



## Legislation Text

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**AN ORDINANCE AMENDING TITLE 2, ADMINISTRATION, CHAPTER 10, DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT, OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, TO ADD REGISTRATION FEES AND VIOLATIONS FOR COMMERCIAL UNITS, INCREASE THE REGISTRATION FEES AND VIOLATION FINES FOR RESIDENTIAL UNITS, AND ADD REGULATIONS ON THE REGISTRATION OF FORECLOSURE MORTGAGE PROPERTIES.**

**WHEREAS**, on June 15, 2011, the Municipal Council adopted Ordinance 6PSF-a, amending Title 2, Administration, Chapter 10, Department of Economic Development and Housing Development to add new Section 1:10-1.4D, governing the maintenance of vacant properties in the City of Newark, establishing registration requirements and levying registration fee on owners of vacant properties; and

**WHEREAS**, on March 18, 2015, the Municipal Council adopted an amendment revising General Ordinances of the City of Newark, New Jersey, 2000, Title 2, Chapter 10 to change all responsibilities of vacant properties registration from the Rent Regulation Officer to the Deputy Mayor/Director of the Department of Economic and Housing Development or his/her designee; and

**WHEREAS**, City of Newark continues to be negatively impacted both fiscally and economically, by the vacant properties, both commercial and residential; and

**WHEREAS**, COVID-19 has demonstrated the need to redevelop and/or activate vacant properties, both commercial and residential, in an effort to accelerate the equitable economic recovery of the City of Newark; and

**WHEREAS**, the City of Newark desires to protect the public health, safety, and welfare of the citizens of the City of Newark and maintain a high quality of life for the citizens of the City through the maintenance of structures and properties in the City; and

**WHEREAS**, the City recognizes Registrable Properties that are subject to foreclosure action or foreclosed upon located throughout the City create a greater risk of blight and lead to a decline in community and property value; create nuisances; lead to a general decrease in neighborhood and community aesthetic; create conditions that invite criminal activity; and foster an unsafe and unhealthy environment; and

**WHEREAS**, the City recognizes that in the best interest of the public health, safety, and welfare, a more regulated method is needed to discourage mortgagees from allowing their properties to be abandoned, neglected or left unsupervised; and

**WHEREAS**, the City has a vested interest in protecting neighborhoods against decay caused by Abandoned Property and concludes that it is in the best interests of the health, safety, and welfare

of its citizens and residents to impose registration requirements within the City to discourage Abandoned Property and Mortgagees from allowing their properties to be abandoned, neglected or left unsupervised; and

**WHEREAS**, the State of New Jersey has enacted statutes intended to assist municipalities in addressing such risks, including requiring that municipalities receive notice of the initiation of a foreclosure action in court in connection with residential properties and authorizing a public officer in a municipality to take certain action against properties that have been abandoned for more than six (6) months; and

**WHEREAS**, pursuant to N.J.S.A. 40:48-2, the City of Newark is authorized to enact and amend ordinances as deemed necessary for the preservation of the public health, safety and welfare and as may be necessary to carry into effect the powers and duties conferred and imposed upon the City of Newark by law; and

**WHEREAS**, pursuant to P.L. 2021, c. 444, the City of Newark is authorized to adopt or amend ordinances creating a property registration program for the purpose of identifying and monitoring residential and commercial properties within the City of Newark for which a summons and complaint in an action to foreclosure on a mortgage has been filed, regulate the care, maintenance, security and upkeep of such properties, impose a registration fee on the creditor of such properties, and authorize a public officer in a municipality to take certain action against properties that have been abandoned for more than six (6) months.

**NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

[Note: Additions are shown as **underlined and bold**. Deletions are ~~strikethroughs~~.]

**Section 1: Title 2, Administration, Chapter 10, Department of Economic and Housing Development, is hereby amended and supplemented, adding registration fees and violation fines for commercial units, and increasing registration fees and violation fines for all vacant property and shall read as follows:**

**2:10-1.4E. MAINTENANCE OF VACANT PROPERTIES, REGISTRATION REQUIREMENTS AND FEES.**

**2:10-1.4E.1. Definitions.**

**“Property” shall mean any real property, building or structure, or any part or parts thereof, commercial or otherwise, within the City of Newark, whether or not owner occupied, and whether or not one or more than one floor or level is unoccupied while one or more than one floor or level is occupied either for commercial or residential use.**

**“Commercial Unit” shall mean any building square footage rented, formerly rented, intended for rental, zoned for rental, approved for rental by the City of Newark, or legally able to be rented under the applicable laws and ordinances of the City of Newark. If any Commercial Unit exceeds 1,500 square feet, such a unit will be referred to as multiple Commercial Units with**

the number being derived from taking the total Commercial Unit square footage and dividing by 1,500 square feet. Any partial unit shall qualify as an additional unit under this Ordinance.

“Abandoned” or “vacant” shall refer to any Property and/or Commercial Unit, which becomes Dilapidated, Deteriorated, Decayed or Unattractive, or Partially Dilapidated, Deteriorated, Decayed or Unattractive, from any cause, and which is not legally occupied by a mortgagor or tenant or at which substantially all lawful construction operations or occupancy has ceased, and which is in such condition that it cannot legally be reoccupied without repair or rehabilitation, and at which at least two of the following conditions exist:

- (1) Overgrown or neglected vegetation;
- (2) The accumulation of newspapers, circulars, flyers, or mail on the property;
- (3) Disconnected gas, electric, or water utility services to the property;
- (4) The accumulation of hazardous, noxious, or unhealthy substances or materials on the property;
- (5) The accumulation of junk, litter, trash, or debris on the property;
- (6) The absence of window treatments such as blinds, curtains, or shutters;
- (7) The absence of furnishings and personal items;
- (8) Statements of neighbors, delivery persons, or government employees indicating that the property is vacant and abandoned;
- (9) Windows or entrances to the property that are boarded up or closed off, or multiple window panes that are damaged, broken, and unrepaired;
- (10) Doors to the property that are smashed through, broken off, unhinged, or continuously unlocked;
- (11) 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;
- (12) 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;
- (13) 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;
- (14) A written statement issued by a mortgagor expressing the clear intent of all mortgagors to abandon the property; or
- (15) Any other reasonable indicia of abandonment.

Any Property that contains all building systems in working order and is being actively marketed by its owner for sale or rental, shall not be deemed Vacant. Property determined to be Abandoned or Vacant shall be construed in accordance with the meaning of "abandoned property" in the Abandoned Properties Rehabilitation Act, N.J.S.A. 55:19-78 et seq., and shall also be deemed to be Vacant Property for the purposes of this section.

(Ord. 6 PSF-A, 6-2-11 § 1)

“Partial” shall mean any part, floor or level of a building or structure, where one part, floor or level is occupied and compliant with this ordinance, but other parts, floors or levels are not.

“Owner” shall include the title holder, any agent of the title holder having authority to act with respect to a vacant property, any foreclosing entity subject to the provisions of C.46:10B-51 (P.L. 2008, c.127, Sec. 17), or any other entity determined by the City of Newark to have authority to act with respect to

the property.

**“Dilapidated,” “deteriorated,” “decayed,” or “unattractive” shall mean any appearance or condition of any real property, building or structure, or part, floor or level thereof, which is not in conformance with the maintenance of other neighboring properties, materially affecting the economic welfare and/or value of neighboring properties, including, but not limited to, exterior conditions, as set forth under Section V of this ordinance, which the owner has failed to take reasonable or necessary measures to remedy or maintain.**

#### **2:10-1.4E.2. General Requirements.**

a. Effective August 1, 2011, the Owner of any Vacant Property as defined herein shall within sixty (60) **thirty (30)** days after the building becomes vacant property or within thirty (30) days after assuming ownership of the vacant property, whichever is later, file a registration statement for each such Vacant Property with the Deputy Mayor/Director of the Department of Economic and Housing Development or his/her designee on forms provided by that the Deputy Mayor/Director of the Department of Economic and Housing Development or his/her designee for such purposes. The registration shall remain valid for one year from the date of registration. The owner shall be required to renew the registration annually as long as the building remains Vacant property and shall pay a registration or renewal fee in the amount prescribed in **Sections 2:10-1.4E.4A and 2:10-1.4E.4B** of this Article 4 for each Vacant Property registered.

b. Any Owner of any building that meets the definition of Vacant Property prior to **October 1, 2022**, shall file a registration statement for that **Property** on or before **October 30, 2022**. The registration statement shall include the information required under Section 2:10-1.4E.3 of this Article 4, as well as any additional information that the Deputy Mayor/Director of the Department of Economic and Housing Development or his/her designee may reasonably require.

c. The Owner shall notify the Deputy Mayor/Director of the Department of Economic and Housing Development or his/her designee within thirty (30) days of any change in the registration information by filing an amended registration statement on a form provided by the Deputy Mayor/Director of the Department of Economic and Housing Development or his/her designee for such purpose.

d. The registration statement shall be deemed prima facie proof of the statements therein contained in any administrative enforcement proceeding or court proceeding instituted by the City against the owner or owners of the building.

#### **2:10-1.4E.3. Registration Statement Requirements; Property Inspection.**

After filing a registration statement or a renewal of a registration statement, the owner of any vacant property shall provide access to the City to conduct an exterior and interior inspection of the building to determine compliance with the Municipal Code, following reasonable notice, during the period covered by the initial registration or any subsequent renewal.

a. The registration statement shall include the name, street address and telephone number of a natural person 21 years of age or older, designated by the owner or owners as the authorized agent for receiving notices of code violations and for receiving process, in any court proceeding or

administrative enforcement proceeding, on behalf of such owner or owners in connection with the enforcement of any applicable code. This person must maintain an office in the State of New Jersey or reside within the State of New Jersey. The statement shall also include the name of the person responsible for maintaining and securing the property, if different. **The statement shall include evidence of any liability insurance required by an ordinance adopted pursuant to 2:10-1.4E.5 (c) of this section.**

b. An Owner who is a natural person and who meets the requirements of this Article 4 as to location of residence or office may designate him or herself as agent.

c. By designating an authorized agent under the provisions of this section, the Owner consents to receive any and all notices of code violations concerning the registered Vacant Property and all process in any court proceeding or administrative enforcement proceeding brought to enforce code provisions concerning the registered building by service of the notice or process on the authorized agent. Any Owner who has designated an authorized agent under the provisions of this section shall be deemed to consent to the continuation of the agent's designation for the purposes of this Section until the owner notifies the Deputy Mayor/Director of the Department of Economic and Housing Development or his/her designee of a change of authorized agent or until the Owner files a new annual registration statement. The designation of an authorized agent in no way releases the owner from any requirement of this Article 4.

**d. This Section shall not be construed to diminish any property maintenance responsibilities of property owners who are not subject to the provisions of the Section.**

#### **2:10-1.4E.4A. Residential Fee Schedule.**

The initial registration fee for each building shall be five hundred (\$500.00) dollars. The fee for the first renewal is one thousand five hundred (\$1,500.00) dollars, and the fee for the second renewal is three thousand (\$3,000.00) dollars. The fee for any subsequent renewal beyond the second renewal is five thousand (\$5,000.00) dollars.

#### **Vacant Property Registration Fee Schedule**

Initial registration	\$500.00
First renewal	\$1,500.00
Second renewal	\$3,000.00
Any subsequent renewal	\$5,000.00

~~(Ord. 6 PSF-A, 6-2-11 § 1)~~

**The initial registration fee for each building shall be one thousand (\$1,000.00) dollars. The fee for the first renewal is three thousand (\$3,000.00) dollars, and the fee for the second renewal is six thousand (\$6,000.00) dollars. The fee for any subsequent renewal beyond the second renewal is ten thousand (\$10,000.00) dollars.**

### Vacant Property Registration Fee Schedule

<u>Initial registration</u>	<u>\$1,000.00</u>
<u>First renewal</u>	<u>\$3,000.00</u>
<u>Second renewal</u>	<u>\$6,000.00</u>
<u>Any subsequent renewal</u>	<u>\$10,000.00</u>

### 2:10-1.4E.4B. Commercial Fee Schedule.

- a. For buildings under 5,000 gross building square feet: For each Abandoned Commercial Unit and/or Vacant Commercial Unit thereof shall be five thousand (\$5,000.00) dollars. Each 1500 square-foot unit is considered a separate unit and the registration fee will be assessed per unit and per floor. Any Partial unit, as defined under Section 2:10-1.4E.1, shall qualify as an additional unit. Any unit exceeding 1,500 square feet will be considered multiple units, with the number being derived from taking the total unit square footage and dividing by 1,500 square feet. The fee for the first renewal is fifteen thousand (\$15,000.00) dollars, and the fee for the second renewal is thirty thousand (\$30,000.00) dollars. The fee for any subsequent renewal beyond the second renewal is fifty thousand (\$50,000.00) dollars.

#### Vacant Property Registration Fee Schedule -

<u>Initial registration</u>	<u>\$5,000.00</u>
<u>First renewal</u>	<u>\$15,000.00</u>
<u>Second renewal</u>	<u>\$30,000.00</u>
<u>Any subsequent renewal</u>	<u>\$50,000.00</u>

- b. For buildings over 5,000 gross building square feet and under 25,000 gross building square feet total: For each Abandoned Commercial Unit and/or Vacant Commercial Unit thereof shall be fifteen thousand (\$15,000.00) dollars. Registration fees shall be assessed per floor and per unit, where any unit exceeding 1,500 square feet will be considered multiple units, with the number being derived from taking the total unit square footage and dividing by 1,500 square feet. Any Partial unit, as defined under Section 2:10-1.4E.1, shall qualify as an additional unit. The fee for the first renewal is twenty-five thousand (\$25,000.00) dollars, and the fee for the second renewal is fifty thousand (\$50,000.00) dollars. The fee for any subsequent renewal beyond the second renewal is seventy-five thousand (\$75,000.00) dollars.

#### Vacant Property Registration Fee Schedule -

<u>Initial registration</u>	<u>\$15,000.00</u>
<u>First renewal</u>	<u>\$25,000.00</u>
<u>Second renewal</u>	<u>\$50,000.00</u>
<u>Any subsequent renewal</u>	<u>\$75,000.00</u>

- c. For buildings over 25,000 gross building square feet: For each Abandoned Commercial Unit and/or Vacant Commercial Unit thereof shall be twenty-five thousand

(\$25,000.00) dollars. Registration fees shall be assessed per floor and per unit, where any unit exceeding 1,500 square feet will be considered multiple units, with the number being derived from taking the total unit square footage and dividing by 1,500 square feet. Any Partial unit shall qualify as an additional units defined under Section 2:10-1.4E.1. The fee for the first renewal is fifty thousand (\$50,000.00) dollars, and the fee for the second renewal is seventy-five thousand (\$75,000.00) dollars. The fee for any subsequent renewal beyond the second renewal is one hundred thousand (\$100,000.00) dollars.

**Vacant Property Registration Fee Schedule -**

<u>Initial registration</u>	<u>\$25,000.00</u>
<u>First renewal</u>	<u>\$50,000.00</u>
<u>Second renewal</u>	<u>\$75,000.00</u>
<u>Any subsequent renewal</u>	<u>\$100,000.00</u>

**2:10-1.4E.5. Requirements for Owners of Vacant Property.**

The Owner of any **Property or Commercial Unit** that has become **Vacant or Abandoned**, and any person maintaining, operating or collecting rent for any such **Property or Commercial Unit** that has become **Vacant or Abandoned** shall, within thirty (30) days:

- a. Enclose and secure the Property or Commercial Unit against unauthorized entry as provided in the applicable provisions of the Code of the City of Newark, or as set forth in rules and regulations adopted by the Director of Neighborhood and Recreational Services **Director of the Department of Public Works** to supplement those codes; and
- b. Post a sign affixed to the Property or Commercial Unit indicating the name, address and telephone number of the Owner, the Owner's authorized agent for the purpose of service of process (if designated pursuant to subsection 2:10-1.4E.3. of this Article), and the person responsible for day-to-day supervision and management of the building, if such person is different from the owner holding title or authorized agent. The sign shall be of a size and placed in such a location so as to be legible from the nearest public street or sidewalk, whichever is nearer, but shall be no smaller than 18 inches by 24 inches; and
- c. **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 or Commercial Unit; and**
- d. Secure the building from unauthorized entry and maintain the sign until the **Property or Commercial Unit** is again legally occupied or demolished or until repair or rehabilitation is complete.

**2:10-1.4E.6 Exterior Protection.**

- a. **Exterior doors, windows, skylights and similar openings shall be maintained weather tight, clean, free of hazard and free of debris.**

- i. In the occurrence of a broken or cracked window or skylight, the windowpane shall be replaced.
  - ii. In the occurrence of a removed or missing window or skylight, a window shall be installed.
  - iii. Cracked or broken glass windows shall be replaced with glass of the same or superseding performance class.
- b. The covering for doors and windows may not consist of any substance sprayed onto the windows. All enclosures shall be of such material and surface that they are neither unsightly or unattractive nor will materially detract from the general appearance of the building or the neighborhood and, when possible, shall be secured by normal means.
- c. The coverings for windows and doors for Partially Abandoned or Vacant properties, buildings and structures may consist of:
  - i. Venetian or similar blinds;
  - ii. Drapes, curtains or shades;
  - iii. Decorative patterned paper, neatly installed with all seams straight and uniformly taped; or
  - iv. Coverings approved by the Director of the Department of Public Safety, or the Department of Health and Community Wellness, or the Department of Engineering, or when applicable, by the City of Newark.
  - v. Color schemes for the provisions prescribed above shall be consistent with general appearance of the building or the neighborhood.
- d. Exterior stairs, porches, entrance platforms, fire escapes and the railings thereon shall be maintained in a safe and sound condition.
- e. Exterior lighting systems shall be maintained in a completely operable, clean, sightly, non-deteriorated and safe condition.
- f. Exterior walls, roofing and other weatherization systems, including foundations, shall be maintained so that water does not penetrate into the structure, including but not



limited to basements, cellars or other interior wall areas.

- g. Heavy undergrowth and accumulations of plant growth which are unattractive and/or inconsistent with the general appearance of the building and neighborhood, or are noxious or detrimental to health or safety, shall be eliminated.
- h. Fences, walls, other minor construction and accessory structures shall be maintained in an attractive, safe, good and uniform condition.
- i. Yards, courts and vacant lots shall be kept clean and free of hazards and debris and maintained in a manner consistent with the general appearance of the neighborhood so as to encourage economic growth.
- j. All materials, conditions, etc. set forth in the above Subsections (a. through i.) shall be maintained, replaced, or repaired in compliance with the New Jersey Uniform Commercial Code (UCC).

#### 2:10-1.4E.7. Property Inspection.

- a. After filing a registration statement or a renewal of a registration statement, as set forth above (Section 2:10-1.4E.3), the Owner of Abandoned and/or Vacant buildings and/or structures, or parts, floors or levels thereof, shall provide access to the Engineering Department of the City of Newark to conduct an inspection of the property, specifically including the exterior portion of the building(s), structure(s), part(s), floor(s) or level(s) to determine compliance with this Ordinance and applicable Municipal Code(s), following reasonable notice, as set forth above (Section 2:10-1.4E.3), during the period covered by the initial registration or any subsequent renewal.
  - i. The registration statement shall include the name, street address and telephone number of a natural person 21 years of age or older, designated by the owner or owners as the authorized agent for receiving notices of ordinance and/or code violations and for receiving process, in any court proceeding or administrative enforcement proceeding, on behalf of such owner or owners in connection with the enforcement of any applicable ordinance and/or code.
  - ii. By designating an authorized agent under the provisions of this Section the owner consents to receive any and all notices of code violations and/or violations under this ordinance concerning the registered Vacant and/or Abandoned property, buildings and structures, or parts, floors or levels thereof, and all process in any court proceeding or administrative enforcement proceeding brought to enforce code provisions concerning the registered buildings and structures, or parts, floors or levels thereof, by service of the notice or process on the authorized agent. Any owner who has designated an authorized agent under the provisions of this Section shall be

deemed to consent to the continuation of the agent's designation for the purposes of this Section until the owner notifies the City of Newark's Deputy Mayor/Director of the Department of Economic and Housing Development or his/her designee of a change of authorized agent or until the owner files a new annual registration statement. The designation of an authorized agent in no way releases the owner from any requirement hereunder.

#### **2:10-1.4E.8. Administration.**

The Deputy Mayor/Director of the Department of Economic and Housing Development may issue rules and regulations for the administration of the provisions of this Article 4.

#### **2:10-1.4E.9. Enforcement.**

The City of Newark may contract with and set the compensation of a private entity to assist the municipality in the implementation and administration of the property registration program. The following duties may be delegated to such private entity:

- a. Identifying properties located within the City that are subject to the registration statement requirements;
- b. maintaining and updating the property registrations for the City;
- c. Communicating with the creditors or the in-State representative or agent appointed by creditors located out of State of such properties;
- d. Invoicing and collecting payment of any fees authorized by Sections 2:10-1.4E.4A. and 2:10-1.4E.4B.; and
- e. Monitoring compliance with the requirements of the ordinance.

Fees collected pursuant to the Fee Schedules set forth in Sections 2:10-1.4E.4A and 2:10-1.4E.4B shall be utilized to fund administration, compliance, inspections, and the City's automated payment service.

#### **2:10-1.4E.10. Violations and Penalties.**

a. Any Owner who is not in full compliance with this Article 4 or who otherwise violates any provision of this Article or of the rules and regulations issued hereunder shall be subject to a fine of not less than five hundred (\$500.00.00) dollars and not more than one thousand (\$1,000.00) dollars for each offense. Every day that a violation continues shall constitute a separate and distinct offense. Fines assessed under this Article shall be recoverable from the Owner and shall be a lien on the property.

b. For purposes of this section, failure to file a registration statement in time, failure to provide correct information on the registration statement, failure to comply with the provisions of Section 2:10-1.4E.5 of this Article 4, or such other matters as may be established by the rules and regulations of the Deputy Mayor/Director of the Department of Economic and Housing Development or his/her designee shall be deemed to be violations of this Article.

#### **2:10-1.4E.11. Compliance with Other Provisions.**

Nothing in this Article 4 is intended to nor shall be read to conflict or prevent the City from taking action against buildings found to be unfit for human habitations or unsafe structures as provided in applicable provisions of the Code of the City of Newark, including but not limited to Title 18, Chapter 11; Title 18, Chapter 13; and Title 7, Chapter 5. Further, any action taken under any such code provision other than the demolition of a structure shall not relieve an owner from its obligations under this Article.

**Section 2: Title 2, Administration, Chapter 10, Department of Economic and Housing Development, is hereby amended and supplemented, adding regulations on the registration of foreclosure mortgage properties, and shall read as follows:**

**REGISTRATION OF FORECLOSURE MORTGAGE PROPERTIES; PROVIDING FOR PURPOSE, INTENT AND APPLICABILITY OF THE ORDINANCE REQUIRING THE REGISTRATION AND MAINTENANCE OF CERTAIN REAL PROPERTY BY MORTGAGEES; PROVIDING FOR PENALTIES AND ENFORCEMENT, AS WELL AS THE REGULATION, LIMITATION AND REDUCTION OF REGISTRABLE REAL PROPERTY WITHIN THE CITY OF NEWARK; PROVIDING FOR SEVERABILITY, REPEALER, CODIFICATION, AND AN EFFECTIVE DATE.**

#### **2:10-1.4E.12. Definitions**

**“Evidence of Vacancy” shall mean any condition that on its own, or combined with other conditions present, would lead a reasonable person to believe that the property is vacant. Such conditions may include, but are not limited to: overgrown and/or dead vegetation; past due Utility notices and/or disconnected Utilities; accumulation of trash junk or debris; abandoned vehicles, auto parts and/or materials; the absence of furnishings and/or personal items consistent with habitation or occupancy; the presence of an unsanitary, stagnant swimming pool; the accumulation of newspapers, circulars, flyers and/or mail; statements by neighbors, passers-by, delivery agents or government agents; and/or the presence of boards over doors, windows or other openings in violation of applicable code.**

**“Foreclosure” or “Foreclosure Action” shall mean the legal process by which a Mortgagee, or other lien holder, terminates or attempts to terminate a property Owner's equitable right of redemption to obtain legal and equitable title to the Registrable Property pledged as security for a debt or the Registrable Property subject to the lien. This definition shall include, but is not limited to, a complaint and summons filed with respect to foreclosure on a mortgage, a lis pendens filed against it by the lender holding a mortgage on the property, a deed-in-lieu of foreclosure, sale to the mortgagee or lien holder, certificate of title and all other processes, activities and actions, by whatever name, associated with the described process. The legal process is not concluded until the property obtained by the Mortgagee, lien holder, or their**

designee, by certificate of title, or any other means, is sold to a non-related bona fide purchaser in an arm's length transaction to satisfy the debt or lien.

"Mortgagee" shall mean the creditor, including but not limited to, trustees; mortgage servicing companies; lenders in a mortgage agreement; any agent, servant, or employee of the creditor; any successor in interest; or any assignee of the creditor's rights, interests or obligations under the mortgage agreement; or any other person or entity with the legal right to foreclose on the Registrable Property, excluding governmental entities as assignee or owner.

"Owner" shall mean every person, entity, or Mortgagee, who alone or severally with others, has legal or equitable title to any Real Property as defined by this Chapter; has legal care, charge, or control of any such property; is in possession or control of any such property; and/or is vested with possession or control of any such property. The Property Manager shall not be considered the Owner.

"Property Manager" shall mean any party designated by the Owner as responsible for inspecting, maintaining and securing the property as required in this Chapter.

"Utilities and Services" shall mean any utility and/or service that is essential for a building to be habitable and/or perform a service necessary to comply with all City codes. This includes, but is not limited to, electrical, gas, water, sewer, lawn maintenance, pool maintenance, and snow removal.

"Registrable Property" shall mean any Real Property, residential or commercial, located in the City, whether vacant or occupied, that is subject to an ongoing Foreclosure Action by the Mortgagee or Trustee, has been the subject of a Foreclosure Action by a Mortgagee or trustee and a judgement has been entered, or has been the subject of a Foreclosure sale where the title was transferred to the beneficiary of a mortgage involved in the Foreclosure and any properties transferred under a deed in lieu of foreclosure/sale. The designation of a "foreclosure" property as "registrable" shall remain in place until such time as the property is sold to a non-related bona fide purchaser in an arm's length transaction or the Foreclosure Action has been dismissed.

"Registry" shall mean a web-based electronic database of searchable real property records, used by the City to allow Mortgagees the opportunity to register properties and pay applicable fees as required in this Chapter.

"Annual Registration" shall mean twelve (12) months from the date of the first action that requires registration, as determined by the City, or its designee, and every subsequent twelve (12) months the property is Registrable. The date of the initial registration may be different than the date of the first action that required registration.

"Vacant" as used in this Article shall mean any parcel of land in the City that contains any building or structure that is not lawfully occupied or inhabited by human beings. A property also shall be deemed vacant if it is occupied without a valid, unexpired certificate of occupancy or other written authorization for occupancy as may be required by Applicable Laws.

**2:10-1.4E.13. Inspection and Registration**

- (a) Any Mortgagee who holds a mortgage on Registrable Property located within the City shall perform an inspection of the property upon the filing of a Foreclosure Action or any evidence of an existing foreclosure action or lien holder has obtained ownership of the real property by the Mortgagee.
- (b) Property inspected pursuant to Subsection (a) above that remains in Foreclosure, shall be inspected every thirty (30) days by the Mortgagee or Mortgagee's designee. If an inspection shows a change in the property's occupancy status the Mortgagee shall, within ten (10) days of that inspection, update the occupancy status of the property registration.
- (c) Within ten (10) days of the date any Mortgagee files a Foreclosure Action, the Mortgagee shall register the Registrable Property with the City Registry, and, at the time of registration, indicate whether the property is Vacant, and if so shall designate in writing an individual to inspect, maintain and secure the Registrable Property subject to the mortgage in Foreclosure when legally possible. A separate registration is required for each Property.
- (d) Initial registration pursuant to this section shall contain at a minimum the name of the Mortgagee, the mailing address of the Mortgagee, e-mail address, telephone number and name of the Property Manager and said person's address, e-mail address, and telephone number, regardless of whether it is occupied or vacant.
- (e) At the time of initial registration each registrant shall pay a non-refundable Annual Registration fee of five hundred (\$500.00.00) dollars for each Registrable Property. Subsequent non-refundable Annual Registrations of properties and fees in the amount of five hundred dollars (\$500.00) are due within ten (10) days of the expiration of the previous registration. Said fees shall be used to offset the costs of: (1) registration and registration enforcement, (2) code enforcement and mitigation related to Foreclosure properties, (3) post-closing counseling and Foreclosure intervention limited to Owner-occupied persons in Default, which may not include cash and mortgage modification assistance, and (4) for any related purposes as may be adopted in the policy set forth in this Chapter. Said fees shall be deposited to a special account in the City's Department dedicated to the cost of implementation and enforcement of this Ordinance, and fulfilling the purpose and intent of this Chapter. None of the funds provided for in this section shall be utilized for the legal defense of Foreclosure Actions.
- (f) Each individual property on the Registry that has been registered for twelve (12) months or more prior to the Effective Date shall have thirty (30) days to renew the registration and pay the non-refundable Annual Registration fee. Properties registered less than twelve (12) months prior to the Effective Date shall renew the registration every twelve (12) months from the expiration of the original registration renewal date and shall pay the non-refundable Annual Registration fee.

- (g) A Mortgagee shall also register the Registrable Property with the Department of Economic Development and Housing Development as a property in foreclosure and, as part of that registration: (a) provide the information regarding the creditor required by paragraph (a) of this Section; (b) identify the date the summons and complaint in an action to foreclose on a mortgage was filed against the subject property, the court in which it was filed, and the docket number of the filing; and (c) identify whether the property is Vacant;
- (h) 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 following the filing of the summons and complaint, the creditor shall provide a notice to the city clerk and the mayor or other chief executive officer of the City and the Department of Economic Development and Housing Development containing the updated name, address, or telephone number within ten (10) days of the change in that information.
- (i) If the registered Registrable Property Vacant and Abandoned in accordance with Section 2:10-1.4E.1 after initially registered with the City, the creditor shall update the the Department of Economic Development and Housing Development to reflect the change in the property's status;
- (j) If the mortgage and/or servicing on a property is sold or transferred, the new Mortgagee is subject to all the terms of this Chapter. Within ten (10) days of the transfer, the new Mortgagee shall register the property or update the existing registration. The previous Mortgagee(s) will not be released from the responsibility of paying all previous unpaid fees, fines, and penalties accrued during that Mortgagee's involvement with the Registrable Property.
- (k) If the Mortgagee sells or transfers the Registrable Property in a non-arm's length transaction to a related entity or person, the transferee is subject to all the terms of this Chapter. Within ten (10) days of the transfer, the transferee shall register the property or update the existing registration. Any and all previous unpaid fees, fines, and penalties, regardless of who the Mortgagee was at the time registration was required, including but not limited to unregistered periods during the Foreclosure process, are the responsibility of the transferee and are due and payable with the updated registration. The previous Mortgagee will not be released from the responsibility of paying all previous unpaid fees, fines, and penalties accrued during that Mortgagee's involvement with the Registrable Property.
- (l) If the Foreclosing or Foreclosed Property is not registered, or the registration fee is not paid within thirty (30) days of when the registration or renewal is required pursuant to this Section, a late fee equivalent to ten percent (10%) of the Annual Registration fee shall be charged for every thirty-day period (30), or portion thereof, the property is not registered and shall be due and payable with the registration.

- (m) This Section shall also apply to properties that have been the subject of a foreclosure sale where title is transferred to the Mortgagee as well as any properties transferred to the Mortgagee under a deed in lieu of foreclosure or by any other legal means.
- (n) Properties subject to this Section shall remain subject to the Annual Registration requirement, and the inspection, security, and maintenance standards of this Section as long as the property remains Registrable.
- (o) Failure of the Mortgagee and/or property Owner of record to properly register or to modify the registration to reflect a change of circumstances as required by this ordinance is a violation of this Chapter and shall be subject to enforcement by any of the enforcement means available to the City.
- (p) If any property is in violation of this Chapter the City may take the necessary action to ensure compliance with and/or place a lien on the property for the cost of the outstanding obligation and any additional cost incurred to the property into compliance.
- (q) Properties registered pursuant to § 2:10-1.4E.11 through § 2:10-1.4E.15 are not subject to registration under § 2:10-1.4E.1 through § 2:10-1.4E.10.
- (r) Registration of foreclosure property does not alleviate the Mortgagee and/or Owner from obtaining all required licenses, permits and inspections required by applicable code or State Statutes. Acquisition of required licenses, permits and inspections or registration of rental property does not alleviate the requirement for the property to be registered under this Section. Mortgagee and/or Owner is expected to update the status of the property in the event of a Mortgagee managed rental.
- (s) If the Owner of a Registrable Property Vacates Registrable Property on which a foreclosure proceeding has been initiated or if a Registrable 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 Section 2:10-1.4E.6, the Department of Economic Development and Housing Development shall notify the creditor, which shall have the responsibility to abate the nuisance or correct the violation in the same manner and to the same extent as the Owner. The Department of Economic Development and Housing Development 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 thirty (30) days from the creditor's receipt of the notice for the creditor to remedy the violation. If the

creditor fails to remedy the violation within that time period, the City may impose penalties allowed for the violation of City ordinances.

#### **2:10-1.4E.14. Maintenance Requirements**

- (a) Registrable Properties subject to this chapter shall be kept free of weeds, overgrown brush, dead vegetation, trash, junk, debris, building materials, any accumulation of newspaper circulars, flyers, notices, except those required by federal, state or local law, discarded personal items including, but not limited to, furniture, clothing, large and small appliances, printed material, or any other items, including commercial vehicles, construction vehicles, abandoned vehicles, that give the appearance that the property is abandoned.
- (b) Vacant Registrable Properties shall be maintained free of graffiti or similar markings by removal or painting over with an exterior grade paint that matches the color of the exterior structure.
- (c) Front, side, and rear yards, including landscaping, of Vacant Registrable Properties shall be maintained in accordance with the applicable code(s) at the time registration is required.
- (d) Yard maintenance of Vacant Registrable Properties shall include, but not be limited to, grass, ground covers, bushes, shrubs, hedges or similar plantings, decorative rock or bark or artificial turf/sod. Acceptable maintenance of yards and/or landscape shall not include weeds, gravel, broken concrete, asphalt or similar material.
- (e) Maintenance shall include, but not be limited to, watering, irrigation, cutting and mowing of required ground cover or landscape and removal of all trimmings.
- (f) Pools and spas of shall be maintained so the water remains free and clear of pollutants and debris and shall comply with the regulations set forth in the applicable code(s).
- (g) Failure of the Mortgagee, Owner, and transferees to properly maintain the property as required by this Chapter may result in a violation of the applicable code(s) and issuance of a citation or notice of violation in accordance with the applicable code of the City. Pursuant to a finding and determination by the City Sheriff, Magistrate or a court of competent jurisdiction, the City may take the necessary action to ensure compliance with this section.
- (h) In addition to the above, the property is required to be maintained in accordance with the applicable code(s) of the City.

#### **2:10-1.4E.15. Security Requirements**

- (a) Properties subject to this Chapter shall be maintained in a secure manner so as not to be accessible to unauthorized persons.



- (b) A “secure manner” shall include, but not be limited to, the closure and locking of windows, doors, gates and other openings of such size that may allow a child to access the interior of the property or structure. Broken windows, doors, gates, and other openings of such size that may allow a child to access the interior of the property or structure must be repaired. Broken windows shall be secured by re-glazing of the window.
- (c) Vacant Registrable Properties shall have a Property Manager designated by the Mortgagee or Owner to perform the work necessary to bring the property into compliance with the applicable code(s), and the Property Manager must perform regular inspections to verify compliance with the requirements of this Chapter, and any other applicable laws.
- (d) In addition to the above, the property is required to be secured in accordance with the applicable code(s) of the City.
- (e) When a property subject to this Chapter becomes Vacant, it shall be posted with the name and twenty-four (24) hour contact telephone number of the Property Manager. The Property Manager shall be available to be contacted by the City Monday through Friday between 9:00 a.m. and 5:00 p.m., legal holidays excepted. The sign shall be placed in a window facing the street and shall be visible from the street. The posting shall be no less than eighteen (18) inches by twenty-four (24) inches and shall be of a font that is legible from a distance of forty-five (45) feet. The posting shall contain the following language with supporting information:

THIS PROPERTY IS MANAGED BY \_\_\_\_\_.  
AND IS INSPECTED ON A REGULAR BASIS.  
THE PROPERTY MANAGER CAN BE CONTACTED  
BY TELEPHONE AT \_\_\_\_\_.  
OR BY EMAIL AT \_\_\_\_\_.

- (f) The posting required in Subsection (e) above shall be placed on the interior of a window facing the street to the front of the property so that it is visible from the street, or secured to the exterior of the building/structure facing the street to the front of the property so that it is visible from the street or if no such area exists, on a stake of sufficient size to support the posting in a location that is at all times visible from the street to the front of the property but not readily accessible to vandals. Exterior posting shall be constructed of and printed with weather-resistant materials.
- (g) Failure of the Mortgagee and/or property Owner of record to properly inspect and secure a property subject to this Chapter, and post and maintain the signage noted in this Section, is a violation and shall be subject to enforcement by any of the enforcement means available to the City. The City may take the necessary action to ensure compliance with this section, and recover costs and expenses in support thereof.

Section 3: Any prior ordinances or parts thereof inconsistent herewith are hereby repealed.

Section 4: If any part of this Ordinance is declared unconstitutional or illegal, the remaining provisions shall continue in full force and effect.

Section 5: This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

### **STATEMENT**

This Ordinance amends Title 2, Administration, Chapter 10, Department of Economic and Housing Development, to add registration fees and violations for Commercial units, increase the registration fees and violations fines for residential units, and to regulate foreclosure actions on vacant properties.