

TAX SALE REVIEW

See 2 corrections in red rectangle

1. A collector may sell to an officer of the municipality, pursuant to a resolution of the governing body, at a tax sale, any parcel of real property purchased in accordance with a successful bid and proper budget line item.

- T True
 F False

2. No foreclosure judgment of a third party certificate shall be entered by the courts unless evidence is produced that all subsequent municipal liens have been paid to the time the action commences.

- T True
 F False

3. At or before the tax sale, the Collector shall attach to the tax list a copy of the notice of sale and an affidavit of posting, advertising and mailing.

- T True
 F False

4. The municipal attorney prepares the "In Rem" List.

- T True
 F False

5. The tax sale certificate shall be delivered to the assignee before the final judgment is recorded under Chapter 149, Public Laws of 1943. (Jones Act Assignment)

- T True
 F False

6. The purchaser, under Chapter 149 Public Laws 1943 (Jones Act Assignment), must foreclose the right to redemption within two years from the date of confirmation of assignment by the governing body.

- T True
 F False

7. When taxes on income producing property are delinquent more than six months the governing body may by resolution direct the tax collector and the attorney to bring an action in Superior Court to be appointed receiver ex-officio of the rents and income of such real property.

T True

F False

8. Every municipal lien is a first lien on the land, except subsequent municipal liens and prior state and federal liens. Where there is an agreement by resolution to omit from the tax sale unpaid taxes upon which regular monthly installment payments are being made, said agreement cannot exceed three years.

T True

F False

9. Where there is an agreement by resolution to omit from the tax sale unpaid taxes upon which regular monthly installment payments are being made, said agreement cannot exceed three years.

T True

F False

10. A tax sale certificate may never be sold for more than the amount advertised in the tax sale notice of sale unless the item was postponed.

T True

F False

11. The municipality shall have at least the same rights and remedies as an individual, including foreclosure when acquiring a tax sale certificate.

T True

F False

12. Where the tax collector does not have custody of other municipal liens, then on demand of the tax collector, the other officers must certify to him all other liens.

T True

F False

13. The officer holding the sale or his successor prepares the certificate of sale.

T True

F False

14. A tax sale certificate shall automatically be declared invalid if the tax sale certificate is not delivered to the lien holder within ten days.

T True

F False

15. After a foreclosure complaint is filed, redemptions, if any, shall be made in the "cause only".

T True

F False

16. When the owner wishes to redeem a tax sale certificate held by an outsider, the tax collector shall notify said holder within 30 days.

T True

F False

17. Upon redemption of a lien held by a third party, interest may be computed to the next meeting of the governing body if the Tax Collector does not have a redemption account.

T True

F False

18. The holder of a certificate prior in point of time may redeem the lands from a certificate subsequently issued, but the holder of the subsequent certificate may not redeem the lands from a certificate held by the prior purchaser.

T True

F False

19. For tax sale purpose parcels classified as a "3A" and "3B" are sold on one tax sale certificate

T True

F False

20. When redemption is made within ten days or prior to the issuance of a tax sale certificate the lien holder is entitled to a 2% flat penalty, if the certificate is over \$200.00.

T True

F False

21. Redemption of an outside tax sale certificate after it has been issued shall include in the redemption sum all subsequent liens with interest and cost actually paid, if an affidavit of expense is filed with the tax collector.

- T True
- F False

22. An affidavit of expenses may be taken before the tax collector and shall have the same effect of a notary.

- T True
- F False

23. The outside holder of the tax title lien certificate, after issuance, shall be entitled to certain expenses if they have submitted the appropriate affidavit.

- T True
- F False

24. Taxes must be unpaid for 48 months preceding the action to foreclose "In Rem."

- T True
- F False

25. Third party lien holders are entitled to a year end penalty (YEP) when they have paid subsequent current year taxes, interest and other municipal charges in excess of 10,000.00 in the same fiscal year.

- T True
- F False

26. Under no circumstance may a Tax Collector issue a duplicate tax sale certificate held by an outside lien holder.

- T True
- F False

27. 3rd party lienholders are not allowed to pay subsequent taxes during the grace period and must wait until the grace period is over.

- T True
- F False

28. A tax collector may issue a duplicate tax sale certificate : provided that the tax collector has been authorized to do so by a resolution of the municipalities governing body, and provided that the original tax sale certificate has been issued at least one year prior.

T True

F False

29. If the municipality holds the certificate of sale, the amount required for redemption shall include all subsequent municipal liens with interest, penalties and costs, if redeemed after the certificate of sale is issued.

T True

F False

30. A collector may sell all real property upon which unpaid taxes or any municipal liens remain in arrears after the eleventh day of the eleventh month of the current budgetary year provided the governing body passes the appropriate resolution.

T True

F False

31. At a tax sale the maximum rate of interest that can be bid is set by the Governing Body.

T True

F False

32. At a tax sale the maximum rate of redemption that can be bid is 18% and at 0% rate of redemption a premium may be bid.

T True

F False

33. The notice of sale must be advertised once in each of five weeks prior to the week containing the date of sale.

T True

F False

34. On the tax sale list interest shall be computed to the date of the tax sale.

T True

F False

35. A relative of a homeowner that has a property in tax sale is permitted to bid on this property at the tax sale if their name is not on the deed.

T True

F False

36. Interest for redemption by installments may be compounded.

T True

F False

37. Taxes on lands shall be a lien on lands on which they are assessed on and after:

A January 1

B November 1

C First day of the fiscal year

D February 1

E None of the above

38. After what date can you as collector sell current delinquent taxes at a tax sale (Calendar year) where the proper resolution has been passed?

A January 1

B February 1

C November 11

D April 1

E None of the above

39. For how long may you adjourn a tax sale before re-advertising?

A 8 hours

B 8 weeks

C 8 months

D 8 years

E All of the above

40. What court has jurisdiction in matters of foreclosure?

- A District court
- B Appellate court
- C Superior Court
- D Supreme Court
- E State Tax Court

41. The successful bidder at a tax sale must make payment before the conclusion of the sale or:

- A The property is included in next year's sale
- B The bidder is arrested
- C The property is resold
- D The municipality shall acquire the certificate
- E All of the above

42. All 2019 liens shall be enforced at a tax sale by: (calendar year municipalities)

- A July 1, 2020
- B December 31, 2020
- C At the discretion of the tax collector
- D November 11, 2020
- E None of the above

43. When the certificate of sale is not made to the municipality, it shall, unless it is so recorded within _____ of the date of sale, be void against a bona fide purchaser, lessee or mortgagee, whose deed, lease or mortgage is recorded before the recording of the certificate.

- A 3 months
- B 3 years
- C Immediately
- D 6 months
- E None of the above

- 44. Any holder of a tax sale certificate, except municipal, who knowingly charges any fee or charge in connection with the redeeming of any tax sale certificate owned by him in excess of the amount due, (indicate which statement does not apply.)**
- A Shall forfeit tax sale certificate
 - B Shall vest the owner with all rights and interest in the tax sale certificate
 - C Shall entitle the owner to sue to recover the full amount paid
 - D Shall cause the municipality to acquire the tax sale certificate
- 45. There are procedures for cutting off the right of redemption. Indicate which of the following does not apply.**
- A Possession by outside holder
 - B Strict Foreclosure (In Personam)
 - C In Rem foreclosure
- 46. A municipality may assign certificates in three ways. Indicate which one of the following cannot be used to assign a tax sale certificate.**
- A Chapter 149, Public Laws (Jones Act)
 - B Public Sale
 - C Private Sale
 - D Involuntary assignment
- 47. In an assignment under Chapter 149, Public Laws 1943 (Jones Act), the certificate must be foreclosed within what period of time**
- A Within 2 years
 - B Within 2 months
 - C Within 6 months
 - D Within 20 yeasers
 - E None of the above
- 48. The maximum fee allowed by state statute for a duplicate tax sale certificate is:**
- A \$50.00
 - B \$100.00
 - C \$200.00
 - D Any amount determined by the governing body
 - E None of the above

49. Municipal charges other than taxes and assessments for improvements which are liens on real property become a lien when?

- A On a date fixed by law
- B Discretion of Governing Body
- C Discretion of Tax Collector
- D None of the above
- E All of the above

50. The tax sale list prior to sale (Standard Sale), is a complete statement of all prior years delinquent municipal charges, interest and costs computed to what date?

- A Date of sale
- B July 1
- C December 1
- D None of the above
- E All of the above

51. A municipal lien may be foreclosed In-Rem after how much time elapses?

- A Two years
- B Six months
- C Three years
- D Five years

52. The tax sale list (Standard Sale) must be completed _____ prior to the tax sale?

- A One year
- B 8 weeks
- C 50 days
- D 80 days
- E None of the above

53. Contents of notice of sale consist of:

- A Time and place of sale
- B Description of property to be sold and owner's name
- C Total amount due
- D Stating in substance that the land will be sold at the amount stated with interest and cost to date of sale
- E All of the above

54. A(n) _____ does not have a tangible, true, genuine, and economic interest in property for the purpose of redemption.

- A Owner
- B Mortgagee
- C Lessee
- D Squatter
- E Lien holder

55. In order to be removed from a tax sale the taxpayer must pay

- A The amount advertised
- B The amount advertised plus current year taxes and interest
- C The amount advertised plus the current year interest
- D None of the above

56. A copy of the notice of sale shall be mailed by the collector to the _____ with postage paid.

- A Owner as listed in last tax duplicate
- B Name listed in whitepages.com
- C Owner listed at time property built

57. A premium paid at the tax sale must be held and returned to the purchaser, if and when redemption is made. If no redemption occurs within _____ years, the premium becomes a part of the funds of the municipality.

- A Two years
- B Five years
- C Four years
- D Ten years

58. If a certificate is refused by a purchaser, when not delivered within the time after the tax sale, the certificate shall be re-issued to the _____ and the money returned to the lien holder.

- A County
- B State
- C Municipality
- D Next highest bidder

59. The statutes state that the notice of sale must be posted in _____ public places.

- A One
- B Twelve
- C Six
- D Five

60. Without in lieu of mailings, copy of the notice of sale must be published in a newspaper circulated in a municipality once in each of the _____ calendar weeks preceding the calendar week containing the day of the sale.

- A Four
- B Three
- C Two
- D Five

61. Under Chapter 149, P.L. 1943 (Jones Act Assignment): if a purchaser fails to foreclose within the specified time, the assignment is _____

- A Dissolved
- B Cancelled
- C Void
- D Nullified

62. Redemption in installments may not exceed a period of _____ years.

- A Three
- B Five
- C Four
- D Six

63. No judicial proceeding shall operate to stay the enforcement of any municipal lien unless the _____ so orders.

- A Sheriff
- B Mayor
- C Court
- D Governing Body

64. Assignments of municipal-held certificates are designed to convert them into usable _____ without the municipality first proceeding to bar or foreclose the right of redemption

- A properties
- B revenue
- C parks
- D green acres

65. A municipality, owning a tax sale certificate, may provide by resolution, general or special, for redemption in _____ in lieu of a complete redemption.

- A Assignment
- B Sharing
- C Bulk
- D Installments

66. Every municipal lien is considered a first or primary lien and is _____ to all prior municipal liens.

- A Subsequent
- B Paramount
- C Secondary
- D Bottom of the list

67. If a property is considered _____ the municipality can take an action in Superior Court seeking that the right of redemption be barred.

- A Hazardous
- B Messy
- C Yucky
- D Filled with trash

68. The Collector must notify the lien holder _____ when redemption occurs.

- A Next day
- B Next governing body meeting
- C Immediately
- D End of the week

69. Upon redemption, the Collector must provide either the original _____ endorsed for cancellation or _____ to the person who made the redemption.

- A Receipt
- B tax sale certificate
- C certificate of redemption
- D B and C
- E None of the above

70. Redemption in installments provides for payment in equal installments. What period of time shall be provided?

- A Weekly
- B Monthly
- C Yearly
- D None of the above

71. A "notice of intent" must be mailed to interested parties:

- A 10 days prior to filing the foreclosure complaint.
- B 15 days prior to filing the foreclosure complaint.
- C 30 days prior to filing the foreclosure complaint.
- D None of the above

72. Which of the following certificates is the paramount lien holder:

- A Certificate #1, sold on October 10, 2017
- B Certificate #2, sold on October 14, 2018
- C Certificate #3, sold on December 20, 2019
- D Certificate #4, sold on December 19, 2020

73. A party of interest who has filed a notice with the Collector must be notified

- A If the direct mail method of tax sale is used.
- B In an In Rem foreclosure action
- C Both A and B
- D None of the above

74. A resolution of the Governing Body must be passed in order to conduct a tax sale through an Electronic online auction?

- T True
- F False

75. You can only use the Electronic online auction method for standard tax sales?

- T True
- F False

76. The tax collector is permitted to adjourn the tax sale for day-to-day or week-to-week for up to 4 weeks.

- T True
- F False

77. The tax collector is under no time constraints to prepare and deliver the tax sale certificates.

- T True
- F False

78. Municipalities may charge up to \$200.00 for a duplicate tax sale certificate.

- T True
- F False

79. For tax sale purposes parcels classified as a "3A" and "3B" are considered one line item and sold on one tax sale certificate.

- T True
- F False

80. A municipality must wait three years to foreclose a lien.

- T True
- F False

81. The cost of sale is 5% of the total municipal charge, or \$200.00, whichever is less.

T True

F False

82. For a third party lien going through a foreclosure the tax collector is not responsible to certify that the taxes are paid to date.

T True

F False

83. The tax collector should not pay out to a lien holder any additional costs related to a foreclosure without a "tax bill of costs" showing a docket number.

T True

F False

84. Upon receipt of redemption money the tax collector has 10 days to notice the lien holder of the redemption.

T True

F False

85. Third party lien holders must wait two years from the date of tax sale before they can foreclose on a tax sale certificate.

T True

F False

86. A tax sale certificate that is struck off to the municipality should be recorded.

T True

F False

87. During the four weeks that precede a tax sale, the tax collector may mail 2 notices in lieu of two advertisements.

T True

F False

88. Third party liens should be recorded.

- T True
- F False

89. Only the governing body can adjourn a tax sale.

- T True
- F False

90. A tax collector must give public notice of the time and place where the tax sale is to be held.

- T True
- F False

91. To “stay” a tax sale means not to hold the sale.

- T True
- F False

92. The tax collector is not responsible to prepare the In Rem foreclosure list.

- T True
- F False

93. It is the option of the person redeeming a tax sale certificate to receive a certificate of redemption at the time of redemption or wait for the original tax sale certificate properly endorsed for cancellation to be returned to the tax collector.

- T True
- F False

94. The tax collector has 15 days after tax sale to deliver the tax sale certificates.

- T True
- F False

95. The governing body must approve by resolution any partial payment plans before the tax collector can accept a partial payment towards a delinquency.

T True

F False

96. Actions to foreclose In Rem are under the jurisdiction of the municipal court.

T True

F False

97. A municipality may, by resolution, sell at private sale municipally held tax sale certificate. This is more commonly called an "assignment".

T True

F False

98. Only current year's delinquencies (up to the 11th day of the 11th month) can be sold at an accelerated tax sale.

T True

F False

99. The list of properties subject to tax sale must be in "bound book form" and kept as permanent record.

T True

F False

100. Taxes are a continuous lien against the parcel of land on which they are assessed.

T True

F False

101. Payments received must be applied first to interest, penalties and costs then to the oldest principal.

T True

F False

102. The tax collector's surety bond is not liable for any acts performed by the deputy tax collector.

T True

F False

103. Municipal liens are composed of only taxes.

T True

F False

104. A Proof of Claim is an official affidavit from the creditor that supports their financial claim to the federal bankruptcy court.

T True

F False

105. The municipal attorney prepares the In Rem foreclosure list.

T True

F False

106. A tax sale certificate may never be sold for more than the amount advertised in the tax sale notice of sale.

T True

F False

107. When a third party lien holder assigns a tax sale certificate, he is not required to record the assignment nor to notify the tax collector.

T True

F False

108. A municipality may sell its total tax levy at a public sale, which may be done by sealed bid or public auction.

T True

F False

109. The Superior Court has the authority to bar the right of redemption.

T True

F False

110. Once judgment has been awarded on an "In Rem" foreclosure, the plaintiff is given fee simple title to the land.

T True

F False

111. A tax sale certificate shall be delivered to the buyer within 11 days of the tax sale.

T True

F False

112. The notice of Tax Sale must be posted in 5 public places.

T True

F False

113. Chapter 12 Bankruptcy is the re-organization plan used for individuals.

T True

F False

114. Bankruptcy does not stop the procedure of foreclosure.

T True

F False

115. A lien holder is entitled to receive reimbursement of recording fees, search fees, and subsequent taxes paid, if a receipt is provided.

T True

F False

116. Lien holders are priority taxpayers of quarterly taxes, if paid before the grace period.

T True

F False

117. A municipal lien can be foreclosed In Rem after 6 months, with 15 months of continuous delinquent taxes.

T True

F False

118. A tax sale certificate sold for \$179.89 would have a penalty of 2% upon redemption.

T True

F False

119. All tax sale certificates sold to the municipality have permanent interest rate of 8% and 18%.

T True

F False

120. Mr. Councilman can bid at the tax sale, if given permission of the governing body by resolution, and use his personal check for payment.

T True

F False

121. Financial lending institutions, that hold mortgages on property are always the first lien holder in any foreclosure action.

T True

F False

122. In New Jersey, municipalities are allowed to omit properties for tax sale by an agreement, granted by resolution, of equal monthly installment payments.

T True

F False

123. Superior Court can order the tax collector to remove an item from the tax sale.

T True

F False

124. The maximum fee for a tax search reimbursement filed by a lien holder is \$25.00.

T True

F False

125. The Tax Collector is permitted to adjourn the Tax Sale from day to day, or week to week for up to 12 weeks.

T True

F False

126. Title # 75, Chapter 5, is commonly referred to as the Tax Sale Law.

T True

F False

127. At any time after the last day of tax sale advertisement, the owner may not pay taxes with interest and costs

T True

F False

128. If the municipality holds the certificate of sale, the amount required for redemption shall include all subsequent municipal liens with interest, penalties, and costs, if redeemed after the certificate of sale is issued.

T True

F False

129. "Lands" as used in the tax sale laws includes all real and personal property.

T True

F False

130. Interest for redemption by installments may be compounded.

T True

F False

131. On the tax sale list interest shall be computed to the date of the tax sale.

T True

F False

132. The notice of sale must be advertised once in each of five weeks prior to the week containing the date of sale.

T True

F False

133. At a tax sale the maximum rate of redemption that can be bid is 18% and at 1% rate of redemption, a premium may be bid.

T True

F False

134. Only a municipality may foreclose using an In Rem action.

T True

F False

135. At a tax sale the maximum rate of interest that can be bid is set by the Governing Body.

T True

F False

136. The tax collector may exclude from the tax sale those properties upon which a monthly installment agreement is made for not more than ten years.

T True

F False

137. A collector may sell all real property upon which unpaid taxes or any municipal liens remain in arrears after the eleventh day of the eleventh month of the current budgetary year provided the governing body passes the appropriate resolution.

- T True
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138. A tax collector may issue a duplicate tax sale certificate: provided that the tax collector has been authorized to do so by a resolution of the municipality's governing body, and provided that the original tax sale certificate has been issued at least one year prior.

- T True
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139. Third party lien holders are entitled to a year-end penalty (YEP) when they have paid subsequent current year taxes, interest and other municipal charges in excess of \$10,000.00 in any fiscal year.

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142. An affidavit of expenses may be taken before the tax collector and shall have the same effect of a notary.

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143. Redemption of an outside tax sale certificate after it has been issued shall include in the redemption sum all subsequent liens with interest and cost actually paid, if an affidavit of expense is filed with the tax collector.

T True

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144. When redemption and is made within 10 days prior to the issuance of a tax sale certificate the lien holder is entitled to a 2% flat penalty if the certificate is over \$200.00.

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145. The holder of a certificate prior in point of time may redeem the lands from a certificate subsequently issued, but the holder of the subsequent certificate may not redeem the lands from a certificate held by the prior purchaser.

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152. Every municipal lien is a first lien on the land, except subsequent municipal liens and prior state and federal liens.

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153. When taxes on income producing property are delinquent more than six months the governing body may by resolution direct the tax collector and the attorney to bring an action in Superior Court to be appointed receiver ex-officio of the rents and income of such real property.

T True

F False

154. The purchaser, under Chapter 149 Public Laws 1943 (54:5-114.2 Jones Act), must foreclose the right to redemption within two years from the date of confirmation of sale by the governing body

T True

F False

155. At or before the tax sale, the Collector shall attach to the tax list a copy of the notice of sale and an affidavit of posting, advertising and mailing.

T True

F False

156. To conduct an Electronic Tax Sale, a resolution must be passed by the Governing Body?

T True

F False

157. An Electronic Tax Sale can be used for both Standard and Accelerated sales?

T True

F False