

ASSEMBLY, No. 3387

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 26, 2006

Sponsored by:

Assemblywoman JOAN M. QUIGLEY

District 32 (Bergen and Hudson)

Assemblyman VINCENT PRIETO

District 32 (Bergen and Hudson)

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.



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

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

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

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

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

21 b. If the transfer is exempt from any fee established under
22 section 3 of P.L.1968, c.49 (C.46:15-7) **[or]**, section 2 of P.L.2003,
23 c.113 (C.46:15-7.1),or section 2 of P.L. , c. (C.) (pending
24 before the Legislature as this bill), an affidavit stating the basis for
25 the exemption shall be appended to the deed.

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

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

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34 2. (New section) a. Any municipality, by ordinance, may
35 impose a local realty transfer fee on the conveyance or transfer of
36 real property within the municipality, to be paid to the county
37 recording officer by the grantor at the time the deed is offered for
38 recording, in the amount of \$0.50 per \$500 of consideration or
39 fractional part thereof recited in the deed. The local realty transfer
40 fee authorized by this section shall be in addition to the realty
41 transfer fees imposed by P.L.1968, c.49 (C.46:15-1 et seq.), section
42 2 of P.L.2003, c.113 (C.46:15-7.1), and section 8 of P.L.2004, c.66
43 (C.46:15-7.2). A municipality may adopt an ordinance pursuant to
44 this section to exempt certain individuals, entities or transactions
45 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.

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

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

16 c. A fee imposed by subsection a. of this section is subject to
17 the provisions of the State Uniform Tax Procedure Law, R.S.54:48-
18 1 et seq.

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

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30 3. This act shall take effect immediately.

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STATEMENT

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

42 Under the provisions of the bill, a municipality that adopts an
43 ordinance imposing a local realty transfer fee must forward to the
44 county recording officer a certified copy of the ordinance. The
45 ordinance must provide that the imposition of the local realty
46 transfer fee shall apply to conveyances and transfers of real
47 property occurring on or after the first day of the third month next
48 following the date of the transmittal to the county recording officer.

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1 Under the bill, the proceeds of the local realty transfer fee
2 collected by the county recording officer must be accounted for and
3 remitted to the county treasurer. The county treasurer is required to
4 pay to the chief financial officer of the municipality, for the use of
5 the municipality, the amount of local realty transfer fee revenue
6 collected by the county recording officer on the tenth day of each
7 month following the month of collection.