

CITY COUNCIL**The City of Orange Township, New Jersey**DATE April 18, 2023NUMBER 187-2023

TITLE: A RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF ORANGE TOWNSHIP, ESSEX COUNTY, NEW JERSEY, SETTING ASIDE THE SALE OF AND CANCELLING TAX SALE CERTIFICATE NO. 17-00121 CURRENTLY HELD BY NEXT LEVEL FUNDING LLC AGAINST BLOCK 3301, LOT 44 ON THE CITY'S OFFICIAL TAX MAPS, COMMONLY KNOWN AS 139 CENTRAL PLACE AND AUTHORIZING A REFUND TO NEXT LEVEL FUNDING LLC IN THE AMOUNT OF \$7,686.77.

WHEREAS, on June 12, 2013, the Housing Authority of the City of Orange Township ("Housing Authority") took legal ownership, through eminent domain, of the property located on Block 3301, Lot 44 within the City of Orange Township ("City"), commonly known as 139 Central Place, Orange, New Jersey ("Property"); and,

WHEREAS, on June 13, 2013, the Housing Authority duly recorded the Declaration of Taking evidencing such assumption of legal ownership with the Office of the Essex County Register of Deeds and Mortgages, under Instrument Number 13052498; and,

WHEREAS, despite recording said Instrument, the change in the Property's ownership was not timely updated on the City's official assessment records, which continued to reflect the name of the previous owner; and,

WHEREAS, pursuant to *N.J.S.A. 40A:12A-36*, all property owned by the Housing Authority is automatically exempt from all taxes; and,

WHEREAS, as a result of the delayed update to the City's official assessment records to reflect the Housing Authority's ownership, the Property inaccurately remained on the Assessor's list of taxable properties, resulting in the Property being taxed incorrectly by the City, and billed to the previous owner, from then until the error was detected and rectified as of Tax Year 2020; and,

WHEREAS, by 2016, the Property's previous owner had ceased paying taxes billed by the City, and on January 16, 2018, the City sold Tax Sale Certificate No. 17-00121 against the Property to Auction Z Inc. ("Certificate"); and,

WHEREAS, Auction Z Inc. subsequently assigned the Certificate to Next Level Funding LLC ("Holder"), which commenced a tax lien foreclosure action against the Property; and,

WHEREAS, pursuant to *N.J.S.A. 54:5-43*, the City is permitted to set aside a tax sale and cancel a tax sale certificate if the underlying tax is invalid, provided the purchaser is refunded the price paid for the tax sale certificate and subsequent, plus lawful interest determined in accordance with Rule 4:42-11 of the Rules Governing the Courts of the State of New Jersey; and,

WHEREAS, since the Housing Authority acquired the Property prior to sale of the Certificate, the underlying tax is invalid (*i.e.*, void *ab initio*), and the City now seeks to set aside the sale of and cancel the Certificate; and,

WHEREAS, the amounts paid by the Holder (and/or its predecessor) to the City, plus lawful interest through April 18, 2023, totals \$7,686.77.

NOW THEREFORE, BE IT RESOLVED, by the Municipal Council of the City of Orange that the taxes billed by the City against the Property, for Tax Years 2016 through 2019 inclusive, are hereby declared invalid; and,

BE IT FURTHER RESOLVED that the sale of Tax Sale Certificate No. 17-00121 is hereby set aside, and said Certificate is cancelled; and,

BE IT FURTHER RESOLVED that, by copy of this Resolution, the Tax Collector of the City of Orange Township is hereby authorized to refund to Next Level Funding LLC the total amount of \$7,686.77, which includes the total amount paid plus lawful interest.

Adopted: **April 18, 2023**

Joyce L. Lanier
City Clerk

Tency A. Eason
Council President

CITY OF ORANGE TOWNSHIP

Refund/Cancellation Worksheet

Tax Sale Certificate No. 17-00121 (3301/44 - 139 Central Place)

Q	PRIN	INTEREST							TOTAL
Certificate	2017	2018	2019	2020	2021	2022	2023	Certif.	
	\$798.50	\$3.99	\$3.99	\$11.98	\$19.96	\$11.98	\$2.00	\$2.00	\$854.40
\$55.90									
2017	2017	2018	2019	2020	2021	2022	2023	2017	
Q1	\$470.90	\$2.35	\$2.35	\$7.06	\$11.77	\$7.06	\$1.18	\$1.18	Subseq.
Q2	\$453.11	\$2.27	\$2.27	\$6.80	\$11.33	\$6.80	\$1.13	\$1.13	
Q3	\$452.08	\$2.26	\$2.26	\$6.78	\$11.30	\$6.78	\$1.13	\$1.13	
Q4	\$433.59	\$2.17	\$2.17	\$6.50	\$10.84	\$6.50	\$1.08	\$1.08	
	\$1,809.68	\$9.05	\$9.05	\$27.15	\$45.24	\$27.15	\$4.52	\$4.52	
\$126.68									\$1,936.36
2018	2017	2018	2019	2020	2021	2022	2023	2018	
Q1	\$407.43		\$2.04	\$6.11	\$10.19	\$6.11	\$1.02	\$1.02	Subseq.
Q2	\$406.01		\$2.03	\$6.09	\$10.15	\$6.09	\$1.02	\$1.02	
Q3	\$467.06		\$2.34	\$7.01	\$11.68	\$7.01	\$1.17	\$1.17	
Q4	\$477.06		\$2.39	\$7.16	\$11.93	\$7.16	\$1.19	\$1.19	
	\$1,757.56		\$8.79	\$26.36	\$43.94	\$26.36	\$4.39	\$4.39	
\$114.24									\$1,871.80
2019	2017	2018	2019	2020	2021	2022	2023	2019	
Q1	\$456.38			\$6.85	\$11.41	\$6.85	\$1.14	\$1.14	Subseq.
Q2	\$436.89			\$6.55	\$10.92	\$6.55	\$1.09	\$1.09	
Q3	\$888.42			\$13.33	\$22.21	\$13.33	\$2.22	\$2.22	
Q4									
	\$1,781.69			\$26.73	\$44.54	\$26.73	\$4.45	\$4.45	
\$106.90									\$1,888.59
				\$403.72					\$6,551.15

Costs **\$1,135.62**
Refund **\$7,686.77**

Statutory Interest Rates						
2017	2018	2019	2020	2021	2022	2023
0.50%	0.50%	1.50%	2.50%	1.50%	0.50%	0.50%