

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 2861

STATE OF NEW JERSEY

DATED: SEPTEMBER 21, 2020

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 2861.

This bill concerns the use of restrictive covenants in deeds for real property that would restrict the ownership or use of real property as prohibited by sections 4 and 11 of the “Law Against Discrimination,” (LAD) P.L.1945, c.169 (C.10:5-4 and C.10:5-12), which include restrictions on the basis of race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, liability for service in the Armed Forces of the United States, nationality, sex, gender identity or expression, or source of lawful income used for rental or mortgage payments.

The bill would require that a deed recorded on or after January 1, 2021 not contain a reference to the specific portion of a restrictive covenant purporting to restrict the ownership or use of real property as prohibited by the LAD. The bill also requires a county clerk or a register of deeds and mortgages to refuse to accept any deed submitted for recordation that references the specific portion of any such restrictive covenant.

The bill also provides a property owner the opportunity to release such a restrictive covenant by recording a “Certificate of Release of Certain Prohibited Covenants” with the county clerk, or register of deeds and mortgages, as appropriate, in the county wherein the real property is located. The real property owner may record such a certificate prior to recordation of a deed conveying real property to a purchaser, or when a real property owner discovers that such a prohibited covenant exists and chooses to affirmatively release it.