

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3237

STATE OF NEW JERSEY

DATED: SEPTEMBER 17, 2026

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3237.

As reported, this bill exempts 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. Current law 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 protection under 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 municipal property registration fees authorized by State law.

FISCAL IMPACT:

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.