) the absence of window treatments such as blinds, curtains or
- 2 shutters;
- 3 (7) the absence of furnishings and personal items;
- 4 (8) statements of neighbors, delivery persons, representatives of a
- 5 common interest community association, or government employees
- 6 indicating that the residence is vacant and abandoned;
- 7 (9) windows or entrances to the property that are boarded up or
- 8 closed off or multiple window panes that are damaged, broken and
- 9 unrepaired;
- 10 (10) doors to the property that are smashed through, broken off,
- 11 unhinged, or continuously unlocked;
- 12 (11) a risk to the health, safety or welfare of the public, or any
- 13 adjoining or adjacent property owners, exists due to acts of vandalism,
- 14 loitering, criminal conduct, or the physical destruction or deterioration
- 15 of the property;
- 16 (12) an uncorrected violation of a municipal building, housing, or
- 17 similar code during the preceding year, or an order by municipal
- 18 authorities declaring the property to be unfit for occupancy and to
- 19 remain vacant and unoccupied;
- 20 (13) the mortgagee or other authorized party has secured or
- 21 winterized the property due to the property being deemed vacant and
- 22 unprotected or in danger of freezing;
- 23 (14) a written statement issued by any mortgagor expressing the
- 24 clear intent of all mortgagors to abandon the property;
- 25 (15) any other reasonable indicia of abandonment.
- 26 b. For the purposes of this section, a residential property shall not
- 27 be considered "vacant and abandoned" if, on the property:
- 28 (1) there is an unoccupied building which is undergoing
- 29 construction, renovation, or rehabilitation that is proceeding diligently
- 30 to completion, and the building is in compliance with all applicable
- 31 ordinances, codes, regulations, and statutes;
- 32 (2) there is a building occupied on a seasonal basis, but otherwise
- 33 secure; or
- 34 (3) there is a building that is secure, but is the subject of a probate
- 35 action, action to quiet title, or other ownership dispute.
- 36 c. In addition to the residential mortgage foreclosure procedures
- 37 set out in the "Fair Foreclosure Act," P.L.1995, c.244 (C.2A:50-53 et
- 38 seq.), a summary action to foreclose a mortgage debt secured by
- 39 residential property that is vacant and abandoned may be brought by a
- 40 lender in the Superior Court. In addition, a lender may, at any time
- 41 after filing a foreclosure action, file with the court, in accordance with
- 42 the Rules Governing the Courts of the State of New Jersey, an
- 43 application to proceed in a summary manner because the residential
- 44 property that is the subject of the foreclosure action is believed to be
- 45 "vacant and abandoned"; provided, however, that this section shall not
- 46 apply to a foreclosure of a timeshare interest secured by a mortgage.
- 47 d. (1) In addition to the service of process required by the Rules
- 48 of Court, a lender shall establish, for the entry of a residential

1 foreclosure judgment under this section, that a process server has made  
2 two unsuccessful attempts to serve the mortgagor or occupant at the  
3 residential property, which attempts must be at least 72 hours apart,  
4 and during different times of the day, either before noon, between  
5 noon and 6 P.M., or between 6 P.M. and 10 P.M.

6 (2) In addition to any notices required to be served by law or the  
7 Rules of Court, a lender shall, with any order to show cause served as  
8 original service of process or a motion to proceed summarily, serve a  
9 notice that the lender is seeking, on the return date of the order to show  
10 cause, or on the date fixed by the court, to proceed summarily for entry  
11 of a residential foreclosure judgment because the property is vacant  
12 and abandoned.

13 (3) When a property is deemed vacant and abandoned as herein  
14 defined, a lender shall not be required to serve the debtor with the  
15 notice to cure required by section 6 of the "Fair Foreclosure Act,"  
16 P.L.1995, c.244 (C.2A:50-58).

17 e. (1) The court may enter a final residential mortgage foreclosure  
18 judgment under this section upon a finding, (a) by clear and  
19 convincing evidence, that the residential property is vacant and  
20 abandoned as defined under subsection a. of this section, and (b) that a  
21 review of the pleadings and documents filed with the court, as required  
22 by the Rules of Court, supports the entry of a final residential  
23 mortgage foreclosure judgment.

24 (2) A final residential mortgage foreclosure judgment under this  
25 section shall not be entered if the court finds that:

26 (a) the property is not vacant or abandoned; or

27 (b) the mortgagor or any other defendant has filed an answer,  
28 appearance, or other written objection that is not withdrawn and the  
29 defenses or objection asserted provide cause to preclude the entry of a  
30 final residential mortgage foreclosure judgment.

31 f. If a final residential mortgage foreclosure judgment under this  
32 section is not entered on the original or adjourned return date of an  
33 order to show cause or the date fixed by the court to proceed  
34 summarily, the court may direct that the foreclosure action continue on  
35 the normal track for residential mortgage foreclosure actions for  
36 properties that are not vacant and abandoned and the notice to cure  
37 served with the order to show cause or the order fixing that date for the  
38 matter to proceed summarily shall be of no effect.

39 g. All actions brought to foreclose on real property pursuant to this  
40 section shall proceed in accordance with the Rules of Court.

41 h. Nothing in this section is intended to supersede or limit other  
42 procedures adopted by the Court to resolve residential mortgage  
43 foreclosure actions, including, but not limited to, foreclosure  
44 mediation.

45 i. Nothing in this section shall be construed to affect the rights of a  
46 tenant to possession of a leasehold interest under the Anti-Eviction  
47 Act, P.L.1974, c.49 (C.2A:18-61.1 et seq.), the "New Jersey

1 Foreclosure Fairness Act," P.L.2009, c.296 (C.2A:50-69 et seq.), or  
2 any other applicable law.

3 j. (1) Notwithstanding paragraph (3) of subsection a. of section 12  
4 of P.L.1995, c.244 (C.2A:50-64) to the contrary, the sheriff shall sell  
5 the property within 90 days of the sheriff's receipt of any writ of  
6 execution issued by the court if:

7 (a) the court makes a finding in the foreclosure judgment that the  
8 property is vacant and abandoned; or

9 (b) the court issues an order directing the sheriff to sell the  
10 property within 90 days, pursuant to the provisions of subsection k. of  
11 this section.

12 (2) If it becomes apparent that the sheriff cannot comply with the  
13 provisions of paragraph (1) of this subsection, the foreclosing plaintiff  
14 shall apply to the court for an order appointing a Special Master or  
15 judicial agent to hold the foreclosure sale, within 90 days of the date of  
16 application.

17 k. (1) Following issuance of a foreclosure judgment, in which the  
18 court did not make a finding that the property is vacant and  
19 abandoned, a foreclosing plaintiff may make application to the court  
20 for the property to be sold by the sheriff within 90 days of the date of  
21 application. The application shall include a certification that the  
22 mortgaged real estate is vacant and abandoned.

23 (2) Upon application that meets the criteria set forth in paragraph  
24 (1) of this subsection, the court shall issue an order directing the  
25 sheriff to sell the property in accordance with the provisions of  
26 subsection j. of this section. A hearing shall not be required unless the  
27 application is contested.<sup>2</sup>

28 (cf: P.L.2019, c.72, s.1)

29  
30 <sup>2</sup>5. Section 1 of P.L.2014, c.35 (C.40:48-2.12s) is repealed.<sup>2</sup>

31  
32 <sup>2</sup>[2.] 6.<sup>2</sup> This act shall take effect <sup>2</sup>[on the first day of the third  
33 month next following the date of enactment, but the Commissioner of  
34 Community Affairs may take such anticipatory administrative action  
35 in advance thereof as shall be necessary for the implementation of this  
36 act] immediately, except that municipalities that have existing  
37 ordinances that address property registration programs shall have until  
38 the first day of the seventh month next following the effective date of  
39 this act to amend their ordinances to the extent necessary to make them  
40 consistent with this act<sup>2</sup>.