

CHAPTER 92

AN ACT concerning voidable transactions, revising various sections of the statutory law and supplementing chapter 2 of Title 25 of the Revised Statutes.

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

1. R.S.25:2-20 is amended to read as follows:

Short title.

25:2-20. Short title.

This article which was formerly known as the "Uniform Fraudulent Transfer Act" shall be known and may be cited as the "Uniform Voidable Transactions Act," on or after the effective date of P.L.2021, c.92.

2. R.S.25:2-21 is amended to read as follows:

Definitions: A to H.

25:2-21. Definitions: A to H.

As used in this article:

"Affiliate" means:

a. A person who directly or indirectly owns, controls, or holds with power to vote, 20% or more of the outstanding voting securities of the debtor, other than a person who holds the securities:

- (1) As a fiduciary or agent without sole discretionary power to vote the securities; or
- (2) Solely to secure a debt, if the person has not in fact exercised the power to vote;

b. A corporation 20% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor or a person who directly or indirectly owns, controls, or holds with power to vote, 20% or more of the outstanding voting securities of the debtor, other than a person who holds the securities:

- (1) As a fiduciary or agent without sole discretionary power to vote the securities; or
- (2) Solely to secure a debt, if the person has not in fact exercised the power to vote;

c. A person whose business is operated by the debtor under a lease or other agreement, or a person substantially all of whose assets are controlled by the debtor; or

d. A person who operates the debtor's business under a lease or other agreement or controls substantially all of the debtor's assets.

"Asset" means property of a debtor, but the term does not include:

a. Property to the extent it is encumbered by a valid lien;

b. Property to the extent it is generally exempt under nonbankruptcy law; or

c. An interest in property held in tenancy by the entireties to the extent it is not subject to process by a creditor holding a claim against only one tenant.

"Claim", except as used in "claim for relief," means a right to payment, whether or not the right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.

"Creditor" means a person who has a claim.

"Debt" means liability on a claim.

"Debtor" means a person who is liable on a claim.

"Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

3. R.S.25:2-22 is amended to read as follows:

Definitions: I to Z.

25:2-22. Definitions: I to Z.

As used in this article:

"Insider" includes:

a. If the debtor is an individual:

(1) A relative of the debtor or of a general partner of the debtor;

(2) A partnership in which the debtor is a general partner;

(3) A general partner in a partnership described in paragraph (2) of subsection a. of this definition; or

(4) A corporation of which the debtor is a director, officer, or person in control;

b. If the debtor is a corporation:

(1) A director of the debtor;

(2) An officer of the debtor;

(3) A person in control of the debtor;

(4) A partnership in which the debtor is a general partner;

(5) A general partner in a partnership described in paragraph (4) of subsection b. of this definition; or

(6) A relative of a general partner, director, officer, or person in control of the debtor;

c. If the debtor is a partnership:

(1) A general partner in the debtor;

(2) A relative of a general partner in, or a general partner of, or a person in control of the debtor;

(3) Another partnership in which the debtor is a general partner;

(4) A general partner in a partnership described in paragraph (3) of subsection c. of this definition; or

(5) A person in control of the debtor;

d. An affiliate, or an insider of an affiliate as if the affiliate were the debtor; and

e. A managing agent of the debtor.

"Lien" means a charge against or an interest in property to secure payment of a debt or performance of an obligation, and includes a security interest created by agreement, a judicial lien obtained by legal or equitable process or proceedings, a common-law lien, or a statutory lien.

"Organization" means a person other than an individual.

"Person" means an individual, estate, partnership, association, trust, business or nonprofit entity, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

"Property" means anything that may be the subject of ownership.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Relative" means an individual related by consanguinity within the third degree as determined by the common law, a spouse, or an individual related to a spouse within the third degree as so determined, and includes an individual in an adoptive relationship within the third degree.

"Sign" means, with present intent to authenticate or adopt a record:

(1) To execute or adopt a tangible symbol; or

(2) To attach to or logically associate with the record an electronic symbol, sound, or process.

"Transfer" means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with an asset or an interest in an asset, and includes payment of money, release, lease, license, and creation of a lien or other encumbrance.

"Valid lien" means a lien that is effective against the holder of a judicial lien subsequently obtained by legal or equitable process or proceedings.

4. R.S.25:2-23 is amended to read as follows:

Insolvency.

25:2-23. Insolvency.

a. A debtor is insolvent if, at a fair valuation, the sum of the debtor's debts is greater than the sum of the debtor's assets.

b. A debtor who is generally not paying the debtor's debts as they become due other than as a result of a bona fide dispute is presumed to be insolvent. This presumption imposes on the party against which the presumption is directed the burden of proving that the nonexistence of insolvency is more probable than its existence.

c. (Deleted by amendment, P.L.2021, c.92.)

d. Assets under this section do not include property that has been transferred, concealed, or removed with intent to hinder, delay, or defraud creditors or that has been transferred in a manner making the transfer voidable under this article.

e. Debts under this section do not include an obligation to the extent it is secured by a valid lien on property of the debtor not included as an asset.

5. R.S.25:2-24 is amended to read as follows:

Value.

25:2-24. Value.

a. Value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied, but value does not include an unperformed promise made otherwise than in the ordinary course of the promisor's business to furnish support to the debtor or another person.

b. For the purposes of paragraph (2) of subsection a. of R.S.25:2-25 and R.S.25:2-27, a person gives a reasonably equivalent value if the person acquires an interest of the debtor in an asset pursuant to a regularly conducted, noncollusive foreclosure sale or execution of a power of sale for the acquisition or disposition of the interest of the debtor upon default under a mortgage, deed of trust, or security agreement.

c. A transfer is made for present value if the exchange between the debtor and the transferee is intended by them to be contemporaneous and is in fact substantially contemporaneous.

6. R.S.25:2-25 is amended to read as follows:

Transfer or obligation voidable as to present or future creditor.

25:2-25. Transfer or obligation voidable as to present or future creditor.

a. A transfer made or obligation incurred by a debtor is voidable as to a creditor, whether the creditor's claim arose before or after the transfer was made or the obligation was incurred, if the debtor made the transfer or incurred the obligation:

(1) With actual intent to hinder, delay, or defraud any creditor of the debtor; or

(2) Without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor:

(a) Was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction; or

(b) Intended to incur, or believed or reasonably should have believed that the debtor would incur, debts beyond the debtor's ability to pay as they become due.

b. A creditor making a claim for relief under subsection a. of this section has the burden of proving the elements of the claim for relief by a preponderance of the evidence.

7. R.S.25:2-26 is amended to read as follows:

25:2-26. Factors in determining intent.

In determining actual intent under paragraph (1) of subsection a. of R.S.25:2-25 consideration may be given, among other factors, to whether:

a. The transfer or obligation was to an insider;

b. The debtor retained possession or control of the property transferred after the transfer;

c. The transfer or obligation was disclosed or concealed;

d. Before the transfer was made or obligation was incurred, the debtor had been sued or threatened with suit;

e. The transfer was of substantially all the debtor's assets;

f. The debtor absconded;

g. The debtor removed or concealed assets;

h. The value of the consideration received by the debtor was reasonably equivalent to the value of the asset transferred or the amount of the obligation incurred;

i. The debtor was insolvent or became insolvent shortly after the transfer was made or the obligation was incurred;

j. The transfer occurred shortly before or shortly after a substantial debt was incurred; and

k. The debtor transferred the essential assets of the business to a lienor who transferred the assets to an insider of the debtor.

8. R.S.25:2-27 is amended to read as follows:

Transfer or obligation voidable as to present creditor.

25:2-27. Transfer or obligation voidable as to present creditor.

a. A transfer made or obligation incurred by a debtor is voidable as to a creditor whose claim arose before the transfer was made or the obligation was incurred if the debtor made the transfer or incurred the obligation without receiving a reasonably equivalent value in exchange for the transfer or obligation and the debtor was insolvent at that time or the debtor became insolvent as a result of the transfer or obligation.

b. A transfer made by a debtor is voidable as to a creditor whose claim arose before the transfer was made if the transfer was made to an insider for an antecedent debt, the debtor

was insolvent at that time, and the insider had reasonable cause to believe that the debtor was insolvent.

c. Subject to subsection b. of R.S.25:2-23, a creditor making a claim for relief under subsection a. or b. of this section has the burden of proving the elements of the claim for relief by a preponderance of the evidence.

9. R.S.25:2-28 is amended to read as follows:

When transfer is made or obligation incurred.

25:2-28. When transfer is made or obligation incurred.

For the purposes of this article:

a. A transfer is made:

(1) With respect to an asset that is real property other than a fixture, but including the interest of a seller or purchaser under a contract for the sale of the asset, when the transfer is so far perfected that a good-faith purchaser of the asset from the debtor against whom applicable law permits the transfer to be perfected cannot acquire an interest in the asset that is superior to the interest of the transferee; and

(2) With respect to an asset that is not real property or that is a fixture, when the transfer is so far perfected that a creditor on a simple contract cannot acquire a judicial lien otherwise than under this article that is superior to the interest of the transferee;

b. If applicable law permits the transfer to be perfected as provided in subsection a. of this section and the transfer is not so perfected before the commencement of an action for relief under this article, the transfer is deemed made immediately before the commencement of the action;

c. If applicable law does not permit the transfer to be perfected as provided in subsection a. of this section, the transfer is made when it becomes effective between the debtor and the transferee;

d. A transfer is not made until the debtor has acquired rights in the asset transferred;

e. An obligation is incurred:

(1) If oral, when it becomes effective between the parties; or

(2) If evidenced by a record, when the record signed by the obligor is delivered to or for the benefit of the obligee.

10. R.S.25:2-29 is amended to read as follows:

Remedies of creditor.

25:2-29. Remedies of creditor.

a. In an action for relief against a transfer or obligation under this article, a creditor, subject to the limitations in R.S.25:2-30, may obtain:

(1) Avoidance of the transfer or obligation to the extent necessary to satisfy the creditor's claim;

(2) An attachment or other provisional remedy against the asset transferred or other property of the transferee if available under applicable law; and

(3) Subject to applicable principles of equity and in accordance with applicable rules of civil procedure:

(a) An injunction against further disposition by the debtor or transferee, or both, of the asset transferred or of other property;

(b) Appointment of a receiver to take charge of the asset transferred or of other property of the transferee; or

(c) Any other relief the circumstances may require.

b. If a creditor has obtained a judgment on a claim against the debtor, the creditor, if the court so orders, may levy execution on the asset transferred or its proceeds.

11. R.S.25:2-30 is amended to read as follows:

Defenses, liability and protection of transferee or obligee.

25:2-30. Defenses, liability and protection of transferee or obligee.

a. A transfer or obligation is not voidable under paragraph (1) of subsection a. of R.S.25:2-25 against a person who took in good faith and for a reasonably equivalent value given the debtor or against any subsequent transferee or obligee.

b. To the extent a transfer is voidable in an action by a creditor under paragraph (1) of subsection a. of R.S.25:2-29 the following rules apply:

(1) Except as otherwise provided in this section, the creditor may recover judgment for the value of the asset transferred, as adjusted under subsection c. of this section, or the amount necessary to satisfy the creditor's claim, whichever is less. The judgment may be entered against:

(a) The first transferee of the asset or the person for whose benefit the transfer was made; or

(b) An immediate or mediate transferee of the first transferee, other than:

(i) a good-faith transferee who took for value; or

(ii) an immediate or mediate good-faith transferee of a person described in subparagraph (i) of subparagraph (b) of paragraph (1) of subsection b. of this section.

(2) Recovery pursuant to paragraph (1) of subsection a. of R.S.25:2-29 or subsection b. of R.S.25:2-29 of or from the asset transferred or its proceeds, by levy or otherwise, is available only against a person described in subparagraph (a) or (b) of paragraph (1) of subsection b. of this section.

c. If the judgment under subsection b. of this section is based upon the value of the asset transferred, the judgment shall be for an amount equal to the value of the asset at the time of the transfer, subject to adjustment as the equities may require.

d. Notwithstanding voidability of a transfer or an obligation under this article, a good-faith transferee or obligee is entitled, to the extent of the value given the debtor for the transfer or obligation, to:

(1) A lien on or a right to retain an interest in the asset transferred;

(2) Enforcement of an obligation incurred; or

(3) A reduction in the amount of the liability on the judgment.

e. A transfer is not voidable under paragraph (2) of subsection a. of R.S. 25:2-25 or R.S.25:2-27 if the transfer results from:

(1) Termination of a lease upon default by the debtor when the termination is pursuant to the lease and applicable law; or

(2) Enforcement of a security interest in compliance with Article 9 of the Uniform Commercial Code, other than acceptance of collateral in full or partial satisfaction of the obligation it secures.

f. A transfer is not voidable under subsection b. of R.S. 25:2-27:

(1) To the extent the insider gave new value to or for the benefit of the debtor after the transfer was made, except to the extent the new value was secured by a valid lien;

(2) If made in the ordinary course of business or financial affairs of the debtor and the insider; or

(3) If made pursuant to a good-faith effort to rehabilitate the debtor and the transfer secured present value given for that purpose as well as an antecedent debt of the debtor.

g. The following rules shall determine the burden of proving matters referred to in this section:

(1) A party that seeks to invoke subsection a., d., e., or f. has the burden of proving the applicability of that subsection.

(2) Except as otherwise provided in paragraphs (3) and (4) of this subsection, the creditor has the burden of proving each applicable element of subsection b. or c.

(3) The transferee has the burden of proving the applicability to the transferee of subparagraph (i) or (ii) of subparagraph (b) of paragraph (1) of subsection b.

(4) A party that seeks adjustment under subsection c. has the burden of proving the adjustment.

h. The standard of proof required to establish matters referred to in this section is preponderance of the evidence.

12. R.S.25:2-31 is amended to read as follows:

Extinguishment of claim for relief.

25:2-31. Extinguishment of claim for relief.

A claim for relief with respect to a transfer or obligation under this article is extinguished unless action is brought:

a. Under paragraph (1) of subsection a. of R.S.25:2-25, not later than four years after the transfer was made or the obligation was incurred or, if later, not later than one year after the transfer or obligation was discovered by the claimant;

b. Under paragraph (2) of subsection a. of R.S.25:2-25 or subsection a. of R.S.25:2-27, not later than four years after the transfer was made or the obligation was incurred; or

c. Under paragraph (2) of subsection a. of R.S.25:2-27, not later than one year after the transfer was made.

C.25:2-35 Governing law.

13. Governing law.

a. In this section, the following rules determine a debtor's location:

(1) A debtor who is an individual is located at the individual's principal residence.

(2) A debtor that is an organization and has only one place of business is located at its place of business.

(3) A debtor that is an organization and has more than one place of business shall be deemed to be located at its chief executive office.

b. A claim in the nature of a claim under the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq., shall be governed by the local law of the jurisdiction in which the debtor is located when the transfer is made or the obligation is incurred.

14. R.S.25:2-32 is amended to read as follows:

25:2-32. Supplementary provisions.

Supplementary provisions.

Unless displaced by the provisions of the “Uniform Voidable Transactions Act,” R.S.25:2-20 et seq., the principles of law and equity, including the law merchant and the law relating to principal and agent, estoppel, laches, fraud, misrepresentation, duress, coercion, mistake, insolvency, or other validating or invalidating cause, supplement its provisions.

15. R.S.25:2-33 is amended to read as follows:

Uniformity of application and construction.

25:2-33. Uniformity of application and construction.

The “Uniform Voidable Transactions Act,” R.S.25:2-20 et seq., shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this article among states enacting it.

C.25:2-36 Relation to “Electronic Signatures in Global and National Commerce Act.”

16. Relation to “Electronic Signatures in Global and National Commerce Act.”

This article modifies, limits, and supersedes the “Electronic Signatures in Global and National Commerce Act,” 15 U.S.C. s.7001 et seq., but does not modify, limit, or supersede section 101(c) of that act, 15 U.S.C. s.7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that act, 15 U.S.C. s.7003(b).

17. Section 13 of P.L.1998, c.1 (C.2A:17-56.62) is amended to read as follows:

C.2A:17-56.62 Voidable transfers by child support judgment debtors.

13. In any case in which the department knows of a transfer by a child support judgment debtor pursuant to the “Uniform Voidable Transactions Act,” R.S.25:2-20 et seq., with respect to which a prima facie case is established, the department shall seek to void the transfer or obtain a settlement in the best interest of the child support creditor.

18. Section 8 of P.L.1979, c.484 (C.3A:25-46) is amended to read as follows:

C.3A:25-46 Bar of right to disclaim.

8. The right of a person to disclaim property or any interest therein is barred if the property or interest is seized under judicial process issued against the person before the expiration of the period in which he is permitted to disclaim; or if before the expiration of the period in which he is permitted to disclaim, the person (1) accepts or exercises control as beneficial owner over all or any part of such property or interest; or (2) voluntarily transfers or encumbers or contracts to transfer or encumber all or any part of such property or interest; or (3) disclaims or attempts to disclaim all or any part of such property or interest in fraud of his creditors as set forth in the “Uniform Voidable Transactions Act,” R.S.25:2-20 et seq.; or (4) executes a written waiver of the right to disclaim.

19. N.J.S.3B:9-9 is amended to read as follows:

Bar of right to disclaim.

3B:9-9. Bar of right to disclaim.

a. The right of an individual to disclaim property or any interest therein is barred by:

(1) an assignment, conveyance, encumbrance, pledge or transfer of the property or interest or a contract therefor; or

- (2) a written waiver of the right to disclaim; or
 - (3) an acceptance of the property or interest or a benefit under it after actual knowledge that a property right has been conferred; or
 - (4) a sale of the property or interest that was seized under judicial process before the disclaimer is made; or
 - (5) the expiration of the permitted applicable perpetuities period; or
 - (6) a fraud on the individual's creditors as set forth in the "Uniform Voidable Transactions Act" (R.S.25:2-20 et seq.).
- b. The disclaimant shall not be barred from disclaiming all or any part of the balance of the property where the disclaimant has received a portion of the property and there still remains an interest which the disclaimant is yet to receive.
 - c. A bar to the right to disclaim a present interest in joint property does not bar the right to disclaim a future interest in that property.
 - d. The right to disclaim may be barred to the extent provided by other applicable statutory law.

20. Section 1 of P.L.2001, c.231 (C.14A:12-13.1) is amended to read as follows:

C.14A:12-13.1 Creditors barred from suing shareholders of certain dissolved corporations.

1. (1) A creditor as defined in subsection (3) of N.J.S.14A:12-12 or subsection (b) of N.J.S.14A:14-1, and all those claiming through or under the creditor, shall be forever barred from suing a shareholder on any claim, or otherwise realizing upon or enforcing any claim against a shareholder, unless that claim was filed against the shareholder, pursuant to N.J.S.14A:12-13 or N.J.S.14A:14-15, or otherwise, within five years after the corporation was dissolved.

(2) This section shall not: (a) apply to claims against shareholders which are in litigation on the effective date of this section; (b) operate to extend any otherwise applicable statute of limitations; or (c) affect any rights of creditors under the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq.

21. Section 52 of P.L.2012, c.50 (C.42:2C-52) is amended to read as follows:

C.42:2C-52 Claims against member or transferee barred unless filed within five years after limited liability company dissolved.

52. Claims Against Member or Transferee Barred Unless Filed Within Five Years After Limited Liability Company Dissolved.

a. A claimant, and all those claiming through or under the claimant, shall be forever barred from suing a member or transferee on any claim, or otherwise realizing upon or enforcing any claim against a member or transferee, unless an action is commenced against the member or transferee, pursuant to paragraph (2) of subsection d. of section 51 of this act, or otherwise, within five years after the limited liability company was dissolved.

b. This section shall not:

- (1) apply to claims against members or transferees which are in litigation on the effective date of this section;
- (2) operate to extend any otherwise applicable statute of limitations; or
- (3) affect any rights of creditors under the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq.

22. Section 5 of P.L.2003, c.120 (C.52:27BBB-70) is amended to read as follows:
C.52:27BBB-70 Authority to enter into sale agreements.

5. a. Authority to Enter into Sale Agreements. A qualified municipality may sell to the corporation, and the corporation may purchase, for cash or other consideration and in one or more installments, all or a portion of the tax liens pursuant to the terms of one or more sale agreements. Any sale agreement shall provide, among other matters, the purchase price payable by the corporation to a qualified municipality for the tax liens, which amount may be more or less than the face amount of the tax liens purchased by the corporation, and may include the residual interests, if any. The sale agreement may require a qualified municipality to repurchase a tax lien, or to substitute another tax lien of equivalent value, under conditions to be specified in the sale agreement. The sale agreement may provide that a qualified municipality shall be obligated to sell to the corporation subsequent tax liens encumbering the property encumbered by the tax liens originally sold and remaining unpaid on such terms as the corporation deems desirable. Any sale shall be conducted pursuant to one or more sale agreements that may contain such terms and conditions deemed appropriate by a qualified municipality to carry out and effectuate the purposes of this section, including, without limitation, covenants binding the qualified municipality in favor of the corporation and its assignees, including, without limitation, the owners of its securities and benefitted parties; a provision authorizing inclusion of the State's pledge and agreement, as set forth in section 10 of this act, in any agreement with owners of the securities or any benefitted parties; and covenants with respect to the application and use of the proceeds of the sale of the qualified municipality's tax liens to preserve the tax exemption of the interest on any securities, if issued as tax exempt. A qualified municipality in any sale agreement may agree to, and the corporation may provide for, the assignment of the corporation's right, title and interest under the sale agreement for the benefit and security of the owners of securities and benefitted parties. The residual interest shall be uncertificated.

Notwithstanding that the corporation is hereby constituted an instrumentality of the State, all of the residual interests arising upon the transfer of a qualified municipality's tax liens to the corporation shall be the property of and vest in such qualified municipality and all of the economic avails and benefits of such residual interests, including, but not limited to, the income attributable to and accruing with respect to such interests from time to time, shall accrue to and inure to the benefit of such qualified municipality.

b. True Sale. Any sale of tax liens to the corporation pursuant to a sale agreement shall constitute a true sale and absolute transfer of the property so transferred and not a pledge or a grant of a security interest for any borrowing. The characterization of a sale as an absolute transfer by the participants shall not be negated or adversely affected by the fact that only a portion of a qualified municipality's tax liens is transferred, nor by the acquisition or retention by a qualified municipality of a residual interest, nor by the characterization of the corporation or its obligations for purposes of accounting, taxation or securities regulation, nor by any actual pledge, assignment or grant of a security interest in the tax liens and any proceeds of the tax liens, nor by any other factor whatsoever.

c. Qualified Municipality to Notify Collector. On and after the effective date of each sale of tax liens, a qualified municipality shall have no right, title or interest in or to the tax liens sold, and the tax liens so sold shall be property of the corporation and not of the qualified municipality, and shall be owned and held by the corporation and not the qualified municipality. On or before the effective date of any sale, the qualified municipality shall notify the collector that the tax liens have been sold to the corporation and irrevocably instruct the collector that, subsequent to the effective date of the sale, it shall pay over to the

corporation or its designee within two days of its receipt any payments made on the transferred tax liens for the benefit of the owners of the securities and benefitted parties.

d. No Right to Cancel, Reduce or Compromise. Notwithstanding any other law to the contrary, a qualified municipality shall not have any right to cancel, reduce or compromise any taxes, penalties or interest secured by a tax lien sold pursuant to this act or extend the time for payment thereof. A qualified municipality may not waive any penalties and interest on a tax lien that has been sold pursuant to this act.

e. Sale by Assignment. A qualified municipality's sale of tax liens to the corporation shall be made by assignment. The certificates of sale may be assigned separately or in bulk with other such certificates. Upon such assignment, the qualified municipality shall promptly deliver such certificates to the corporation or its designee.

f. Recording. Any and all further or additional assignments of the tax sale certificates shall promptly be recorded in the office of the county clerk or the register of deeds and mortgages, as the case may be, of the county where the real property is located, and a photocopy of the recorded assignment shall be served upon the collector by certified mail, return receipt requested. When assignments have not been recorded and served upon the collector, the collector shall be held harmless for the payment of any redemption amounts to the holder of the certificate of sale as appears on the records of the collector. All assignments must be submitted to the office of the county clerk or register of deeds and mortgages for recording within 90 days of the sale by assignment.

g. Presumptive Evidence. The certificate of sale shall be presumptive evidence in all courts in all proceedings by and against the corporation of the truth of the statements therein, of the title of the corporation in the transferred tax liens, and the regularity and validity of all proceedings had in reference to the sale. After six months from the recording of the certificate of sale, no evidence shall be admitted in any court to rebut the presumption that the lien purported to be transferred by the certificate of sale is a valid and enforceable lien, unless the corporation shall have procured it by fraud, or had previous knowledge that it was fraudulently made or procured.

h. Destruction or Loss of a Certificate. In case of the destruction or loss of a certificate of sale issued by a qualified municipality, the corporation shall present an affidavit of destroyed or lost certificate to the collector, and the collector shall then issue and execute a new certificate of sale in place of the one destroyed or lost. There shall appear on the new certificate a statement that it is a duplicate of the original certificate of sale that was destroyed or lost, the date of the original certificate, the date of the tax sale of the original certificate, the date the original certificate was issued and the name and title of the officer who issued the original certificate.

i. Duplicate Certificate and Time Limit to Redeem. The time limit within which the right to redeem from any tax sale in which a duplicate certificate has been issued shall be the same as though the original certificate had not been destroyed or lost.

j. Amount Required for Redemption. Any person having a legal and beneficial interest in the property affected by a certificate of sale acquired by the corporation may satisfy the outstanding lien on the property at any time upon payment to the collector of all sums due with respect to such certificate and for subsequent taxes, municipal liens and charges, and interest and costs thereon, together with interest on the amounts so paid at the rate or rates chargeable by the qualified municipality.

k. Cancellation of Certificate Upon Redemption. Upon satisfaction of a tax lien, the redeeming party shall be entitled to have, upon demand, the certificate of sale, duly receipted

for cancellation, or a certificate of redemption thereof, duly executed, stating that said certificate of sale may be canceled of record in the manner prescribed by law.

l. Duties Upon Redemption. The collector, on receiving payment as set forth in subsection j. of this section from a redeeming party, shall confirm with the corporation that such payment constitutes a payment in full. Upon such confirmation, the collector shall execute and deliver to the redeeming party a certificate of redemption which may be recorded with the county clerk or register of deeds and mortgages, as appropriate. The county clerk or register of deeds and mortgages, as appropriate, shall, on request, note on the record of the original certificate of sale a reference to the record of the certificate of redemption, and shall be entitled to the same fees as provided for the cancellation of a mortgage, or, at the option of the redeeming party, the collector shall request the corporation to deliver to it the certificate of sale and in turn, the collector shall deliver to the redeeming party the certificate of sale receipted for cancellation by endorsement in the same manner required by the law of the State to satisfy or cancel a mortgage, whereupon the record of the certificate of sale shall be canceled by the county clerk or register of deeds and mortgages in the same manner and for the same fees as in the case of a mortgage.

m. Installment Agreements. If the corporation holds a certificate of sale, it shall be entitled in its own name or in the name of its duly authorized representative to enter into installment agreements with the related taxpayers as if it were a municipality acting pursuant to Title 54 of the Revised Statutes and on such terms as the corporation deems desirable; provided, however, that the payment of the total sum due the corporation on any one parcel shall be made in substantially equal monthly installments, over a period not exceeding five years.

n. Filing of Installment Agreements. The installment agreement must be in writing and filed with the collector where the property is located. Upon due execution of the installment agreement the corporation shall forward a true copy of the agreement to the collector's office.

o. Foreclosure. When the corporation is the purchaser or assignee of a certificate of sale, the corporation, or its assignee or transferee, may, in its own name or in the name of its duly authorized representative, at any time after the expiration of the term of six months from the issuance of the certificate of sale, institute a procedure to foreclose the right of redemption. The corporation shall be entitled to foreclose the tax lien or liens evidenced thereby in the manner provided by the law for the foreclosure of tax liens as if it were a municipality. In connection with the enforcement of a tax lien, all statutory references to a municipality acting pursuant to the provisions of Title 54 of the Revised Statutes shall be deemed to refer to the corporation, and all references to actions to be taken by an officer of the municipality shall be deemed to refer to an appropriate officer or duly authorized representative of the corporation.

p. Jurisdiction of Court. The Superior Court, in a procedure to foreclose the right of redemption, may give full and complete relief under this act, in accordance with other statutory authority of the court, to bar the right of redemption and to foreclose all prior or subsequent alienations and descents of the lands and encumbrances thereon, except subsequent municipal liens, and to adjudge an absolute and indefeasible estate of inheritance in fee simple, to be vested in the purchaser or assignee. The judgment shall be final upon the defendants, their heirs, devisees and personal representatives, and any of their heirs, devisees, executors, administrators, grantees, assigns or successors in right, title or interest and no application shall be entertained to reopen the judgment after the date thereof, and then only upon the grounds of lack of jurisdiction or fraud in the conduct of the suit. The judgment and recording thereof shall not be deemed a sale, transfer, or conveyance of title or

interest to the subject property under the provisions of the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq.

In the event that any federal statute or regulation requires a judicial sale of the property in order to debar and foreclose a mortgage interest or any other lien held by the United States or any agency or instrumentality thereof, then the tax lien may be foreclosed in the same manner as a mortgage, and the final judgment shall provide for the issuance of a writ of execution to the sheriff of the county wherein the property is situated and the holding of a judicial sale as in the manner of the foreclosure of a mortgage.

q. Conflict. In connection with the foreclosure of the right of redemption, in the event of any conflict between this act and any other law relating to the foreclosure of the right of redemption, this act shall be given precedence over the other law or laws.

r. Recovery of Fees and Expenses. To the extent permitted by law, in connection with the foreclosure of tax liens, the corporation or its designee shall have the right to recover attorneys' fees and disbursements incurred relating to the foreclosure at the time such fees and disbursements are incurred, together with the expenses of the sale.

s. Evidence of Payments of Subsequent Tax Liens at Foreclosure. Notwithstanding R.S.54:5-99, in connection with the foreclosure of tax liens, the corporation or its designee shall produce evidence that all subsequent tax liens on the related land have been paid in full at the time a foreclosure judgment shall be entered. The evidence shall not be required to be produced at the commencement of a foreclosure procedure.

23. R.S.54:5-87 is amended to read as follows:

Jurisdiction of court; effect of judgment.

54:5-87. The Superior Court, in an action to foreclose the right of redemption, may give full and complete relief under this chapter, in accordance with other statutory authority of the court, to bar the right of redemption and to foreclose all prior or subsequent alienations and descents of the lands and encumbrances thereon, except subsequent municipal liens, and to adjudge an absolute and indefeasible estate of inheritance in fee simple, to be vested in the purchaser. The judgment shall be final upon the defendants, their heirs, devisees and personal representatives, and their or any of their heirs, devisees, executors, administrators, grantees, assigns or successors in right, title or interest and no application shall be entertained to reopen the judgment after three months from the date thereof, and then only upon the grounds of lack of jurisdiction or fraud in the conduct of the suit. Such judgment and recording thereof shall not be deemed a sale, transfer, or conveyance of title or interest to the subject property under the provisions of the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq.

In the event that any federal statute or regulation requires a judicial sale of the property in order to debar and foreclose a mortgage interest or any other lien held by the United States or any agency or instrumentality thereof, then the tax lien may be foreclosed in the same manner as a mortgage, and the final judgment shall provide for the issuance of a writ of execution to the sheriff of the county wherein the property is situated and the holding of a judicial sale as in the manner of the foreclosure of a mortgage.

24. R.S.54:5-104 is amended to read as follows:

Judgment bars redemption only in lands described therein.

54:5-104. When in a judgment in an action to foreclose the right of redemption, the lands are described in a manner other than that contained in the certificate of tax sale, the judgment shall bar the defendant's right of redemption in and to all the lands described in the judgment, and that property only. Such judgment and recording thereof shall not be deemed a sale, transfer, or conveyance of title or interest to the subject property under the provisions of the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq.

25. Section 4 of P.L.1948, c.96 (C.54:5-104.32) is amended to read as follows:

C.54:5-104.32 In rem proceedings.

4. Any municipality or abandoned property certificate holder may proceed, In Rem, pursuant to the provisions of the In Rem Tax Foreclosure Act (1948), P.L.1948, c.96 (C.54:5-104.29 et seq.), similarly to bar rights of redemption, after said certificate has been recorded in the office of the county recording officer. Neither the foreclosure nor the recording of any such judgment or certificate shall be construed to be a sale, transfer, or conveyance of title or interest to the subject property under the provisions of the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq.

26. Section 37 of P.L.1948, c.96 (C.54:5-104.65) is amended to read as follows:

C.54:5-104.65 Effect of recording judgment.

37. Upon the recording of a certified copy of such judgment in the office of the county recording officer, the plaintiff shall be seized of an estate in fee simple, in the lands described therein, absolute and free and clear of all liens and encumbrances, in accordance with the terms of said judgment. Neither the foreclosure nor the recording of any such judgment or certificate shall be construed to be a sale, transfer or conveyance of title or interest to the subject property under the provisions of the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq.

27. R.S.25:2-1 is amended to read as follows:

Conveyances of personal property in trust for use of persons making them void as to creditors.

25:2-1. Conveyances of personal property in trust for use of persons making them void as to creditors. a. Except as provided in subsection b. of this section, every deed of gift and every conveyance, transfer and assignment of goods, chattels or things in action, made in trust for the use of the person making the same, shall be void as against creditors.

b. Notwithstanding the provisions of any other law to the contrary, any property held in a qualifying trust and any distributions from a qualifying trust, regardless of the distribution plan elected for the qualifying trust, shall be exempt from all claims of creditors and shall be excluded from an estate in bankruptcy, except that:

(1) no exemption shall be allowed for any preferences or fraudulent conveyances made in violation of the "Uniform Voidable Transactions Act," R.S.25:2-20 et seq., or any other State or federal law;

(2) no qualifying trust shall be exempt from the claims under any order for child support or spousal support or of an alternate payee under a qualified domestic relations order. However, the interest of any alternate payee under a qualified domestic relations order is exempt from all claims of any creditor of the alternate payee. As used in this paragraph, the terms "alternate

payee" and "qualified domestic relations order" have the meanings ascribed to them in section 414(p) of the federal Internal Revenue Code of 1986 (26 U.S.C. s.414(p)); and

(3) no qualifying trust shall be exempt from any punitive damages awarded in a civil action arising from manslaughter or murder.

For purposes of this section, a "qualifying trust" means a trust created or qualified and maintained pursuant to federal law, including, but not limited to, section 401, 403, 408, 408A, 409, 529 or 530 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.401, 403, 408, 408A, 409, 529 or 530).

Repealer.

28. R.S.25:2-2 through R.S.25:2-6 are repealed.

29. This act shall take effect on the 90th day following enactment.

This act shall apply to a transfer made or obligation incurred on or after its effective date. This act shall not apply to a transfer made or obligation incurred before its effective date. This act shall not apply to a right of action that has accrued before its effective date. For the foregoing purposes, a transfer is made and an obligation is incurred at the time provided in R.S.25:2-28.

Approved May 12, 2021.