

**CHAPTER 307**  
**(CORRECTED COPY II)**

AN ACT clarifying the ownership requirements for certain homes and seasonal rentals exempt from the bulk sale notification requirements, amending P.L.2007, c.100.

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

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

C.54:50-38 Notification to director of proposed sale, transfer, assignment of assets; claim for State taxes; exemptions.

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

(2) (a) Paragraph (1) of this subsection shall not apply to the sale, transfer or assignment of a simple dwelling house if the seller, transferrer or assignor is an "individual," "estate," or "trust" as those terms are used for the purposes of the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. or any combination thereof owning the simple dwelling house as joint tenants, tenants in common or tenancy by the entirety; paragraph (1) shall apply to the sale, transfer or assignment of a simple dwelling house if the seller, transferrer or assignor is a business entity, including but not limited to a corporation or a partnership. "Simple dwelling house" means a dwelling unit, attached or detached, and land appurtenant thereto, including but not limited to a one-family or two-family building or structure, a unit of a horizontal property regime established pursuant to the "Horizontal Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.), a unit in a housing cooperative as defined under "The Cooperative Recording Act of New Jersey," P.L.1987, c.381 (C.46:8D-1 et seq.), or a unit of a condominium property established pursuant to the "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.), but does not include a structure or structures containing more than two units of dwelling space or containing, according to the records of the municipal property tax assessor, commercial property including, or in addition to, the units of dwelling space.

(b) Paragraph (1) of this subsection shall not apply to the sale, transfer or assignment of a seasonal rental unit or the sale, transfer or assignment of a lease for the seasonal use or rental of real property if the seller, transferrer or assignor is an "individual," "estate," or "trust" as those terms are used for the purposes of the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. or any combination thereof owning the seasonal rental unit or lease for the seasonal use or rental of real property as joint tenants, tenants in common or tenancy by the entirety; paragraph (1) shall apply to the sale, transfer or assignment of a seasonal rental unit or the sale, transfer or assignment of a lease for the seasonal use or rental of real property if the seller, transferrer or assignor is a business entity, including but not limited to a corporation or a partnership.

For the purposes of this paragraph:

"seasonal rental unit" means

(i) a "timeshare estate" as that term is defined by section 2 of P.L.2006, c.63 (C.45:15-16.51); and

(ii) a dwelling unit rented for a term of not more than 125 consecutive days for residential purposes by a person having a permanent residence elsewhere; and

"lease for the seasonal use or rental of real property" means

(i) a "timeshare use" as that term is defined by section 2 of P.L.2006, c.63 (C.45:15-16.51); and

(ii) the use or rental for a term of not more than 125 consecutive days for residential purposes by a person having a permanent place of residence elsewhere.

(3) Paragraph (1) of this subsection shall not apply to the sale, transfer, or assignment of a grant, tax credit, or tax credit transfer certificate that has been awarded, issued, or otherwise made available to a person in connection with a State or local business assistance or incentive program or activity authorized by law in effect on the effective date of P.L.2017, c.12.

For purposes of this paragraph, "State or local business assistance or incentive program or activity" includes but shall not be limited to: the corporation business tax credit and insurance premiums tax credit certificate transfer program established by section 17 of P.L.2004, c.65 (C.34:1B-120.2); the Business Retention and Relocation Assistance Program established by P.L.1996, c.25 (C.34:1B-112 et seq.); the Business Employment Incentive Program established by P.L.1996, c.26 (C.34:1B-124 et al.); the Urban Transit Hub Tax Credit Program established by P.L.2007, c.346 (C.34:1B-207 et seq.); the Grow New Jersey Assistance Program established by section 3 of P.L.2011, c.149 (C.34:1B-244); and the State or local Economic Redevelopment and Growth Grant program established by section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d or C.52:27D-489e).

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

c. If the purchaser, transferee or assignee shall fail to give notice to the director as required by the preceding paragraph, or if the director shall inform the purchaser, transferee or assignee that a possible claim for such State tax or taxes exists, any sums of money, property or choses in action, or other consideration, which the purchaser, transferee or assignee is required to transfer over to the seller, transferrer or assignor shall be subject to a first priority right and lien for any such State taxes theretofore or thereafter determined to be due from the seller, transferrer or assignor to the State, and the purchaser, transferee or assignee is forbidden to transfer to the seller, transferrer or assignor any such sums of money, property or choses in action to the extent of the amount of the State's claim. For failure to comply with the provisions of this section the purchaser, transferee or assignee, in addition to being subject to the liabilities and remedies imposed under the provisions of the uniform commercial code, Title 12A of the New Jersey Statutes, shall be personally liable for the payment to the State of any such taxes theretofore or thereafter determined to be due to the State from the seller, transferrer or assignor, and such liability may be assessed and enforced in the same manner as the liability for any State tax under the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

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

Approved January 16, 2018.