

# ASSEMBLY, No. 5542

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 5, 2023

**Sponsored by:**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**SYNOPSIS**

Requires premium payment made to municipality by purchaser of tax lien to be paid to property owner under certain circumstances.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning premium payments made by purchasers of tax  
2 liens and amending R.S.54:5-33.

3

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

6

7 1. R.S.54:5-33 is amended to read as follows:

8 54:5-33. Payment for the sale shall be made before the  
9 conclusion of the sale, or the property shall be resold. Any  
10 premium payment shall be held by the collector and returned to the  
11 purchaser of the **[fee]** tax sale certificate if and when redemption is  
12 made. **[If redemption is not made within five years from the date**  
13 **of sale the premium payment shall be turned over to the treasurer of**  
14 **the municipality]** Not later than one year after a final judgment of  
15 foreclosure is entered vesting title to the property in the lienholder,  
16 the premium payment shall be deposited with the court and shall be  
17 paid, upon application therefor, to the person against whom a  
18 judgment in foreclosure has been recovered. If no application is  
19 made within one year of the date that the premium is deposited with  
20 the court, then upon application to the court by the chief financial  
21 officer of the municipality in which the property is located, the  
22 premium shall be turned over to the chief financial officer and  
23 become a part of the funds of the municipality. In the event that a  
24 petition of bankruptcy has been filed by the property owner, [the  
25 five year] that limitation shall be extended for each day that the  
26 foreclosure action is precluded by that bankruptcy filing.

27 In the event that a property is required to be sold at a sheriff's  
28 sale, the premium shall be refunded to the holder of the tax lien if  
29 the property is sold to a third party within five years from the date  
30 of sale.

31 (cf: P.L.2009, c.320, s.7)

32

33 2. This act shall take effect immediately.

34

35

36

#### STATEMENT

37

38 This bill revises current law pertaining to premium payments  
39 paid to a municipality by the purchaser if a tax lien. Current law  
40 provides that a premium payment is to be held by the municipal tax  
41 collector and returned to the purchaser of the tax sale certificate if  
42 and when redemption is made. If that redemption is not made  
43 within five years from the date of sale, the premium payment is to  
44 be turned over to the treasurer of the municipality and become a  
45 part of the funds of the municipality.

**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.

**A5542 WIMBERLY, REYNOLDS-JACKSON**

1        Instead, this bill would require that within one year of the date  
2 that a final judgment of foreclosure is entered vesting title to the  
3 property in the lienholder, the premium payment is to be deposited  
4 with the court and paid, upon application therefor, to the person  
5 against whom a judgment in foreclosure has been recovered. If no  
6 application is made within one year of the premium being deposited  
7 with the court, upon application to the court by the chief financial  
8 officer of the municipality in which the property is located, the  
9 premium will be turned over to the chief financial officer and  
10 become part of the funds of the municipality. The bill would also  
11 require that in the event that a property is required to be sold at a  
12 sheriff's sale, the premium is to be refunded to the holder of the tax  
13 lien if the property is sold to a third party within five years from the  
14 date of sale.