

SENATE, No. 2510

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 4, 2020

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

Senator Greenstein

SYNOPSIS

Caps interest rate to redeem tax lien at one percent under certain emergency circumstances.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/8/2020)

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

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

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

8 54:5-32. a. The sale shall be made in fee to such person as will
9 purchase the property, subject to redemption at the lowest rate of
10 interest, but in no case in excess of **【18%】** eighteen percent per
11 **【annum】** year. If at the sale a person shall offer to purchase subject
12 to redemption at a rate of interest less than **【1%】** one percent, or at
13 no interest, he may, in lieu of any rate of interest to redeem, offer a
14 premium over and above the amount of taxes, assessments or other
15 charges, as in this chapter specified, due the municipality, and the
16 property shall be struck off and sold to the bidder who offers to pay
17 the amount of such taxes, assessments or charges, plus the highest
18 amount of premium.

19 b. Notwithstanding the provisions of subsection a. of this
20 section, for any tax year in which a public health emergency is
21 declared by the Governor and is in effect, .the sale shall be made in
22 fee to such person as will purchase the property, subject to
23 redemption at the lowest rate of interest, but in no case in excess of
24 one percent per year. If at the sale a person shall offer to purchase
25 subject to redemption at a rate of interest less than one percent, or at
26 no interest, he may, in lieu of any rate of interest to redeem, offer a
27 premium over and above the amount of taxes, assessments or other
28 charges, as in this chapter specified, due the municipality, and the
29 property shall be struck off and sold to the bidder who offers to pay
30 the amount of such taxes, assessments or charges, plus the highest
31 amount of premium.

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

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34 2. This act shall take effect immediately.

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STATEMENT

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39 This bill would cap the interest rate for the redemption of a tax
40 lien to one percent per year for any tax year in which a public health
41 emergency was declared by the Governor and was in effect.
42 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.