

**BOROUGH OF PALMYRA
ORDINANCE 2022-11**

**AN ORDINANCE TO ESTABLISH REGISTRATION RULES AND REGULATIONS
FOR PROPERTIES THAT ARE THE SUBJECT OF FORECLOSURE PROCEEDINGS**

WHEREAS, like many other municipalities within New Jersey, the Borough of Palmyra (“Palmyra”) contains a significant number of vacant and abandoned buildings and properties that are in the process of being foreclosed upon that can create significant problems for a municipality when such properties are not properly maintained and secured by their owners; and

WHEREAS, it is well-established that vacant and abandoned buildings can cause significant challenges including the diminution of neighboring property values, the potential rise in criminal activity, public health and safety hazards, heightened risk of fires, and the reduction of municipal revenues; and

WHEREAS, due to the increased risk of blight presented by foreclosure properties, the State of New Jersey has provided municipalities with statutory tools to identify such properties, to monitor their status/condition, and mitigate the risk that these properties become vacant and abandoned and ultimately lead to blight within the community; and

WHEREAS, pursuant to N.J.S.A. § 40:48-2.12s1, 2, and 3, the State of New Jersey has provided municipalities with the authority to adopt ordinances to establish a property registration program to identify and monitor residential and commercial properties within the municipality that are subject to a pending foreclosure action; and

WHEREAS, the foregoing statute additionally authorizes municipal ordinances to regulate the maintenance, security and upkeep of the exterior condition of vacant and abandoned residential and commercial foreclosure properties and to impose additional property registration fees to be paid by the creditors of such properties on an annual or semi-annual basis; and

NOW, THEREFORE, BE IT ORDAINED by the governing body of the Borough of Palmyra, County of Burlington, and State of New Jersey as follows:

Chapter 206A is hereby repealed as of the effective date of this Ordinance and shall be replaced with a new Chapter 206B which shall be titled and read as set forth below:

**REGISTRATION RULES AND REGULATIONS
FOR PROPERTIES THAT ARE THE SUBJECT OF FORECLOSURE PROCEEDINGS**

SECTION ONE – DEFINITIONS

“CREDITOR” means a mortgagee or an agent or assignee of a mortgagee, such as the servicer, who has filed a complaint in the Superior Court seeking to foreclose upon a residential or commercial mortgage. If the entity seeking to foreclose upon the residential or commercial mortgage changes as a result of an assignment, transfer, or otherwise after the filing of the foreclosure complaint in the Superior Court, the new entity shall be deemed the creditor for purposes of this section. For purposes of this section, a creditor shall not include the State, a political subdivision of the State, a State, county, or local governmental entity, or their agent or assignee, such as the servicer.

“LOCAL UNIT” means a municipality, county, or a county improvement authority or other subdivision of a municipality or county.

“RESPONSIBLE PARTY” means the title holder of a vacant and abandoned property or a creditor responsible for the maintenance of a property pursuant to section 17 of P.L. 2008, c.127 (C.46:10B-51)

“STREET ADDRESS” means an address at which a natural person who is the responsible party or an authorized agent resides or actively uses for business purposes and shall include a street name or rural delivery route.

“VACANT AND ABANDONED PROPERTY” means any residential or commercial building which is not legally occupied by a mortgagor or tenant, which is in such condition that it cannot be legally reoccupied, and at least two of the following conditions exist:

- (a) overgrown or neglected vegetation; or
- (b) the accumulation of newspapers, circulars, flyers, or mail on the property; or
- (c) disconnected gas, electric, or water utility services to the property; or
- (d) the accumulation of hazardous, noxious, or unhealthy substances or materials on the property; or
- (e) the accumulation of junk, litter, trash, or debris on the property; or
- (f) the absence of window treatments such as blinds, curtains, or shutters; or
- (g) the absence of furnishings and personal items; or
- (h) statements of neighbors, delivery persons, or government employees indicating that the property is vacant and abandoned; or

(i) windows or entrances to the property that are boarded up or closed off, or multiple windowpanes that are damaged, broken, and unrepaired; or

(j) doors to the property that are smashed through, broken off, unhinged, or continuously unlocked; or

(k) a risk to the health, safety, or welfare of the public or any adjoining or adjacent property owners due to acts of vandalism, loitering, criminal conduct, or the physical destruction or deterioration of the property; or

(l) an uncorrected violation of a municipal building, housing, or similar code during the preceding year, or an order by municipal authorities declaring the property to be unfit for occupancy and to remain vacant and unoccupied; or

(m) the mortgagee or other authorized party has secured or winterized the property due to the property being deemed vacant and unprotected or in danger of freezing; or

(n) a written statement issued by a mortgagor expressing the clear intent of all mortgagors to abandon the property; or

(o) any other reasonable indicia of abandonment.

For the purposes of this section, a residential property shall not be considered “vacant and abandoned property” if, on the property:

(a) there is an unoccupied principal structure which is undergoing construction, renovation, or rehabilitation that is proceeding diligently to completion, and the building follows all applicable ordinances, codes, regulations and statutes.

SECTION TWO –REGISTRATION REQUIREMENT AND FEES FOR COMMERCIAL OR RESIDENTIAL PROPERTIES IN FORECLOSURE

1. A “creditor” serving a summons and complaint in an action to foreclose on a mortgage on a residential or commercial property in Palmyra shall, in pursuant to N.J.S.A. 40:48-2.12s2 register the residential or commercial property with the Palmyra property registration program as a property in foreclosure, and, as part of that registration: provide the Clerk of Palmyra with the following notice and information, within 10 days of serving the summons and complaint:

2. The notice shall contain the following information:

(a) the full name, address, and telephone number for the representative of the creditor who is responsible for receiving complaints of property maintenance and code violations; and

- (b) the full name and contact information for any person or entity retained by the creditor or a representative of the creditor to be responsible for any care, maintenance, security, or upkeep of the property; and
- (c) the date the summons and complaint was filed, the court in which it was filed, and the docket number of the filing; and
- (d) whether the property is “vacant and abandoned property” as defined above.

The notice may contain information about more than one property, and shall be provided by mail or electronic communication, at the discretion of the municipal clerk. In the event the creditor that has served a summons and complaint in an action to foreclose on a commercial or residential property that is located out-of-State, the notice shall also contain the full name, address, and telephone number of an in-State representative or agent who shall be responsible for the care, maintenance, security, and upkeep of the exterior of the property if it becomes vacant and abandoned. Upon receipt, the municipal clerk shall forward a copy of the notice to the local official responsible for administration of any property maintenance or public nuisance code. The notice shall also include the street address, lot, and block number of the property.

3. If there is any change in the name, address, or telephone number for a representative, agent, or individual authorized to accept service on behalf of a creditor required to be provided in a notice pursuant to this paragraph, or if the registered property becomes “vacant and abandoned property” in accordance with the definition as set forth above, following the filing of the summons and complaint, the creditor shall provide a notice to the applicable municipal clerk containing the updated name, address, or telephone number within 10 days of the change in that information.

4. A “creditor” as defined above serving a summons and complaint in an action to foreclose on a mortgage on a residential or commercial property in Palmyra shall do the following:

- (a) Pay a fee to Palmyra for registration for each residential or commercial property for which a summons and complaint has been issued in the amount of \$500.00 annually; and

- (b) Pay an additional fee of \$2,000.00 per property annually if the property is “vacant and abandoned property” as defined above when the summons and complaint in an action to foreclose is filed or becomes “vacant and abandoned property” at any time thereafter while the property is in foreclosure.

5. An out-of-State “creditor” found to be in violation of the requirement to appoint an in-State representative or agent pursuant to the ordinance shall be subject to a fine of \$2,500 for each day of the violation. Any fines imposed on a “creditor” for the failure to appoint an in-State representative or agent shall commence on the day after the 10-day period for providing notice to the municipal clerk that a summons and complaint in an action to foreclose on a mortgage has been served.

6. If the owner of a commercial or residential property vacates or abandons any property on which a foreclosure proceeding has been initiated or if a commercial or residential property becomes vacant at any point subsequent to the creditor's filing the summons and complaint in an action to foreclose on a mortgage against the subject property, but prior to vesting of title in the creditor or any other third party, and the exterior of the property is found to be a nuisance or in violation of any applicable State or local code, the local public officer, municipal clerk, or other authorized municipal official shall notify the creditor or the representative or agent of an out-of-State creditor, as applicable, which shall have the responsibility to abate the nuisance or correct the violation in the same manner and to the same extent as the title owner of the property, to such standard or specification as may be required by State law or municipal ordinance. Palmyra shall include a description of the conditions that gave rise to the violation with the notice of violation and shall provide a period of not less than 30 days from the creditor's receipt of the notice for the creditor to remedy the violation or within 10 days of receipt of the notice if the violation presents an imminent threat to public health and safety.

7. Additionally, if the registered property becomes "vacant and abandoned property" as defined above after the property is initially registered with Palmyra, then the "creditor" shall be required to do the following:

(1) to care, maintain, secure, and upkeep the exterior of the property in compliance with all applicable code provisions; and

(2) to secure the property against unauthorized entry; and

(3) to post a sign affixed to the inside of the property and visible to the public indicating the name, address, and telephone number of the creditor or an out-of-State creditor's in-State representative or agent for the purpose of receiving service of process; and

(4) to acquire and otherwise maintain liability insurance by procuring a vacancy policy, covering any damage to any person or any property caused by any physical condition of the property while registered with the property registration program; and

8. If Palmyra expends public funds in order to abate a nuisance or correct a violation on a commercial or residential property in situations in which the creditor was given notice pursuant as set forth above, but fails to abate the nuisance or correct the violation as directed, Palmyra shall have the same recourse against the "creditor" as it would have against the title owner of the property, including but not limited to the recourse provided under section 23 of P.L.2003, c.210 (C.55:19-100).

9. Property registration fees and fines imposed as set forth above shall be considered a municipal charge pursuant to the "tax sale law," R.S.54:5-1 et seq.

10. A "creditor" subject to the provisions of this Chapter found by the municipal court of Palmyra or by any other court of competent jurisdiction that violates the provisions of paragraphs 1, 2, and 3 of this subsection shall be subject

to a fine of \$500 per violation. A “creditor” subject to the provisions of this Chapter found by the municipal court of Palmyra or by any other court of competent jurisdiction, to be in violation of any provisions of this Chapter (except paragraphs 1, 2, and 3 of this subsection) shall be subject to a fine of \$1,500 for each day of the violation. Any fines imposed pursuant to this paragraph shall commence 31 days following receipt of the notice of violation, except if the violation presents an imminent risk to public health and safety, in which case any fines shall commence 11 days following receipt of the notice.

SECTION FOUR.

All prior Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

The effective date of this Ordinance shall be twenty (20) days after passage and publication as required by law.

Approved for introduction at the regular meeting of the Borough of Palmyra Mayor and Council on **November 21, 2022** Public Notice of the second reading and public hearing was published in the Burlington County Times on **November 25th, 2022**. Public Notice and second reading will be held **December 5th, 2022**.

RECORDED VOTE	MOTION	SECOND	INEAVOR	AGAINST	ABSTAIN	ABSENT
MR. ALLMOND						X
DR. CLOUD						X
MS. LATIMORE			X			
MRS. MCCANN			X			
MRS. RUSSELL	X		X			
PRESIDENT HOWARD		X	X			
MAYOR GINA RAGOMO TAIT						

Approved for final adoption at the regular meeting of the Borough of Palmyra Mayor and Council on **December 5th, 2022** after a public hearing was held. Public Notice was given for the public hearing by being published in the Burlington County Times on **November 25th, 2022**.

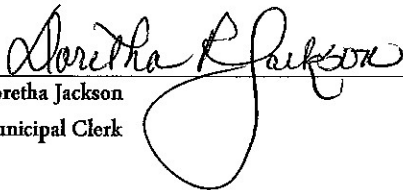
RECORDED VOTE	MOTION	SECOND	INEAVOR	AGAINST	ABSTAIN	ABSENT
MR. ALLMOND						X
MRS. CLOUD			X			
MS. LATIMORE			X			

MRS. MCCANN			X			
MRS. RUSSELL	X		X			
PRESIDENT HOWARD		X	X			
MAYOR GINA RAGOMO TAIT						

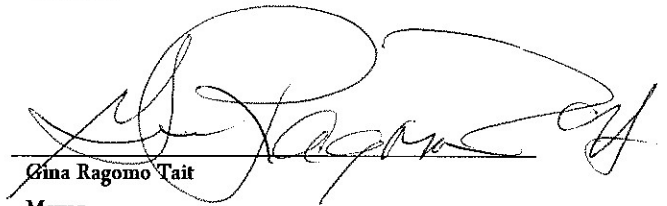
DATE OF FINAL PUBLICATION: December 8, 2022

ATTEST:

SIGNED:



 Doretha Jackson
 Municipal Clerk



 Gina Ragomo Tait
 Mayor