

ASSEMBLY, No. 432

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman GREGORY P. MCGUCKIN

District 10 (Ocean)

Assemblyman JOHN CATALANO

District 10 (Ocean)

SYNOPSIS

Exempts senior citizens and blind or disabled persons from certain realty transfer fees.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/3/2020)

1 **AN ACT** exempting senior citizens and blind or disabled persons
2 from payment of certain fees on the transfer of title to real
3 property, amending P.L.1975, c.176.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. Section 4 of P.L.1975, c.176 (C.46:15-10.1) is amended to
9 read as follows:

10 4. a. The following transfers of title to real property shall be
11 exempt from payment of **the State portion of the basic fee** fees
12 imposed under P.L.1968, c.49 (C.46:15-5 et seq.) to the extent
13 specified:

14 (1) The sale of any one- or two-family residential premises
15 which are owned and occupied by a senior citizen, blind person or
16 disabled person who is the seller in such transaction shall be exempt
17 from (a) the State portion of the basic fee collected pursuant to
18 subparagraph (a) of paragraph (1) of subsection a. of section 3 of
19 P.L.1968, c.49 (C.46:15-7), and (b) the general purpose fee
20 collected pursuant to paragraph (3) of that subsection; provided,
21 however, that except in the instance of a husband and wife no
22 exemption shall be allowed if the property being sold is jointly
23 owned and one or more of the owners is not a senior citizen, blind
24 person or disabled person.

25 (2) The sale of low and moderate income housing shall be
26 exempt from the State portion of the basic fee.

27 (3) The purchase of any one- or two-family residential premises
28 by a senior citizen, blind person or disabled person who is the buyer
29 in such transaction shall be exempt from the fee collected pursuant
30 to section 8 of P.L.2004, c.66 (C.46:15-7.2).

31 b. Transfers of title to real property upon which there is new
32 construction shall be exempt from payment, with respect to all
33 consideration therefor up to \$150,000.00, of 80% of the State
34 portion of the basic fee.

35 c. (1) The director shall promulgate rules, regulations and forms
36 of certification or otherwise necessary to carry out the provisions of
37 this section.

38 (2) No transfer shall be eligible for more than one exemption
39 under this section.

40 d. The balance of the State portion of the basic fee and the
41 additional fee collected on transfers subject to exemption under
42 subsection b. of this section shall be remitted to the State Treasurer
43 and shall be credited to the New Jersey Affordable Housing Trust
44 Fund established pursuant to P.L.1985, c.222 (C.52:27D-301 et al.),
45 to be spent in the manner established under section 20 thereof
46 (C.52:27D-320).

EXPLANATION – Matter enclosed in bold-faced brackets **thus** in the above bill is
not enacted and is intended to be omitted in the law.

 Matter underlined thus is new matter.

1 e. Subsections a. through d. of this section shall be without
2 effect on and after the tenth day following a certification by the
3 Director of the Division of Budget and Accounting in the
4 Department of the Treasury pursuant to subsection b. of section 2 of
5 P.L.1992, c.148 (C.46:15-10.2) or subparagraph (ii) of
6 subparagraph (b) of paragraph 2 of subsection b. of section 1 of
7 P.L.1992, c.148 (C.13:19-16.1).
8 (cf: P.L.2008, c.31, s.3)

9
10 2. This act shall take effect immediately and apply to transfers
11 of real property occurring on or after the first day of the second
12 calendar month following enactment.

13
14
15 STATEMENT
16

17 This bill exempts the sale of owner-occupied residential property
18 by a senior citizen or a blind or disabled person, from certain State
19 portions of the realty transfer fee. The bill also exempts the
20 purchase by a senior citizen or a blind or disabled person of certain
21 residential property from the 1% fee imposed upon the recording of
22 title to that property if the selling price exceeds \$1,000,000.

23 The reduction in revenue collected through the realty transfer fee
24 as the result of the enactment of this bill is not believed to be
25 sufficient to trigger the “poison pill” provisions of the realty
26 transfer fee. The “poison pill” provisions of the realty transfer fee
27 law require the Legislature to annually appropriate from realty
28 transfer fees collected by the State \$25 million to the “Shore
29 Protection Fund” (N.J.S.A.13:19-16.1) and \$12 million to the
30 “Highlands Protection Fund” (N.J.S.A.13:20-19). That law
31 provides that if these funds do not receive this required revenue, the
32 State portion of the basic fee, as well as the additional fee which
33 funds the Affordable Housing Trust Fund (N.J.S.A.52:27D-320)
34 shall not be collected.