SYNOPSIS

Authorizes municipalities to establish a local realty transfer fee in the amount of $0.50 per $500 of a property’s purchase price.

CURRENT VERSION OF TEXT

As introduced.
AN ACT authorizing municipalities to establish a local realty transfer fee, and amending P.L.1968, c.49 and supplementing Title 40 of the Revised Statutes.

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

1. Section 2 of P.L.1968, c.49 (C.46:15-6) is amended to read 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) or section 2 of P.L., c. (C.) (pending before the Legislature as this bill), 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) or section 2 of P.L., c. (C.) (pending before the Legislature as this bill), 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.

2. (New section) a. Any municipality, by ordinance, may impose a local realty transfer fee on the conveyance or transfer of real property within the municipality, to be paid to the county recording officer by the grantor at the time the deed is offered for recording, in the amount of $0.50 per $500 of consideration or fractional part thereof recited in the deed. The local realty transfer fee authorized by this section shall be in addition to the realty transfer fees imposed by P.L.1968, c.49 (C.46:15-1 et seq.), section 2 of P.L.2003, c.113 (C.46:15-7.1), and section 8 of P.L.2004, c.66 (C.46:15-7.2). A municipality may adopt an ordinance pursuant to this section to exempt certain individuals, entities or transactions involving specified categories of property from the local realty

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.
transfer fee imposed under the authority of this section. A
municipality that adopts an ordinance pursuant to this section shall
forward to the county recording officer a certified copy of the
ordinance. An ordinance so adopted shall provide that the
imposition of the local realty transfer fee shall apply to conveyances
and transfers of real property occurring on or after the first day of
the third month next following the date of the transmittal to the
county recording officer.

b. The proceeds of the local realty transfer fee collected by the
county recording officer pursuant to this section shall be accounted
for and remitted to the county treasurer. The county treasurer shall
pay to the chief financial officer of the municipality, for the use of
the municipality, the amount of local realty transfer fee revenue
collected by the county recording officer on the tenth day of each
month following the month of collection.

c. A fee imposed by subsection a. of this section is subject to
the provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.
d. Every deed subject to the fee imposed by subsection a. of
this section, which is in fact recorded, is conclusively deemed to
have been entitled to recording, notwithstanding that the amount of
the consideration was incorrectly stated, or that the correct amount
of the fee was not 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.

3. This act shall take effect immediately.

STATEMENT

This bill permits any municipality, by ordinance, to impose a
local realty transfer fee on the conveyance or transfer of real
property within the municipality, to be paid to the county recording
officer by the grantor at the time the deed is offered for recording,
in the amount of $0.50 per $500 of consideration or fractional part
thereof recited in the deed. The local realty transfer fee would be in
addition to the realty transfer fees currently imposed by law.

Under the provisions of the bill, a municipality that adopts an
ordinance imposing a local realty transfer fee must forward to the
county recording officer a certified copy of the ordinance. The
ordinance must provide that the imposition of the local realty
transfer fee shall apply to conveyances and transfers of real
property occurring on or after the first day of the third month next
following the date of the transmittal to the county recording officer.
Under the bill, the proceeds of the local realty transfer fee collected by the county recording officer must be accounted for and remitted to the county treasurer. The county treasurer is required to pay to the chief financial officer of the municipality, for the use of the municipality, the amount of local realty transfer fee revenue collected by the county recording officer on the tenth day of each month following the month of collection.