

# ASSEMBLY, No. 3341

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 19, 2006

**Sponsored by:**

**Assemblyman LOUIS M. MANZO**

**District 31 (Hudson)**

**Assemblyman BRIAN P. STACK**

**District 33 (Hudson)**

**SYNOPSIS**

Permits cities of the first class, by ordinance, to establish local realty transfer fee.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/20/2006)**

1 AN ACT authorizing cities of the first class to establish a local realty  
2 transfer fee, amending P.L.1968, c.49 and supplementing chapter  
3 48C of Title 40 of the Revised Statutes.

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

7  
8 1. Section 3 of P.L.1968, c.49 (C.46:15-7) is amended to read as  
9 follows:

10 3. a. In addition to the recording fees imposed by section 2 of  
11 P.L.1965, c.123 (C.22A:4-4.1), a grantor shall pay to the county  
12 recording officer at the time the deed is offered for recording the  
13 following fees:

14 (1) A basic fee, which basic fee shall consist of (a) a State  
15 portion at the rate of \$1.25 for each \$500.00 of consideration or  
16 fractional part thereof recited in the deed, and (b) a county portion  
17 at the rate of \$0.50 for each \$500.00 of consideration or fractional  
18 part thereof so recited; provided however, that on and after the tenth  
19 day following a certification by the Director of the Division of  
20 Budget and Accounting in the Department of the Treasury pursuant  
21 to subsection b. of section 2 of P.L.1992, c.148 (C.46:15-10.2), the  
22 State portion of the basic fee shall not be imposed.  
23 Notwithstanding the provisions of this paragraph, in the case of real  
24 property located in a municipality that is a city of the first class and  
25 which has adopted an ordinance establishing a local realty transfer  
26 fee pursuant to the provisions of section 2 of  
27 P.L. , c. (C. ) (pending before the Legislature as this bill),  
28 the portion of the State portion of the fee remitted to the State shall  
29 be \$0.75 for each \$500 of consideration or fractional part thereof  
30 recited in the deed;

31 (2) An additional fee at the rate of \$0.75 for each \$500.00 of  
32 consideration or fractional part thereof recited in the deed in excess  
33 of \$150,000.00; provided however, that on and after the tenth day  
34 following a certification by the Director of the Division of Budget  
35 and Accounting in the Department of the Treasury pursuant to  
36 subsection b. of section 2 of P.L.1992, c.148 (C.46:15-10.2), the  
37 additional fee shall not be imposed; and

38 (3) A general purpose fee at the rate of:

39 (a) \$0.90 for each \$500.00 of consideration or fractional part  
40 thereof recited in the deed that is not in excess of \$550,000.00,  
41 except that in the case of a conveyance or transfer of property for  
42 which the total consideration recited in the deed does not exceed  
43 \$350,000.00, no general purpose fee shall be imposed;

**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 (b) \$1.40 for each \$500.00 of consideration or fractional part  
2 thereof in excess of \$550,000.00 but not in excess of \$850,000.00  
3 recited in the deed;

4 (c) \$1.90 for each \$500.00 of consideration or fractional part  
5 thereof in excess of \$850,000.00 but not in excess of \$1,000,000.00  
6 recited in the deed; and

7 (d) \$2.15 for each \$500.00 of consideration or fractional part  
8 thereof in excess of \$1,000,000.00 recited in the deed.

9 b. A deed subject to any of the fees established by this section,  
10 which is in fact recorded, shall be deemed to have been entitled to  
11 recording, notwithstanding that the amount of the consideration  
12 shall have been incorrectly stated or that the correct amount of such  
13 fee shall not have been paid. No such defect shall in any way affect  
14 or impair the validity of the title conveyed or render the same  
15 unmarketable; but the person or persons required to pay said  
16 additional fee at the time of recording shall be and remain liable to  
17 the county recording officer for the payment of the proper amount  
18 thereof.

19 (cf: P.L. 2004, c.66, s.3)

20

21 2. (New section) a. A municipality that is a city of the first  
22 class, by ordinance, may establish a local realty transfer fee on the  
23 conveyance or transfer of real property within the municipality, in  
24 the amount of \$0.50 per \$500 of consideration or fractional part  
25 thereof recited in the deed, which shall be deducted by the county  
26 recording officer from the fees collected pursuant to subparagraph  
27 (a) of paragraph (1) of subsection a. of section 3 of P.L.1968, c.49  
28 (C.46:15-7). A municipality that adopts an ordinance pursuant to  
29 this section shall forward to the county recording officer a certified  
30 copy of the ordinance. An ordinance so adopted shall provide that  
31 the imposition of the local realty transfer fee shall apply to  
32 conveyances and transfers of real property occurring on or after the  
33 first day of the third month next following the date of the  
34 transmittal to the county recording officer.

35 b. The proceeds of the local realty transfer fee deducted from the  
36 State share of the basic fee by the county recording officer pursuant  
37 to this section shall be accounted for and remitted to the county  
38 treasurer. The county treasurer shall pay to the chief financial  
39 officer of the municipality, for the use of the municipality, the  
40 amount of local realty transfer fee revenue deducted by the county  
41 recording officer from the State share of the basic fee on the tenth  
42 day of each month following the month of collection.

43 c. The local realty transfer fee imposed by subsection a. of this  
44 section is not applicable to a conveyance or transfer that is:

45 (1) made by a deed described in section 6 of P.L.1968, c.49  
46 (C.46:15-10);

47 (2) the sale of any one- or two-family residential premises which  
48 are owned and occupied by a senior citizen, blind person or

1 disabled person who is the seller in such transaction; provided,  
2 however, that except in the instance of a husband and wife no  
3 exemption shall be allowed if the property being sold is jointly  
4 owned and one or more of the owners is not a senior citizen, blind  
5 person or disabled person;

6 (3) the sale of low and moderate income housing; or

7 (4) concerning property owned by an organization determined by  
8 the federal Internal Revenue Service to be exempt from federal  
9 income taxation pursuant to paragraph (3) of subsection (c) of  
10 section 501 of the federal Internal Revenue Code of 1986 (26  
11 U.S.C. s.501).

12 d. A fee imposed by subsection a. of this section is subject to the  
13 provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et  
14 seq.

15 e. Every deed subject to the fee imposed by subsection a. of this  
16 section, which is in fact recorded, is conclusively deemed to have  
17 been entitled to recording, notwithstanding that the amount of the  
18 consideration was incorrectly stated, or that the correct amount of  
19 the fee was not paid, and no such defect shall in any way affect or  
20 impair the validity of the title conveyed or render the same  
21 unmarketable; but the person or persons required to pay that  
22 supplemental fee at the time of recording shall be and remain liable  
23 to the county recording officer for the payment of the proper  
24 amount thereof.

25

26 3. This act shall take effect immediately.

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#### STATEMENT

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31 This bill authorizes cities of the first class, by ordinance, to  
32 establish a local realty transfer fee on the conveyance or transfer of  
33 real property within the municipality for municipal purposes. The  
34 amount of the local realty transfer fee would be \$0.50 per \$500 of  
35 consideration or fractional part thereof, and would be paid out of  
36 the State portion of the basic realty transfer fee imposed pursuant to  
37 section 3 of P.L.1968, c.49 (C.46:15-7).

38 The local realty transfer fee would not be applicable to a  
39 conveyance or transfer that is:

40 (1) made by a deed described in section 6 of P.L.1968, c.49  
41 (C.46:15-10);

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

1       (3) the sale of low and moderate income housing; or  
2       (4) concerning property owned by an organization determined by  
3 the federal Internal Revenue Service to be exempt from federal  
4 income taxation pursuant to paragraph (3) of subsection (c) of  
5 section 501 of the federal Internal Revenue Code of 1986 (26  
6 U.S.C. s.501).