ASSEMBLY, No. 4222

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 8, 2020

Sponsored by:
Assemblyman ROBERT J. KARABINCHAK
District 18 (Middlesex)
Assemblyman STERLEY S. STANLEY
District 18 (Middlesex)

SYNOPSIS

Caps interest rate for redemption of tax lien at 9 percent per year.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 1/27/2021)

AN ACT concerning the interest rate for the redemption of a tax lien and amending R.S.54:5-32.

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

1. R.S.54:5-32 is amended to read as follows:

54:5-32. The sale shall be made in fee to such person as will purchase the property, subject to redemption at the lowest rate of interest, but in no case in excess of **[**18%**]** nine percent per **[**annum**]** year. If at the sale a person shall offer to purchase subject to redemption at a rate of interest less than **[**1%**]** one percent, or at no interest, he may, in lieu of any rate of interest to redeem, offer a premium over and above the amount of taxes, assessments or other charges, as in this chapter specified, due the municipality, and the property shall be struck off and sold to the bidder who offers to pay the amount of such taxes, assessments or charges, plus the highest amount of premium.

(cf: P.L.2009, c.320, s.6)

2. This act shall take effect immediately.

STATEMENT

This bill would cap the interest rate for the redemption of a tax lien to nine percent per year. Current law caps that interest rate at 18 percent per year.

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.