SENATE STATE GOVERNMENT, WAGERING, TOURISM & HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

[First Reprint]
ASSEMBLY, No. 794

STATE OF NEW JERSEY

DATED: JUNE 11, 2026

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably Assembly Bill No. 794 (1R).

This bill permits a distressed municipality to obtain title to real property that is vacant, abandoned, or subject to unpaid taxes by purchasing the property for the fair market value, or by exercising the municipality's power of eminent domain and acquiring title to the real property pursuant to the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.), in lieu of acquiring title to the real property pursuant to the "Abandoned Properties Rehabilitation Act," P.L.2003, c.210 (C.55:19-78 et seq.) (APRA), the "tax sale law," R.S.54:5-1 et seq., and the In Rem Tax Foreclosure Act (1948), P.L.1948, c.96 (C.54:5-104.29 et seq.). The bill defines a "distressed municipality" as a municipality with a municipal revitalization index distress score of 45 or greater. A municipality maintains its distressed status for a period of three years regardless of if the municipality falls below a score of 45 within the three-year period.

The bill further specifies, for real property acquired by a distressed municipality pursuant to the bill, the municipality is permitted to subtract the amount of any unpaid taxes and municipal liens from the amount the municipality would otherwise be required to pay to the owner of the real property in compensation. Additionally, the bill imposes certain requirements on a distressed municipality if the municipality is unable, after making good faith and diligent efforts, to locate the owner of real property subject to municipal action pursuant to the bill.

The bill provides a different definition of the terms "abandoned" or "vacant" than is provided in the APRA. Under the bill, the terms "abandoned" or "vacant" mean real property that exhibits at least four of 14 qualifiers indicating abandonment or vacancy, as specified in the bill.

The bill provides that real property is not "abandoned" or "vacant" if, on the property:

- there exists an unoccupied building, which is undergoing construction, renovation, or rehabilitation that

is proceeding diligently to completion, and the building is in compliance with all applicable ordinances, codes, regulations, and statutes;

- there is a building occupied on a seasonal basis, but otherwise secure;
- there is a building that is secure, but is the subject of a probate action, action to quiet title, or other ownership dispute; or

The bill is not intended to supersede or limit a summary action to foreclose mortgages on vacant and abandoned properties pursuant to P.L. 2012, c.70 (C.2A:50-73) or the "New Jersey Foreclosure Fairness Act," P.L.2009, c.296 (C.2A:50-69 et seq.).

The bill establishes a notification process to alert a property owner, lienholder, and mortgagee that a property has been deemed vacant or abandoned pursuant to the bill. A distressed municipality that seeks to utilize its eminent domain powers on a vacant or abandoned property, pursuant to the provisions of the bill, is to post notice in the official newspaper of the municipality or on the municipality's Internet website to ensure public notice. Within 10 days of publication in the newspaper or Internet website, the bill requires a municipality to send notice, by certified mail, with return receipt requested, and by regular mail, to the owner of record of the vacant or abandoned property. The published and mailed notices are to identify the owner of record, if known, the tax lot, block number, and street address. The bill additionally requires a municipality, in consultation with the tax collector, to send 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. The bill provides that if 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 is to be posted on the property in the manner as provided in section 5 of P.L.1942, c.112 (C.40:48-2.7). Notice provided pursuant to the bill is to contain the municipality's factual finding concerning the abandoned property.

The bill additionally establishes a mechanism for an owner or lienholder to challenge the determination of a property as vacant or abandoned. The bill permits an owner or lienholder to appeal the abandoned property determination to the municipality within 30 days of receipt of certified notice or 40 days from the date from which notice was sent. If an owner's identity was unknown to the municipality at the time of notice, the owner is to have 40 days from the date upon which notice was published or posted, whichever is later, to challenge the determination of a property as vacant or abandoned. The bill provides that a property is presumed to be abandoned property unless the owner can demonstrate, through the submission of an affidavit or certification, that the property is not vacant or abandoned by remediating conditions or by showing intent to

remediate the conditions that caused the property to be determined vacant or abandoned.

If within 30 days of receipt of certified notice the owner has remediated conditions that caused the property to be determined vacant or abandoned, or if in the municipality's good faith determination has taken action indicative of intention to remediate, the bill provides that the real property will not be considered vacant or abandoned.

As reported by the committee, Assembly Bill No. 794 (1R) is identical to Senate Bill No. 725, which was also amended and reported by the committee on this date.