

46:15-5 ET AL.

LEGISLATIVE HISTORY CHECKLIST

NJSA 46:15-5 et al.

Laws of 1975 Chapter 176

Bill No. A3625

Sponsor(s) Barbour & Hamilton

Date Introduced July 30, 1975

Committee: Assembly -

Senate -

Amended during passage Yes No

Date of passage: Assembly August 1, 1975

Senate August 4, 1975

Date of approval August 4, 1975

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note Yes ~~No~~

Veto message Yes ~~No~~

Message on signing Yes ~~No~~

Following were printed:

Reports Yes ~~No~~

Hearings Yes ~~No~~

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10/4/76
1977

ASSEMBLY, No. 3625

STATE OF NEW JERSEY

INTRODUCED JULY 30, 1975

By Assemblymen BARBOUR and HAMILTON

(Without Reference)

AN ACT to amend and supplement "An act fixing fees to be imposed upon the recording of deeds transferring title to real property and providing penalties for the violations thereof," approved June 3, 1968 (P. L. 1968, c. 49) (C. 46:15-5 et seq.).

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

1 1. Section 1 of P. L. 1968, c. 49 (C. 46:15-5) is amended to read
2 as follows:

3 1. As used in this act:

4 (a) "Deed" means a written instrument entitled to be recorded
5 in the office of a county recording officer which purports to convey
6 or transfer title to a freehold interest in any lands, tenements or
7 other realty in this State by way of grant or bargain and sale
8 thereof from the named grantor to the named grantee. A lease-
9 hold interest for 99 years or more, shall be treated as a "freehold"
10 for the purpose of this act. Instruments providing for common
11 driveways, for exchanges of easements or rights-of-way, for
12 revocable licenses to use, to adjust or to clear defects of or
13 clouds on title, to provide for utility service lines such as drain-
14 age, sewerage, water, electric, telephone or other such service
15 lines, or to quitclaim possible outstanding interests, shall not be
16 "deeds" for the purposes of this act.

17 (b) The terms "county recording officer" and "office of the
18 county recording officer" mean the register of deeds and mortgages
19 in counties having such an officer and office, and the county clerk
20 and his office in the other counties.

21 (c) "Consideration" means in the case of any deed, the actual
22 amount of money and the monetary value of any other thing of
23 value constituting the entire compensation paid or to be paid for
24 the transfer of title to the lands, tenements or other realty, in-

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

25 cluding the remaining amount of any prior mortgage to which
 26 the transfer is subject or which is to be assumed and agreed to
 27 be paid by the grantee and any other lien or encumbrance thereon
 28 not paid, satisfied or removed in connection with the transfer of
 29 title. The amount of liens for real property taxes, water or
 30 sewerage charges for the current or any subsequent year, or by
 31 way of added assessment or other adjustment, as well as of other
 32 like liens or encumbrances of a current and continuing nature
 33 ordinarily adjusted between the parties according to the period
 34 of ownership shall be excluded as an element in determining the
 35 consideration, notwithstanding that such amount is to be paid by
 36 the grantee.

37 In the case of a leasehold interest as defined in paragraph (a) of
 38 this section, the consideration shall be in the amount of the assessed
 39 value of the property at the date of the transaction for the pur-
 40 pose of levying local real property taxes adjusted to reflect the
 41 true value in accordance with the county percentage level estab-
 42 lished for the current year.

43 (d) *“Blind person” means a person whose vision in his better*
 44 *eye with proper correction does not exceed 20/200 as measured by*
 45 *the Snellen chart or a person who has a field defect in his better*
 46 *eye with proper correction in which the peripheral field has con-*
 47 *tracted to such an extent that the widest diameter of visual field*
 48 *subtends an angular distance no greater than 20°.*

49 (e) *“Disabled person” means any resident of this State who*
 50 *is permanently and totally disabled, unable to engage in gainful*
 51 *employment, and receiving disability benefits or any other com-*
 52 *ensation under any Federal or State law.*

53 (f) *“Senior citizen” means any resident of this State of the*
 54 *age of 62 years or over.*

55 (g) *“New construction” means any conveyance or transfer of*
 56 *property upon which there is an entirely new improvement not*
 57 *previously occupied or used for any purpose.*

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

3 3. In addition to the recording fees imposed by P. L. 1965, c. 123,
 4 s. 2 (C. 22A:4-4.1) a fee is imposed upon grantors, at the rate
 5 of **[\$0.50]** \$1.75 for each \$500.00 of consideration or fractional
 6 part thereof recited in the deed, which fee shall be collected by
 7 the county recording officer at the time the deed is offered for
 8 recording.

9 Every deed subject to the additional fee required by this act,
 10 which is in fact recorded, shall be conclusively deemed to have

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11 been entitled to recording, notwithstanding that the amount of
12 the consideration shall have been incorrectly stated, or that the
13 correct amount of such additional fee, if any, shall not have been
14 paid, and no such defect shall in any way affect or impair the
15 validity of the title conveyed or render the same unmarketable;
16 but the person or persons required to pay said additional fee at
17 the time of recording shall be and remain liable to the county
18 recording officer for the payment of the proper amount thereof.

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

3 4. The proceeds of the fees collected by the county recording
4 officer, as authorized by this act, shall be accounted for and re-
5 mitted to the county treasurer. *An amount equal to 28.6% of*
6 *the proceeds so collected shall be retained by the county trea-*
7 *surer for the use of the county and the balance shall be paid to*
8 *the State Treasurer for the use of the State. Payments shall be*
9 *made to the State Treasurer on the tenth day of each month fol-*
10 *lowing the month of collection.*

1 4. (New section) The following transfers of title to real prop-
2 erty shall be exempt from payment of \$1.25 of the \$1.75 fee imposed
3 upon grantors by this act:

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

11 (b) The sale of property upon which there is new construction.
12 The director shall promulgate rules, regulations and forms of
13 certification or otherwise necessary to carry out the provisions
14 of this section. Any fee collected on any such transfer pursuant
15 to this act shall be remitted to the county treasurer for the use of
16 the county.

1 5. This act shall take effect on September 1, 1975.

STATEMENT

This bill will increase the realty transfer fee by .35 of 1% of the selling price, which fee is imposed on grantors in transfers of real property. The proceeds from the increase in the fee will go to the State for its use. The counties will continue to receive the proceeds from the fee rate of $\frac{1}{10}$ of 1%. There are two transfers

of real property which are exempt from the increase in the fee: (1) the sale of one- or two-family residential premises which are owned and occupied by a senior citizen, blind person, or disabled person or their spouses, and (2) the sale of property upon which there has been construction of an entirely new improvement not previously occupied or used for any purpose. The bill will be effective September 1, 1975.

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STATEMENT BY GOVERNOR BRENDAN BYRNE

August 4, 1975

A-3557

I have signed into law the supplemental appropriations bill and the tax and other revenue bills* to finance it. These revenues will keep the buses and trains in operation and will restore the other programs that a majority of the Legislature adjudged to be vital to the public welfare.

Even with these restorations, New Jersey remains the most tight-fisted state in the nation. We will spend in this fiscal year about \$75 million less than we spent last year, despite the toll of continuing inflation which falls as heavily on government as it does on household budgets. And this Administration will continue its effort to cut corners and realize further economies wherever possible to make stretch every tax dollar as far as it will go.

The new taxes included in this revenue package are far less regressive than some of the taxes that the Legislature considered and wisely rejected. For the most part, the burden falls most heavily on segments of the economy that are able to bear that additional burden. And one of them -- the capital gains or unearned income tax -- is truly progressive.

Nevertheless, I take no particular pride in signing these taxes into law. And I noticed that few members of the Legislature exhibited much pride in enacting them. For this is strictly a stopgap revenue program and we must not lose sight of what it fails to do, as well as what it accomplishes.

This revenue package does nothing to meet our commitment -- the Legislature's and mine -- to fund the new education formula under which the State is to assume a greater portion of the costs of operating our public schools. The State Supreme Court has ordered that this be done and the Legislature has publicly declared its intention to deal with that commitment beginning on November 10.

* A-1915
A-3339
A-3556
A-3593
A-3609
A-3625
A-3626
A-3627
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185 W. State Street
Trenton, N.J.

This revenue package does nothing to reform New Jersey's patchwork tax structure and provide relief from rising and too often confiscatory property taxes, a goal to which I remain personally committed. The most we can say for these new taxes is that they will not make that tax structure measurably more regressive than it is.

And several of the bills I signed today are, by design, temporary sources of revenue. The funds they provide will, of necessity, have to be replaced from some other source next year if the programs they finance are to continue. These temporary measures, together with other fiscal facts of life, increase the already inevitable need for substantial new revenues next year.

The Legislature has demonstrated dramatically in the past several months that there are no easy taxes -- nor should there be. The true test of a potential new tax or tax increase should not be whether it will be easy to pass, but how equitably its burden will be distributed on those who will pay it.

I am confident that the Legislature will work for true tax reform in addressing our unmet obligations in the months ahead. I will, as always, be ready to work with it in a pursuit of that goal.

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The following bills were signed by Governor Byrne:

S-3170* - Sponsored by Senator Joseph Marliano, D-Mercer, which increases the interest and penalties to be assessed in conjunction with the administration and enforcement of certain state tax laws.

A-1915 - Sponsored by Assemblyman Robert Shelton, D-Sussex, which provides for the taxation of banks under the same laws pursuant to which business corporations are taxed.

A-3339 - Sponsored by Assemblyman Steven Perskie, D-Atlantic, which prescribes the amount of excise taxes each "financial business corporation" shall pay during each of the years 1976, 1977 and 1978.

A-3556 - Sponsored by Assemblyman William Hamilton, D-Middlesex, which designated the "Tax on Capital Gains and Other Unearned Income Act," imposes a tax on capital gains and other unearned income.

A-3557 - Sponsored by Assemblyman George Barbour, D-Burlington, which supplements and amends the appropriations act for the support of the state government for the fiscal year ending June 30, 1976 (P.L. 1975, c.128)

A-3593 - Sponsored by Assemblyman Kenneth Gewertz, D-Gloucester, which transfers to the General State Fund amounts in the Unsatisfied Claim and Judgment Fund certified by the Board to exceed that necessary to meet pending claims and anticipated claims during the succeeding 12 months.

A-3609 - Sponsored by Assemblyman Kenneth Gewertz, D-Gloucester, which repeals P.L. 1952, c. 175, the Motor Vehicle Liability Security Fund Act, transferring all amounts remaining therein to the General State fund.

A-3625 - Sponsored by Assemblyman George Barbour, D-Burlington, which increases realty transfer fee from \$.50 to \$1.75 per \$500 consideration with certain exemptions.

A-3627 - Sponsored by Assemblyman William Hamilton, D-Middlesex, which increases the Unincorporated Business Tax to a rate of 3/8 of 1% for a period ending June 30, 1976.

* A-3626 - SUBSTITUTED FOR S-3170

A-3628 - Sponsored by Assemblyman William Hamilton, D-Middlesex, which appropriates \$25,000,000 from Unincorporated Business Tax revenues for general state purposes.

A-3629 - Sponsored by Assemblyman Richard Codey, D-Essex, which revises motor vehicle registration fees; increases passenger automobile fees to \$15, \$24 and \$45 in place of present fees; increases commercial vehicle fees.

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