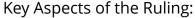


New Jersey Supreme Court Aligns Tax Sale Law with Constitutional Equity Protections

Pre-2024 Tax Sale Law Unconstitutional, Upholding Property Owners' Rights

TRENTON, NJ, UNITED STATES, January 10, 2025 /EINPresswire.com/ -- The National Tax Lien Association (NTLA) acknowledges today's landmark ruling by the New Jersey Supreme Court. The court determined that the prior version of New Jersey's Tax Sale Law, as it existed before its 2024 amendment, violated the Takings Clause of the Fifth Amendment to the U.S. Constitution by allowing the forfeiture of surplus equity from property owners without providing just compensation.



1. Recognition of Property Owners' Surplus Equity Rights: The court reaffirmed that property owners in



New Jersey have a constitutionally protected right to surplus equity in their real estate.

- 2. Private Lienholders as State Actors: The decision found that private tax lienholders, when operating under the Tax Sale Law, may be considered state actors because the collection of taxes is traditionally a governmental action.
- 3. Retroactivity Application: The ruling applies to cases currently pending on direct review but does not extend retroactively to cases that have already been finalized.

The court decision underscores the importance of ensuring that municipalities and lienholders operate within a legal framework that uphold property owners' constitutional rights. While the 2024 amendments to the Tax Sale Law—designed to protect property owners' equity—were not under review, the NTLA supports reforms that strike a fair balance between effective municipal revenue collection and robust taxpayer protections.

"This ruling serves as a powerful reminder of ethical and equitable practices in the tax lien

industry," said **Brad Westover**, NTLA Executive Director. "The NTLA remains committed to fostering solutions that align with constitutional standards and uphold best practices for municipalities, lienholders, and property owners alike."

The NTLA is proud to have contributed to this case as amicus curiae, represented by Adam D. Greenberg, Esq., of Honig & Greenberg, L.L.C. and Robyn London-Zeitz, Esq., of Gary C. Zeitz, L.L.C.

For further information on the NTLA and its mission to advance transparency and fairness in tax lien investment, visit www.ntla.org.

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