

SENATE, No. 672

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator SAMUEL D. THOMPSON

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Senator BRIAN P. STACK

District 33 (Hudson)

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Senator Cruz-Perez

SYNOPSIS

Requires limited liability company to disclose ownership information when submitting deed for recording.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT enhancing transparency of certain real estate transfers,
2 amending P.L.1968, c.49, and supplementing P.L.2012, c.50
3 (C.42:2C-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

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), a statement of the true consideration for the transfer
17 shall be contained in the deed, the acknowledgment, the proof of the
18 execution, or an appended affidavit by one of the parties to the deed
19 or that party's legal representative.

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

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

30 d. If the transfer is of residential real property containing one
31 to four dwelling units to or from a limited liability company or
32 foreign limited liability company, an affidavit identifying the
33 members, managers, and other authorized persons of the company,
34 as required pursuant to section 2 or section 3 of P.L. , c. (C.)
35 (pending before the Legislature as this bill), shall be appended to
36 the deed.
37 (cf: P.L.2004, c.66, s.2)
38

39 2. (New section) When a limited liability company is the
40 grantor or grantee of a deed for residential real property containing
41 one to four dwelling units, together with the deed, the company
42 shall submit for recording an affidavit disclosing the names and
43 business addresses of all members, managers, and any other
44 authorized persons, if any, of the limited liability company or, if
45 none, the names and business addresses of all shareholders,
46 directors, officers, members, managers, and partners of any limited
47 liability company or other business entity that are to be the

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 members, managers, or authorized persons, if any, of such limited
2 liability company. If any member, manager, or authorized person of
3 the limited liability company is itself a limited liability company or
4 other business entity, the affidavit shall disclose the names and
5 addresses of the shareholders, directors, officers, members,
6 managers, and partners of the limited liability company or other
7 business entity until full disclosure of ultimate ownership by natural
8 persons is achieved.

9
10 3. (New section) When a foreign limited liability company is
11 the grantor or grantee of a deed for residential real property
12 containing one to four dwelling units, together with the deed, the
13 company shall submit for recording, an affidavit disclosing the
14 names and business addresses of all members, managers, and any
15 other authorized persons, if any, of the foreign limited liability
16 company or, if none, the names and business addresses of all
17 shareholders, directors, officers, members, managers, and partners
18 of any foreign limited liability company or other business entity that
19 are to be the members, managers, or authorized persons, if any, of
20 that foreign limited liability company. If any member, manager, or
21 authorized person of the foreign limited liability company is itself a
22 foreign limited liability company or other business entity, the
23 affidavit shall disclose the names and addresses of the shareholders,
24 directors, officers, members, managers, and partners of the foreign
25 limited liability company or other business entity until full
26 disclosure of ultimate ownership by natural persons is achieved.

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28 4. This act shall take effect immediately

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30 STATEMENT

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32 This bill would require a limited liability company or foreign
33 limited liability company that is the grantor or grantee of a deed for
34 residential real property containing one to four dwelling units to
35 disclose the individual members of the company when it files a
36 deed for recording.

37 Under this circumstance, the bill requires a company to submit
38 for recording, together with the deed, an affidavit identifying the
39 names and business addresses of all members, managers, and
40 authorized persons of the company, or, if none, the names and
41 business addresses of all shareholders, directors, officers, members,
42 managers, and partners of any business entity that is to be a
43 member, manager, or authorized person of the company. If any
44 member, manager, or authorized person of the company is a
45 business entity, the bill requires disclosure of all shareholders,
46 directors, officers, members, managers, and partners of the business
47 entity until full disclosure of ultimate ownership by natural persons
48 is achieved.