

[First Reprint]
SENATE, No. 672

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator SAMUEL D. THOMPSON

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Senator BRIAN P. STACK

District 33 (Hudson)

Co-Sponsored by:

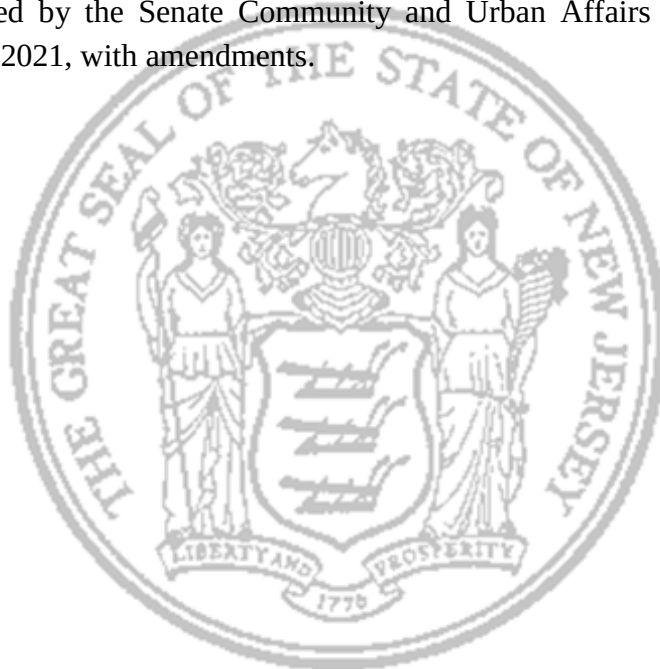
Senators Cruz-Perez and O'Scanlon

SYNOPSIS

Requires limited liability company to disclose ownership information when submitting deed for recording.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on December 6, 2021, with amendments.



(Sponsorship Updated As Of: 12/6/2021)

1 AN ACT enhancing transparency of certain real estate transfers,
 2 amending P.L.1968, c.49, and supplementing P.L.2012, c.50
 3 (C.42:2C-1 et seq.).
 4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
 6 of New Jersey:
 7

8 1. Section 2 of P.L.1968, c.49 (C.46:15-6) is amended to read
 9 as follows:

10 2. In addition to other prerequisites for recording, no deed
 11 evidencing transfer of title to real property shall be recorded in the
 12 office of any county recording officer unless it satisfies the
 13 following requirements:

14 a. If the transfer is subject to any fee established under section
 15 3 of P.L.1968, c.49 (C.46:15-7) or section 2 of P.L.2003, c.113
 16 (C.46:15-7.1), a statement of the true consideration for the transfer
 17 shall be contained in the deed, the acknowledgment, the proof of the
 18 execution, or an appended affidavit by one of the parties to the deed
 19 or that party's legal representative.

20 b. If the transfer is exempt from any fee established under
 21 section 3 of P.L.1968, c.49 (C.46:15-7) or section 2 of P.L.2003,
 22 c.113 (C.46:15-7.1), an affidavit stating the basis for the exemption
 23 shall be appended to the deed.

24 c. If the transfer is of real property upon which there is new
 25 construction, the words "NEW CONSTRUCTION" in upper case
 26 lettering shall be printed clearly at the top of the first page of the
 27 deed, and an affidavit by the grantor stating that the transfer is of
 28 property upon which there is new construction shall be appended to
 29 the deed.

30 d. If the transfer is of residential real property¹ intended for
 31 rental purposes¹ containing one¹ [to four] or two¹ dwelling units to
 32 ¹[or from]¹ a limited liability company or foreign limited liability
 33 company, an affidavit identifying¹ [the members, managers, and
 34 other authorized persons] the registered agent¹ of the company, as
 35 required pursuant to section 2 or section 3 of P.L. , c. (C.)
 36 (pending before the Legislature as this bill), shall be appended to
 37 the deed. ¹If the registered agent is not a member of the company,
 38 an affidavit identifying at least one member of the company shall be
 39 appended to the deed.¹

40 (cf: P.L.2004, c.66, s.2)
 41

42 2. (New section) When a limited liability company is the
 43 ¹[grantor or]¹ grantee of a deed for residential real property
 44 ¹intended for rental purposes¹ containing one ¹[to four] or two¹
 45 dwelling units, together with the deed, the company shall submit for

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted December 6, 2021.

1 recording an affidavit disclosing the '【names】 name' and business
2 '【addresses】 address' of '【all members, managers, and any other
3 authorized persons, if any,】 the registered agent for service of
4 process' of the limited liability company '【or, if none, the names
5 and business addresses of all shareholders, directors, officers,
6 members, managers, and partners of any limited liability company
7 or other business entity that are to be the members, managers, or
8 authorized persons, if any, of such limited liability company】
9 designated pursuant to section 14 of P.L.2012, c.50 (C.42:2C-14)'.
10 If '【any member, manager, or authorized person of the limited
11 liability company is itself a limited liability company or other
12 business entity, the affidavit shall disclose the names and addresses
13 of the shareholders, directors, officers, members, managers, and
14 partners of the limited liability company or other business entity
15 until full disclosure of ultimate ownership by natural persons is
16 achieved】 the registered agent is not a member of the company, the
17 company shall append to the deed an affidavit identifying at least
18 one member of the company'.
19

20 3. (New section) When a foreign limited liability company is
21 the '【grantor or】' grantee of a deed for residential real property
22 'intended for rental purposes' containing one '【to four】 or two'
23 dwelling units, together with the deed, the company shall submit for
24 recording, an affidavit disclosing the '【names】 name' and business
25 '【addresses】 address' of '【all members, managers, and any other
26 authorized persons, if any,】 the registered agent for service of
27 process' of the foreign limited liability company '【or, if none, the
28 names and business addresses of all shareholders, directors,
29 officers, members, managers, and partners of any foreign limited
30 liability company or other business entity that are to be the
31 members, managers, or authorized persons, if any, of that foreign
32 limited liability company】 designated pursuant to section 14 of
33 P.L.2012, c.50 (C.42:2C-14)'. If '【any member, manager, or
34 authorized person of the foreign limited liability company is itself a
35 foreign limited liability company or other business entity, the
36 affidavit shall disclose the names and addresses of the shareholders,
37 directors, officers, members, managers, and partners of the foreign
38 limited liability company or other business entity until full
39 disclosure of ultimate ownership by natural persons is achieved】 the
40 registered agent is not a member of the company, the company shall
41 append to the deed an affidavit identifying at least one member of
42 the company'.
43

44 4. This act shall take effect immediately.