

The Tax Sale Process

In the State of New Jersey, the Tax Collector holds a tax sale each year for the prior year's unpaid municipal charges, as required by state law. A municipal charge is not limited to property taxes, it includes **any** unpaid municipal charge such as the Special Improvement District (S.I.D.) .**YOUR PROPERTY IS NOT SOLD AT THE TAX SALE; A LIEN IS PLACED UPON IT.**

*A **Tax Sale List** is published in the newspaper for four (4) weeks prior to the tax sale, the cost of such advertising is added to the delinquent amount owed. The amounts due may be paid in full up to the date of the sale.*

The lien holder pays the debt owed to the municipality by the assessed owner of the property in return for a guaranteed interest rate on the amount paid when the lien is redeemed.

The issued tax sale certificate is the detailed receipt of what the lien holder purchased at the tax sale. These liens should be recorded, by the lien holder, at the County Clerk's Office in order to insure redemption of the lien if the property is sold. Clear title cannot be obtain for a property with recorded liens on it.

At the tax sale most liens are sold to a third party. If there is not a third party interested in purchasing the lien the lien is then struck off to the municipality. If a lien is held by **The City of Ocean City**, they may *begin foreclosure proceedings six months from the date of the tax sale if the lien has not been redeemed.*

When a lien is purchased by a third party, they have a right to *begin foreclosure proceedings two years from the date of the tax sale.* The lien holder also has the right to pay subsequent taxes and other municipal charges that are billed to the property once they are delinquent and add them to the lien balance. Liens must be redeemed in full with guaranteed funds. Cash, certified check or money order.

Assessed owners of property are ultimately responsible for their municipal charges Even if you are, through a mortgage company, escrowing for taxes. New Jersey State Law is very clear; **YOU DO NOT NEED TO BE IN RECEIPT OF A BILL TO BE RESPONSIBLE FOR PAYING IT.**

The tax sale is usually conducted in October and is advertised in the Ocean City Sentinel. One may obtain a copy of the tax sale by sending a self addressed stamped envelope to the Tax Collector @ P.O. Box 208, Ocean City, NJ 08226