

**ORDINANCE 2014-12 OF THE TOWNSHIP OF BERLIN, COUNTY OF  
CAMDEN, STATE OF NEW JERSEY ESTABLISHING RULES AND  
REGULATIONS FOR ABANDONED AND VACANT PROPERTIES**

**WHEREAS**, the Township of Berlin (“Township”) is a municipal entity organized and existing under the laws of the State of New Jersey and located in Camden County; and

**WHEREAS**, abandoned and vacant properties create a wide range of problems, such as fostering criminal activity, creating public health problems and otherwise diminishing the quality of life for residents and business operators in those areas; and

**WHEREAS**, abandoned and vacant properties diminish property values of neighboring properties and have a negative effect on the quality of life of adjacent property owners, increasing the risk of property damage through arson and vandalism, and discouraging neighborhood stability and revitalization; and

**WHEREAS**, the continued presence of abandoned and vacant properties, which are presumptively considered to be nuisances in view of their negative effects on nearby properties and the residents or users of those properties, in the Township of Berlin acts as a significant barrier to the Township’s continued progressive development and revitalization; and

**WHEREAS**, pursuant to N.J.S.A. 40:48-2, the Governing Body 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 Township by law; and

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Township Council of the Township of Berlin, County of Camden, and State of New Jersey, as follows:

**SECTION 1:** The Code of the Township of Berlin is hereby amended, supplemented and revised to include a new Chapter 62, entitled “Abandoned and Vacant Properties” which shall provide as follows:

## **Chapter 62 – ABANDONED AND VACANT PROPERTIES**

### **Article I – Abandoned Property List**

#### **§ 62-1 Abandoned Property Criteria.**

- A. Except as provided in N.J.S.A. 55:19-83, any property that has not been legally occupied for a period of six months and which meets any one of the following criteria may be deemed to be abandoned property upon a determination by the Code Enforcement Officer, or such other public officer designated or appointed by the Governing Body pursuant to N.J.S.A. 40:48-2.5, that:
- (1) The property is in need of rehabilitation in the reasonable judgment of the Code Enforcement Officer, pursuant to N.J.S.A. 40:48-2.5, and no rehabilitation has taken place during that same six-month period.
  - (2) Construction was initiated on the property and was discontinued prior to completion, leaving the building unsuitable for occupancy, and no construction has taken place for at least six months.
  - (3) At least one installment of property tax remains unpaid and delinquent on that property as of the date of a determination.
  - (4) The property has been determined to be a nuisance by the Code Enforcement Officer, for one or more of the following reasons.
    - (a) The property has been found to be unfit for human habitation, occupancy or use pursuant to (N.J.S.A. 40:48-2.3).
    - (b) The condition and vacancy of the property materially increases the risk of fire to the property and adjacent properties.
    - (c) The property is subject to unauthorized entry leading to potential health and safety hazards; the owner has failed to take reasonable and necessary measures to secure the property; or the municipality has secured the property in order to prevent such hazards after the owner has failed to do so.
    - (d) The presence of vermin or the accumulation of debris, uncut vegetation or physical deterioration of the structure or grounds have created potential health and safety hazards and the owner has failed to take reasonable and necessary measures to remove the hazards.
    - (e) The dilapidated appearance or other condition of the property materially affects the welfare, including the economic welfare, of the residents of the area in close

proximity to the property, and the owner has failed to take reasonable and necessary measures to remedy the conditions.

- B. A property which contains both residential and nonresidential space may be considered abandoned pursuant to N.J.S.A. 55:19-78 et seq., so long as 2/3 or more of the total net square footage of the building was previously legally occupied as residential space and none of the residential space has been legally occupied for at least six months at the time of the determination of abandonment by the Code Enforcement Officer

**§ 62-2. Establishment of Abandoned Property List.**

- A. The Code Enforcement Officer shall identify abandoned property within the Township of Berlin for the purpose of establishing an abandoned property list. The abandoned property list shall include, for each abandoned property identified, the tax block and lot number, the name of the owner of record, if known, street address of the lot and the date added to the list. The Code Enforcement Officer may add properties to the abandoned property list at anytime, and may delete properties at anytime when he or she finds that the property no longer meets the definition of an abandoned property.
- B. An abandoned property shall not be included on the abandoned property list if rehabilitation is being performed in a timely manner, as evidenced by building permits issued and diligent pursuit of rehabilitation work authorized by those permits. A property on which an entity other than the Township of Berlin has purchased or taken assignment from the Township of a tax sale certificate which has been placed on the abandoned property list may be removed if the owner of the certificate pays all municipal taxes and liens due on the property within 30 days after the property is placed on the list; provided, however, that if the owner of the certificate fails to initiate foreclosure proceedings within six months after the property was first placed on the List, the property shall be restored to the abandoned property list in accordance with the provisions of N.J.S.A. 55:19-103.
- C. The Code Enforcement Officer shall establish the abandoned property list, after which a notice of violation will be sent, certified mail, return receipt requested, and by regular mail, to the owner of record and any stakeholder. The notice of violation shall identify the property determined to be abandoned, setting forth the owner of record and any stakeholder, if known, the tax lot and block number, street address and the date the property was added to the list. The Code Enforcement Officer in consultation with the Tax Collector, shall also send out a 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 N.J.S.A. 54:4-64(d). When 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 shall not be mailed but instead shall be posted on the property in the manner as provided in N.J.S.A. 40:48-2.7. The mailed notice shall indicate the factual basis for the finding of the Code Enforcement Officer that the property is abandoned as that term is defined herein and in N.J.S.A. 55:19-54, and shall specify the information relied upon in making such finding. In all

cases, a copy of the mailed or posted notice shall also be filed by the Code Enforcement Officer in the Office of the Camden County Clerk. This filing shall have the same force and effect as a formal notice under N.J.S.A. 2A:15-6. The notice shall be captioned with the name of the Township of Berlin as "plaintiff" and the name of the property owner as "defendant," as though an action had been commenced by the Township against the owner.

- D. An owner or lienholder may challenge the inclusion of his property on the abandoned property list by appealing that determination to the Governing Body within 30 days of the owner's receipt of the certified notice or 40 days from the date upon which the notice was sent. An owner whose identity was not known to the Code Enforcement Officer shall have 40 days from the date upon which notice was posted to challenge the inclusion of a property on the abandoned property list. For good cause shown, the Governing Body may accept a late filing of an appeal. Within 30 days of receipt of a request for an appeal of the findings contained in the notice, a hearing shall be scheduled for redetermination of the matter. Any property included on the list shall be presumed to be abandoned property unless the owner, through the submission of an affidavit or certification asserting that the property is not an abandoned property, can demonstrate that the property was erroneously included on the list. The affidavit or certification shall be accompanied by supporting documentation, such as, but not limited to, photographs, repair invoices, bills and construction contracts. The sole ground for appeal shall be that the property in question is not abandoned property as that term is defined herein and in N.J.S.A. 55:19-54. The Governing Body shall decide any timely filed appeal within 10 days of the hearing on the appeal and shall promptly, by certified mail, return receipt requested, and by regular mail, notify the property owner of the decision and the reasons therefor.
- E. The property owner may challenge an adverse determination of an appeal, in accordance with the New Jersey Court Rules, a summary trial proceeding in the Superior Court, Camden County. Such action shall be instituted within 20 days of the date of the notice of decision. The sole ground for appeal and new hearing before the Superior Court shall be that the property in question is not an abandoned property as that term is defined in N.J.S.A. 55:19-54. The failure to institute an action of appeal on a timely basis shall constitute a jurisdictional bar to challenging the adverse determination, except that, for good cause shown, the court may extend the deadline for instituting the action.
- F. The Township shall promptly remove any property from the abandoned property list that has been determined by the Governing Body or on appeal not to be abandoned and may, in its discretion, remove properties from said list whenever he deems such removal appropriate under the circumstances.
- G. The abandoned property list shall become effective, and the Township of Berlin shall have the right to pursue any legal remedy with respect to properties on the list, at any time after at least one property has been placed on the list and following the expiration

of the period for appeal with respect to that first property or upon the denial of an appeal brought by the property owner of that first property.

**§ 62-3. Interested parties may request additions to the abandoned property list.**

- A. Any interested party may submit a written request to the Township asserting that any property within the Township of Berlin should be included on the abandoned property list. The written request must specify the street address and block and lot number of the property to be included and the grounds for its inclusion. Within 30 days of receipt of any such request, the Township shall provide a written response to the party, either indicating that the property will be added to the list or, if not, the reasons for not adding the property. For the purposes of this section, the term "interested parties" shall include any resident of the Township of Berlin, any owner or operator of a business within the Township of Berlin or any organization representing the interests of residents, business owners or otherwise engaged in furthering the revitalization and improvement of the neighborhood in which the property is located.
- B. Any interested party may participate in a redetermination hearing regarding the inclusion of a property on the abandoned property list. Upon written request by any interested party, the Governing Body shall provide that party with at least 20 days' notice of any such hearing. The party shall provide the Township with notice at least 10 days before the hearing of its intention to participate and the nature of the testimony or other information that it proposes to submit at the hearing.

**§ 62-4. Removal of property from abandoned properties list.**

- A. An owner may request removal of their property from the Abandoned Properties List prior to sale of the tax sale certificate by paying all taxes and Township liens due, including interest and penalties, and:
  - (1) By posting cash or a bond equal to the cost of remediating all conditions because of which the property has been determined to be abandoned pursuant to N.J.S.A. 55:19-55 and by posting cash or a bond to cover the cost of any environmental cleanup required on the property, evidenced by a certification by a licensed engineer retained by the owner and reviewed and approved by the Township stating that the cash or bond adequately covers the cost of the cleanup; or
  - (2) By demonstrating to the satisfaction of the Township that the conditions rendering the property abandoned have been remediated in full; provided, however, that where the Administrator finds that the owner is actively engaged in remediating the conditions because of which the property was determined to be abandoned, as evidenced by significant rehabilitation activity on the property, may be granted an extension of time of not more than 120 days for the owner to complete all work, during which time no further proceedings will be taken against the owner or the property.

B. If the owner has posted cash or a bond in order to have a property removed from the abandoned property list and the conditions because of which the property was determined to be abandoned have not been fully remediated within one year of the date of posting the cash or bond, or, in the case of a property which requires a remediation of any known, suspected or threatened release of contaminants, if the owner has failed to enter into a memorandum of agreement with the New Jersey Department of Environmental Protection or an administrative consent order, as the case may be, or if an agreement or order is in effect but the owner has failed to perform the remediation in conformance with the agreement or order, then the cash or bond shall be forfeited to the Township, which shall use the cash or bond and any interest which has accrued thereon for the purpose of demolishing or rehabilitating the property or performing the environmental remediation. Any funds remaining after the property has been demolished, rehabilitated or cleaned up shall be returned to the owner.

**§ 62-5. Sale of restricted tax liens.**

A. Notwithstanding the provisions of N.J.S.A. 54:5-19, or the provisions of any other law to the contrary, if a property is included on the abandoned property list and the property taxes or other Township liens due on the property are delinquent for six or more quarters as of the date of expiration of the right to appeal the property's inclusion on the list or, if an appeal has been filed, as of the date that all opportunities for appeal of inclusion on the list have been exhausted, then the tax lien on the property may be sold in accordance with the procedures of the Tax Sale Law, N.J.S.A. 54:5-1 et seq., on or after the 90th day following the expiration of that time of appeal or final determination on an appeal.

B. The Township of Berlin may, at its option, require that the sale of the tax sale certificate or any subsequent assignment or transfer of a tax sale certificate held by the Township be subject to the express condition that the purchaser or assignee shall be obliged to perform and conclude any rehabilitation or repairs necessary to remove the property from the abandoned property list pursuant to N.J.S.A. 55:19-55 and to post a bond in favor of the Township to guarantee the rehabilitation or repair of the property. The Mayor and Township Council may waive a requirement to post a bond imposed by the Township for any purchaser, assignee or transferee of a tax sale certificate that provides documentation acceptable to the Mayor and Township Council that the purchaser, assignee or transferee is a qualified rehabilitation entity as defined in N.J.S.A. 55:19-80. The cost of rehabilitation and repairs and the cost of the bond shall be added to the amount required to be paid by the owner for redemption of the property. The purchaser, assignee or transferee of the tax sale certificate who is required to rehabilitate and repair the property shall be required to file the appropriate affidavits with the Tax Collector, pursuant to N.J.S.A. 54:5-62, representing the amounts of monies expended periodically toward the rehabilitation or repair of the property. A purchaser, assignee or transferee shall be entitled to interest on the amounts expended, as set forth in the affidavits, at the delinquent rate of interest for delinquencies in excess of \$1,500 in effect for the time period when the amounts were

expended, pursuant to N.J.S.A. 54:4-67. The tax sale certificate purchaser, assignee or transferee, with the authority of the Township of Berlin, shall be permitted to enter in and upon the property for the purposes of appraising the costs of rehabilitation and repair and to perform all other acts required to guarantee the completion of the rehabilitation or repair of the property. No rehabilitation or repair work shall be commenced, however, until proof of adequate liability insurance and an indemnification agreement, holding the Township of Berlin harmless, has been filed with the Township Clerk.

- C. If the Township of Berlin acquires the tax sale certificate for a property on the abandoned property list, then, upon 10 days' written notice to the property owner and any mortgagee as of the date of the filing of the notice pursuant to N.J.S.A. 55:19-55, the Township shall be permitted to enter upon the property and remediate any conditions that caused the property to be included on the abandoned property list. No remediation shall be commenced, however, if within that ten-day period the owner or mortgagee shall have notified the Township in writing that the owner or mortgagee has elected to perform the remediation itself. When the owner or mortgagee elects to perform the remediation itself, it shall be required to post bond in favor of the Township of Berlin in order to ensure performance. The amount and conditions of the bond shall be determined by the Mayor and Township Council.
- D. The cost of remediation incurred by the Township of Berlin, as so certified by the entity incurring the cost upon completion of the remediation, shall constitute a lien upon the property first in time and right to any other lien, whether the other lien was filed prior to or after the filing of any lien by the Township, except for Township taxes, liens and assessments and any lien imposed pursuant to the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq., together with any interest thereon. The certification of cost shall be filed and recorded as a lien by the entity incurring the cost with the Camden County Clerk.
- E. The clearance, development, redevelopment, or repair of property being maintained as an abandoned property pursuant to this chapter shall be considered a public purpose and public use, for which the power of eminent domain may be lawfully exercised.

**§ 62-6. Special tax sale and criteria for bidders.**

- A. The Township of Berlin may hold special tax sales with respect to those properties eligible for tax sale pursuant to N.J.S.A. 54:5-19 which are also on the abandoned property list.
- B. The Governing Body shall establish criteria for eligibility to bid on properties at the sale, which may include, but need not be limited to:
  - (1) Documentation of the bidder's ability to rehabilitate or otherwise reuse the property consistent with Township plans and regulations; commitments by the bidder to

rehabilitate or otherwise reuse the property, consistent with Township plans and regulations;

- (2) Commitments by the bidder to take action to foreclose on the tax lien by a date certain; and
  - (3) Such other criteria, as may be determine, if necessary to ensure that the properties to be sold will be rehabilitated or otherwise reused in a manner consistent with the public interest.
- C. Establish minimum bid requirements for a special tax sale that are less than the full amount of the taxes, interest and penalties due, to help ensure that the properties will be rehabilitated or otherwise utilized in a manner consistent with the public interest.
  - D. The ability to combine properties in said special tax sale into bid packages, and require that bidders place a single bid on each package, rejecting any and all bids on individual properties that are submitted.
  - E. The Township may sell properties subject to the provision that if the purchaser fails to carry out any commitment that has been set forth as a condition of sale, or misrepresents any material qualification that has been established as a condition of eligibility to bid pursuant thereto, then the properties and any interest thereto acquired by the purchaser shall revert to the Township, and any amount paid by the purchaser at the special tax sale shall be forfeit to the Township.
  - F. In the event there are two or more qualified bidders for any property or bid package in a special tax sale, the Township may designate the unsuccessful qualified bidder whose bid was closest to the successful bid, as an eligible purchaser. In the event that the selected purchaser of that property or bid package fails to meet any of the conditions of sale established by the Township pursuant to this section and their interest in the property or properties reverts to the Township, the Township may subsequently designate the entity previously designated as an eligible purchaser as the winning bidder for the property or properties, and assign the tax sale certificates to that entity on the basis of that entity's bid at the special tax sale, subject to the terms and conditions of the special tax sale.
  - G. The Township of Berlin shall provide notice of a special tax sale pursuant to N.J.S.A. 54:5-26. The notice shall include any special terms of sale established by the Township pursuant to this section. Nothing shall prohibit the Township from holding a special tax sale on the same day as a standard or accelerated tax sale.

**§ 62-7. Expedited action to foreclose right of redemption.**

- A. When a person or entity other than the Township of Berlin acquires a tax sale certificate for a property on the abandoned property list at tax sale, the purchaser may

institute an action to foreclose the right of redemption at any time after the expiration of just six months following the date of the sale of the tax sale certificate.

- B. When the Township of Berlin is the purchaser at tax sale of any property on the abandoned property list pursuant to N.J.S.A. 54:5-34, an action to foreclose the right of redemption may be instituted in accordance with the provisions of subsection b of N.J.S.A. 54:5-77.
- C. After the foreclosure action is instituted, the right to redeem shall exist and continue to exist until barred by the judgment of the Superior Court; provided, however, that no redemption shall be permitted except where the owner:
  - (1) Posts cash or a bond equal to the cost of remediating the conditions because of which the property was determined to be abandoned pursuant to N.J.S.A. 55:19-56, as determined by the Court; or
  - (2) Demonstrates to the Court that the conditions because of which the property was determined to be abandoned have been remedied in full.

**§ 62-8. Abandoned property status during expedited foreclosure.**

- A. If an entity other than the Township of Berlin has purchased or taken assignment from the Township of a tax sale certificate on a property that has not been legally occupied for a period of six months, that property shall not be added to the abandoned property list under the following limited circumstances:
  - (1) The owner of the certificate continued to pay all Township taxes and liens on the property in the tax year when due; and
  - (2) The owner of the certificate takes action to initiate foreclosure proceedings within six months after the property is eligible for foreclosure pursuant to either subsection a or subsection b of N.J.S.A. 54:5-86, as appropriate, and diligently pursues foreclosure proceedings in a timely fashion thereafter.
- B. A property used on a seasonal basis shall be deemed abandoned only if it meets any two of the additional criteria set forth in N.J.S.A. 55:19-81.
- C. A determination that a property is abandoned property under the provisions of this chapter and N.J.S.A. 55:19-78 et seq., shall not constitute a finding that the use of the property has been abandoned for purposes of municipal zoning or land use regulation.
- D. Upon the request of a purchaser or assignee of a tax sale certificate seeking to bar the right of redemption on an abandoned property pursuant to subsection b of N.J.S.A. 54:5-86, the Tax Collector shall, in a timely fashion, provide the requester with a certification that the property fulfills the definition of an "abandoned property" according to the criteria established in N.J.S.A. 55:19-81 and N.J.S.A. 55:19- 82.

**§ 62-9. Summary action for control and possession of abandoned property.**

- A. A summary action or other action to transfer possession and control of abandoned property in need of rehabilitation to the Township of Berlin may be brought by the Township in the Superior Court, Camden County. If the Court shall find that the property is abandoned, and that the owner or party in interest has failed to submit and initiate a rehabilitation plan, then the Court may authorize the Township to take possession and control of the property and to develop its own rehabilitation plan for the property.
- B. Where the Township has been granted possession and control, the Township may commence and maintain further proceedings for the conservation, protection or disposal of the property, or any part thereof, that are required to rehabilitate the property, recoup the cost and expenses of rehabilitation, and for the sale of the property; provided, however, that the Court shall not direct the sale of the property if the owner applies to the Court for reinstatement of control and possession of the property as permitted by N.J.S.A. 55:19-92.
- C. Failure by the owner, mortgage holder or lienholder to submit a plan for rehabilitation to the Township, obtain appropriate construction permits or, in the alternative, submit formal applications for funding the cost of rehabilitation to local, state or federal agencies providing such funding, within the initial six-month period, shall be deemed clear evidence that the owner has failed to take any action to further the rehabilitation of the property.
- D. An owner may defend against a complaint filed pursuant to N.J.S.A. 55:19-84 by submitting a plan for the rehabilitation and reuse of the property which is the subject of the complaint and by posting a bond equal to 125% of the amount determined by the Township to be the projected cost of rehabilitation.
- E. Any plan submitted by an owner to defend against a complaint shall be submitted within 60 days after the complaint has been filed, unless the Court provides the owner with an extension of time for good cause shown. A plan submitted by an owner pursuant to this section shall include, but not be limited to:
  - (1) A detailed financial feasibility analysis, including documentation of the economic feasibility of the proposed reuse, including operating budgets or resale prices, or both, as appropriate;
  - (2) A budget for the rehabilitation of the property, including sources and uses of funds, based on the terms and conditions of realistically available financing, including grants and loans;
  - (3) A timetable for the completion of rehabilitation and reuse of the property, including milestones for performance of major steps leading to and encompassing the rehabilitation and reuse of the property; and

- (4) Documentation of the qualifications of the individuals and firms that will be engaged to carry out the planning, design, financial packaging, construction, and marketing or rental of the property.
- F. Where the Court approves the rehabilitation plan of the owner or other party in interest, then it may appoint the Mayor and Township Council to act as monitor of compliance and progress. If the owner fails to carry out any step in the approved plan, then the Township may apply to the Court to have the posted bond forfeited, to transfer possession of the building to the Township to complete the rehabilitation plan, and to grant authorization to use the bond proceeds for the rehabilitation. The owner or other party in interest shall provide bimonthly reports to the Township on its activities and progress toward rehabilitation and reuse of the property.
- G. If an owner is unsuccessful in defending against a complaint filed pursuant to N.J.S.A. 55:19-84, the mortgage holder or lienholder may seek to be designated in possession of the property by submitting a plan and posting a bond meeting the same conditions as set forth in N.J.S.A. 55:19-87. Their plan must be submitted within 60 days following the Court's rejection of the owner's plan, unless the Court provides the mortgage holder or lienholder with an extension of time for good cause shown. If the Court approves any such mortgage holder or lienholder's plan, it shall designate that party to be in possession of the property for purposes of ensuring its rehabilitation.
- H. The mortgage holder or lienholder, as the case may be, shall provide bimonthly reports to the Court and the Township on its activities and progress toward rehabilitation and reuse of the property. If the mortgage holder or lienholder fails to carry out any material step in the approved plan, then the Township Solicitor shall notify the Court, which may order the posted bond forfeit, grant the Township possession of the property, and authorize the Township to use the proceeds of the bond for rehabilitation of the property.
- I. Any sums incurred or advanced for the purpose of rehabilitating the property by a mortgage holder or lienholder granted possession of a property, including Court costs and reasonable attorney's fees, may be added to the unpaid balance due to that mortgage holder or lienholder, with interest calculated at the same rate set forth in the note or security agreement, or, in the case of a tax lienholder, at the statutory interest rate for subsequent liens.
- J. If no mortgage holder or lienholder meets the conditions of N.J.S.A. 55:19-88, then the Township may submit a plan to the Court which conforms with the provisions of N.J.S.A. 55:19-87. Such plan shall designate whether the Township or a qualified rehabilitation entity shall undertake the rehabilitation plan in accordance with the provisions of N.J.S.A. 55:19- 90.

**§ 62-10. Township rehabilitation or designation of qualified rehabilitation entity.**

- A. The Mayor and Township Council may designate a qualified rehabilitation entity for the purpose of exercising the Township's rights, where that designation will further the rehabilitation and reuse of the property consistent with Township plans and objectives.
- B. Regardless of whether the Township exercises its rights directly or the Mayor and Township Council designates a qualified rehabilitation entity pursuant to this section, the Township shall maintain, safeguard, and maintain insurance on the property while in possession of such property. Notwithstanding the Township's possession of the property, the owner of the property shall not be relieved of any civil or criminal liability or any duty imposed by reason of acts or omissions of the owner.
- C. The Court may approve the borrowing of funds by the Township to rehabilitate the property and may grant a lien or security interests with priority over all other liens or mortgages other than municipal liens. Prior to granting this lien priority, the Court must find as follows:
  - (1) The Township sought to obtain the necessary financing from the senior lienholder, which declined to provide such financing on reasonable terms;
  - (2) The Township sought to obtain a voluntary subordination from the senior lienholder, which refused to provide such subordination; and
  - (3) Lien priority is necessary in order to induce another lender to provide financing on reasonable terms. No lien authorized by the Court shall take effect unless recorded with the Clerk of Camden County.
- D. Where the Township has designated a qualified rehabilitation entity to act on its behalf, the qualified rehabilitation entity shall provide bimonthly reports to the Township on its activities and progress toward rehabilitation and reuse of the property. The Township or qualified rehabilitation entity, as the case may be, shall provide such reports to the Court as the Court determines to be necessary. If the Court finds that the Township or its designee have failed to take diligent action toward rehabilitation of the property within one year from the grant of possession, then the Court may request that the Township designate another qualified rehabilitation entity to exercise its rights, or if the Township fails to do so, may terminate the order of possession and return possession and control of the property to its owner.
- E. The Township of Berlin shall file a notice of completion with the Court, and shall also serve a copy on the owner and any mortgage holder or lienholder, at such time as the Township has determined that no more than six months remain to the anticipated date on which rehabilitation will be complete. This notice shall include an affidavit of the Township Clerk or such other person designated by the Governing Body, attesting that the rehabilitation is anticipated to be completed within six months, and a statement setting forth the actions as it plans to undertake consistent with the plan.

**§ 62-11. Petition for reinstatement of control and possession by owner.**

- A. An owner may petition for reinstatement of the owner's control and possession of the property at any time after one year from the Court's removal of possession, but no later than 30 days after the Township of Berlin has filed a notice of completion with the Court or, in the event the notice of completion is filed within less than one year of the grant of possession, within 30 days after the Township has filed said notice.
- B. The Court may allow additional time for good cause if that additional time does not materially delay completion of the rehabilitation, place undue hardship on the Township or affect any of the terms or conditions under which the Township has applied for or received financing for the rehabilitation of the property.
- C. If the owner fails to petition for the reinstatement of control and possession of the property within 30 days after the Township has filed a notice of completion or, in any event, within two years after the initial grant of possession, or if the owner fails to meet any conditions that may be set by the Court in granting a reinstatement petition, the Court may grant the Township title or authorize the Township to sell the property, subject to the provisions of N.J.S.A. 55:19-96.

**§ 62-12. Procedure for Township to place liens, obtain title and sell property.**

- A. The Mayor and Township Council, with the approval of the Court, may place a lien on the property to cover any costs of the Township in connection with any proceeding under N.J.S.A. 55:19-78 et seq., incurred prior to the grant by the Court of an order of possession, which may include costs incurred to stabilize or secure the property to ensure that it can be rehabilitated in a cost-effective manner. Any such lien shall be considered a Township lien for the purposes of N.J.S.A. 54:5-9, with the rights and status of a Township lien pursuant thereto.
- B. Where the Township seeks to gain title to the property, it shall purchase the property for fair market value on such terms as the Court shall approve and may place the proceeds of sale in escrow with the Court.
- C. The Court may authorize the Township of Berlin to sell the building free and clear of liens, claims and encumbrances, in which event all such liens, claims and encumbrances shall be transferred to the proceeds of sale with the same priority as existed prior to resale in accordance with the provisions of this section, except that municipal liens shall be paid at settlement. The proceeds of the purchase of the property shall be distributed as set forth in N.J.S.A. 55:19-97.
- D. Upon approval by the Court, the Township shall sell the property on such terms and at such price as the Court shall approve and may place the proceeds of sale in escrow with the Court. The Court shall order a distribution of the proceeds of sale after paying Court costs in the order of priority set forth in N.J.S.A. 55:19-97.

- E. With the exception of the holding of special tax sales pursuant to N.J.S.A. 55:19-101, the remedies available under N.J.S.A. 55:19-78, et seq. shall be available to the Township with respect to any abandoned property, whether or not the Township has established an abandoned property list and whether or not the property at issue has been included on any such list.

## **Article II – Maintenance of Vacant Properties**

### **§ 62-13. Definitions.**

As used in this article, the following terms shall have the meanings indicated:

#### **OPERATOR**

Any person, persons or entity who is not the owner, who has charge, care and control of a premises or part thereof, with or without the knowledge, consent or authority of the owner. "Operator" shall also include a creditor, as defined in P.L. 2014, c. 5, that has served a notice of intention to foreclose on a mortgage on a residential property pursuant to P.L. 19101, c. 244, and that property has become vacant after the filing of this intention to foreclose.

#### **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 N.J.S.A. 46:10B-51 (P.L. 2008, c. 127, § 17, as amended by P.L. 2009, c. 296), or any other entity determined by the Township of Berlin to have authority to act with respect to the property.

#### **VACANT PROPERTY**

Any building used or to be used as a residence which is not legally occupied or at which substantially all lawful construction operations or residential occupancy has ceased and which is in such condition that it cannot legally be reoccupied without repair or rehabilitation, including but not limited to any property meeting the definition of abandoned property in N.J.S.A. 55:19-80 or Section 62-1 above; provided, however, that any property where all building systems are in working order, where the building and grounds are maintained in good order, or where the building is in habitable condition, and where the building is being actively marketed by its owner for sale or rental, shall not be deemed a vacant property for purposes of this article.

## **§ 62-14. Registration Requirements.**

The owner and/or operator of any vacant property, as defined herein, shall, within 30 calendar days after the building becomes vacant property or within 30 calendar days after assuming ownership of the vacant property, whichever is later, or within 10 calendar days of receipt of notice by the municipality, file a registration statement for such vacant property with the Township Clerk on forms provided by the Township for such purposes. Failure to receive notice by the Township shall not constitute grounds for failure to register the property.

A. Each property having a separate block and lot number as designated in official records of the municipality shall be registered separately.

B. The registration statement shall include the name, street address, telephone number and e-mail address (if applicable) of a person 21 years or older, designated by the owner and/or operator or owner and/or operators 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 owners and/or operators in connection with the enforcement of any applicable code, and the name, street address, telephone number and e-mail address (if applicable) of the firm and the actual name(s) of the firm's individual principal(s) responsible for maintaining the property. The individual or representative of the firm responsible for maintaining the property shall be available by telephone or in person on a twenty-four-hour-per-day, seven-day-per-week basis. The two entities may be the same or different persons. Both entities shown on the statement must maintain offices in the State of New Jersey or reside within the State of New Jersey.

C. The registration shall remain valid for one year from the date of registration, except for the initial registration time, which shall be prorated through December 31. The owner and/or operator shall be required to renew the registration annually as long as the building remains a vacant property and shall pay a registration or renewal fee in the amount prescribed in Section 62-17 of this Article, for each vacant property registered.

D. The annual renewal shall be completed by January 1 each year. The initial registration fee shall be prorated for registration statements received less than 10 months prior to that date.

E. The owner and/or operator shall notify the Township Clerk within 30 calendar days of any change in the registration information by filing an amended registration statement on a form provided by the Township Clerk for such purpose.

F. 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 Township against the owners and/or operators of the building.

**§ 62-15. Access to Vacant Properties.**

The owner and/or operator of any vacant property registered under this Article shall provide access to the Township to conduct exterior and interior inspections of the building to determine compliance with municipal codes, upon reasonable notice to the property owner and/or operator or the designated agent. Such inspections shall be carried out on weekdays during the hours of 8:00 a.m. and 4:00 p.m., or such other time as may be mutually agreed upon between the owner and/or operator and the Township.

**§ 62-16. Responsible Owner or Agent.**

A. An owner who meets the requirements of this article with respect to the location of his or her residence or workplace in the State of New Jersey may designate him or herself as agent or as the individual responsible for maintaining the property.

B. 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 Township in writing of a change of authorized agent or until the owner files a new annual registration statement.

C. Any owner who fails to register vacant property under the provisions of this Article shall further be deemed to consent to receive by posting on the building, in plain view, and by service of notice at the last known address of the owner of the property on record within the Township of Berlin by regular and certified mail, any and all notices of code violations and all process in an administrative proceeding brought to enforce code provisions concerning the building.

**§ 62-17. Fees.**

A. The initial registration fee for each building shall be \$500.

B. The fee for the first renewal is \$1,500.

C. The fee for a second renewal is \$3,000.

D. The fee for any subsequent renewal beyond the second renewal is \$5,000.

**§ 62-18. Requirements of owners and/or operators of vacant properties.**

The owner and/or operator of any building that has become vacant property, and any person maintaining or operating or collecting rent for any such building that has become vacant, shall, within 30 days thereof:

A. Enclose and secure the building against unauthorized entry as provided in the applicable provisions of the Township Code or as set forth in the rules and regulations supplementing those codes; and

B. Post a sign affixed to the building indicating the name, address and telephone number of the owner and/or operator, the owner and/or operator's authorized agent for the purpose of service of process (if designated pursuant to §62-16 above), and the person responsible for the day-to-day supervision and management of the building, if such person is different from the owner and/or operator 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 eight inches by 10 inches; and

C. Secure the building from unauthorized entry and maintain the sign until the building is again legally occupied or demolished or until repair or rehabilitation of the building is complete; and

D. Ensure that the exterior grounds of the structure, including yards, fences, sidewalks, walkways, rights-of-way, alleys, retaining walls, attached or unattached accessory structures and driveways, are well maintained and free from trash, debris, loose litter and grass and weed growth; and

E. Continue to maintain the structure in a secure and closed condition, keep the grounds in a clean and well-maintained condition, and ensure that the sign is visible and intact until the building is again occupied or is demolished or until repaired and/or rehabilitation of the building is complete.

F. If the owner of a residential property vacates or abandons any property on which a foreclosure proceeding has been initiated, or if a residential property becomes vacant at any point subsequent to the operator'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 operator or any other third party, and the property is found to be a nuisance and/or in violation of any of the provisions of this article, the Code Enforcement Officer shall notify the operator, which shall have the responsibility to abate the nuisance and/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 this article. The Township 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 operator's receipt of the notice for the operator to remedy the violation. If the operator

fails to remedy the violation within that time period, the Township may impose penalties allowed for such violations pursuant to Section 62-20 of this Article.

**§ 62-19. Requirements of creditors of vacant or abandoned properties.**

A. A creditor, as defined in P.L.2014, c.5, who files a summons and complaint in an action to foreclose, shall be responsible for the care, maintenance, security, and upkeep of the exterior of the vacant and abandoned residential property subject to the foreclosure, and if located out-of-State, shall be responsible for appointing an in-State representative or agent to act for the foreclosing creditor.

B. The Code Enforcement Officer, or any other local official designated by the Governing Body for administration of any property maintenance or public nuisance code, may issue a notice to the creditor filing the summons and complaint in an action to foreclose, if the public officer or other authorized municipal official determines that the creditor has violated any provision of this Chapter by failing to provide for the care, maintenance, security, and upkeep of the exterior of the vacant and abandoned residential property subject to the foreclosure.

1. Such notice 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, or within ten (10) days of receipt of the notice if the violation presents an imminent threat to public health and safety.

2. A creditor subject to this Section who is found to be in violation of this Section by the Berlin Township Municipal Court, or by any other court of competent jurisdiction, of the requirement to correct a care, maintenance, security, or upkeep violation cited in a notice issued pursuant to the ordinance shall be subject to a fine of One Thousand, Five Hundred (\$1,500.00) Dollars for each day of the violation. Any fines imposed pursuant to this paragraph shall commence thirty-one (31) days following receipt of the notice, except if the violation presents an imminent risk to public health and safety, in which case any fines shall commence eleven (11) days following receipt of the notice.

C. Any creditor whose principal place of business is located outside of the State of New Jersey who has served a summons and complaint in an action to foreclose on a residential property, shall provide to the Township Clerk the full name and contact information of its in-State representative or agent, within the 10-day period as required by N.J.S.A. 46:10B-51, which contains the full name and contact information 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/or abandoned.

1. Any out-of-State creditor subject to the provisions of this Section who is found by the Berlin Township Municipal Court, or by any other court of competent jurisdiction, in violation of the requirement of this Section to appoint

an in-State representative or agent pursuant to this Chapter shall be subject to a fine of Two Thousand, Five Hundred (\$2,500.00) Dollars for each day of the violation.

2. 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 as required by N.J.S.A 46:10B-51 et seq. for providing notice to the Township Clerk that a summons and complaint in an action to foreclose on a mortgage has been served.

D. The issuance of a notice pursuant to this Section shall constitute proof that the property is “vacant and abandoned” for the purposes of P.L.2012, c.70 (C.2A:50-73).

### **§ 62-20. Violations and penalties.**

A. Except as otherwise provided in Section 62-19 above, any owner, operator or occupant who or which shall violate any of the provisions of this article shall, upon conviction in the Berlin Township Municipal Court or any such other court having jurisdiction, be sentenced to a not exceeding one thousand dollars (\$1,000.) or imprisonment for a term not exceeding thirty (30) days, or both. Each day that a violation occurs shall be deemed a separate offense and subject to the penalty provisions of this chapter.

B. For purposes of this article, failure to file a registration statement within 30 calendar days after a building becomes vacant property or within 30 calendar days after assuming ownership of a vacant property, whichever is later, or within 10 calendar days of receipt of notice by the municipality, and failure to provide correct information on the registration statement, or failure to comply with the provisions of such provisions contained herein shall be deemed to be violations of this article.

**SECTION 2:** All Ordinances contrary to the provisions of this Ordinance are hereby repealed to the extent that they are inconsistent herewith.

**SECTION 3:** If the provisions of any section, subsection, paragraph, subdivision, or clause of this Ordinance shall be judged invalid by a court of competent jurisdiction, such order of judgment shall not affect or invalidate the remainder of any section, subsection, paragraph, subdivision, or clause of this Ordinance.

**SECTION 4:** This Ordinance shall take effect upon passage and publication according to law.

Notice is hereby given that the foregoing Ordinance was introduced and passed upon first reading at a meeting of the Mayor and Council of the Township of Berlin, Camden County, New Jersey on November 24, 2014 and the same was ordered published pursuant

to statute. Said ordinance will be further considered for final adoption at a meeting of the Mayor and Council of the Township of Berlin on December 15, 2014 at 6:30 p.m. at the Berlin Township Municipal Hall, 135 Route 73 South, West Berlin, NJ.

Catherine Underwood  
Township Clerk

