SENATE, No. 709

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Senator DAWN MARIE ADDIEGO
District 8 (Atlantic, Burlington and Camden)

Co-Sponsored by:
Senator Brown

SYNOPSIS

Exempts certain surviving spouses and surviving civil union partners of certain disabled veterans from components of the realty transfer fee.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 8/20/2020)

AN ACT concerning a realty transfer fee exemption for certain surviving spouses and surviving civil union partners of certain disabled veterans, amending P.L.1975, c.176 and P.L.2003, c.113.

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

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

4. a. The following transfers of title to real property shall be exempt from payment of the State portion of the basic fee:

(1) The sale of any one- or two-family residential premises which are owned and occupied by a senior citizen, blind person or disabled person who is the seller in such transaction; provided, however, that except in the instance of a husband and wife no exemption shall be allowed if the property being sold is jointly owned and one or more of the owners is not a senior citizen, blind person or disabled person.

(2) The sale of low and moderate income housing.

(3) The sale of a one- or two-family residential premises owned and occupied by the surviving spouse or surviving civil union partner of a disabled veteran who, at the time of the disabled veteran's death, qualified for the property tax exemption provided pursuant to section 1 of P.L.1948, c.259 (C.54:4-3.30) for the residential premises, during the surviving spouse's or surviving civil union partner's widowhood or widowerhood.

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

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

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

d. The balance of the State portion of the basic fee and the additional fee collected on transfers subject to exemption under subsection b. of this section shall be remitted to the State Treasurer and shall be credited to the Neighborhood Preservation Nonlapsing Revolving Fund established pursuant to P.L.1985, c.222 (C.52:27D-301 et al.), to be spent in the manner established under section 20 thereof (C.52:27D-320).

e. Subsections a. through d. of this section shall be without effect on and after the tenth day following a certification by the

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.

Director of the Division of Budget and Accounting in the Department of the Treasury pursuant to subsection b. of section 2 of P.L.1992, c.148 (C.46:15-10.2) or subsubparagraph (ii) of subparagraph (b) of paragraph (2) of subsection b. of section 1 of P.L.1992, c.148 (C.13:19-16.1) as amended.
(cf: P.L.2008, c.31, s.3)

2. Section 2 of P.L.2003, c.113 (C.46:15-7.1) is amended to read as follows:

2. a. For each conveyance or transfer of property, the grantor shall pay a supplemental fee of:

(1) (a) $0.25 for each $500.00 of consideration or fractional part thereof not in excess of $150,000.00 recited in the deed;

(b) $0.85 for each $500.00 of consideration or fractional part thereof in excess of $150,000.00 but not in excess of $200,000.00 recited in the deed; and

(c) $1.40 for each $500.00 of consideration or fractional part thereof in excess of $200,000.00 recited in the deed, plus

(2) for a transfer described in subsection **[**(b)**]** b. of section 4 of P.L.1975, c.176 (C.46:15-10.1), an additional $1.00 for each $500.00 of consideration or fractional part thereof not in excess of $150,000.00 recited in the deed which fee shall be collected by the county recording officer at the time the deed is offered for recording, except as provided by subsection b. of this section.

b. The supplemental fee imposed by subsection a. of this section shall not be imposed on a conveyance or transfer that is made by a deed described in section 6 of P.L.1968, c.49 (C.46:15-10) or on a transfer described in paragraph (1) **[**or**]**, paragraph (2), or paragraph (3) of subsection **[**(a)**]** a. of section 4 of P.L.1975, c.176 (C.46:15-10.1).

c. The proceeds of the supplemental fees collected by the county recording officer pursuant to subsection a. of this section shall be accounted for and remitted to the county treasurer. An amount equal to $0.25 of the supplemental fee for each $500.00 of consideration or fractional part thereof recited in the deed so collected pursuant to this section shall be retained by the county treasurer for the purposes set forth in subsection d. of this section, and the balance shall be remitted to the State Treasurer for deposit to the Extraordinary Aid Account, which shall be established as an account in the General Fund. Payments shall be made to the State Treasurer on the tenth day of each month following the month of collection.

d. From the proceeds of the supplemental fees collected by the county recording officer pursuant to subsection a. of this section and retained by the county treasurer pursuant to subsection c. of this section, a county that received funding in State fiscal year 2003 for the support of public health services pursuant to the provisions of the Public Health Priority Funding Act of 1977, P.L.1966, c.36

(C.26:2F-1 et seq.) shall, at a minimum, fund its priority health services under that act in subsequent years at the same level as the level at which those services were funded in State fiscal year 2003 pursuant to the annual appropriations act for that fiscal year as the Commissioner of the Department of Health and Senior Services shall determine. In any county, amounts of supplemental fees retained that are in excess of the amounts required to be used for the funding of the county's priority health services under this subsection shall be used by the county for general county purposes.

e. The Legislature shall annually appropriate the entire balance of the Extraordinary Aid Account for the purposes of providing extraordinary special education aid pursuant to section 13 of P.L.2007, c.260 (C.18A:7F-55) and "Municipal Property Tax Relief Act" extraordinary aid pursuant to section 4 of P.L.1991, c.63 (C.52:27D-118.35).

f. Every deed subject to the supplemental fee required by this section, which is in fact recorded, shall be conclusively deemed to have been entitled to recording, notwithstanding that the amount of the consideration shall have been incorrectly stated, or that the correct amount of the supplemental fee, if any, shall not have been paid, and no such defect shall in any way affect or impair the validity of the title conveyed or render the same unmarketable; but the person or persons required to pay that supplemental fee at the time of recording shall be and remain liable to the county recording officer for the payment of the proper amount thereof.

(cf: P.L.2007, c.260, s.80)

3. This act shall take effect immediately and apply to sales made on or after the first day of the third month following the date of enactment.

STATEMENT

This bill exempts the surviving spouses and surviving civil union partners of certain veterans from components of the realty transfer fee: veterans who were completely disabled in active service in time of war. These spouses and partners have particularly felt the repercussions of their partners’military service to our country.

The realty transfer fee is actually four fees, the "basic fee," the "additional fee," the "supplemental fee,” and the "general purpose fee," each one with its own graduated rate schedule, imposed on the sellers of real property. Under current law, senior citizens and persons with disabilities who sell their one- or two-family residential home are exempted from the basic fee and the supplemental fee. This exemption is not available to the surviving spouse of a senior citizen or the surviving spouse of a person with a

disability unless the surviving spouse is himself a senior citizen or a person with a disability.

This bill allows the preferred realty transfer fee rates to the sale of any one- or two-family home of the surviving spouse or surviving partner of a disabled veteran who, at the time of the disabled veteran's death, qualified for the property tax exemption for the residential premises allowed to veterans who were 100 percent disabled in active service in time of war if the sale is made by the survivor during the survivor's widowhood or widowerhood. These surviving spouses and partners have endured the anxiety of separation experienced by all those who have had a loved one sent into active military service, and then shared the sacrifice of the veterans who have bought the destruction of war home with them.