

ASSEMBLY, No. 5051

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 19, 2020

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Assemblyman PARKER SPACE

District 24 (Morris, Sussex and Warren)

Co-Sponsored by:

Assemblywoman Stanfield

SYNOPSIS

Exempts from realty transfer fee recording of deed of preserved farmland to qualified beginning farmer.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/7/2020)

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2

1 AN ACT concerning the realty transfer fee, amending P.L.1968,
2 c.49, and supplementing Title 4 of the Revised Statutes.

3

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

6

7 1. Section 6 of P.L.1968, c.49 (C.46:15-10) is amended to read
8 as follows:

9 6. The fee imposed by **[this act]** P.L.1968, c.49 (C.46:15-5 et
10 seq.) shall not apply to a deed:

11 (a) For a consideration, as defined in section 1(c), of less than
12 \$100.00;

13 (b) By or to the United States of America, this State, or any
14 instrumentality, agency, or subdivision thereof;

15 (c) Solely in order to provide or release security for a debt or
16 obligation;

17 (d) Which confirms or corrects a deed previously recorded;

18 (e) On a sale for delinquent taxes or assessments;

19 (f) On partition;

20 (g) By a receiver, trustee in bankruptcy or liquidation, or
21 assignee for the benefit of creditors;

22 (h) Eligible to be recorded as an "ancient deed" pursuant to
23 R.S.46:16-7;

24 (i) Acknowledged or proved on or before July 3, 1968;

25 (j) Between husband and wife, or parent and child;

26 (k) Conveying a cemetery lot or plot;

27 (l) In specific performance of a final judgment;

28 (m) Releasing a right of reversion;

29 (n) Previously recorded in another county and full realty transfer
30 fee paid or accounted for, as evidenced by written instrument,
31 attested by the grantee and acknowledged by the county recording
32 officer of the county of such prior recording, specifying the county,
33 book, page, date of prior recording, and amount of realty transfer
34 fee previously paid;

35 (o) By an executor or administrator of a decedent to a devisee or
36 heir to effect distribution of the decedent's estate in accordance with
37 the provisions of the decedent's will or the intestate laws of this
38 State;

39 (p) Recorded within 90 days following the entry of a divorce
40 decree which dissolves the marriage between the grantor and
41 grantee;

42 (q) Issued by a cooperative corporation, as part of a conversion
43 of all of the assets of the cooperative corporation into a
44 condominium, to a shareholder upon the surrender by the
45 shareholder of all of the shareholder's stock in the cooperative

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 corporation and the proprietary lease entitling the shareholder to
2 exclusive occupancy of a portion of the property owned by the
3 corporation ; or

4 (r) Conveying preserved farmland as defined in section 4 of
5 P.L.2009, c.213 (C.54:4-23.3c) to a person who possesses a written
6 certification, issued by the Department of Agriculture pursuant to
7 section 2 of P.L. , c. (C.) (pending before the Legislature as
8 this bill), demonstrating that the person qualifies as a beginning
9 farmer .

10 (cf: P.L.1999, c.357, s.1)

11

12 2. (New section) a. The Department of Agriculture shall
13 establish a process whereby a person may request to receive written
14 certification from the department that the person qualifies as a
15 beginning farmer. The department shall establish the manner and
16 form, including eligibility criteria and documentation necessary, for
17 a person to receive certification pursuant to this section. In
18 developing the manner and form necessary, the department shall
19 consider the certification for qualified beginning farmers used by
20 the Pennsylvania Department of Agriculture.

21 The department shall publish the form to be used to request
22 certification as a beginning farmer, together with the eligibility
23 criteria and documentation necessary, in a prominent location on its
24 website. The department may charge a fee, not to exceed \$100, to a
25 person requesting certification as a beginning farmer.

26 b. As used in this section:

27 “Beginning farmer” means a person who desires to engage in
28 farming and has never farmed before, who has engaged in farming
29 in the State for 10 years or less as of the effective date of P.L. ,
30 c. (C.) (pending before the Legislature as this bill), or who
31 qualifies as a first-time farmer pursuant to 26 U.S.C. s.147(c)(2).

32 “Farming” means the cultivation of land for the production of
33 agricultural crops, the raising of poultry, the production of eggs, the
34 production of milk, the production of fruit or other horticultural
35 crops, grazing, the production of livestock, aquaculture,
36 hydroponics, the production of forest products, or other activities
37 designated by the Department of Agriculture pursuant to rules and
38 regulations.

39

40 3. This act shall take effect immediately.

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STATEMENT

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45 This bill provides that preserved farmland purchased by a
46 qualified beginning farmer would not be subject to the realty
47 transfer fee. Under this bill, the fee would not apply when
48 preserved farmland is acquired by a person who possesses a written

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1 certification issued by the Department of Agriculture pursuant to
2 the bill demonstrating that the person qualifies as a qualified
3 beginning farmer. The bill requires the Department of Agriculture
4 to establish a procedure to certify in writing a person as a qualified
5 beginning farmer.

6 The realty transfer fee (fee), established pursuant to P.L.1968,
7 c.49 (C.46:15-5 et seq.), applies to sales and transfers of interests in
8 real property and is imposed upon the recording of deeds
9 evidencing transfers of title to real property in the State. Current
10 law provides a number of full and partial exemptions from the
11 payment of the fee.

12 This bill is similar to a provision contained in the Pennsylvania
13 Farm Bill. The Pennsylvania Department of Agriculture has
14 established a certification process for qualified beginning farmers.
15 A person who receives this certification is exempt from the realty
16 transfer fee when purchasing a preserved farm.

17 New Jersey has long committed to preserving farmland, however
18 New Jersey cannot rest on the success of land preservation. The
19 State needs to do much more to preserve farming itself and take
20 further action to preserve its farmers as well. This bill is intended
21 to remove a disincentive for people to take up the vital and historic
22 role of farmer. Currently, the average age of a farmer in the United
23 States is 57.5 years. The national average age has increased by 1.6
24 percent annually since 1994, on average, according to the 2017
25 Census of Agriculture conducted by the United States Department
26 of Agriculture. The average age of a New Jersey farmer is 59.7
27 years, according to the same report.