

Title

FREQUENTLY ASKED ^ QUESTIONS

January 2017

Q How do we handle Vacant Property Registration Fees?

A Some municipalities have adopted a requirement that vacant properties be registered and are imposing a fee to do so.

It does not appear that there is legal authority in New Jersey to make this type of charge a municipal lien. Thus, it would seem that municipalities who are claiming that vacant property registration fees are a lien and thus the responsibility of the buyer are doing so without statutory authority.

On the other hand, we are told that municipal lien search providers are reporting Vacant Property Registration Fees as "notes" when they are made aware that they are being assessed against a property. While not necessarily a title issue, one would expect a settlement agent to bring this to the parties' attention before closing so that charges can be addressed.

To the extent the tax search shows vacant/abandoned property fees or charges, the following note for information and requirement should be included in the commitment:

NOTE: Although beyond the scope of coverage afforded by the policy, we call your attention (for informational purposes only) to the fact that some municipalities may have adopted an ordinance or ordinances concerning vacant or abandoned properties which could impose registration fees, fines and/or penalties. This is not covered by the Title policy.

Proof of payment of vacant or abandoned property registration fees, fines and/or penalties, if any, is required.

This note may also be applicable where it is known that the land is in fact vacant or abandoned.

As always, feel free to address any questions to a member of our underwriting staff.