SENATE, No. 2967

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED SEPTEMBER 24, 2020

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Exempts from realty transfer fee recording of deed to nonprofit organization for lands acquired for recreation and conservation purposes.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning the realty transfer fee and amending P.L.1968, c.49.

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

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

6. The fee imposed by this act shall not apply to a deed:

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

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

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

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

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

(f) On partition;

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

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

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

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

(k) Conveying a cemetery lot or plot;

(l) In specific performance of a final judgment;

(m) Releasing a right of reversion;

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

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

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

(q) Issued by a cooperative corporation, as part of a conversion of all of the assets of the cooperative corporation into a condominium, to a shareholder upon the surrender by the shareholder of all of the shareholder's stock in the cooperative corporation and the proprietary lease entitling the shareholder to

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 <u>thus</u> is new matter.

exclusive occupancy of a portion of the property owned by the corporation ; or

(r) To an organization determined by the federal Internal Revenue Service to be exempt from federal income taxation pursuant to section 501(c)(3) of the federal Internal Revenue Code, 26 U.S.C. s.501(c)(3), for lands acquired for recreation and conservation purposes using constitutionally dedicated moneys as defined in section 3 of P.L.1999, c.152(C.13:8C-3), constitutionally dedicated CBT moneys as defined in section 3 of P.L.2016, c.12 (C.13:8C-45), or monies from a Green Acres bond act as defined in section 3 of P.L.2016, c.12 (C.13:8C-45) .

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

2. This act shall take effect immediately.

STATEMENT

This bill provides that purchases of land for recreation and conservation purposes by nonprofit organizations, using in part certain funds from the State, would not be subject to the realty transfer fee.

The realty transfer fee (fee), established pursuant to N.J.S.A. 46:15-5 et seq., applies to sales and transfers of interests in real property and is imposed upon the recording of deeds evidencing transfers of title to real property in the State. Current law provides a number of full and partial exemptions from the payment of the fee. For example, the fee does not apply to a deed "by or to the United States of America, this State, or any instrumentality, agency, or subdivision thereof." Thus, lands purchased for recreation and conservation purposes by the State or a local government unit are exempt from payment of the fee. Further, the additional fee on certain transfers of real property over $1 million does not apply when the grantee of the deed is a nonprofit organization exempt from federal income taxation pursuant to section 501(c)(3) of the federal Internal Revenue Code.

Under this bill, the realty transfer fee would not apply to a deed conveying title to a nonprofit organization for lands acquired for recreation and conservation purposes, commonly referred to as "Green Acres" or "Blue Acres" projects, using funding from the State provided through the Department of Environmental Protection's Office of Green Acres.