



**SENATE COMMITTEE SUBSTITUTE:**

Yes

**VETO MESSAGE:**

No

**GOVERNOR'S PRESS RELEASE ON SIGNING:**

No

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

Yes

"Transfer tax hiked," 7-2-2003 Courier Post, p.3A

P.L. 2003, CHAPTER 113, *approved July 1, 2003*

Assembly Committee Substitute for

Assembly Committee Substitute for

Assembly, No. 3709

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

3

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

6

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

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

13 a. If the transfer is subject to the additional fee as provided in  
14 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7) or to the supplemental  
15 fee as provided in section 2 of P.L. , c. (C. )(now pending before  
16 the Legislature as this bill), a statement of the true consideration for  
17 the transfer is contained in (1) the deed, or (2) the acknowledgment,  
18 or (3) the proof of the execution, or (4) an appended affidavit by one  
19 of the parties to the deed or that party's legal representative.

20 b. If the transfer is exempt from the additional fee required by  
21 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7), or from the  
22 supplemental fee as provided in section 2 of P.L. , c. (C. )(now  
23 pending before the Legislature as this bill), an affidavit stating the  
24 basis for the exemption is appended to the deed.

25 (cf: P.L.1991, c.308, s.3)

26

27 2. (New section) a. For each conveyance or transfer of property,  
28 the grantor shall pay a supplemental fee of:

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

32 (b) \$0.85 for each \$500.00 of consideration or fractional part  
33 thereof in excess of \$150,000.00 but not in excess of  
34 \$200,000.00 recited in the deed; and

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

37 (2) for a transfer described in subsection (b) of section 4 of  
38 P.L.1975, c.176 (C.46:15-10.1), an additional \$1.00 for each

**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           \$500.00 of consideration or fractional part thereof not in  
2           excess of \$150,000.00 recited in the deed  
3 which fee shall be collected by the county recording officer at the time  
4 the deed is offered for recording, except as provided by subsection b.  
5 of this section.

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

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

22           d. From the proceeds of the supplemental fees collected by the  
23 county recording officer pursuant to subsection a. of this section and  
24 retained by the county treasurer pursuant to subsection c. of this  
25 section, a county that received funding in State fiscal year 2003 for the  
26 support of public health services pursuant to the provisions of the  
27 Public Health Priority Funding Act of 1977, P.L.1966, c.36 (C.26:2F-  
28 1 et seq.) shall, at a minimum, fund its priority health services under  
29 that act in subsequent years at the same level as the level at which  
30 those services were funded in State fiscal year 2003 pursuant to the  
31 annual appropriations act for that fiscal year as the Commissioner of  
32 the Department of Health and Senior Services shall determine. In any  
33 county, amounts of supplemental fees retained that are in excess of the  
34 amounts required to be used for the funding of the county's priority  
35 health services under this subsection shall be used by the county for  
36 general county purposes.

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

43           f. Every deed subject to the supplemental fee required by this  
44 section, which is in fact recorded, shall be conclusively deemed to have  
45 been entitled to recording, notwithstanding that the amount of the  
46 consideration shall have been incorrectly stated, or that the correct

1 amount of the supplemental fee, if any, shall not have been paid, and  
2 no such defect shall in any way affect or impair the validity of the title  
3 conveyed or render the same unmarketable; but the person or persons  
4 required to pay that supplemental fee at the time of recording shall be  
5 and remain liable to the county recording officer for the payment of  
6 the proper amount thereof.

7  
8 3. Section 4 of P.L.1968, c.49 (C.46:15-8) is amended to read as  
9 follows:

10 4. The proceeds of the fees collected by the county recording  
11 officer, as authorized by [this act] P.L.1968, c.49 (C.46:15-5 et seq.),  
12 shall be accounted for and remitted to the county treasurer. An  
13 amount equal to 28.6% of the proceeds from the first \$1.75 for each  
14 \$500.00 of consideration or fractional part thereof recited in the deed  
15 [so] collected pursuant to section 3 of P.L.1968, c.49 (C.46:15-7)  
16 shall be retained by the county treasurer for the use of the county and  
17 the balance shall be paid to the State Treasurer for the use of the  
18 State; provided however, that on and after the tenth day following a  
19 certification by the Director of the Division of Budget and Accounting  
20 in the Department of the Treasury pursuant to subsection b. of section  
21 2 of P.L.1992, c.148 (C.46:15-10.2), 100.0% of the proceeds from the  
22 first \$0.50 for each \$500.00 of consideration or fractional part thereof  
23 recited in the deed so collected shall be retained by the county  
24 treasurer for the use of the county and no amount shall be paid to the  
25 State Treasurer for the use of the State. Payments shall be made to  
26 the State Treasurer on the tenth day of each month following the  
27 month of collection. Amounts, not in excess of \$25,000,000, paid  
28 during the State fiscal year to the State Treasurer from the payment of  
29 fees collected by the county recording officer other than the additional  
30 fee of \$0.75 for each \$500.00 of consideration or fractional part  
31 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
32 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
33 "Shore Protection Fund" created pursuant to section 1 of P.L.1992,  
34 c.148 (C.13:19-16.1), in the manner established under that section.  
35 All amounts paid to the State Treasurer in payment of the additional  
36 fee of \$0.75 for each \$500.00 of consideration or fractional part  
37 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
38 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
39 Neighborhood Preservation Nonlapsing Revolving Fund established  
40 pursuant to P.L.1985, c.222 (C.52:27D-301 et al.), in the manner  
41 established under section 20 thereof (C.52:27D-320).  
42 (cf: P.L.1999, c.71, s.1)

43  
44 4. Section 4 of P.L.1975, c.176 (C.46:15-10.1) is amended to read  
45 as follows:

46 4. a. The following transfers of title to real property shall be

1 exempt from payment of \$1.25 per \$500.00 of consideration or  
2 fractional part thereof of the fee imposed upon grantors by [this act]  
3 section 3 of P.L.1968, c.49 (C.46:15-7):

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

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

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

16 c. The director shall promulgate rules, regulations and forms of  
17 certification or otherwise necessary to carry out the provisions of this  
18 section. No transfer shall be eligible for more than one exemption  
19 under this section. All fees imposed pursuant to section 3 of  
20 P.L.1968, c.49 (C.46:15-7) collected on transfers subject to exemption  
21 under subsection a. of this section shall be [remitted to] retained by  
22 the county treasurer for the use of the county. An amount equal to 66  
23 2/3% of the proceeds from the fee imposed pursuant to section 3 of  
24 P.L.1968, c.49 (C.46:15-7) upon the consideration not in excess of  
25 \$150,000.00 for transfers of real property upon which there is new  
26 construction, and an amount equal to 20% of the proceeds of the  
27 \$2.50 [fee] total fees imposed pursuant to section 3 of P.L.1968, c.49  
28 (C.46:15-7) upon each \$500.00 of consideration or fractional part  
29 thereof in excess of \$150,000.00 for transfers of real property upon  
30 which there is new construction, shall be [remitted to] retained by the  
31 county treasurer for the use of the county.

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

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

43 (cf: P.L.1992, c.148, s.5)

44

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

1

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2

3 Establishes supplemental realty transfer fee on certain transfers.

**ASSEMBLY, No. 3709**

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**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

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INTRODUCED JUNE 16, 2003

**Sponsored by:**

**Assemblyman JOSEPH CRYAN**

**District 20 (Union)**

**SYNOPSIS**

Establishes supplemental realty transfer fee on certain transfers.

**CURRENT VERSION OF TEXT**

As introduced.





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

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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

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

13 a. If the transfer is subject to the additional fee as provided in  
14 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7) or to the supplemental  
15 fee as provided in section 2 of P.L. , c. (C. )(now pending before  
16 the Legislature as this bill), a statement of the true consideration for  
17 the transfer is contained in (1) the deed, or (2) the acknowledgment,  
18 or (3) the proof of the execution, or (4) an appended affidavit by  
19 one of the parties to the deed or that party's legal representative.

20 b. If the transfer is exempt from the additional fee required by  
21 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7), or from the  
22 supplemental fee as provided in section 2 of P.L. , c. (C. )(now  
23 pending before the Legislature as this bill), an affidavit stating the  
24 basis for the exemption is appended to the deed.  
25 (cf: P.L.1991, c.308, s.3)

26  
27 2. (New section) a. For each conveyance or transfer of property,  
28 the grantor shall pay a supplemental fee of:

- 29 (1) \$1.00 for each \$500.00 of consideration or fractional part  
30 thereof not in excess of \$150,000.00 recited in the deed;  
31 (2) \$1.75 for each \$500.00 of consideration or fractional part  
32 thereof in excess of \$150,000.00 but not in excess of  
33 \$200,000.00 recited in the deed; and  
34 (3) \$2.25 for each \$500.00 of consideration or fractional part  
35 thereof in excess of \$200,000.00 recited in the deed,

36 which fee shall be collected by the county recording officer at the time  
37 the deed is offered for recording, except as provided by subsection b.  
38 of this section.

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

**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 c. The proceeds of the supplemental fees collected by the county  
2 recording officer pursuant to subsection a. of this section shall be  
3 accounted for and remitted to the county treasurer. An amount equal  
4 to \$0.25 of the supplemental fee for each \$500.00 of consideration or  
5 fractional part thereof recited in the deed so collected pursuant to this  
6 section shall be retained by the county treasurer for the use of the  
7 county and the balance shall be remitted to the State Treasurer for  
8 deposit to the General Fund. Payments shall be made to the State  
9 Treasurer on the tenth day of each month following the month of  
10 collection.

11 d. Every deed subject to the supplemental fee required by this  
12 section, which is in fact recorded, shall be conclusively deemed to have  
13 been entitled to recording, notwithstanding that the amount of the  
14 consideration shall have been incorrectly stated, or that the correct  
15 amount of the supplemental fee, if any, shall not have been paid, and  
16 no such defect shall in any way affect or impair the validity of the title  
17 conveyed or render the same unmarketable; but the person or persons  
18 required to pay that supplemental fee at the time of recording shall be  
19 and remain liable to the county recording officer for the payment of  
20 the proper amount thereof.

21

22 3. Section 4 of P.L.1968, c.49 (C.46:15-8) is amended to read as  
23 follows:

24 4. The proceeds of the fees collected by the county recording  
25 officer, as authorized by [this act] P.L.1968, c.49 (C.46:15-5 et seq.),  
26 shall be accounted for and remitted to the county treasurer. An  
27 amount equal to 28.6% of the proceeds from the first \$1.75 for each  
28 \$500.00 of consideration or fractional part thereof recited in the deed  
29 [so] collected pursuant to section 3 of P.L.1968, c.49 (C.46:15-7)  
30 shall be retained by the county treasurer for the use of the county and  
31 the balance shall be paid to the State Treasurer for the use of the  
32 State; provided however, that on and after the tenth day following a  
33 certification by the Director of the Division of Budget and Accounting  
34 in the Department of the Treasury pursuant to subsection b. of section  
35 2 of P.L.1992, c.148 (C.46:15-10.2), 100.0% of the proceeds from the  
36 first \$0.50 for each \$500.00 of consideration or fractional part thereof  
37 recited in the deed so collected shall be retained by the county  
38 treasurer for the use of the county and no amount shall be paid to the  
39 State Treasurer for the use of the State. Payments shall be made to  
40 the State Treasurer on the tenth day of each month following the  
41 month of collection. Amounts, not in excess of \$25,000,000, paid  
42 during the State fiscal year to the State Treasurer from the payment of  
43 fees collected by the county recording officer other than the additional  
44 fee of \$0.75 for each \$500.00 of consideration or fractional part  
45 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
46 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the

1 "Shore Protection Fund" created pursuant to section 1 of P.L.1992,  
2 c.148 (C.13:19-16.1), in the manner established under that section.  
3 All amounts paid to the State Treasurer in payment of the additional  
4 fee of \$0.75 for each \$500.00 of consideration or fractional part  
5 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
6 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
7 Neighborhood Preservation Nonlapsing Revolving Fund established  
8 pursuant to P.L.1985, c.222 (C.52:27D-301 et al.), in the manner  
9 established under section 20 thereof (C.52:27D-320).  
10 (cf: P.L.1999, c.71, s.1)

11

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

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

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

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

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

30 c. The director shall promulgate rules, regulations and forms of  
31 certification or otherwise necessary to carry out the provisions of this  
32 section. No transfer shall be eligible for more than one exemption  
33 under this section. All fees imposed pursuant to section 3 of  
34 P.L.1968, c.49 (C.46:15-7) collected on transfers subject to exemption  
35 under subsection a. of this section shall be [remitted to] retained by  
36 the county treasurer for the use of the county. An amount equal to  
37 2/3% of the proceeds from the fee imposed pursuant to section 3 of  
38 P.L.1968, c.49 (C.46:15-7) upon the consideration not in excess of  
39 \$150,000.00 for transfers of real property upon which there is new  
40 construction, and an amount equal to 20% of the proceeds of the  
41 \$2.50 [fee] total fees imposed pursuant to section 3 of P.L.1968, c.49  
42 (C.46:15-7) upon each \$500.00 of consideration or fractional part  
43 thereof in excess of \$150,000.00 for transfers of real property upon  
44 which there is new construction, shall be [remitted to] retained by the  
45 county treasurer for the use of the county.

46 d. The balance of the fees collected on transfers subject to

1 exemption under subsection b. of this section shall be remitted to the  
2 State Treasurer and shall be credited to the Neighborhood  
3 Preservation Nonlapsing Revolving Fund established pursuant to  
4 P.L.1985, c.222 (C.52:27D-301 et al.), to be spent in the manner  
5 established under section 20 thereof (C.52:27D-320).

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

11 (cf: P.L.1992, c.148, s.5)

12

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

14

15

16

STATEMENT

17

18 This bill creates a supplementary realty transfer fee for certain  
19 transfers of real property.

20 The realty transfer fee is imposed upon the recording of deeds  
21 evidencing transfers of title to real property in the State of New  
22 Jersey, and is calculated based on the amount of consideration paid.

23 Currently, the basic realty transfer fee is imposed upon the seller at  
24 the rate of \$1.75 for each \$500 of consideration (these funds are split  
25 \$0.50 to the county in which the property is located and \$1.25 to the  
26 State); an additional fee of \$0.75 is imposed for each \$500 of  
27 consideration in excess of \$150,000 (all of which is State funds). Two  
28 types of transfers of real property are exempt from the State portion  
29 of the basic realty transfer fee (\$1.25 of the \$1.75 for each \$500 of  
30 consideration): 1) the sale of one or two-family residential premises  
31 which are owned and occupied by a senior citizen 62 years of age or  
32 older, blind person, or disabled person who is the seller; and 2) the  
33 sale of low and moderate income housing. Some transfers (such as  
34 U.S. government sales, redistributions among current owners or  
35 between close relatives, deeds to cemetery plots and transfers pursuant  
36 to divorce decrees) are completely exempt.

37 This bill imposes a graduated supplementary fee for each \$500 of  
38 consideration. The supplementary fee is \$1.00 for each \$500 of  
39 consideration not in excess of \$150,000, plus \$1.75 for each \$500 of  
40 consideration in excess of \$150,000 but not in excess of \$200,000,  
41 plus \$2.25 for each \$500 of consideration in excess of \$200,000. The  
42 county retains \$0.25 of the fee collected for each \$500 consideration.  
43 The new supplementary fee does not apply to the transfers that are  
44 now completely exempt from the current fee and does not apply to the  
45 transfers by senior citizens, blind persons, or disabled persons and the  
46 transfers of low and moderate income housing that are currently fully  
47 exempt from the State share of the basic fee.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 3709

# STATE OF NEW JERSEY

DATED: JUNE 19, 2003

The Assembly Budget Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 3709.

This Assembly Committee Substitute for Assembly Bill No. 3709 creates a supplementary realty transfer fee for certain transfers of real property.

The realty transfer fee is imposed upon the recording of deeds evidencing transfers of title to real property in the State of New Jersey, and is calculated based on the amount of consideration paid.

Currently, the basic realty transfer fee is imposed upon the seller at the rate of \$1.75 for each \$500 of consideration (these funds are split \$0.50 to the county in which the property is located and \$1.25 to the State); an additional fee of \$0.75 is imposed for each \$500 of consideration in excess of \$150,000 (all of which is State funds). Two types of transfers of real property are exempt from the State portion of the basic realty transfer fee (\$1.25 of the \$1.75 for each \$500 of consideration): 1) the sale of one or two-family residential premises which are owned and occupied by a senior citizen 62 years of age or older, blind person, or disabled person who is the seller; and 2) the sale of low and moderate income housing. Some transfers (such as U.S. government sales, redistributions among current owners or between close relatives, deeds to cemetery plots and transfers pursuant to divorce decrees) are completely exempt.

This substitute imposes a graduated supplementary fee for each \$500 of consideration. The supplementary fee is:

\$1.00 for each \$500 of consideration not in excess of \$150,000,  
plus

\$1.75 for each \$500 of consideration in excess of \$150,000 but not  
in excess of \$200,000, plus

\$2.25 for each \$500 of consideration in excess of \$200,000;

and there is an additional fee of \$1.00 for each \$500 of consideration that is exempt from \$1.00 of the basic fee as "new construction".

Under the substitute the county will retain \$0.25 of the fee collected for each \$500 consideration. The new supplementary fee does not apply to the transfers that are now completely exempt from the current fee and does not apply to the transfers by senior citizens,

blind persons, or disabled persons and the transfers of low and moderate income housing that are currently fully exempt from the State share of the basic fee.

**FISCAL IMPACT:**

An analysis of the provisions of the substitute by the Office of Management and Budget estimates that the revenue impact will be an annual increase in State realty transfer fees of approximately \$127 million and of county retained fees of approximately \$22 million.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY COMMITTEE SUBSTITUTE FOR

**ASSEMBLY, No. 3709**

**STATE OF NEW JERSEY**

DATED: JULY 1, 2003

The Assembly Budget Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 3709 (ACS).

This Assembly Committee Substitute for Assembly Bill No. 3709 (ACS) creates a supplementary realty transfer fee for certain transfers of real property.

*Current law.* The realty transfer fee is imposed upon the recording of deeds evidencing transfers of title to real property in the State of New Jersey, and is calculated based on the amount of consideration paid. At present, the basic realty transfer fee is imposed upon the seller at the rate of \$1.75 for each \$500 of consideration; these funds are split \$0.50 to the county in which the property is located and \$1.25 to the State. An additional fee of \$0.75 is imposed for each \$500 of consideration in excess of \$150,000; the entire amount of this additional fee is remitted to the State. Two types of transfers of real property are exempt from the State portion of the basic realty transfer fee (\$1.25 of the \$1.75 for each \$500 of consideration): (1) the sale of one or two-family residential premises that are owned and occupied by a senior citizen 62 years of age or older, blind person, or disabled person who is the seller; and (2) the sale of low and moderate income housing. Some transfers (e.g., U.S. government sales, redistributions among current owners or between close relatives, deeds to cemetery plots and transfers pursuant to divorce decrees) are completely exempt.

*Supplementary fee.* The substitute imposes a graduated supplementary fee for each \$500 of consideration. The supplementary fee is:

\$0.25 for each \$500 of consideration not in excess of \$150,000,  
plus  
\$.85 for each \$500 of consideration in excess of \$150,000 but not  
in excess of \$200,000, plus  
\$1.40 for each \$500 of consideration in excess of \$200,000;

and there is an additional fee of \$1.00 for each \$500 of consideration that is exempt from \$1.00 of the basic fee as "new construction".

*Allocation of revenue.* Under the substitute the county will retain \$0.25 of the fee collected for each \$500 consideration, and the remainder will be remitted to the State. Thus the State will receive no part of the supplementary fee collected with respect to the first \$150,000 of consideration paid, \$.60 per \$500 of consideration paid in excess of \$150,000 up to \$200,000, and \$1.15 per \$500 of consideration paid in excess of \$200,000. The substitute directs counties to use the amounts of the supplementary fee that they retain under the substitute to maintain their funding of public health services under the Public Health Priority Funding Act at levels at least equal to the funding level attained in State fiscal year 2003; amounts retained in excess of such levels may be used for general county purposes.

*Transfers fully or partially exempt.* The new supplementary fee does not apply to the transfers that are now completely exempt from the current fee and does not apply to the transfers by senior citizens, blind persons, or disabled persons and the transfers of low and moderate income housing that are currently fully exempt from the State share of the basic fee.

#### FISCAL IMPACT

Based upon information supplied by the Office of Management and Budget, the Office of Legislative Services (OLS) estimates that the revenue impact of the substitute will be an annual increase in State realty transfer fees of approximately \$55 million and an annual increase in county retained fees of approximately \$22 million.



ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 3709**

---

**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

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ADOPTED JUNE 19, 2003

**Sponsored by:**  
**Assemblyman JOSEPH CRYAN**  
**District 20 (Union)**

**Co-Sponsored by:**  
**Senator Kenny**

**SYNOPSIS**

Establishes supplemental realty transfer fee on certain transfers.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Assembly Budget Committee.



**(Sponsorship Updated As Of: 7/1/2003)**

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

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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

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

13 a. If the transfer is subject to the additional fee as provided in  
14 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7) or to the supplemental  
15 fee as provided in section 2 of P.L. , c. (C. )(now pending before  
16 the Legislature as this bill), a statement of the true consideration for  
17 the transfer is contained in (1) the deed, or (2) the acknowledgment,  
18 or (3) the proof of the execution, or (4) an appended affidavit by  
19 one of the parties to the deed or that party's legal representative.

20 b. If the transfer is exempt from the additional fee required by  
21 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7), or from the  
22 supplemental fee as provided in section 2 of P.L. , c. (C. )(now  
23 pending before the Legislature as this bill), an affidavit stating the  
24 basis for the exemption is appended to the deed.  
25 (cf: P.L.1991, c.308, s.3)

26  
27 2. (New section) a. For each conveyance or transfer of property,  
28 the grantor shall pay a supplemental fee of:

29 (1) (a) \$1.00 for each \$500.00 of consideration or fractional part  
30 thereof not in excess of \$150,000.00 recited in the  
31 deed;

32 (b) \$1.75 for each \$500.00 of consideration or fractional part  
33 thereof in excess of \$150,000.00 but not in excess of  
34 \$200,00.00 recited in the deed; and

35 (c) \$2.25 for each \$500.00 of consideration or fractional part  
36 thereof in excess of \$200,000.00 recited in the deed,  
37 plus

38 (2) for a transfer described in subsection (b) of section 4 of  
39 P.L.1975, c.176 (C.46:15-10.1), an additional \$1.00 for each  
40 \$500.00 of consideration or fractional part thereof not in  
41 excess of \$150,000.00 recited in the deed

42 which fee shall be collected by the county recording officer at the time  
43 the deed is offered for recording, except as provided by subsection b.  
44 of this section.

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

6       c. The proceeds of the supplemental fees collected by the county  
7 recording officer pursuant to subsection a. of this section shall be  
8 accounted for and remitted to the county treasurer. An amount equal  
9 to \$.25 of the supplemental fee for each \$500.00 of consideration or  
10 fractional part thereof recited in the deed so collected pursuant to this  
11 section shall be retained by the county treasurer for the use of the  
12 county and the balance shall be remitted to the State Treasurer for  
13 deposit to the Extraordinary Aid Account, which shall be established  
14 as an account in the General Fund. Payments shall be made to the  
15 State Treasurer on the tenth day of each month following the month  
16 of collection.

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

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

33  
34       3. Section 4 of P.L.1968, c.49 (C.46:15-8) is amended to read as  
35 follows:

36       4. The proceeds of the fees collected by the county recording  
37 officer, as authorized by **[this act]** P.L.1968, c.49 (C.46:15-5 et seq.),  
38 shall be accounted for and remitted to the county treasurer. An  
39 amount equal to 28.6% of the proceeds from the first \$1.75 for each  
40 \$500.00 of consideration or fractional part thereof recited in the deed  
41 **[so]** collected pursuant to section 3 of P.L.1968, c.49 (C.46:15-7)  
42 shall be retained by the county treasurer for the use of the county and  
43 the balance shall be paid to the State Treasurer for the use of the  
44 State; provided however, that on and after the tenth day following a  
45 certification by the Director of the Division of Budget and Accounting  
46 in the Department of the Treasury pursuant to subsection b. of section

1 2 of P.L.1992, c.148 (C.46:15-10.2), 100.0% of the proceeds from the  
2 first \$0.50 for each \$500.00 of consideration or fractional part thereof  
3 recited in the deed so collected shall be retained by the county  
4 treasurer for the use of the county and no amount shall be paid to the  
5 State Treasurer for the use of the State. Payments shall be made to  
6 the State Treasurer on the tenth day of each month following the  
7 month of collection. Amounts, not in excess of \$25,000,000, paid  
8 during the State fiscal year to the State Treasurer from the payment of  
9 fees collected by the county recording officer other than the additional  
10 fee of \$0.75 for each \$500.00 of consideration or fractional part  
11 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
12 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
13 "Shore Protection Fund" created pursuant to section 1 of P.L.1992,  
14 c.148 (C.13:19-16.1), in the manner established under that section.  
15 All amounts paid to the State Treasurer in payment of the additional  
16 fee of \$0.75 for each \$500.00 of consideration or fractional part  
17 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
18 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
19 Neighborhood Preservation Nonlapsing Revolving Fund established  
20 pursuant to P.L.1985, c.222 (C.52:27D-301 et al.), in the manner  
21 established under section 20 thereof (C.52:27D-320).  
22 (cf: P.L.1999, c.71, s.1)

23

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

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

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

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

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

42 c. The director shall promulgate rules, regulations and forms of  
43 certification or otherwise necessary to carry out the provisions of this  
44 section. No transfer shall be eligible for more than one exemption  
45 under this section. All fees imposed pursuant to section 3 of  
46 P.L.1968, c.49 (C.46:15-7) collected on transfers subject to exemption

1 under subsection a. of this section shall be ~~[remitted to]~~ retained by  
2 the county treasurer for the use of the county. An amount equal to 66  
3 2/3% of the proceeds from the fee imposed pursuant to section 3 of  
4 P.L.1968, c.49 (C.46:15-7) upon the consideration not in excess of  
5 \$150,000.00 for transfers of real property upon which there is new  
6 construction, and an amount equal to 20% of the proceeds of the  
7 \$2.50 ~~[fee]~~ total fees imposed pursuant to section 3 of P.L.1968, c.49  
8 (C.46:15-7) upon each \$500.00 of consideration or fractional part  
9 thereof in excess of \$150,000.00 for transfers of real property upon  
10 which there is new construction, shall be ~~[remitted to]~~ retained by the  
11 county treasurer for the use of the county.

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

18 e. Subsections a. through d. of this section shall be without effect  
19 on and after the tenth day following a certification by the Director of  
20 the Division of Budget and Accounting in the Department of the  
21 Treasury pursuant to subsection b. of section 2 of P.L.1992, c.148  
22 (C.46:15-10.2).  
23 (cf: P.L.1992, c.148, s.5)

24

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

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 3709**

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**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

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ADOPTED JUNE 30, 2003

**Sponsored by:**

**Assemblyman JOSEPH CRYAN**  
**District 20 (Union)**

**Co-Sponsored by:**

**Senator Kenny**

**SYNOPSIS**

Establishes supplemental realty transfer fee on certain transfers.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Assembly Budget Committee.



**(Sponsorship Updated As Of: 7/1/2003)**

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

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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

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

13 a. If the transfer is subject to the additional fee as provided in  
14 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7) or to the supplemental  
15 fee as provided in section 2 of P.L. , c. (C. )(now pending before  
16 the Legislature as this bill), a statement of the true consideration for  
17 the transfer is contained in (1) the deed, or (2) the acknowledgment,  
18 or (3) the proof of the execution, or (4) an appended affidavit by one  
19 of the parties to the deed or that party's legal representative.

20 b. If the transfer is exempt from the additional fee required by  
21 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7), or from the  
22 supplemental fee as provided in section 2 of P.L. , c. (C. )(now  
23 pending before the Legislature as this bill), an affidavit stating the  
24 basis for the exemption is appended to the deed.  
25 (cf: P.L.1991, c.308, s.3)

26  
27 2. (New section) a. For each conveyance or transfer of property,  
28 the grantor shall pay a supplemental fee of:

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

32 (b) \$0.85 for each \$500.00 of consideration or fractional part  
33 thereof in excess of \$150,000.00 but not in excess of  
34 \$200,000.00 recited in the deed; and

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

37 (2) for a transfer described in subsection (b) of section 4 of  
38 P.L.1975, c.176 (C.46:15-10.1), an additional \$1.00 for each  
39 \$500.00 of consideration or fractional part thereof not in  
40 excess of \$150,000.00 recited in the deed

41 which fee shall be collected by the county recording officer at the time  
42 the deed is offered for recording, except as provided by subsection b.  
43 of this section.

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

6       c. The proceeds of the supplemental fees collected by the county  
7 recording officer pursuant to subsection a. of this section shall be  
8 accounted for and remitted to the county treasurer. An amount equal  
9 to \$.25 of the supplemental fee for each \$500.00 of consideration or  
10 fractional part thereof recited in the deed so collected pursuant to this  
11 section shall be retained by the county treasurer for the purposes set  
12 forth in subsection d. of this section, and the balance shall be remitted  
13 to the State Treasurer for deposit to the Extraordinary Aid Account,  
14 which shall be established as an account in the General Fund.  
15 Payments shall be made to the State Treasurer on the tenth day of each  
16 month following the month of collection.

17       d. From the proceeds of the supplemental fees collected by the  
18 county recording officer pursuant to subsection a. of this section and  
19 retained by the county treasurer pursuant to subsection c. of this  
20 section, a county that received funding in State fiscal year 2003 for the  
21 support of public health services pursuant to the provisions of the  
22 Public Health Priority Funding Act of 1977, P.L.1966, c.36 (C.26:2F-  
23 1 et seq.) shall, at a minimum, fund its priority health services under  
24 that act in subsequent years at the same level as the level at which  
25 those services were funded in State fiscal year 2003 pursuant to the  
26 annual appropriations act for that fiscal year as the Commissioner of  
27 the Department of Health and Senior Services shall determine. In any  
28 county, amounts of supplemental fees retained that are in excess of the  
29 amounts required to be used for the funding of the county's priority  
30 health services under this subsection shall be used by the county for  
31 general county purposes.

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

38       f. Every deed subject to the supplemental fee required by this  
39 section, which is in fact recorded, shall be conclusively deemed to have  
40 been entitled to recording, notwithstanding that the amount of the  
41 consideration shall have been incorrectly stated, or that the correct  
42 amount of the supplemental fee, if any, shall not have been paid, and  
43 no such defect shall in any way affect or impair the validity of the title  
44 conveyed or render the same unmarketable; but the person or persons  
45 required to pay that supplemental fee at the time of recording shall be  
46 and remain liable to the county recording officer for the payment of



1 the proper amount thereof.

2

3 3. Section 4 of P.L.1968, c.49 (C.46:15-8) is amended to read as  
4 follows:

5 4. The proceeds of the fees collected by the county recording  
6 officer, as authorized by [this act] P.L.1968, c.49 (C.46:15-5 et seq.),  
7 shall be accounted for and remitted to the county treasurer. An  
8 amount equal to 28.6% of the proceeds from the first \$1.75 for each  
9 \$500.00 of consideration or fractional part thereof recited in the deed  
10 [so] collected pursuant to section 3 of P.L.1968, c.49 (C.46:15-7)  
11 shall be retained by the county treasurer for the use of the county and  
12 the balance shall be paid to the State Treasurer for the use of the  
13 State; provided however, that on and after the tenth day following a  
14 certification by the Director of the Division of Budget and Accounting  
15 in the Department of the Treasury pursuant to subsection b. of section  
16 2 of P.L.1992, c.148 (C.46:15-10.2), 100.0% of the proceeds from the  
17 first \$0.50 for each \$500.00 of consideration or fractional part thereof  
18 recited in the deed so collected shall be retained by the county  
19 treasurer for the use of the county and no amount shall be paid to the  
20 State Treasurer for the use of the State. Payments shall be made to  
21 the State Treasurer on the tenth day of each month following the  
22 month of collection. Amounts, not in excess of \$25,000,000, paid  
23 during the State fiscal year to the State Treasurer from the payment of  
24 fees collected by the county recording officer other than the additional  
25 fee of \$0.75 for each \$500.00 of consideration or fractional part  
26 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
27 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
28 "Shore Protection Fund" created pursuant to section 1 of P.L.1992,  
29 c.148 (C.13:19-16.1), in the manner established under that section.  
30 All amounts paid to the State Treasurer in payment of the additional  
31 fee of \$0.75 for each \$500.00 of consideration or fractional part  
32 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
33 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
34 Neighborhood Preservation Nonlapsing Revolving Fund established  
35 pursuant to P.L.1985, c.222 (C.52:27D-301 et al.), in the manner  
36 established under section 20 thereof (C.52:27D-320).  
37 (cf: P.L.1999, c.71, s.1)

38

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

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

45 (1) The sale of any one- or two-family residential premises which  
46 are owned and occupied by a senior citizen, blind person, or disabled

1 person who is the seller in such transaction; provided, however, that  
2 except in the instance of a husband and wife no exemption shall be  
3 allowed if the property being sold is jointly owned and one or more of  
4 the owners is not a senior citizen, blind person, or disabled person.

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

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

11 c. The director shall promulgate rules, regulations and forms of  
12 certification or otherwise necessary to carry out the provisions of this  
13 section. No transfer shall be eligible for more than one exemption  
14 under this section. All fees imposed pursuant to section 3 of  
15 P.L.1968, c.49 (C.46:15-7) collected on transfers subject to exemption  
16 under subsection a. of this section shall be ~~[remitted to]~~ retained by  
17 the county treasurer for the use of the county. An amount equal to 66  
18 2/3% of the proceeds from the fee imposed pursuant to section 3 of  
19 P.L.1968, c.49 (C.46:15-7) upon the consideration not in excess of  
20 \$150,000.00 for transfers of real property upon which there is new  
21 construction, and an amount equal to 20% of the proceeds of the  
22 ~~\$2.50 [fee]~~ total fees imposed pursuant to section 3 of P.L.1968, c.49  
23 (C.46:15-7) upon each \$500.00 of consideration or fractional part  
24 thereof in excess of \$150,000.00 for transfers of real property upon  
25 which there is new construction, shall be ~~[remitted to]~~ retained by the  
26 county treasurer for the use of the county.

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

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

38 (cf: P.L.1992, c.148, s.5)

39

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

**SENATE, No. 2665**

**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

INTRODUCED JUNE 12, 2003

**Sponsored by:**

**Senator BERNARD F. KENNY, JR.**

**District 33 (Hudson)**

**SYNOPSIS**

Establishes supplemental realty transfer fee of \$1.75 per \$500 consideration in excess of \$150,000 on certain transfers.

**CURRENT VERSION OF TEXT**

As introduced.



S2665 KENNY

2

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

3

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

6

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

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

13 a. If the transfer is subject to the additional fee as provided in  
14 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7) or to the supplemental  
15 fee as provided in section 2 of P.L. , c. (C. )(now pending  
16 before the Legislature as this bill), a statement of the true  
17 consideration for the transfer is contained in (1) the deed, or (2) the  
18 acknowledgment, or (3) the proof of the execution, or (4) an appended  
19 affidavit by one of the parties to the deed or that party's legal  
20 representative.

21 b. If the transfer is exempt from the additional fee required by  
22 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7), or from the  
23 supplemental fee as provided in section 2 of P.L. , c. (C. )(now  
24 pending before the Legislature as this bill), an affidavit stating the  
25 basis for the exemption is appended to the deed.

26 (cf: P.L.1991, c.308, s.3)

27

28 2. (New section) a. For each conveyance or transfer of property for  
29 which the consideration recited in the deed exceeds \$150,000.00, the  
30 grantor shall pay a supplemental fee of \$1.50 for each \$500.00 of  
31 consideration or fractional part thereof in excess of \$150,000.00  
32 recited in the deed, which fee shall be collected by the county  
33 recording officer at the time the deed is offered for recording, except  
34 as provided by subsection b. of this section.

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

40 c. The proceeds of the supplemental fees collected by the county  
41 recording officer pursuant to subsection a. of this section shall be  
42 accounted for and remitted to the county treasurer. An amount equal  
43 to \$0.25 of the \$1.75 supplemental fee for each \$500.00 of

**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.**

S2665 KENNY

1 consideration or fractional part thereof recited in the deed so collected  
2 pursuant to this section shall be retained by the county treasurer for  
3 the use of the county and the balance shall be remitted to the State  
4 Treasurer for deposit to the General Fund. Payments shall be made to  
5 the State Treasurer on the tenth day of each month following the  
6 month of collection.

7 d. Every deed subject to the supplemental fee required by this  
8 section, which is in fact recorded, shall be conclusively deemed to have  
9 been entitled to recording, notwithstanding that the amount of the  
10 consideration shall have been incorrectly stated, or that the correct  
11 amount of the supplemental fee, if any, shall not have been paid, and  
12 no such defect shall in any way affect or impair the validity of the title  
13 conveyed or render the same unmarketable; but the person or persons  
14 required to pay that supplemental fee at the time of recording shall be  
15 and remain liable to the county recording officer for the payment of  
16 the proper amount thereof.

17

18 3. Section 4 of P.L.1968, c.49 (C.46:15-8) is amended to read as  
19 follows:

20 4. The proceeds of the fees collected by the county recording  
21 officer, as authorized by [this act] P.L.1968, c.49 (C.46:15-5 et seq.),  
22 shall be accounted for and remitted to the county treasurer. An  
23 amount equal to 28.6% of the proceeds from the first \$1.75 for each  
24 \$500.00 of consideration or fractional part thereof recited in the deed  
25 [so] collected pursuant to section 3 of P.L.1968, c.49 (C.46:15-7)  
26 shall be retained by the county treasurer for the use of the county and  
27 the balance shall be paid to the State Treasurer for the use of the  
28 State; provided however, that on and after the tenth day following a  
29 certification by the Director of the Division of Budget and Accounting  
30 in the Department of the Treasury pursuant to subsection b. of section  
31 2 of P.L.1992, c.148 (C.46:15-10.2), 100.0% of the proceeds from the  
32 first \$0.50 for each \$500.00 of consideration or fractional part thereof  
33 recited in the deed so collected shall be retained by the county  
34 treasurer for the use of the county and no amount shall be paid to the  
35 State Treasurer for the use of the State. Payments shall be made to  
36 the State Treasurer on the tenth day of each month following the  
37 month of collection. Amounts, not in excess of \$25,000,000, paid  
38 during the State fiscal year to the State Treasurer from the payment of  
39 fees collected by the county recording officer other than the additional  
40 fee of \$0.75 for each \$500.00 of consideration or fractional part  
41 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
42 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
43 "Shore Protection Fund" created pursuant to section 1 of P.L.1992,  
44 c.148 (C.13:19-16.1), in the manner established under that section.  
45 All amounts paid to the State Treasurer in payment of the additional  
46 fee of \$0.75 for each \$500.00 of consideration or fractional part

1 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
2 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
3 Neighborhood Preservation Nonlapsing Revolving Fund established  
4 pursuant to P.L.1985, c.222 (C.52:27D-301 et al.), in the manner  
5 established under section 20 thereof (C.52:27D-320).  
6 (cf: P.L.1999, c.71, s.1)

7

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

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

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

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

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

26 c. The director shall promulgate rules, regulations and forms of  
27 certification or otherwise necessary to carry out the provisions of this  
28 section. No transfer shall be eligible for more than one exemption  
29 under this section. All fees imposed pursuant to section 3 of  
30 P.L.1968, c.49 (C.46:15-7) collected on transfers subject to exemption  
31 under subsection a. of this section shall be [remitted to] retained by  
32 the county treasurer for the use of the county. An amount equal to 66  
33 2/3% of the proceeds from the fee imposed pursuant to section 3 of  
34 P.L.1968, c.49 (C.46:15-7) upon the consideration not in excess of  
35 \$150,000.00 for transfers of real property upon which there is new  
36 construction, and an amount equal to 20% of the proceeds of the  
37 \$2.50 [fee] total fees imposed pursuant to section 3 of P.L.1968, c.49  
38 (C.46:15-7) upon each \$500.00 of consideration or fractional part  
39 thereof in excess of \$150,000.00 for transfers of real property upon  
40 which there is new construction, shall be [remitted to] retained by the  
41 county treasurer for the use of the county.

42 d. The balance of the fees collected on transfers subject to  
43 exemption under subsection b. of this section shall be remitted to the  
44 State Treasurer and shall be credited to the Neighborhood  
45 Preservation Nonlapsing Revolving Fund established pursuant to

1 P.L.1985, c.222 (C.52:27D-301 et al.), to be spent in the manner  
2 established under section 20 thereof (C.52:27D-320).

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

8 (cf: P.L.1992,c.148,s.5)

9

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

11

12

13

### STATEMENT

14

15 This bill creates a supplementary realty transfer fee of \$1.75 for  
16 each \$500 of consideration in excess of \$150,000 on certain transfers.

17 The realty transfer fee is imposed upon the recording of deeds  
18 evidencing transfers of title to real property in the State of New  
19 Jersey, and is calculated based on the amount of consideration paid

20 Currently, the basic realty transfer fee is imposed upon the seller at  
21 the rate of \$1.75 for each \$500 of consideration (these funds are split  
22 \$0.50 to the county in which the property is located and \$1.25 to the  
23 State); an additional fee of \$0.75 is imposed for each \$500 of  
24 consideration in excess of \$150,000 (all of which is State funds). Two  
25 types of transfers of real property are exempt from the State portion  
26 of the basic realty transfer fee (\$1.25 of the \$1.75 for each \$500 of  
27 consideration): (1) the sale of one or two-family residential premises  
28 which are owned and occupied by a senior citizen (62 years of age or  
29 older), blind person, or disabled person who is the seller; and (2) the  
30 sale of low and moderate income housing. Some transfers (such as  
31 U.S. government sales, redistributions among current owners, between  
32 close relatives, deeds to cemetery plots and transfers pursuant to  
33 divorce decrees) are completely exempt.

34 This bill imposes a supplementary fee of \$1.75 for each \$500 of  
35 consideration in excess of \$150,000. The fee is split \$0.25 to the  
36 county in which the property is located and \$1.50 to the State. The  
37 new fee does not apply to the transfers that are now completely  
38 exempt from the current fee and does not apply to the transfers by  
39 senior citizens, blind persons, or disabled persons and the transfers of  
40 low and moderate income housing that are currently exempt from the  
41 State share of the regular fee.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 2665**

# STATE OF NEW JERSEY

DATED: JUNE 30, 2003

The Senate Budget and Appropriations Committee reports favorably a committee substitute for Senate Bill No. 2665.

This substitute bill creates a supplementary realty transfer fee for certain transfers of real property.

*Current law.* The realty transfer fee is imposed upon the recording of deeds evidencing transfers of title to real property in the State of New Jersey, and is calculated based on the amount of consideration paid. At present, the basic realty transfer fee is imposed upon the seller at the rate of \$1.75 for each \$500 of consideration; these funds are split \$0.50 to the county in which the property is located and \$1.25 to the State. An additional fee of \$0.75 is imposed for each \$500 of consideration in excess of \$150,000; the entire amount of this additional fee is remitted to the State. Two types of transfers of real property are exempt from the State portion of the basic realty transfer fee (\$1.25 of the \$1.75 for each \$500 of consideration): (1) the sale of one or two-family residential premises that are owned and occupied by a senior citizen 62 years of age or older, blind person, or disabled person who is the seller; and (2) the sale of low and moderate income housing. Some transfers (e.g., U.S. government sales, redistributions among current owners or between close relatives, deeds to cemetery plots and transfers pursuant to divorce decrees) are completely exempt.

*Supplementary fee.* The substitute imposes a graduated supplementary fee for each \$500 of consideration. The supplementary fee is:

\$0.25 for each \$500 of consideration not in excess of \$150,000,  
plus

\$.85 for each \$500 of consideration in excess of \$150,000 but not  
in excess of \$200,000, plus

\$1.40 for each \$500 of consideration in excess of \$200,000;

and there is an additional fee of \$1.00 for each \$500 of consideration that is exempt from \$1.00 of the basic fee as "new construction".

*Allocation of revenue.* Under the substitute the county will retain \$0.25 of the fee collected for each \$500 consideration, and the remainder will be remitted to the State. Thus the State will receive no



part of the supplementary fee collected with respect to the first \$150,000 of consideration paid, \$.60 per \$500 of consideration paid in excess of \$150,000 up to \$200,000, and \$1.15 per \$500 of consideration paid in excess of \$200,000. The bill directs counties to use the amounts of the supplementary fee that they retain under the bill to maintain their funding of public health services under the Public Health Priority Funding Act at levels at least equal to the funding level attained in State fiscal year 2003; amounts retained in excess of such levels may be used for general county purposes.

*Transfers fully or partially exempt.* The new supplementary fee does not apply to the transfers that are now completely exempt from the current fee and does not apply to the transfers by senior citizens, blind persons, or disabled persons and the transfers of low and moderate income housing that are currently fully exempt from the State share of the basic fee.

#### FISCAL IMPACT

Based upon information supplied by the Office of Management and Budget, the Office of Legislative Services (OLS) estimates that the revenue impact of the bill will be an annual increase in State realty transfer fees of approximately \$55 million and an annual increase in county retained fees of approximately \$22 million.

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE, No. 2665**

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**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

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ADOPTED JUNE 30, 2003

**Sponsored by:**

**Senator BERNARD F. KENNY, JR.**

**District 33 (Hudson)**

**SYNOPSIS**

Establishes supplemental realty transfer fee on certain transfers.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Senate Budget and Appropriations Committee.



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

3

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

6

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

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

13 a. If the transfer is subject to the additional fee as provided in  
14 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7) or to the supplemental  
15 fee as provided in section 2 of P.L. , c. (C. )(now pending before  
16 the Legislature as this bill), a statement of the true consideration for  
17 the transfer is contained in (1) the deed, or (2) the acknowledgment,  
18 or (3) the proof of the execution, or (4) an appended affidavit by one  
19 of the parties to the deed or that party's legal representative.

20 b. If the transfer is exempt from the additional fee required by  
21 section 3 of P.L.1968, c.49 [ , s.3] (C.46:15-7), or from the  
22 supplemental fee as provided in section 2 of P.L. , c. (C. )(now  
23 pending before the Legislature as this bill), an affidavit stating the  
24 basis for the exemption is appended to the deed.  
25 (cf: P.L.1991, c.308, s.3)

26

27 2. (New section) a. For each conveyance or transfer of property,  
28 the grantor shall pay a supplemental fee of:

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

32 (b) \$0.85 for each \$500.00 of consideration or fractional part  
33 thereof in excess of \$150,000.00 but not in excess of  
34 \$200,000.00 recited in the deed; and

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

37 (2) for a transfer described in subsection (b) of section 4 of  
38 P.L.1975, c.176 (C.46:15-10.1), an additional \$1.00 for each  
39 \$500.00 of consideration or fractional part thereof not in  
40 excess of \$150,000.00 recited in the deed

41 which fee shall be collected by the county recording officer at the time  
42 the deed is offered for recording, except as provided by subsection b.  
43 of this section.

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

6       c. The proceeds of the supplemental fees collected by the county  
7 recording officer pursuant to subsection a. of this section shall be  
8 accounted for and remitted to the county treasurer. An amount equal  
9 to \$.25 of the supplemental fee for each \$500.00 of consideration or  
10 fractional part thereof recited in the deed so collected pursuant to this  
11 section shall be retained by the county treasurer for the purposes set  
12 forth in subsection d. of this section, and the balance shall be remitted  
13 to the State Treasurer for deposit to the Extraordinary Aid Account,  
14 which shall be established as an account in the General Fund.  
15 Payments shall be made to the State Treasurer on the tenth day of each  
16 month following the month of collection.

17       d. From the proceeds of the supplemental fees collected by the  
18 county recording officer pursuant to subsection a. of this section and  
19 retained by the county treasurer pursuant to subsection c. of this  
20 section, a county that received funding in State fiscal year 2003 for the  
21 support of public health services pursuant to the provisions of the  
22 Public Health Priority Funding Act of 1977, P.L.1966, c.36 (C.26:2F-  
23 1 et seq.) shall, at a minimum, fund its priority health services under  
24 that act in subsequent years at the same level as the level at which  
25 those services were funded in State fiscal year 2003 pursuant to the  
26 annual appropriations act for that fiscal year as the Commissioner of  
27 the Department of Health and Senior Services shall determine. In any  
28 county, amounts of supplemental fees retained that are in excess of the  
29 amounts required to be used for the funding of the county's priority  
30 health services under this subsection shall be used by the county for  
31 general county purposes.

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

38       f. Every deed subject to the supplemental fee required by this  
39 section, which is in fact recorded, shall be conclusively deemed to have  
40 been entitled to recording, notwithstanding that the amount of the  
41 consideration shall have been incorrectly stated, or that the correct  
42 amount of the supplemental fee, if any, shall not have been paid, and  
43 no such defect shall in any way affect or impair the validity of the title  
44 conveyed or render the same unmarketable; but the person or persons  
45 required to pay that supplemental fee at the time of recording shall be  
46 and remain liable to the county recording officer for the payment of

1 the proper amount thereof.

2

3 3. Section 4 of P.L.1968, c.49 (C.46:15-8) is amended to read as  
4 follows:

5 4. The proceeds of the fees collected by the county recording  
6 officer, as authorized by [this act] P.L.1968, c.49 (C.46:15-5 et seq.),  
7 shall be accounted for and remitted to the county treasurer. An  
8 amount equal to 28.6% of the proceeds from the first \$1.75 for each  
9 \$500.00 of consideration or fractional part thereof recited in the deed  
10 [so] collected pursuant to section 3 of P.L.1968, c.49 (C.46:15-7)  
11 shall be retained by the county treasurer for the use of the county and  
12 the balance shall be paid to the State Treasurer for the use of the  
13 State; provided however, that on and after the tenth day following a  
14 certification by the Director of the Division of Budget and Accounting  
15 in the Department of the Treasury pursuant to subsection b. of section  
16 2 of P.L.1992, c.148 (C.46:15-10.2), 100.0% of the proceeds from the  
17 first \$0.50 for each \$500.00 of consideration or fractional part thereof  
18 recited in the deed so collected shall be retained by the county  
19 treasurer for the use of the county and no amount shall be paid to the  
20 State Treasurer for the use of the State. Payments shall be made to  
21 the State Treasurer on the tenth day of each month following the  
22 month of collection. Amounts, not in excess of \$25,000,000, paid  
23 during the State fiscal year to the State Treasurer from the payment of  
24 fees collected by the county recording officer other than the additional  
25 fee of \$0.75 for each \$500.00 of consideration or fractional part  
26 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
27 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
28 "Shore Protection Fund" created pursuant to section 1 of P.L.1992,  
29 c.148 (C.13:19-16.1), in the manner established under that section.  
30 All amounts paid to the State Treasurer in payment of the additional  
31 fee of \$0.75 for each \$500.00 of consideration or fractional part  
32 thereof recited in the deed in excess of \$150,000.00 collected pursuant  
33 to section 3 of P.L.1968, c.49 (C.46:15-7) shall be credited to the  
34 Neighborhood Preservation Nonlapsing Revolving Fund established  
35 pursuant to P.L.1985, c.222 (C.52:27D-301 et al.), in the manner  
36 established under section 20 thereof (C.52:27D-320).  
37 (cf: P.L.1999, c.71, s.1)

38

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

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

45 (1) The sale of any one- or two-family residential premises which  
46 are owned and occupied by a senior citizen, blind person, or disabled

1 person who is the seller in such transaction; provided, however, that  
2 except in the instance of a husband and wife no exemption shall be  
3 allowed if the property being sold is jointly owned and one or more of  
4 the owners is not a senior citizen, blind person, or disabled person.

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

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

11 c. The director shall promulgate rules, regulations and forms of  
12 certification or otherwise necessary to carry out the provisions of this  
13 section. No transfer shall be eligible for more than one exemption  
14 under this section. All fees imposed pursuant to section 3 of  
15 P.L.1968, c.49 (C.46:15-7) collected on transfers subject to exemption  
16 under subsection a. of this section shall be ~~[remitted to]~~ retained by  
17 the county treasurer for the use of the county. An amount equal to 66  
18 2/3% of the proceeds from the fee imposed pursuant to section 3 of  
19 P.L.1968, c.49 (C.46:15-7) upon the consideration not in excess of  
20 \$150,000.00 for transfers of real property upon which there is new  
21 construction, and an amount equal to 20% of the proceeds of the  
22 ~~\$2.50 [fee]~~ total fees imposed pursuant to section 3 of P.L.1968, c.49  
23 (C.46:15-7) upon each \$500.00 of consideration or fractional part  
24 thereof in excess of \$150,000.00 for transfers of real property upon  
25 which there is new construction, shall be ~~[remitted to]~~ retained by the  
26 county treasurer for the use of the county.

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

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

38 (cf: P.L.1992, c.148, s.5)

39  
40 5. This act shall take effect July 1, 2003.