

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 3237

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: JUNE 16, 2026

SUMMARY

Synopsis: Exempts creditor from paying municipal registration fee if property is subject to automatic stay under federal Bankruptcy Code.

Type of Impact: Decrease in local revenue.

Agencies Affected: Certain municipalities.

Office of Legislative Services Estimate

Fiscal Impact	Annual
Potential Local Revenue Decrease	Indeterminate

- The Office of Legislative Services (OLS) estimates that exempting foreclosing creditors from payment of an annual registration fee for as long as the property remains subject to the automatic stay provision of the federal Bankruptcy Code would result in an indeterminate decrease in local revenues.
- The OLS notes that under existing law, a municipality may adopt an ordinance to impose an annual fee on a foreclosing creditor to register a property.
- The OLS finds that the local revenue decreases under the bill are indeterminate because the amount of the annual fee in each opt-in municipality, the number of properties that would be exempted, and the length of time the individual properties would be exempted are all unknown.

BILL DESCRIPTION

This bill would exempt certain creditors from payment of a property registration fee for as long as the property remains subject to the automatic stay provision of the federal Bankruptcy Code. Currently, P.L.2021, c.444 authorizes a municipality, by ordinance, to require a foreclosing creditor to register property, and to impose an annual fee on the creditor for registering the property. Under the bill, a creditor who has sought the protection of the federal Bankruptcy Code, and who is protected by the automatic stay provision of the federal Bankruptcy Code, would be excused from the payment of the property registration fees authorized by P.L.2021, c.444.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that exempting foreclosing creditors from payment of an annual registration fee under certain circumstances would result in an indeterminate decrease in local revenues.

Under existing law, a municipality may adopt an ordinance to impose an annual fee on a foreclosing creditor to register a property. This bill would exempt certain creditors from payment of this fee for as long as the property remains subject to the automatic stay provision of the federal Bankruptcy Code. The amount of the fee is set by the local ordinance, subject to the following limitations under State law: the annual fee may be up to \$500 for a property that is required to be registered because a summons and complaint in an action to foreclose was filed by a creditor and up to \$2,000 for a property that is vacant or abandoned, as defined in the local ordinance, or becomes vacant or abandoned at any time thereafter while the property is in foreclosure. The bill would have no fiscal impact on a municipality which does not impose such an annual fee.

The OLS finds that the local revenue decreases under the bill are indeterminate because the amount of the annual fee in each opt-in municipality, the number of properties that would be exempted, and the length of time the individual properties would be exempted are all unknown.

Section: *Local Government*
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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 (C.52:13B-6 et seq.).