

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3396

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 17, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3396 (1R), with committee amendments.

As amended, this bill would encourage purchasers of residential real property to record deeds in a timely fashion. Under the bill, a purchaser that submits a residential deed to the county for recording more than 90 days after the delivery date of the deed will be charged a late filing fee of \$10 a day for each day thereafter, up to a cumulative total of \$500. The bill would allow an extension of the deed delivery deadline if the county recording office is closed on the final day before the late filing fee is initiated. A late fee would not be imposed on State entities. A late fee would not be imposed if a delay in the delivery of a deed is the result of the deed being held in escrow. If failure to deliver a deed to the county recording officer within the time required is the fault of an agent or someone other than the grantee, then the late filing fee would be imposed upon the agent or other person and not passed through to the grantee. The bill dedicates the proceeds of these late filing fees to combatting homelessness.

COMMITTEE AMENDMENTS:

Committee amendments provide that the bill's late fee will not be imposed on State entities. Amendments also make technical corrections to reflect a prior committee amendment's extension of the bill's timeframe from 30 days to 90 days.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill may: (1) potentially increase expenditures for various State executive agencies due to the \$10 per calendar day filing fee; (2) potentially increase expenditures for a county recording office, such as the office of the county clerk, attributable to increased administrative costs for the processing of late filing fees; and (3) potentially increase revenues, which the bill requires be deposited into the county's Homelessness Housing Trust Fund or used for combatting homelessness, as a result of the \$10 per calendar day late filing fees.

The bill imposes a \$10 per calendar day late filing fee on the grantee of a deed for the transfer of residential real property if the deed is delivered for recording to the county recording officer more than 90 days after the date of its delivery to the grantee. The bill prohibits a cumulative filing fee from exceeding \$500 and provides an exception for a late filing fee if the delayed delivery is a result of the deed being held in escrow.

According to data provided by New Jersey Realtors, 117,343 housing sales closed in 2019. However, the total number of deeds for the transfer of residential real property could be higher due to the OLS being unable to confirm whether the 117,343 housing sales included deed transfers from other sources, such as inheritances. The OLS is unable to estimate the timeliness of grantees delivering deed transfers to the county recording officer, and any subsequent expenditure or revenue figures as a result of these late filing fees, due to insufficient data.