

§§1-3
C.40:48-2.12s1 to
40:48-2.12s3
§5
Repealer
§6
Note to
C.40:48-2.12s2
and
40:48-2.12s3

P.L. 2021, CHAPTER 444, *approved January 18, 2021*
Assembly, No. 2877 (*Second Reprint*)

1 AN ACT concerning ²**[vacant and abandoned]**² property ²**[and]**
2 registration ordinances to address the risk of blight, revising
3 various parts of the statutory law and² 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 ²**[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;

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:
¹Assembly ACD committee amendments adopted December 14, 2020.
²Senate SBA committee amendments adopted January 6, 2022.

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

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

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

8 b. A certificate of registration shall remain valid for one year
9 and shall be renewed on an annual basis if the property remains
10 vacant and abandoned. A municipality may by ordinance establish
11 a fee of not more than \$250 for a certificate of registration for a
12 vacant and abandoned property. A renewal fee of not more than
13 \$500 may be established for a renewal if there is an outstanding
14 property maintenance or code violation on a vacant and abandoned
15 property that remains unabated at the time of renewal. A renewal
16 fee of not more than \$750 may be established for a subsequent
17 renewal if there continues to be an outstanding property
18 maintenance or code violation or there is a new such violation on a
19 vacant and abandoned property that remains unabated at the time of
20 renewal. If a greater fee for the registration or renewal of a vacant
21 and abandoned property was established by an ordinance adopted
22 prior to the effective date of P.L. , c. (C.) (pending before
23 the Legislature as this bill), then the municipality may continue to
24 impose and collect that greater fee.

25 c. A municipality may by ordinance require that, no sooner
26 than 45 days after ¹the municipality notifies the responsible party
27 that¹ the property ¹**【becomes】** ¹is¹ vacant and abandoned and until
28 the property is reoccupied, the responsible party for a vacant and
29 abandoned property:

30 (1) ¹**【Enclose and secure】** ¹Secure¹ the property against
31 unauthorized entry;

32 (2) Post a sign affixed to the inside of the property and visible to
33 the public indicating the name, address, and telephone number of
34 the responsible party, any authorized agent designated by the
35 responsible party for the purpose of receiving service of process,
36 and the person responsible for maintaining the property if different
37 from the responsible party or authorized agent; or

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

41 d. A responsible party that violates any provision of this
42 section or any ordinance adopted pursuant hereto, shall be liable to
43 a penalty of not less than \$500 and not more than \$1,000; provided,
44 however, that a greater penalty for such violations that was
45 established by an ordinance adopted prior to the effective date of
46 P.L. , c. (C.) (pending before the Legislature as this bill)
47 may continue to be imposed and collected. Each day that a
48 violation continues shall constitute an additional, separate, and

1 distinct offense. Any penalty imposed pursuant to this section shall
2 be recoverable by a summary proceeding under the "Penalty
3 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
4 The Superior Court, Law Division, in the county, or the municipal
5 court of the municipality, in which the property is located shall have
6 jurisdiction to enforce such penalty.

7 e. This section shall not be construed to diminish any property
8 maintenance responsibilities of property owners who are not subject
9 to the provisions of the section.

10 f. For the purposes of this section:

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

14 "Street address" means an address at which a natural person who
15 is the responsible party or an authorized agent actually resides or
16 actively uses for business purposes, and shall include a street name
17 or rural delivery route.

18 "Vacant and abandoned property" means any residential or
19 commercial building which is not legally occupied by a mortgagor
20 or tenant, which is in such condition that it cannot be legally
21 reoccupied, and at which at least two of the following conditions
22 exist:

23 (1) Overgrown or neglected vegetation;

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

26 (3) Disconnected gas, electric, or water utility services to the
27 property;

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

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

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

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

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

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

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

42 (11) A risk to the health, safety, or welfare of the public or any
43 adjoining or adjacent property owners due to acts of vandalism,
44 loitering, criminal conduct, or the physical destruction or
45 deterioration of the property;

46 (12) An uncorrected violation of a municipal building, housing,
47 or similar code during the preceding year, or an order by municipal

1 authorities declaring the property to be unfit for occupancy and to
2 remain vacant and unoccupied;

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

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

8 (15) Any other reasonable indicia of abandonment. **】²**

9

10 ²1. (New section) The Legislature finds and declares that:

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

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

17 c. Vacant and abandoned properties in foreclosure create a greater
18 risk of blight and can create a wide range of problems for the
19 communities in which they are located. These problems can include
20 fostering criminal activity, creating public health problems, depressing
21 neighboring property values and reducing revenues for municipalities,
22 and otherwise diminishing the quality of life for residents and business
23 operators in those areas;

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

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

36 f. Although these State laws provide municipalities with certain
37 tools to address blight and the risk of blight, the laws do not apply to
38 all properties, enable municipalities to create a comprehensive way to
39 identify, monitor, and address the risk of blight on all such properties
40 within their jurisdictions, or address the costs to municipalities to do
41 so;

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

46 h. The Legislature finds such property registration programs
47 provide a valuable tool to municipalities in confronting the risk of
48 blight created by properties on which foreclosure proceedings have

1 been initiated and such properties that become vacant and abandoned.
2 The Legislature finds that it is in the State's interest for municipalities
3 that operate such programs to do so with certain uniformity as part of
4 the State's overall statutory scheme addressing the risk of blight.²

5
6 ²2. (New section) a. (1) A creditor serving a summons and
7 complaint in an action to foreclose on a mortgage on commercial
8 property in the State shall, within 10 days of serving the summons and
9 complaint, notify the municipal clerk and the mayor or other chief
10 executive officer of the municipality in which the property is located
11 that a summons and complaint in an action to foreclose on a mortgage
12 has been filed against the subject property. The notice shall contain
13 the full name, address, and telephone number for the representative of
14 the creditor who is responsible for receiving complaints of property
15 maintenance and code violations and the full name and contact
16 information for any person or entity retained by the creditor or a
17 representative of the creditor to be responsible for any care,
18 maintenance, security, or upkeep of the property. The notice may
19 contain information about more than one property, and shall be
20 provided by mail or electronic communication, at the discretion of the
21 municipal clerk. In the event the creditor that has served a summons
22 and complaint in an action to foreclose on a commercial property that
23 is located out-of-State, the notice shall also contain the full name,
24 address, and telephone number of an in-State representative or agent
25 who shall be responsible for the care, maintenance, security, and
26 upkeep of the exterior of the property if it becomes vacant and
27 abandoned. If the municipality has designated or appointed a public
28 officer pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal
29 clerk shall forward a copy of the notice to the public officer or shall
30 otherwise provide it to any other local official responsible for
31 administration of any property maintenance or public nuisance code.
32 The notice shall also include the street address, lot, and block number
33 of the property.

34 If there is any change in the name, address, or telephone number
35 for a representative, agent, or individual authorized to accept service
36 on behalf of a creditor required to be provided in a notice pursuant to
37 this paragraph following the filing of the summons and complaint, the
38 creditor shall provide a notice to the applicable municipal clerk
39 containing the updated name, address, or telephone number within 10
40 days of the change in that information.

41 (2) Within 30 days following the effective date of P.L. _____,
42 c. (C. _____) (pending before the Legislature as this bill), any creditor
43 that has initiated a foreclosure proceeding on any commercial property
44 that is pending in Superior Court shall provide to the municipal clerk
45 of the municipality in which the property is located, a listing of all
46 commercial properties in the municipality for which the creditor has
47 foreclosure actions pending by street address and lot and block
48 number. If the municipality has designated or appointed a public

1 officer pursuant to P.L.1942, c.112 (C.40:48-2.3 et seq.), the municipal
2 clerk shall forward a copy of the notice to the public officer, or shall
3 otherwise provide it to any other local official responsible for
4 administration of any property maintenance or public nuisance code.

5 b. If the owner of a commercial property vacates or abandons any
6 property on which a foreclosure proceeding has been initiated or if a
7 commercial property becomes vacant at any point subsequent to the
8 creditor's filing the summons and complaint in an action to foreclose
9 on a mortgage against the subject property, but prior to vesting of title
10 in the creditor or any other third party, and the exterior of the property
11 is found to be a nuisance or in violation of any applicable State or local
12 code, the local public officer, municipal clerk, or other authorized
13 municipal official shall notify the creditor or the representative or
14 agent of an out-of-State creditor, as applicable, which shall have the
15 responsibility to abate the nuisance or correct the violation in the same
16 manner and to the same extent as the title owner of the property, to
17 such standard or specification as may be required by State law or
18 municipal ordinance. The municipality shall include a description of
19 the conditions that gave rise to the violation with the notice of
20 violation and shall provide a period of not less than 30 days from the
21 creditor's receipt of the notice for the creditor to remedy the violation.
22 If the creditor fails to remedy the violation within that time period, the
23 municipality may impose penalties allowed for the violation of
24 municipal ordinances.

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

33 d. For the purposes of this section, "creditor" means a State
34 chartered bank, savings bank, savings and loan association or credit
35 union, any person required to be licensed under the provisions of the
36 "New Jersey Residential Mortgage Lending Act," sections 1 through
37 39 of P.L.2009, c.53 (C.17:11C-51 through C.17:11C-89), and any
38 entity acting on behalf of the creditor named in the debt obligation
39 including, but not limited to, servicers. For purposes of this section, a
40 creditor shall not include the State, a political subdivision of the State,
41 or a State, county, or local government entity, or their agent or
42 assignee, such as the servicer.²

43
44 ²3. (New section) a. The governing body of any municipality
45 may adopt ordinances to:

46 (1) create a property registration program for the purposes of
47 identifying and monitoring residential and commercial properties

1 within the municipality for which a summons and complaint in an
2 action to foreclose on a mortgage has been filed;

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

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

9 b. An ordinance adopted pursuant to subsection a. of this section
10 shall:

11 (1) require that the creditor filing a summons and complaint in an
12 action to foreclose shall, in addition to the notice provided to the
13 municipality pursuant to section 17 of P.L.2008, c.127 (C.46:10B-51)
14 or section 2 of P.L. , c. (C.) (pending before the Legislature
15 as this bill), register the residential or commercial property with the
16 municipality's property registration program as a property in
17 foreclosure and, as part of that registration: (a) provide the
18 municipality with the information regarding the creditor required by
19 paragraph (1) of subsection a. of section 17 of P.L.2008, c.127
20 (C.46:10B-51) or paragraph (1) of subsection a. of section 2 of P.L. ,
21 c. (C.) (pending before the Legislature as this bill); (b) identify
22 the date the summons and complaint in an action to foreclose on a
23 mortgage was filed against the subject property, the court in which it
24 was filed, and the docket number of the filing; and (c) identify whether
25 the property is vacant and abandoned in accordance with the definition
26 in the ordinance required by paragraph (8) of this subsection;

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

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

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

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

47 (6) identify any requirements that the municipality imposes on the
48 creditor filing a summons and complaint in an action to foreclose on a

1 property, that is or becomes vacant and abandoned, relating to the care,
2 maintenance, security, and upkeep of the exterior of the property,
3 including, but not limited to, any requirements to secure the property
4 against unauthorized entry, post a sign affixed to the inside of the
5 property and visible to the public indicating the name, address, and
6 telephone number of the creditor or an out-of-State creditor's in-State
7 representative or agent for the purpose of receiving service of process,
8 or acquire and otherwise maintain liability insurance by procuring a
9 vacancy policy, covering any damage to any person or any property
10 caused by any physical condition of the property while registered with
11 the property registration program;

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

15 (8) define that a property shall be considered vacant and
16 abandoned if it is not legally occupied by a mortgagor or tenant, which
17 is in such condition that it cannot be legally reoccupied, because of the
18 presence or finding of at least two of the following:

19 (a) overgrown or neglected vegetation;

20 (b) the accumulation of newspapers, circulars, flyers, or mail on
21 the property;

22 (c) disconnected gas, electric, or water utility services to the
23 property;

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

26 (e) the accumulation of junk, litter, trash, or debris on the
27 property;

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

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

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

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

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

38 (k) a risk to the health, safety, or welfare of the public or any
39 adjoining or adjacent property owners due to acts of vandalism,
40 loitering, criminal conduct, or the physical destruction or deterioration
41 of the property;

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

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

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

3 (o) any other reasonable indicia of abandonment.

4 c. An ordinance adopted pursuant to subsection a. of this section
5 shall authorize a public officer, designated or appointed pursuant to
6 P.L.1942, c.112 (C.40:48-2.3 et seq.), or any other local official
7 responsible for administration of any property maintenance or public
8 nuisance code to issue a notice to the creditor filing the summons and
9 complaint in an action to foreclose, if the public officer or other
10 authorized municipal official determines that the creditor has violated
11 the ordinance. In the case of a violation for failure to provide care,
12 maintenance, security, and upkeep of the exterior of vacant and
13 abandoned property, such notice shall require the person or entity to
14 correct the violation within 30 days of receipt of the notice, or within
15 10 days of receipt of the notice if the violation presents an imminent
16 threat to public health and safety.

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

1 rules and regulations pertaining to contracts, entered pursuant to this
2 subsection, with third-party entities for the implementation and
3 administration of a property registration program.

4 e. A municipality may impose an annual fee on a creditor required
5 to register a property pursuant to an ordinance adopted pursuant to
6 subsection a. of this section. The fee shall not exceed: (1) \$500 per
7 property annually for any property that is required to be registered
8 because a summons and complaint in an action to foreclose was filed
9 by the creditor; and (2) an additional \$2,000 per property annually if
10 the property is vacant or abandoned pursuant to the definition in the
11 ordinance when the summons and complaint in an action to foreclose
12 is filed, or becomes vacant and abandoned pursuant to the definition in
13 the ordinance at any time thereafter while the property is in
14 foreclosure. All such annual fees and the due dates thereof shall be
15 identified in the ordinance adopted pursuant to subsection a. of this
16 section.

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

41 g. (1) An out-of-State creditor subject to an ordinance adopted
42 pursuant to subsection a. of this section found by the municipal court
43 of the municipality in which the property subject to the ordinance is
44 located, or by any other court of competent jurisdiction, to be in
45 violation of the requirement to appoint an in-State representative or
46 agent pursuant to the ordinance shall be subject to a fine of \$2,500 for
47 each day of the violation. Any fines imposed on a creditor for the
48 failure to appoint an in-State representative or agent shall commence

1 on the day after the 10-day period set forth in paragraph (1) of
 2 subsection a. of section 17 of P.L.2008, c.127 (C.46:10B-51) or
 3 paragraph (1) of subsection a. of section 2 of P.L. , c. (C.)
 4 (pending before the Legislature as this bill) for providing notice to the
 5 municipal clerk that a summons and complaint in an action to
 6 foreclose on a mortgage has been served.

7 (2) A creditor subject to an ordinance adopted pursuant to
 8 subsection a. of this section found by the municipal court of the
 9 municipality in which the property subject to the ordinance is located,
 10 or by any other court of competent jurisdiction, to be in violation,
 11 excluding only a violation addressed by paragraph (1) of this
 12 subsection, of the ordinance shall be subject to a fine of \$1,500 for
 13 each day of the violation. Any fines imposed pursuant to this
 14 paragraph shall commence 31 days following receipt of the notice of
 15 violation, except if the violation presents an imminent risk to public
 16 health and safety, in which case any fines shall commence 11 days
 17 following receipt of the notice.

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

22 i. As used in this section:

23 "Creditor" means a mortgagee or an agent or assignee of a
 24 mortgagee, such as the servicer, who has filed a complaint in the
 25 Superior Court seeking to foreclose upon a residential or commercial
 26 mortgage. If the entity seeking to foreclose upon the residential or
 27 commercial mortgage changes as a result of an assignment, transfer, or
 28 otherwise after the filing of the foreclosure complaint in the Superior
 29 Court, the new entity shall be deemed the creditor for purposes of this
 30 section. For purposes of this section, a creditor shall not include the
 31 State, a political subdivision of the State, a State, county, or local
 32 government entity, or their agent or assignee, such as the servicer.

33 "Local unit" means a municipality, a county, or a county
 34 improvement authority or other subdivision of a municipality or
 35 county.²

36
 37 ²4. Section 1 of P.L.2012, c.70 (C.2A:50-73) is amended to read
 38 as follows:

39 1. a. For the purposes of this section, "vacant and abandoned"
 40 residential property means residential real estate with respect to which
 41 the mortgagee proves, by clear and convincing evidence, that the
 42 mortgaged real estate is vacant and has been abandoned or where a
 43 notice of violation has been issued pursuant to **【subsection b. of**
 44 **section 1 of P.L.2014, c.35 (C.40:48-2.12s)】** section 3 of
 45 P.L. , c. (C.) (pending before the Legislature as this bill).
 46 Where a notice of violation has not been issued pursuant to
 47 **【subsection b. of section 1 of P.L.2014, c.35 (C.40:48-2.12s)】** section

1 3 of P.L. , c. (C.) (pending before the Legislature as this bill),
2 real property shall be deemed "vacant and abandoned" if the court
3 finds that the mortgaged property is not occupied by a mortgagor or
4 tenant as evidenced by a lease agreement entered into prior to the
5 service of a notice of intention to commence foreclosure according to
6 section 4 of the "Fair Foreclosure Act," P.L.1995, c.244 (C.2A:50-56),
7 and at least two of the following conditions exist:

- 8 (1) overgrown or neglected vegetation;
- 9 (2) the accumulation of newspapers, circulars, flyers or mail on
10 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 property;
- 16 (6) the absence of window treatments such as blinds, curtains or
17 shutters;
- 18 (7) the absence of furnishings and personal items;
- 19 (8) statements of neighbors, delivery persons, representatives of a
20 common interest community association, or government employees
21 indicating that the residence 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 off,
26 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, exists due to acts of vandalism,
29 loitering, criminal conduct, or the physical destruction or deterioration
30 of the property;
- 31 (12) an uncorrected violation of a municipal building, housing, or
32 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 and
37 unprotected or in danger of freezing;
- 38 (14) a written statement issued by any mortgagor expressing the
39 clear intent of all mortgagors to abandon the property;
- 40 (15) any other reasonable indicia of abandonment.

41 b. For the purposes of this section, a residential property shall not
42 be considered "vacant and abandoned" if, on the property:

- 43 (1) there is an unoccupied building which is undergoing
44 construction, renovation, or rehabilitation that is proceeding diligently
45 to completion, and the building is in compliance with all applicable
46 ordinances, codes, regulations, and statutes;
- 47 (2) there is a building occupied on a seasonal basis, but otherwise
48 secure; or

1 (3) there is a building that is secure, but is the subject of a probate
2 action, action to quiet title, or other ownership dispute.

3 c. In addition to the residential mortgage foreclosure procedures
4 set out in the "Fair Foreclosure Act," P.L.1995, c.244 (C.2A:50-53 et
5 seq.), a summary action to foreclose a mortgage debt secured by
6 residential property that is vacant and abandoned may be brought by a
7 lender in the Superior Court. In addition, a lender may, at any time
8 after filing a foreclosure action, file with the court, in accordance with
9 the Rules Governing the Courts of the State of New Jersey, an
10 application to proceed in a summary manner because the residential
11 property that is the subject of the foreclosure action is believed to be
12 "vacant and abandoned"; provided, however, that this section shall not
13 apply to a foreclosure of a timeshare interest secured by a mortgage.

14 d. (1) In addition to the service of process required by the Rules
15 of Court, a lender shall establish, for the entry of a residential
16 foreclosure judgment under this section, that a process server has made
17 two unsuccessful attempts to serve the mortgagor or occupant at the
18 residential property, which attempts must be at least 72 hours apart,
19 and during different times of the day, either before noon, between
20 noon and 6 P.M., or between 6 P.M. and 10 P.M.

21 (2) In addition to any notices required to be served by law or the
22 Rules of Court, a lender shall, with any order to show cause served as
23 original service of process or a motion to proceed summarily, serve a
24 notice that the lender is seeking, on the return date of the order to show
25 cause, or on the date fixed by the court, to proceed summarily for entry
26 of a residential foreclosure judgment because the property is vacant
27 and abandoned.

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

32 e. (1) The court may enter a final residential mortgage foreclosure
33 judgment under this section upon a finding, (a) by clear and
34 convincing evidence, that the residential property is vacant and
35 abandoned as defined under subsection a. of this section, and (b) that a
36 review of the pleadings and documents filed with the court, as required
37 by the Rules of Court, supports the entry of a final residential
38 mortgage foreclosure judgment.

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

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

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

46 f. If a final residential mortgage foreclosure judgment under this
47 section is not entered on the original or adjourned return date of an
48 order to show cause or the date fixed by the court to proceed

1 summarily, the court may direct that the foreclosure action continue on
2 the normal track for residential mortgage foreclosure actions for
3 properties that are not vacant and abandoned and the notice to cure
4 served with the order to show cause or the order fixing that date for the
5 matter to proceed summarily shall be of no effect.

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

8 h. Nothing in this section is intended to supersede or limit other
9 procedures adopted by the Court to resolve residential mortgage
10 foreclosure actions, including, but not limited to, foreclosure
11 mediation.

12 i. Nothing in this section shall be construed to affect the rights of a
13 tenant to possession of a leasehold interest under the Anti-Eviction
14 Act, P.L.1974, c.49 (C.2A:18-61.1 et seq.), the "New Jersey
15 Foreclosure Fairness Act," P.L.2009, c.296 (C.2A:50-69 et seq.), or
16 any other applicable law.

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

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

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

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

31 k. (1) Following issuance of a foreclosure judgment, in which the
32 court did not make a finding that the property is vacant and
33 abandoned, a foreclosing plaintiff may make application to the court
34 for the property to be sold by the sheriff within 90 days of the date of
35 application. The application shall include a certification that the
36 mortgaged real estate is vacant and abandoned.

37 (2) Upon application that meets the criteria set forth in paragraph
38 (1) of this subsection, the court shall issue an order directing the
39 sheriff to sell the property in accordance with the provisions of
40 subsection j. of this section. A hearing shall not be required unless the
41 application is contested.²

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

43
44 ²5. Section 1 of P.L.2014, c.35 (C.40:48-2.12s) is repealed.²

45
46 ²**[2.] 6.**² This act shall take effect ²**[**on the first day of the third
47 month next following the date of enactment, but the Commissioner of
48 Community Affairs may take such anticipatory administrative action

1 in advance thereof as shall be necessary for the implementation of this
2 act] immediately, except that municipalities that have existing
3 ordinances that address property registration programs shall have until
4 the first day of the seventh month next following the effective date of
5 this act to amend their ordinances to the extent necessary to make them
6 consistent with this act².

7

8

9

10

11 Concerns municipal property registration ordinances to address
12 risk of blight.