

ASSEMBLY, No. 2311

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED FEBRUARY 7, 2022

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Exempts from realty transfer fee recording of deed of preserved farmland to qualified beginning farmer.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT concerning the realty transfer fee, amending P.L.1968,
2 c.49, and supplementing Title 4 of the Revised Statutes.

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

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7 1. Section 6 of P.L.1968, c.49 (C.46:15-10) is amended to read
8 as follows:

9 6. The fee imposed by **[this act]** P.L.1968, c.49 (C.46:15-
10 5 et seq.) shall not apply to a deed:

11 (a) For a consideration, as defined in section 1(c), of less than
12 \$100.00;

13 (b) By or to the United States of America, this State, or any
14 instrumentality, agency, or subdivision thereof;

15 (c) Solely in order to provide or release security for a debt or
16 obligation;

17 (d) Which confirms or corrects a deed previously recorded;

18 (e) On a sale for delinquent taxes or assessments;

19 (f) On partition;

20 (g) By a receiver, trustee in bankruptcy or liquidation, or
21 assignee for the benefit of creditors;

22 (h) Eligible to be recorded as an "ancient deed" pursuant to
23 R.S.46:16-7;

24 (i) Acknowledged or proved on or before July 3, 1968;

25 (j) Between husband and wife, or parent and child;

26 (k) Conveying a cemetery lot or plot;

27 (l) In specific performance of a final judgment;

28 (m) Releasing a right of reversion;

29 (n) Previously recorded in another county and full realty transfer
30 fee paid or accounted for, as evidenced by written instrument,
31 attested by the grantee and acknowledged by the county recording
32 officer of the county of such prior recording, specifying the county,
33 book, page, date of prior recording, and amount of realty transfer
34 fee previously paid;

35 (o) By an executor or administrator of a decedent to a devisee or
36 heir to effect distribution of the decedent's estate in accordance with
37 the provisions of the decedent's will or the intestate laws of this
38 State;

39 (p) Recorded within 90 days following the entry of a divorce
40 decree which dissolves the marriage between the grantor and
41 grantee;

42 (q) Issued by a cooperative corporation, as part of a conversion
43 of all of the assets of the cooperative corporation into a
44 condominium, to a shareholder upon the surrender by the
45 shareholder of all of the shareholder's stock in the cooperative
46 corporation and the proprietary lease entitling the shareholder to

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 exclusive occupancy of a portion of the property owned by the
2 corporation [.] ;

3 (r) For transfer of real property that is entered into on and after
4 January 1, 2021 that is an intercompany transfer between combined
5 group members as part of the unitary business, as those terms are
6 used in section 4 of P.L.1945, c.162 (C.54:10A-4) ;

7 (s) Conveying preserved farmland as defined in section 4 of
8 P.L.2009, c.213 (C.54:4-23.3c) to a person who possesses a written
9 certification, issued by the Department of Agriculture pursuant to
10 section 2 of P.L. , c. (C.) (pending before the Legislature as
11 this bill), demonstrating that the person qualifies as a beginning
12 farmer.

13 (cf: P.L.2020, c.118, s.17)

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15 2. (New section) a. The Department of Agriculture shall
16 establish a process whereby a person may request to receive written
17 certification from the department that the person qualifies as a
18 beginning farmer. The department shall establish the manner and
19 form, including eligibility criteria and documentation necessary, for
20 a person to receive certification pursuant to this section. In
21 developing the manner and form necessary, the department shall
22 consider the certification for qualified beginning farmers used by
23 the Pennsylvania Department of Agriculture.

24 The department shall publish the form to be used to request
25 certification as a beginning farmer, together with the eligibility
26 criteria and documentation necessary, in a prominent location on its
27 website. The department may charge a fee, not to exceed \$100, to a
28 person requesting certification as a beginning farmer.

29 b. As used in this section:

30 “Beginning farmer” means a person who desires to engage in
31 farming and has never farmed before, who has engaged in farming
32 in the State for 10 years or less as of the effective date of P.L. ,
33 c. (C.) (pending before the Legislature as this bill), or who
34 qualifies as a first-time farmer pursuant to 26 U.S.C. s.147(c)(2).

35 “Farming” means the cultivation of land for the production of
36 agricultural crops, the raising of poultry, the production of eggs, the
37 production of milk, the production of fruit or other horticultural
38 crops, grazing, the production of livestock, aquaculture,
39 hydroponics, the production of forest products, or other activities
40 designated by the Department of Agriculture pursuant to rules and
41 regulations.

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43 3. This act shall take effect immediately.

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STATEMENT

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48 This bill provides that preserved farmland purchased by a
49 qualified beginning farmer would not be subject to the realty

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1 transfer fee. Under this bill, the fee would not apply when
2 preserved farmland is acquired by a person who possesses a written
3 certification issued by the Department of Agriculture pursuant to
4 the bill demonstrating that the person qualifies as a qualified
5 beginning farmer. The bill requires the Department of Agriculture
6 to establish a procedure to certify in writing a person as a qualified
7 beginning farmer.

8 The realty transfer fee (fee), established pursuant to P.L.1968,
9 c.49 (C.46:15-5 et seq.), applies to sales and transfers of interests in
10 real property and is imposed upon the recording of deeds
11 evidencing transfers of title to real property in the State. Current
12 law provides a number of full and partial exemptions from the
13 payment of the fee.

14 This bill is similar to a provision contained in the Pennsylvania
15 Farm Bill. The Pennsylvania Department of Agriculture has
16 established a certification process for qualified beginning farmers.
17 A person who receives this certification is exempt from the realty
18 transfer fee when purchasing a preserved farm.

19 New Jersey has long committed to preserving farmland, however
20 New Jersey cannot rest on the success of land preservation. The
21 State needs to do much more to preserve farming itself and take
22 further action to preserve its farmers as well. This bill is intended
23 to remove a disincentive for people to take up the vital and historic
24 role of farmer. Currently, the average age of a farmer in the United
25 States is 57.5 years. The national average age has increased by 1.6
26 percent annually since 1994, on average, according to the 2017
27 Census of Agriculture conducted by the United States Department
28 of Agriculture. The average age of a New Jersey farmer is 59.7
29 years, according to the same report.