

[Second Reprint]

**ASSEMBLY, No. 2748**

**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

INTRODUCED MAY 13, 2010

**Sponsored by:**

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**District 7 (Burlington and Camden)**

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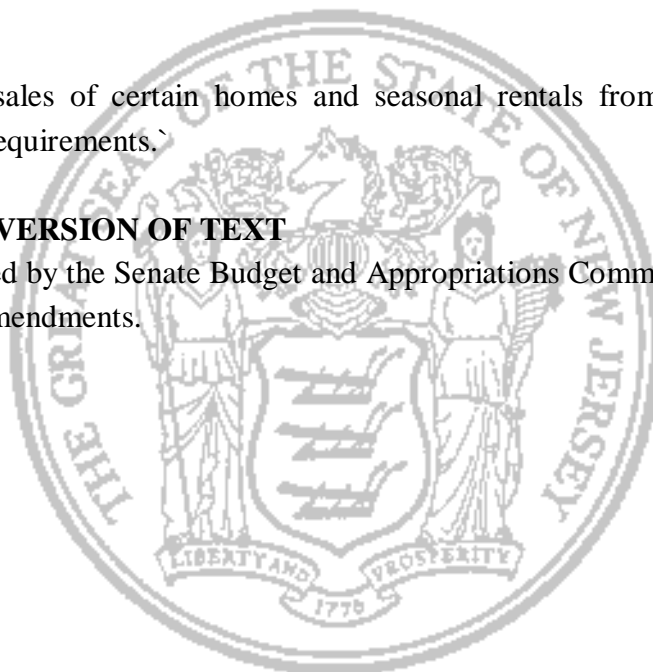
**Assemblymen Milam, Albano, Rible, Assemblywoman Greenstein,  
Senators Van Drew, T.Kean, Oroho, Whelan, Turner, Assemblymen  
Polistina, Rumana and Coutinho**

**SYNOPSIS**

Exempts sales of certain homes and seasonal rentals from the bulk sale notification requirements.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on June 6, 2011, with amendments.



**(Sponsorship Updated As Of: 6/24/2011)**

1 AN ACT exempting sales of certain <sup>1</sup>homes and<sup>1</sup> seasonal rentals  
2 <sup>1</sup>**[and other dwelling units]**<sup>1</sup> from the bulk sale notification  
3 requirements, amending P.L.2007, c.100.

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

7  
8 1. Section 5 of P.L.2007, c.100 (C.54:50-38) is amended to  
9 read as follows:

10 5. a. (1) Whenever a person shall make a sale, transfer, or  
11 assignment in bulk of any part or the whole of the person's business  
12 assets except as provided by paragraph (2) of this subsection,  
13 otherwise than in the ordinary course of business, the purchaser,  
14 transferee or assignee shall, at least 10 days before taking  
15 possession of the subject of the sale, transfer or assignment, or  
16 paying therefor, notify the director by registered mail, or other such  
17 method as the director may prescribe, of the proposed sale and of  
18 the price, terms and conditions thereof whether or not the seller,  
19 transferor or assignor has represented to, or informed the  
20 purchaser, transferee or assignee that the seller, transferor or  
21 assignor owes any State tax and whether or not the purchaser,  
22 transferee, or assignee has knowledge that such taxes are owing,  
23 and whether any such taxes are in fact owing. Within 10 days of  
24 receiving such notice, the director shall notify the purchaser,  
25 transferee or assignee by such means as the director may prescribe  
26 that a possible claim for State taxes exists and include the amount  
27 of the State's claim.

28 (2) (a) Paragraph (1) of this section shall not apply to the sale,  
29 transfer or assignment of a simple dwelling house <sup>1</sup>if the seller,  
30 transferor or assignor is an "individual," "estate," or "trust" as  
31 those terms are used for the purposes of the "New Jersey Gross  
32 Income Tax Act," N.J.S.54A:1-1 et seq. <sup>2</sup>[,or if the seller,  
33 transferor or assignor is a limited liability company]<sup>2</sup>; paragraph  
34 (1) shall apply to the sale, transfer or assignment of a simple  
35 dwelling house if the seller, transferor or assignor is a business  
36 entity, including but not limited to a corporation or a partnership<sup>1</sup> .  
37 "Simple dwelling house" means a dwelling unit, attached or  
38 detached, and land appurtenant thereto, including but not limited to  
39 a one-family or <sup>1</sup>two-family<sup>1</sup> building or structure, a unit of a  
40 horizontal property regime established pursuant to the "Horizontal  
41 Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.), a unit in a  
42 housing cooperative as defined under "The Cooperative Recording  
43 Act of New Jersey," P.L.1987, c.381 (C.46:8D-1 et seq.), or a unit

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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SCM committee amendments adopted January 20, 2011.

<sup>2</sup>Senate SBA committee amendments adopted June 6, 2011.

1 of a condominium property established pursuant to the  
2 "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.), but does  
3 not include a structure or structures containing more than <sup>1</sup>["one  
4 unit] two units<sup>1</sup> of dwelling space or containing, according to the  
5 records of the municipal property tax assessor, commercial  
6 property including, or in addition to, <sup>1</sup>["a unit] the units<sup>1</sup> of  
7 dwelling space.

8 (b) Paragraph (1) of this <sup>1</sup>["section] subsection<sup>1</sup> shall not apply  
9 to the sale, transfer or assignment of a seasonal rental unit or the  
10 sale, transfer or assignment of a lease for the seasonal use or rental  
11 of real property <sup>1</sup>if the seller, transferrer or assignor is an  
12 "individual," "estate," or "trust" as those terms are used for the  
13 purposes of the "New Jersey Gross Income Tax Act," N.J.S.54A:1-  
14 1 et seq. <sup>2</sup>[" or if the seller transferrer or assignor is a limited  
15 liability company]<sup>2</sup>; paragraph (1) shall apply to the sale, transfer  
16 or assignment of a seasonal rental unit or the sale, transfer or  
17 assignment of a lease for the seasonal use or rental of real property  
18 if the seller, transferrer or assignor is a business entity, including  
19 but not limited to a corporation or a partnership<sup>1</sup> .

20 For the purposes of this paragraph <sup>2</sup>[".] <sup>2</sup>  
21 "seasonal rental unit" means  
22 <sup>2</sup>(i) <sup>2</sup> a <sup>1</sup>["time share] timeshare<sup>1</sup> estate" as that term is defined  
23 by section 2 of P.L.2006, c.63 (C.45:15-16.51) <sup>2,2</sup> and  
24 <sup>2</sup>["means] (ii) <sup>2</sup> a dwelling unit rented for a term of not more than  
25 125 consecutive days for residential purposes by a person having a  
26 permanent residence elsewhere <sup>2,2</sup> and  
27 "lease for the seasonal use or rental of real property" means  
28 <sup>2</sup>(i) <sup>2</sup> a <sup>1</sup>["time share] timeshare<sup>1</sup> use" as that term is defined by  
29 section 2 of P.L.2006, c.63 (C.45:15-16.51) <sup>2,2</sup> and  
30 <sup>2</sup>["means] (ii) <sup>2</sup> the use or rental for a term of not more than 125  
31 consecutive days for residential purposes by a person having a  
32 permanent place of residence elsewhere.

33 b. If, upon receiving timely notice of a sale, transfer or  
34 assignment from a purchaser, transferee or assignee, the director  
35 fails to provide timely notice to the purchaser, transferee or  
36 assignee that a possible claim for such State tax or taxes exists, the  
37 purchaser, transferee or assignee may transfer over to the seller,  
38 transferrer or assignor any sums of money, property or choses in  
39 action, or other consideration to the extent of the amount of the  
40 State's claim. The purchaser, transferee or assignee shall not be  
41 subject to the liabilities and remedies imposed under the provisions  
42 of the uniform commercial code, Title 12A of the Revised Statutes  
43 of New Jersey, and shall not be personally liable for the payment to  
44 the State of any such taxes theretofore or thereafter determined to  
45 be due to the State from the seller, transferrer or assignor.

1 c. If the purchaser, transferee or assignee shall fail to give  
2 notice to the director as required by the preceding paragraph, or if  
3 the director shall inform the purchaser, transferee or assignee that a  
4 possible claim for such State tax or taxes exists, any sums of  
5 money, property or choses in action, or other consideration, which  
6 the purchaser, transferee or assignee is required to transfer over to  
7 the seller, transferrer or assignor shall be subject to a first priority  
8 right and lien for any such State taxes theretofore or thereafter  
9 determined to be due from the seller, transferrer or assignor to the  
10 State, and the purchaser, transferee or assignee is forbidden to  
11 transfer to the seller, transferrer or assignor any such sums of  
12 money, property or choses in action to the extent of the amount of  
13 the State's claim. For failure to comply with the provisions of this  
14 section the purchaser, transferee or assignee, in addition to being  
15 subject to the liabilities and remedies imposed under the provisions  
16 of the uniform commercial code, Title 12A of the Revised Statutes  
17 of New Jersey, shall be personally liable for the payment to the  
18 State of any such taxes theretofore or thereafter determined to be  
19 due to the State from the seller, transferrer or assignor, and such  
20 liability may be assessed and enforced in the same manner as the  
21 liability for any State tax under the State Uniform Tax Procedure  
22 Law, R.S.54:48-1 et seq.  
23 (cf: P.L.2007, c.100, s.5)

24  
25 2. This act shall take effect immediately, and shall apply  
26 retroactively to sales, transfers and assignments on or after August  
27 1, 2007.