

P.L.2011, CHAPTER 124, *approved September 14, 2011*
Assembly, No. 2748 (*Second Reprint*)

1 AN ACT exempting sales of certain ¹homes and¹ seasonal rentals
2 ¹[and other dwelling units]¹ from the bulk sale notification
3 requirements, amending P.L.2007, c.100.
4

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

7
8 1. Section 5 of P.L.2007, c.100 (C.54:50-38) is amended to
9 read as follows:

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

28 (2) (a) Paragraph (1) of this section shall not apply to the sale,
29 transfer or assignment of a simple dwelling house ¹if the seller,
30 transferrer or assignor is an "individual," "estate," or "trust" as
31 those terms are used for the purposes of the "New Jersey Gross
32 Income Tax Act," N.J.S.54A:1-1 et seq. ²[,or if the seller,
33 transferrer or assignor is a limited liability company]² ; paragraph
34 (1) shall apply to the sale, transfer or assignment of a simple
35 dwelling house if the seller, transferrer or assignor is a business
36 entity, including but not limited to a corporation or a partnership¹ .
37 "Simple dwelling house" means a dwelling unit, attached or
38 detached, and land appurtenant thereto, including but not limited to
39 a one-family or ¹two-family¹ building or structure, a unit of a

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCM committee amendments adopted January 20, 2011.

²Senate SBA committee amendments adopted June 6, 2011.

1 horizontal property regime established pursuant to the "Horizontal
 2 Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.), a unit in a
 3 housing cooperative as defined under "The Cooperative Recording
 4 Act of New Jersey," P.L.1987, c.381 (C.46:8D-1 et seq.), or a unit
 5 of a condominium property established pursuant to the
 6 "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.), but does
 7 not include a structure or structures containing more than ¹[one
 8 unit] two units¹ of dwelling space or containing, according to the
 9 records of the municipal property tax assessor, commercial
 10 property including, or in addition to, ¹[a unit] the units¹ of
 11 dwelling space.

12 (b) Paragraph (1) of this ¹[section] subsection¹ shall not apply
 13 to the sale, transfer or assignment of a seasonal rental unit or the
 14 sale, transfer or assignment of a lease for the seasonal use or rental
 15 of real property ¹if the seller, transferrer or assignor is an
 16 "individual," "estate," or "trust" as those terms are used for the
 17 purposes of the "New Jersey Gross Income Tax Act," N.J.S.54A:1-
 18 1 et seq. ²[, or if the seller transferrer or assignor is a limited
 19 liability company]²; paragraph (1) shall apply to the sale, transfer
 20 or assignment of a seasonal rental unit or the sale, transfer or
 21 assignment of a lease for the seasonal use or rental of real property
 22 if the seller, transferrer or assignor is a business entity, including
 23 but not limited to a corporation or a partnership¹ .

24 For the purposes of this paragraph ²[,] ²:
 25 "seasonal rental unit" means
 26 ²(i)² a "¹[time share] timeshare¹ estate" as that term is defined
 27 by section 2 of P.L.2006, c.63 (C.45:15-16.51) ²,² and
 28 ²[means] (ii)² a dwelling unit rented for a term of not more than
 29 125 consecutive days for residential purposes by a person having a
 30 permanent residence elsewhere ²,² and
 31 "lease for the seasonal use or rental of real property" means
 32 ²(i)² a "¹[time share] timeshare¹ use" as that term is defined by
 33 section 2 of P.L.2006, c.63 (C.45:15-16.51) ²,² and
 34 ²[means] (ii)² the use or rental for a term of not more than 125
 35 consecutive days for residential purposes by a person having a
 36 permanent place of residence elsewhere.

37 b. If, upon receiving timely notice of a sale, transfer or
 38 assignment from a purchaser, transferee or assignee, the director
 39 fails to provide timely notice to the purchaser, transferee or
 40 assignee that a possible claim for such State tax or taxes exists, the
 41 purchaser, transferee or assignee may transfer over to the seller,
 42 transferrer or assignor any sums of money, property or choses in
 43 action, or other consideration to the extent of the amount of the
 44 State's claim. The purchaser, transferee or assignee shall not be
 45 subject to the liabilities and remedies imposed under the provisions
 46 of the uniform commercial code, Title 12A of the Revised Statutes

1 of New Jersey, and shall not be personally liable for the payment to
2 the State of any such taxes theretofore or thereafter determined to
3 be due to the State from the seller, transferrer or assignor.

4 c. If the purchaser, transferee or assignee shall fail to give
5 notice to the director as required by the preceding paragraph, or if
6 the director shall inform the purchaser, transferee or assignee that a
7 possible claim for such State tax or taxes exists, any sums of
8 money, property or choses in action, or other consideration, which
9 the purchaser, transferee or assignee is required to transfer over to
10 the seller, transferrer or assignor shall be subject to a first priority
11 right and lien for any such State taxes theretofore or thereafter
12 determined to be due from the seller, transferrer or assignor to the
13 State, and the purchaser, transferee or assignee is forbidden to
14 transfer to the seller, transferrer or assignor any such sums of
15 money, property or choses in action to the extent of the amount of
16 the State's claim. For failure to comply with the provisions of this
17 section the purchaser, transferee or assignee, in addition to being
18 subject to the liabilities and remedies imposed under the provisions
19 of the uniform commercial code, Title 12A of the Revised Statutes
20 of New Jersey, shall be personally liable for the payment to the
21 State of any such taxes theretofore or thereafter determined to be
22 due to the State from the seller, transferrer or assignor, and such
23 liability may be assessed and enforced in the same manner as the
24 liability for any State tax under the State Uniform Tax Procedure
25 Law, R.S.54:48-1 et seq.
26 (cf: P.L.2007, c.100, s.5)

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28 2. This act shall take effect immediately, and shall apply
29 retroactively to sales, transfers and assignments on or after August
30 1, 2007.

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34
35 Exempts sales of certain homes and seasonal rentals from the
36 bulk sale notification requirements.'