SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1149

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 16, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1149, with committee amendments.

As amended, this bill would require the responsible party for a vacant and abandoned property to register such property with the municipality in which the property is located and would provide enforcement tools to help ensure that these properties are properly maintained. Vacant and abandoned properties negatively impact public safety and neighboring property values, affecting communities throughout the State. The bill would help ensure that municipalities are able to hold those responsible for maintaining these properties to account.

The bill would establish a new registration requirement for all vacant and abandoned residential and commercial properties. A property would be considered vacant and abandoned if it is not legally occupied by a mortgagor or tenant for residential or business purposes, it cannot be legally reoccupied, and at least two conditions which indicate abandonment exist. The title holder or mortgage lender responsible for maintaining a property pursuant to section 17 of P.L.2008, c.127 (C.46:10B-51) would be required to register such property.

The bill would authorize municipalities to establish a fee of not more than $250 to initially register a vacant and abandoned property. A renewal fee of not more than $500 may be established for a renewal if there is an outstanding property maintenance or code violation that remains unabated at the time of renewal, and a renewal fee of not more than $750 may be established for a subsequent renewal if there continues to be such a violation or there is a new violation that remains unabated at the time of renewal. If there is no such violation on a vacant and abandoned property, the renewal fee may be no greater than $250. If a greater fee for the registration or renewal of a vacant and abandoned property was established by a municipal ordinance adopted prior to the enactment of the bill, that greater fee may continue to be imposed and collected.

A municipality would also be authorized to require responsible parties for vacant and abandoned properties to undertake certain protective measures regarding such properties after notifying the

responsible party that the property is vacant. Specifically, a municipality would be able to require a responsible party to secure the property against unauthorized entry, post a sign on the property with pertinent contact information, and maintain liability insurance.

The bill would also establish penalties for violations of any of its provisions or any ordinance adopted pursuant thereto. Specifically, a responsible party would be liable to a penalty of not less than $500 and not more than $1,000 for a violation. If a greater penalty for such violations was established by a municipal ordinance adopted prior to the enactment of the bill, that greater penalty may continue to be imposed and collected. Each day that a violation continues would constitute an additional, separate, and distinct offense. Any penalty imposed under the bill would be recoverable by a summary proceeding under the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior Court, Law Division, in the county, or the municipal court of the municipality, in which the property is located would have jurisdiction to enforce the penalty.

The bill would not diminish property maintenance responsibilities for property owners who are not subject to the bill's provisions.

As amended, this bill is identical to Assembly Bill No. 2877 (1R), which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments require that the municipality notify a responsible party regarding a vacant and abandoned property in order for the bills requirements to apply to the responsible party. The committee amendments also clarify that the responsible party is responsible for securing the property against unauthorized entry, but the amendments remove a requirement for enclosure of the property.

FISCAL IMPACT:

The Office of Legislative Services concludes that the bill would have an indeterminate impact on municipal finances depending on whether a municipality already administers a vacant and abandoned property registration program.

If a municipality already operates a registration program, then the fiscal impact of the bill is expected to vary depending on whether this bill pre-empts any local ordinances governing existing property registration programs and on the degree to which any existing municipal program differs from that prescribed by the bill.

If this bill does not pre-empt existing local ordinances governing registration of vacant and abandoned properties, then there would be no fiscal impact on municipalities that currently have a registration program. To the extent that this bill will pre-empt existing local ordinances, municipal revenues and expenditures could increase or decrease depending on how closely these existing municipal ordinances conform to this bill.

By requiring municipalities to administer the registration of all vacant and abandoned properties located within their boundaries and allowing for the collection of registration, renewal, and penalty fees, the bill is expected to increase the expenditures and revenues of any municipality that currently does not administer a property registration program.