

CHAPTER 113

AN ACT establishing a supplemental realty transfer fee, amending and supplementing P.L.1968, c.49 and amending P.L.1975, c.176.

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:

C.46:15-6 Requirements for recording of deed evidencing transfer of title.

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 one of the following requirements:

a. If the transfer is subject to the additional fee as provided in section 3 of P.L.1968, c.49 (C.46:15-7) or to the supplemental fee as provided in section 2 of P.L.2003, c.113 (C.46:15-7.1), a statement of the true consideration for the transfer is contained in (1) the deed, or (2) the acknowledgment, or (3) the proof of the execution, or (4) an appended affidavit by one of the parties to the deed or that party's legal representative.

b. If the transfer is exempt from the additional fee required by section 3 of P.L.1968, c.49 (C.46:15-7), or from the supplemental fee as provided in section 2 of P.L.2003, c.113 (C.46:15-7.1), an affidavit stating the basis for the exemption is appended to the deed.

C.46:15-7.1 Supplemental fee for conveyance, transfer of property.

2. a. For each conveyance or transfer of property, the grantor shall pay a supplemental fee of:

(1)(a) \$0.25 for each \$500.00 of consideration or fractional part thereof not in excess of \$150,000.00 recited in the deed;

(b) \$0.85 for each \$500.00 of consideration or fractional part thereof in excess of \$150,000.00 but not in excess of \$200,000.00 recited in the deed; and

(c) \$1.40 for each \$500.00 of consideration or fractional part thereof in excess of \$200,000.00 recited in the deed, plus

(2) for a transfer described in subsection (b) of section 4 of P.L.1975, c.176 (C.46:15-10.1), an additional \$1.00 for each \$500.00 of consideration or fractional part thereof not in excess of \$150,000.00 recited in the deed which fee shall be collected by the county recording officer at the time the deed is offered for recording, except as provided by subsection b. of this section.

b. The supplemental fee imposed by subsection a. of this section shall not be imposed on a conveyance or transfer that is made by a deed described in section 6 of P.L.1968, c.49 (C.46:15-10) or on a transfer described in paragraph (1) or paragraph (2) of subsection (a) of section 4 of P.L.1975, c.176 (C.46:15-10.1).

c. The proceeds of the supplemental fees collected by the county recording officer pursuant to subsection a. of this section shall be accounted for and remitted to the county treasurer. An amount equal to \$0.25 of the supplemental fee for each \$500.00 of consideration or fractional part thereof recited in the deed so collected pursuant to this section shall be retained by the county treasurer for the purposes set forth in subsection d. of this section, and the balance shall be remitted to the State Treasurer for deposit to the Extraordinary Aid Account, which shall be established as an account in the General Fund. Payments shall be made to the State Treasurer on the tenth day of each month following the month of collection.

d. From the proceeds of the supplemental fees collected by the county recording officer pursuant to subsection a. of this section and retained by the county treasurer pursuant to subsection c. of this section, a county that received funding in State fiscal year 2003 for the support of public health services pursuant to the provisions of the Public Health Priority Funding Act of 1977, P.L.1966, c.36 (C.26:2F-1 et seq.) shall, at a minimum, fund its priority health services under that act in subsequent years at the same level as the level at which those services were funded in State fiscal year 2003 pursuant to the annual appropriations act for that fiscal year as the Commissioner of the Department of Health and Senior Services shall determine. In any county, amounts of supplemental fees retained that are in excess of the amounts required to be used for the funding of the county's priority health services under this subsection shall be used by the county for general county purposes.

e. The Legislature shall annually appropriate the entire balance of the Extraordinary Aid Account for the purposes of providing extraordinary special education aid pursuant to section 19 of P.L.1996, c.138 (C.18A:7F-19) and "Municipal Property Tax Relief Act" extraordinary aid pursuant to section 4 of P.L.1991, c.63 (C.52:27D-118.35).

f. Every deed subject to the supplemental fee required by this section, which is in fact recorded, shall be conclusively deemed to have been entitled to recording, notwithstanding that the amount of the consideration shall have been incorrectly stated, or that the correct amount of the supplemental fee, if any, shall not have been 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. Section 4 of P.L.1968, c.49 (C.46:15-8) is amended to read as follows:

4. The proceeds of the fees collected by the county recording officer, as authorized by P.L.1968, c.49 (C.46:15-5 et seq.), shall be accounted for and remitted to the county treasurer. An amount equal to 28.6% of the proceeds from the first \$1.75 for each \$500.00 of consideration or fractional part thereof recited in the deed collected pursuant to section 3 of P.L.1968, c.49 (C.46:15-7) shall be retained by the county treasurer for the use of the county and the balance shall be paid to the State Treasurer for the use of the State; provided however, that on and after the tenth day following a certification by the Director of the Division of Budget and Accounting in the Department of the Treasury pursuant to subsection b. of section 2 of P.L.1992, c.148 (C.46:15-10.2), 100.0% of the proceeds from the first \$0.50 for each \$500.00 of consideration or fractional part thereof recited in the deed so collected shall be retained by the county treasurer for the use of the county and no amount shall be paid to the State Treasurer for the use of the State. Payments shall be made to the State Treasurer on the tenth day of each month following the month of collection. Amounts, not in excess of \$25,000,000, paid during the State fiscal year to the State Treasurer from the payment of fees collected by the county recording officer other than the additional fee of \$0.75 for each \$500.00 of consideration or fractional part thereof recited in the deed in excess of \$150,000.00 collected pursuant to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the "Shore Protection Fund" created pursuant to section 1 of P.L.1992, c.148 (C.13:19-16.1), in the manner established under that section. All amounts paid to the State Treasurer in payment of the additional fee of \$0.75 for each \$500.00 of consideration or fractional part thereof recited in the deed in excess of \$150,000.00 collected pursuant to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the Neighborhood Preservation Nonlapsing Revolving Fund established pursuant to P.L.1985, c.222 (C.52:27D-301 et al.), in the manner established under section 20 thereof (C.52:27D-320). (cf: P.L.1999, c.71, s.1)

4. Section 4 of P.L.1975, c.176 (C.46:15-10.1) is amended to read as follows:

4. a. The following transfers of title to real property shall be exempt from payment of \$1.25 per \$500.00 of consideration or fractional part thereof of the fee imposed upon grantors by section 3 of P.L.1968, c.49 (C.46:15-7):

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

(2) The sale of low and moderate income housing.

b. Transfers of title to real property upon which there is new construction shall be exempt from payment of \$1.00 for each \$500.00 of consideration or fractional part thereof not in excess of \$150,000.00 of the fee imposed upon grantors by section 3 of P.L.1968, c.49 (C.46:15-7).

c. The director shall promulgate rules, regulations and forms of certification or otherwise necessary to carry out the provisions of this section. No transfer shall be eligible for more than one exemption under this section. All fees imposed pursuant to section 3 of P.L.1968, c.49

(C.46:15-7) collected on transfers subject to exemption under subsection a. of this section shall be retained by the county treasurer for the use of the county. An amount equal to 66 2/3% of the proceeds from the fee imposed pursuant to section 3 of P.L.1968, c.49 (C.46:15-7) upon the consideration not in excess of \$150,000.00 for transfers of real property upon which there is new construction, and an amount equal to 20% of the proceeds of the \$2.50 total fees imposed pursuant to section 3 of P.L.1968, c.49 (C.46:15-7) upon each \$500.00 of consideration or fractional part thereof in excess of \$150,000.00 for transfers of real property upon which there is new construction, shall be retained by the county treasurer for the use of the county.

d. The balance of the fees collected on transfers subject to exemption under subsection b. of this section shall be remitted to the State Treasurer and shall be credited to the Neighborhood Preservation Nonlapsing Revolving Fund established pursuant to P.L.1985, c.222 (C.52:27D-301 et al.), to be spent in the manner established under section 20 thereof (C.52:27D-320).

e. Subsections a. through d. of this section shall be without effect on and after the tenth day following a certification by the Director of the Division of Budget and Accounting in the Department of the Treasury pursuant to subsection b. of section 2 of P.L.1992, c.148 (C.46:15-10.2).

5. This act shall take effect July 1, 2003.

Approved July 1, 2003.