

CHAPTER 118

AN ACT concerning abandoned property and amending P.L.1996, c.62, P.L.2003, c.210, and various sections of chapter 5 of Title 54 of the Revised Statutes.

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

1. Section 36 of P.L.1996, c.62 (C.55:19-55) is amended to read as follows:

C.55:19-55 Identification of abandoned property, listing.

36. a. A qualified municipality that has designated or appointed a public officer pursuant to section 3 of P.L.1942, c.112 (C.40:48-2.5), may adopt an ordinance directing the public officer to identify abandoned property for the purpose of establishing an abandoned property list throughout the municipality, or within those parts of the municipality as the governing body may designate. Each item of abandoned property so identified shall include the tax block and lot number, the name of the owner of record, if known, and the street address of the lot.

b. In those municipalities in which abandoned properties have been identified in accordance with subsection a. of this section, the public officer shall establish and maintain a list of abandoned property, to be known as the "abandoned property list." The municipality may add properties to the abandoned property list at any time, and may delete properties at any time when the public officer finds that the property no longer meets the definition of an abandoned property. An interested party may request that a property be included on the abandoned property list following that procedure set forth in section 31 of P.L.2003, c.210 (C.55:19-105).

An abandoned property shall not be included on the abandoned property list if rehabilitation is being performed in a timely manner, as evidenced by building permits issued and diligent pursuit of rehabilitation work authorized by those permits. A property on which an entity other than the municipality has purchased or taken assignment from the municipality of a tax sale certificate which has been placed on the abandoned property list may be removed in accordance with the provisions of section 29 of P.L.2003, c.210 (C.55:19-103).

c. The Department of Community Affairs in conjunction with the Department of Environmental Protection shall prepare an information bulletin for distribution to every municipality describing the authority of a municipality under existing statutes and regulations to repair, demolish or otherwise deal with abandoned property.

d. (1) The public officer shall establish the abandoned property list or any additions thereto by publication in the official newspaper of the municipality, which publication shall constitute public notice, and, within 10 days after publication, shall send a notice, by certified mail, return receipt requested, and by regular mail, to the owner of record of every property included on the list. The published and mailed notices shall identify property determined to be abandoned setting forth the owner of record, if known, the tax lot and block number and street address. The public officer, in consultation with the tax collector, shall also send out a notice by regular mail to any mortgagee, servicing organization, or property tax processing organization that receives a duplicate copy of the tax bill pursuant to subsection d. of R.S.54:4-64. When the owner of record is not known for a particular property and cannot be ascertained by the exercise of reasonable diligence by the tax collector, notice shall not be mailed but instead shall be posted on the property in the manner as provided in section 5 of P.L.1942, c.112 (C.40:48-2.7). The mailed notice shall indicate the factual basis for the public officer's finding that the property is abandoned property as that term is defined in section 35 of P.L.1996, c.62 (C.55:19-54) and the rules and regulations promulgated thereunder, specifying the information relied upon in making such finding. In all cases a copy of the mailed or posted notice shall also be filed by the public officer in the office of the county clerk or register of deeds and mortgages, as the case may be, of the county wherein the property is situate. This filing shall have the same force and effect as a notice of lis pendens under N.J.S.2A:15-6. The notice shall be indexed by the name of the property owner as defendant and the name of the municipality as plaintiff, as though an action had been commenced by the municipality against the owner.

(2) The authority or its subsidiaries, as appropriate, may reimburse the municipality for the postage costs and search fees associated with providing notice in accordance with paragraph (1) of this subsection in accordance with procedures and rules promulgated by the Department of Community Affairs.

- e. An owner or lienholder may challenge the inclusion of his property on the abandoned

property list determined pursuant to subsection b. of this section by appealing that determination to the public officer within 30 days of the owner's receipt of the certified notice or 40 days from the date upon which the notice was sent. An owner whose identity was not known to the public officer shall have 40 days from the date upon which notice was published or posted, whichever is later, to challenge the inclusion of a property on the abandoned property list. For good cause shown, the public officer shall accept a late filing of an appeal. Within 30 days of receipt of a request for an appeal of the findings contained in the notice pursuant to subsection d. of this section, the public officer shall schedule a hearing for redetermination of the matter. Any property included on the list shall be presumed to be abandoned property unless the owner, through the submission of an affidavit or certification by the property owner averring that the property is not abandoned and stating the reasons for such averment, can demonstrate that the property was erroneously included on the list. The affidavit or certification shall be accompanied by supporting documentation, such as but not limited to photographs, repair invoices, bills and construction contracts. The sole ground for appeal shall be that the property in question is not abandoned property as that term is defined in section 35 of P.L.1996, c.62 (C.55:19-54). The public officer shall decide any timely filed appeal within 10 days of the hearing on the appeal and shall promptly, by certified mail, return receipt requested, and by regular mail, notify the property owner of the decision and the reasons therefor.

f. The property owner may challenge an adverse determination of an appeal with the public officer pursuant to subsection e. of this section, by instituting, in accordance with the New Jersey Court Rules, a summary proceeding in the Superior Court, Law Division, sitting in the county in which the property is located, which action shall be tried de novo. Such action shall be instituted within 20 days of the date of the notice of decision mailed by the public officer pursuant to subsection e. of this section. The sole ground for appeal shall be that the property in question is not abandoned property as that term is defined in section 35 of P.L.1996, c.62 (C.55:19-54). The failure to institute an action of appeal on a timely basis shall constitute a jurisdictional bar to challenging the adverse determination, except that, for good cause shown, the court may extend the deadline for instituting the action.

g. The public officer shall promptly remove any property from the abandoned property list that has been determined not to be abandoned on appeal.

h. The abandoned property list shall become effective, and the municipality shall have the right to pursue any legal remedy with respect to properties on the abandoned property list at such time as any one property has been placed on the list in accordance with the provisions of this section, upon the expiration of the period for appeal with respect to that property or upon the denial of an appeal brought by the property owner.

2. Section 37 of P.L.1996, c.62 (C.55:19-56) is amended to read as follows:

C.55:19-56 Sale of tax lien on abandoned property; remediation costs.

37. a. Notwithstanding R.S.54:5-19 or the provisions of any other law to the contrary, if a property is included on the abandoned property list and the property taxes or other municipal liens due on the property are delinquent six or more quarters as of the date of expiration of the right to appeal inclusion on the list, or, if an appeal has been filed, as of the date that all opportunities for appeal of inclusion on the list have been exhausted, then the tax lien on the property may be sold in accordance with the procedures in the "tax sale law," R.S.54:5-1 et seq., on or after the 90th day following the expiration of that time of appeal or final determination on an appeal, as appropriate. The municipality may, at its option, require that the sale of the tax sale certificate or any subsequent assignment or transfer of a tax sale certificate held by the municipality be subject to the express condition that the purchaser or assignee shall be obliged to perform and conclude any rehabilitation or repairs necessary to remove the property from the abandoned property list pursuant to section 36 of P.L.1996, c.62 (C.55:19-55) and to post a bond in favor of the municipality to guarantee the rehabilitation or repair of the property. The public officer may waive a requirement to post a bond imposed by a municipality for any purchaser, assignee or transferee of a tax sale certificate that provides documentation acceptable to the public officer that the purchaser, assignee or transferee is a qualified rehabilitation entity

as defined in section 3 of P.L.2003, c.210 (C.55:19-80). The cost of rehabilitation and repairs and the cost of the bond shall be added to the amount required to be paid by the owner for redemption of the property. The purchaser, assignee or transferee of the tax sale certificate who is required to rehabilitate and repair the property shall be required to file the appropriate affidavits with the tax collector, pursuant to R.S.54:5-62, representing the amounts of moneys expended periodically toward the rehabilitation or repair of the property. A purchaser, assignee or transferee shall be entitled to interest on the amounts expended, as set forth in the affidavits, at the delinquent rate of interest for delinquencies in excess of \$1,500 pursuant to R.S.54:4-67 of the municipality in effect for the time period when the amounts were expended. The tax sale certificate purchaser, assignee or transferee, under the auspices and with the authority of the municipality, shall be permitted to enter in and upon the property for the purposes of appraising the costs of rehabilitation and repair and to perform all other acts required to guarantee the completion of the rehabilitation or repair of the property. No rehabilitation or repair work shall be commenced, however, until proof of adequate liability insurance and an indemnification agreement holding the municipality harmless is filed with the public officer. If the tax sale certificate is not purchased at the initial auction of the tax sale certificate and the municipality purchases the certificate pursuant to R.S.54:5-34, then the municipality is authorized and empowered to convey and transfer to the authority or any of its subsidiaries, without receiving compensation therefor, all of its right, title and interest in that certificate; however, any portion of the amount paid to the tax collector to redeem the tax sale certificate that represents tax or other municipal lien delinquencies and subsequent municipal liens, including interest, shall be returned by the tax collector to the municipality.

b. (1) If the municipality or the authority or its subsidiaries acquires the tax sale certificate for a property on the abandoned property list, then, upon 10 days' written notice to the property owner and any mortgagee as of the date of the filing of the *lis pendens* notice under subsection d. of section 36 of P.L.1996, c.62 (C.55:19-55), that entity shall be permitted to enter upon the property and remediate any conditions that caused the property to be included on the abandoned property list. No remediation shall be commenced, however, if within that 10-day period the owner or mortgagee shall have notified the municipality or authority or its subsidiary, as appropriate, in writing that the owner or mortgagee has elected to perform the remediation itself. When the owner or mortgagee elects to perform the remediation itself, it shall be required to post bond in favor of the municipality or authority or its subsidiaries, as appropriate, in order to ensure performance. The amount and conditions of the bond shall be determined by the public officer.

(2) The cost of remediation incurred by the municipality or the authority or its subsidiaries pursuant to this subsection, as so certified by the entity incurring the cost upon completion of the remediation, shall constitute a lien upon the property first in time and right to any other lien, whether the other lien was filed prior to, or after the filing of any lien by the municipality or the authority, except for municipal taxes, liens and assessments and any lien imposed pursuant to the "Spill Compensation and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), together with any interest thereon. The certification of cost shall be filed and recorded as a lien by the entity incurring the cost with the county clerk or register of deeds and mortgages, as appropriate, in the county in which the property is located.

c. (1) Failure of an owner or lienholder to remove a property from the abandoned property list within the period of time for appeal of inclusion of the property on the list pursuant to subsection e. of section 36 of P.L.1996, c.62 (C.55:19-55), shall be *prima facie* evidence of the intent of the owner to continue to maintain the property as abandoned property.

(2) The clearance, development, redevelopment, or repair of property being maintained as an abandoned property pursuant to paragraph (1) of this subsection shall be a public purpose and public use for which the power of eminent domain may be exercised.

3. Section 4 of P.L.2003, c.210 (C.55:19-81) is amended to read as follows:

C.55:19-81 Determination that property is abandoned.

4. Except as provided in section 6 of P.L.2003, c.210 (C.55:19-83), any property that has

not been legally occupied for a period of six months and which meets any one of the following additional criteria may be deemed to be abandoned property upon a determination by the public officer that:

- a. The property is in need of rehabilitation in the reasonable judgment of the public officer, and no rehabilitation has taken place during that six-month period;
- b. Construction was initiated on the property and was discontinued prior to completion, leaving the building unsuitable for occupancy, and no construction has taken place for at least six months as of the date of a determination by the public officer pursuant to this section;
- c. At least one installment of property tax remains unpaid and delinquent on that property in accordance with chapter 4 of Title 54 of the Revised Statutes as of the date of a determination by the public officer pursuant to this section; or
- d. The property has been determined to be a nuisance by the public officer in accordance with section 5 of P.L.2003, c.210 (C.55:19-82).

A property which contains both residential and non-residential space may be considered abandoned pursuant to P.L.2003, c.210 (C.55:19-78 et al.) so long as two-thirds or more of the total net square footage of the building was previously legally occupied as residential space and none of the residential space has been legally occupied for at least six months at the time of the determination of abandonment by the public officer and the property meets the criteria of either subsection a. or subsection d. of this section.

4. Section 6 of P.L.2003, c.210 (C.55:19-83) is amended to read as follows:

C.55:19-83 Property not to be placed on abandoned property list; conditions.

6. a. If an entity other than the municipality has purchased or taken assignment from the municipality of a tax sale certificate on a property that has not been legally occupied for a period of six months, that property shall not be placed on the abandoned property list pursuant to section 36 of P.L.1996, c.62 (C.55:19-55) if (1) the owner of the certificate has continued to pay all municipal taxes and liens on the property in the tax year when due; and (2) the owner of the certificate takes action to initiate foreclosure proceedings within six months after the property is eligible for foreclosure pursuant to either subsection a. or subsection b. of R.S.54:5-86, as appropriate, and diligently pursues foreclosure proceedings in a timely fashion thereafter.

b. A property which is used on a seasonal basis shall be deemed to be abandoned only if the property meets any two of the additional criteria set forth in section 4 of P.L.2003, c.210 (C.55:19-81).

c. A determination that a property is abandoned property under the provisions of P.L.2003, c.210 (C.55:19-78 et al.) shall not constitute a finding that the use of the property has been abandoned for purposes of municipal zoning or land use regulation.

d. Upon the request of a purchaser or assignee of a tax sale certificate seeking to bar the right of redemption on an abandoned property pursuant to subsection b. of R.S.54:5-86, the public officer or the tax collector shall, in a timely fashion, provide the requester with a certification that the property fulfills the definition of abandoned according to the criteria set forth in sections 4 and 5 of P.L.2003, c.210 (C.55:19-81 and C.55:19-82).

5. Section 9 of P.L.2003, c.210 (C.55:19-86) is amended to read as follows:

C.55:19-86 Complaint, lis pendens, notice; entry on property.

9. a. Within 10 days of filing a complaint pursuant to P.L.2003, c.210 (C.55:19-78 et al.), the plaintiff shall file a notice of lis pendens with the county recording officer of the county within which the building is located.

b. At least 30 days before filing the complaint, the municipality shall serve a notice of intention to take possession of an abandoned building. The notice shall inform the owner and interested parties that the property has not been legally occupied for six months and of those criteria that led to a determination of abandonment pursuant to section 4 of P.L.2003, c.210 (C.55:19-81).

The notice shall provide that unless the owner or a party in interest prepares and submits a

rehabilitation plan to the appropriate municipal officials, the municipality will seek to gain possession of the building to rehabilitate the property and the associated cost shall be a lien against the property, which may be satisfied by the sale of the property, unless the owner applies to the court for reinstatement of control of the property as provided in section 15 of P.L.2003, c.210 (C.55:19-92).

After the complaint is filed, the complaint shall be served on the parties in interest in accordance with the New Jersey Rules of Court.

c. After serving the notice of intent pursuant to subsection b. of this section, the municipality or its designee may enter upon that property after written notice to the owner by certified mail, return receipt requested, in order to secure, stabilize or repair the property, or in order to inspect the property for purposes of preparing the plan to be submitted to the court pursuant to section 12 of P.L.2003, c.210 (C.55:19-89).

6. Section 10 of P.L.2003, c.210 (C.55:19-87) is amended to read as follows:

C.55:19-87 Defense by owner against complaint.

10. a. Any owner may defend against a complaint filed pursuant to section 7 of P.L.2003, c.210 (C.55:19-84) by submitting a plan for the rehabilitation and reuse of the property which is the subject of the complaint and by posting a bond equal to 125 percent of the amount determined by the public officer or the court to be the projected cost of rehabilitation.

Any plan submitted by an owner to defend against a complaint shall be submitted within 60 days after the complaint has been filed, unless the court provides the owner with an extension of time for good cause shown.

b. A plan submitted by an owner pursuant to this section shall include, but not be limited to:

(1) A detailed financial feasibility analysis, including documentation of the economic feasibility of the proposed reuse, including operating budgets or resale prices, or both, as appropriate;

(2) A budget for the rehabilitation of the property, including sources and uses of funds, based on the terms and conditions of realistically available financing, including grants and loans;

(3) A timetable for the completion of rehabilitation and reuse of the property, including milestones for performance of major steps leading to and encompassing the rehabilitation and reuse of the property; and

(4) Documentation of the qualifications of the individuals and firms that will be engaged to carry out the planning, design, financial packaging, construction, and marketing or rental of the property.

c. (1) The court shall approve any plan that, in the judgment of the court, is realistic and likely to result in the expeditious rehabilitation and reuse of the property which is the subject of the complaint.

(2) If the court approves the owner's plan, then it may appoint the public officer to act as monitor of the owner's compliance. If the owner fails to carry out any step in the approved plan, then the municipality may apply to the court to have the owner's bond forfeited, possession of the building transferred to the municipality to complete the rehabilitation plan and authorization to use the bond proceeds for rehabilitation of the property.

(3) The owner shall provide quarterly reports to the municipality on its activities and progress toward rehabilitation and reuse of the property. The owner shall provide those reports to the court on its activities that the court determines are necessary.

d. The court may reject a plan and bond if it finds that the plan does not represent a realistic and expeditious means of ensuring the rehabilitation of the property or that the owner or his representatives or agents, or both, lack the qualifications, background or other criteria necessary to ensure that the plan will be carried out successfully.

7. Section 11 of P.L.2003, c.210 (C.55:19-88) is amended to read as follows:

C.55:19-88 Designation of possessor if owner unsuccessful in defending against complaint.

11. a. If an owner is unsuccessful in defending against a complaint filed pursuant to section 7 of P.L.2003, c.210 (C.55:19-84), the mortgage holder or lien holder may seek to be designated in possession of the property by submitting a plan and posting a bond meeting the same conditions as set forth in section 10 of P.L.2003, c.210 (C.55:19-87). The plan shall be submitted within 60 days after the court has rejected the owner's plan, unless the court provides the mortgage holder or lienholder with an extension of time for good cause shown. If the court approves any such mortgage holder or lien holder's plan, it shall designate that party to be in possession of the property for purposes of ensuring its rehabilitation and reuse and may appoint the public officer to act as monitor of the party's compliance.

The mortgage holder or lien holder, as the case may be, shall provide quarterly reports to the court and the municipality on its activities and progress toward rehabilitation and reuse of the property.

If the mortgage holder or lien holder fails to carry out any material step in the approved plan, then the public officer shall notify the court, which may order the bond forfeit, grant the municipality possession of the property, and authorize the municipality to use the proceeds of the bond for rehabilitation of the property.

b. Any sums incurred or advanced for the purpose of rehabilitating the property by a mortgage holder or lien holder granted possession of a property pursuant to subsection a. of this section, including court costs and reasonable attorney's fees, may be added to the unpaid balance due that mortgage holder or lien holder, with interest calculated at the same rate set forth in the note or security agreement; or, in the case of a tax lien holder, at the statutory interest rate for subsequent liens.

8. Section 23 of P.L.2003, c.210 (C.55:19-100) is amended to read as follows:

C.55:19-100 Municipal recourse with respect to lien.

23. With respect to any lien placed against any real property pursuant to the provisions of section 1 or section 3 of P.L.1942, c.112 (C.40:48-2.3 or C.40:48-2.5) or section 1 of P.L.1989, c.91 (C.40:48-2.3a) or any receiver's lien pursuant to P.L.2003, c.295 (C.2A:42-114 et al.), the municipality shall have recourse with respect to the lien against any asset of the owner of the property if an individual, against any asset of any partner if a partnership, and against any asset of any owner of a 10% interest or greater if the owner is any other business organization or entity recognized pursuant to law.

9. Section 24 of P.L.2003, c.210 (C.55:19-101) is amended to read as follows:

C.55:19-101 Special tax sales; notice.

24. Municipalities may hold special tax sales with respect to those properties eligible for tax sale pursuant to R.S.54:5-19 which are also on an abandoned property list established by the municipality pursuant to section 36 of P.L.1996, c.62 (C.55:19-55). Municipalities electing to hold a special tax sale shall conduct that sale subject to the following provisions:

a. The municipality shall establish criteria for eligibility to bid on properties at the sale, which may include, but shall not be limited to: documentation of the bidder's ability to rehabilitate or otherwise reuse the property consistent with municipal plans and regulations; commitments by the bidder to rehabilitate or otherwise reuse the property, consistent with municipal plans and regulations; commitments by the bidder to take action to foreclose on the tax lien by a date certain; and such other criteria as the municipality may determine are necessary to ensure that the properties to be sold will be rehabilitated or otherwise reused in a manner consistent with the public interest;

b. The municipality may establish minimum bid requirements for a special tax sale that may be less than the full amount of the taxes, interest and penalties due, the amount of such minimum bid to be at the sole discretion of the municipality, in order to ensure that the properties to be sold will be rehabilitated or otherwise reused in a manner consistent with the public interest;

c. The municipality may combine properties into bid packages, and require that bidders place a single bid on each package, and reject any and all bids on individual properties that have

been included in bid packages;

d. The municipality may sell properties subject to provisions that, if the purchaser fails to carry out any commitment that has been set forth as a condition of sale pursuant to subsection a. of this section or misrepresents any material qualification that has been established as a condition of eligibility to bid pursuant thereto, then the properties and any interest thereto acquired by the purchaser shall revert to the municipality, and any amount paid by the purchaser to the municipality at the special tax sale shall be forfeit to the municipality;

e. In the event there are two or more qualified bidders for any property or bid package in a special tax sale, the municipality may designate the unsuccessful but qualified bidder whose bid was closest to the successful bid as an eligible purchaser;

f. In the event that the purchaser of that property or bid package fails to meet any of the conditions of sale established by the municipality pursuant to this section, and their interest in the property or properties reverts to the municipality, the municipality may subsequently designate the entity previously designated as an eligible purchaser as the winning bidder for the property or properties, and assign the tax sale certificates to that entity on the basis of that entity's bid at the special tax sale, subject to the terms and conditions of the special tax sale.

g. The municipality shall provide notice of a special tax sale pursuant to R.S.54:5-26. The notice shall include any special terms of sale established by the municipality pursuant to subsection b., c. or d. of this section. Nothing shall prohibit the municipality from holding a special tax sale on the same day as a standard or accelerated tax sale.

10. R.S.54:5-26 is amended to read as follows:

Notices posted and advertised in newspaper, mail notice.

54:5-26. Copies of the notice of a tax sale shall be set up in five of the most public places in the municipality, and a copy of the notice shall be published in a newspaper circulating in the municipality, once in each of the four calendar weeks preceding the calendar week containing the day appointed for the sale. In lieu of any two publications, notice to the property owner and to any person or entity entitled to notice of foreclosure pursuant to section 20 of P.L.1948, c.96 (C.54:5-104.48) may be given by regular or certified mail, the costs of which shall be added to the cost of the sale in addition to those provided in R.S.54:5-38, not to exceed \$25 for each set of notices for a particular property.

For the purposes of notice in connection with a special tax sale for eligible properties which are on an abandoned property list established by the municipality pursuant to section 36 of P.L.1996, c.62 (C.55:19-55), a single advertisement published in a newspaper circulating in the municipality no less than four and no more than six weeks prior to the sale, along with notice to the property owner and any person or entity entitled to notice of foreclosure pursuant to section 20 of P.L.1948, c.96 (C.54:5-104.48), shall constitute sufficient notice of sale on the part of the municipality.

Failure of the property owner to receive a notice of a tax sale properly mailed by the tax collector shall not constitute grounds to void the subsequent tax sale. If ordinances of the municipality are required to be published in any special newspaper or newspapers, the notice shall be published therein.

11. R.S.54:5-86 is amended to read as follows:

Action by municipality to foreclose right of redemption.

54:5-86. a. When the municipality is the purchaser of a tax sale certificate, the municipality, or its assignee or transferee, may, at any time after the expiration of the term of six months from the date of sale, institute an action to foreclose the right of redemption. Except as provided in subsection a. of section 39 of P.L.1996, c.62 (C.55:19-58) or as provided in subsection b. of this section, for all other persons that do not acquire a tax sale certificate from a municipality, an action to foreclose the right of redemption may be instituted at any time after the expiration of the term of two years from the date of sale of the tax sale certificate. On instituting the action the right to redeem shall exist and continue until barred by the judgment of the Superior Court.

b. Any person holding a tax sale certificate on a property that meets the definition of abandoned property as set forth in P.L.2003, c.210 (C.55:19-78 et al.), either at the time of the tax sale or thereafter, may at any time file an action with the Superior Court in the county wherein said municipality is situate, demanding that the right of redemption on such property be barred, pursuant to the "tax sale law," R.S.54:5-1 et seq. The filing shall include a certification by the public officer or the tax collector that the property is abandoned, provided pursuant to subsection d. of section 6 of P.L.2003, c.210 (C.55:19-83). In the event that the certificate holder has unsuccessfully sought such certification from the public officer or tax collector, as the case may be, the certificate holder may submit to the court evidence that the property is abandoned, accompanied by a report and sworn statement by an individual holding appropriate licensure or professional qualifications, and shall provide a copy of those documents submitted to the court to the public officer and the tax collector. On the basis of this submission and any submission provided by the public officer or tax collector, as the case may be, the court shall determine whether the property meets the definition of abandoned property.

c. Any person holding a tax sale certificate on a property that meets the definition of abandoned property as set forth in P.L.2003, c.210 (C.55:19-78 et al.), either at the time of the tax sale or thereafter, may enter upon that property at any time after written notice to the owner by certified mail return receipt requested in order to make repairs, or abate, remove or correct any condition harmful to the public health, safety and welfare, or any condition that is materially reducing the value of the property.

d. Any sums incurred or advanced pursuant to subsection c. of this section may be added to the unpaid balance due the holder of the tax sale certificate at the statutory interest rate for subsequent liens.

12. Section 3 of P.L.2003, c.210 (C.55:19-80) is amended to read as follows:

C.55:19-80 Definitions relative to abandoned property.

3. As used in sections 1 through 25 of P.L.2003, c.210 (C.55:19-78 through C.55:17-102): "Department" means the New Jersey Department of Community Affairs.

"Lienholder" or "mortgage holder" means any person or entity holding a note, mortgage or other interest secured by the building or any part thereof.

"Municipality" means any city, borough, town, township or village situated within the boundaries of this State and shall include a qualified rehabilitation entity that may be designated by the municipality pursuant to section 13 of P.L.2003, c.210 (C.55:19-90) to act as its agent to exercise any of the municipality's rights pursuant thereto.

"Owner" means the holder or holders of title to an abandoned property.

"Property" means any building or structure and the land appurtenant thereto.

"Public officer" means the person designated by the municipality pursuant to section 3 of P.L.1942, c.112 (C.40:48-2.5) or any officer of the municipality qualified to carry out the responsibilities set forth in P.L.2003, c.210 (C.55:19-78 et al.) and designated by resolution of the governing body of the municipality, except that in municipalities organized under the "mayor-council plan" of the Optional Municipal Charter Law, P.L.1950, c.210 (C.40:69A-1 et seq.), the public officer shall be designated by the mayor.

"Qualified rehabilitation entity" means an entity organized or authorized to do business under the New Jersey statutes which shall have as one of its purposes the construction or rehabilitation of residential or non-residential buildings, the provision of affordable housing, the restoration of abandoned property, the revitalization and improvement of urban neighborhoods, or similar purpose, and which shall be well qualified by virtue of its staff, professional consultants, financial resources, and prior activities set forth in P.L.2003, c.210 (C.55:19-78 et al.) to carry out the rehabilitation of vacant buildings in urban areas.

13. This act shall take effect immediately.

Approved June 29, 2005.