

SENATE, No. 1442

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator JAMES W. HOLZAPFEL

District 10 (Ocean)

SYNOPSIS

Eliminates supplemental realty transfer fee.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** eliminating the supplemental realty transfer fee, amending
2 P.L.1968, c.49 and repealing section 2 of P.L.2003, c.113.

3

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

6

7 1. Section 1 of P.L.1968, c.49 (C.46:15-5) is amended to read
8 as follows:

9 1. As used in this act:

10 (a) "Deed" means a written instrument entitled to be recorded in
11 the office of a county recording officer which purports to convey or
12 transfer title to a freehold interest in any lands, tenements or other
13 realty in this State by way of grant or bargain and sale thereof from
14 the named grantor to the named grantee. A leasehold interest for 99
15 years or more or a proprietary lease of a cooperative unit and any
16 assignment of a proprietary lease of a cooperative unit, shall be
17 treated as a "freehold" for the purpose of this act. Instruments
18 providing for common driveways, for exchanges of easements or
19 rights-of-way, for revocable licenses to use, to adjust or to clear
20 defects of or clouds on title, to provide for utility service lines such
21 as drainage, sewerage, water, electric, telephone or other such
22 service lines, or to quitclaim possible outstanding interests, shall
23 not be "deeds" for the purposes of this act.

24 (b) The terms "county recording officer" and "office of the
25 county recording officer" mean the register of deeds and mortgages
26 in counties having such an officer and office, and the county clerk
27 and his office in the other counties.

28 (c) "Consideration" means in the case of any deed, the actual
29 amount of money and the monetary value of any other thing of
30 value constituting the entire compensation paid or to be paid for the
31 transfer of title to the lands, tenements or other realty, including the
32 remaining amount of any prior mortgage to which the transfer is
33 subject or which is to be assumed and agreed to be paid by the
34 grantee and any other lien or encumbrance thereon not paid,
35 satisfied or removed in connection with the transfer of title. The
36 amount of liens for real property taxes, water or sewerage charges
37 for the current or any subsequent year, or by way of added
38 assessment or other adjustment, as well as of other like liens or
39 encumbrances of a current and continuing nature ordinarily adjusted
40 between the parties according to the period of ownership shall be
41 excluded as an element in determining the consideration,
42 notwithstanding that such amount is to be paid by the grantee.

43 In the case of a leasehold interest for 99 years or more as defined
44 in subsection (a) of this section, the consideration shall be in the
45 amount of the assessed value of the property at the date of 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.

1 transaction for the purpose of levying local real property taxes
2 adjusted to reflect the true value in accordance with the county
3 percentage level established for the current year.

4 In the case of a proprietary lease of a cooperative unit or
5 assignment thereof as defined in subsection (a) of this section, the
6 consideration is the total price paid for the ownership interest held
7 in conjunction with a cooperative unit, including the pro rata
8 amount of any underlying mortgage or other obligation of the
9 cooperative.

10 (d) "Blind person" means a person whose vision in his better eye
11 with proper correction does not exceed 20/200 as measured by the
12 Snellen chart or a person who has a field defect in his better eye
13 with proper correction in which the peripheral field has contracted
14 to such an extent that the widest diameter of visual field subtends an
15 angular distance no greater than 20°.

16 (e) "Disabled person" means any resident of this State who is
17 permanently and totally disabled, unable to engage in gainful
18 employment, and receiving disability benefits or any other
19 compensation under any federal or State law.

20 (f) "Senior citizen" means any resident of this State of the age
21 of 62 years or over.

22 (g) "New construction" means any conveyance or transfer of
23 property upon which there is an entirely new improvement not
24 previously occupied or used for any purpose.

25 (h) "Low and moderate income housing" means any residential
26 premises, or part thereof, affordable according to federal
27 Department of Housing and Urban Development or other
28 recognized standards for home ownership and rental costs and
29 occupied or reserved for occupancy by households with a gross
30 income equal to 80% or less of the median gross household income
31 for households of the same size within the housing region in which
32 the housing is located, but shall include only those residential
33 premises subject to resale controls pursuant to contractual
34 guarantees.

35 (i) "Basic fee" means the fee established by paragraph (1) of
36 subsection a. of section 3 of P.L.1968, c.49 (C.46:15-7), which fee
37 shall consist of a State portion and a county portion as prescribed
38 under that paragraph.

39 (j) "Additional fee" means the fee established by paragraph (2)
40 of subsection a. of section 3 of P.L.1968, c.49.

41 (k) "General purpose fee" means the fee established by
42 paragraph (3) of subsection a. of section 3 of P.L.1968, c.49.

43 **[(l) "Supplemental fee" means the fee established by subsection**
44 **a. of section 2 of P.L.2003, c.113 (C.46:15-7.1).]**

45 (cf: P.L.2004, c.66, s.1)

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

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

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

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

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

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

3. Section 2 of P.L.2003, c.113 (C.46:15-7.1) is repealed.

4. This act shall take effect immediately.

STATEMENT

This bill eliminates the supplemental realty transfer fee imposed by P.L.2003, c.113, which took effect on July 14, 2003. The supplemental fee has a graduated structure. It is \$0.25 for each \$500 of the selling price not in excess of \$150,000, \$0.85 for each \$500 of the selling price in excess of \$150,000 but not in excess of \$200,000, and \$1.40 for each \$500 of the selling price in excess of \$200,000. Counties retain \$0.25 of for each \$500 of the selling price and remit the remainder to the State.

The supplemental fee also includes an additional fee of \$1.00 for each \$500 of the selling price not in excess of \$150,000 that is exempt from \$1.00 of the basic fee as "new construction". The State receives all of the proceeds.