LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5289

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: NOVEMBER 5, 2026

SUMMARY

Synopsis: Establishes certain protections against deed theft.

Type of Impact: Annual State and local expenditure increases.

Agencies Affected: Department of Law and Public Safety; the Judiciary; local governments.

Office of Legislative Services Estimate

Fiscal Impact	
Annual State Cost Increase	Indeterminate
Annual Local Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that establishing protections against deed theft will result in an indeterminate annual increase in State expenditures. The OLS lacks sufficient information to quantify the fiscal impact, as it is not possible to estimate how many additional court proceedings, law enforcement investigations, and actions to restore property titles for victims of deed theft may result from the bill.

- The following State and local agencies would incur caseload and expenditure increases: i) the Department of Law and Public Safety would investigate deed theft, file notices of pendency, and pursue legal actions to void fraudulent instruments on behalf of victims; ii) county prosecutors' offices would experience an increase in investigative and prosecutorial workload, including costs associated with filing notices of pendency when statutory conditions are met; iii) county clerks would experience an increase in workload associated with recording and processing notices of pendency and court orders affecting real property; and iv) the Judiciary would experience an increase in workload associated with additional Superior Court proceedings, mandatory stays, six-month status conferences, hearings, and disputes involving property titles.

BILL DESCRIPTION

This bill implements certain protections against deed theft. First, the bill permits a federal, State, or local government agency to move for a stay of any proceeding to recover possession of or quiet title to real property relating to a residential dwelling unit or property, if there is a pending good faith investigation into the theft or fraud in the title to, or the financing of, the premises that is the subject of the proceeding. Upon the agency's showing of the pendency of a good faith investigation, the court is required to issue a stay of the proceeding, including staying execution of a warrant of eviction or enforcement of a judgment so long as the investigation is ongoing. The bill stipulates that every six months, the court is required to schedule a status conference with the government agency and any other parties to the action to review any stay and to determine if the investigation is still continuing in good faith, and is further required to continue the stay of the proceeding until the government investigation is closed. A court is to review any supporting documents filed by the government agency in camera and filed under seal if deemed necessary by the government agency.

The bill permits the Office of the Attorney General or any law enforcement agency, in cases where a defendant has been convicted after a trial or pled guilty to any crime that affects the title to, encumbrance of, or possession of, real property and where there is an instrument that is material to the encumbrance, transfer, or purchase of the real property, to file an action to quiet title or an action under the Uniform Voidable Transactions Act, in the Superior Court in the county where the property that is the subject of the instrument is located or the prosecution occurred, on behalf of the victim to void the instrument. The Superior Court is required to conduct a hearing and make findings essential to the determination of whether to declare the instrument void. Upon the defendant’s conviction or guilty plea, and after conducting a hearing pursuant to the bill, the court is required to make a determination, and if appropriate, order that the instrument be declared void or grant other appropriate relief to the victim.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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The Federal Bureau of Investigation's (FBI) Internet Crime Complaint Center, established in 2000, tracks internet-related crimes, including real estate fraud. Deed fraud is not a separate reporting category, and, as a result, comprehensive national statistics on deed fraud are unavailable in the annual reports. However, the annual reports show an increase in cyber-enabled real estate crime complaints from 9,359 in 2024 to 12,368 in 2025, while reported financial losses rose from approximately $173.6 million to $275.1 million during the same period.

In May 2024, the FBI issued a warning regarding deed theft schemes in New Jersey, which initially targeted vacant land but have since expanded to include vacant properties and rental homes. The FBI's warning and related developments prompted the New Jersey State Commission of Investigation, which investigates allegations of fraud, waste, and abuse, to examine seller impersonation and deed fraud in the State. The commission's 2026 *Deed Fraud and Related Schemes* report emphasized that New Jersey property owners have been victims of deed fraud and that the number of deed fraud victims is on the rise. These reports indicate that all State agencies involved will also experience an uptick in their respective workloads.

The commission's 2026 report identified approximately 135 reported incidents of deed fraud and related real estate fraud schemes in New Jersey from 2020 through early March 2026, based on FBI data. However, deed fraud is not systematically tracked at the State or county level, and the reported incidents may understate the extent of the problem. Consequently, the number of additional court proceedings, law enforcement investigations, and property-title restoration actions that may result from the bill cannot be determined.

Section: *Judiciary*

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).