

Governor Christie Signs Bulk Sales Legislation into Law

On September 14, 2011, Governor Chris Christie signed into law [A-2748](#), the bulk sales legislation initiated and strongly supported by NJAR[®]. This law, which took effect immediately upon being signed, exempts individuals, estates and trusts involved in purchasing one- and two-family residential and certain seasonal rental properties from bulk sales notification requirements. Please note that LLC's involved in real estate transactions pertaining to one- and two-family residential and seasonal rental properties are still subject to bulk sales requirements.

In addition, the law is retroactive to August 1, 2007, meaning that any transactions taking place between that date and September 14, 2011 were in essence, never subject to bulk sales requirements.

This new law, which was approved unanimously by both houses of the state Legislature, immediately protects one- and two-family residential real estate transactions from being unnecessarily delayed by the bulk sales notification requirements imposed by the New Jersey Division of Taxation. In many cases, the previous requirements led to unnecessary closing delays or sellers being asked to place potentially thousands of dollars in escrow until the Division of Taxation cleared a property sale to proceed.

The NJAR[®] Contract of Sale (Form #118, dated 9/11) has been updated at www.njarforms.com to reflect the new law. The Zipform and hard copy versions will be available shortly. Please note that the Division of Taxation's [bulk sales notification form](#) and NJAR[®] bulk sales addendum no longer need to be submitted by those purchasing these types of residential properties in New Jersey.

If a previous owner of a one- or two-family home or seasonal rental property owed state taxes on revenue earned from the property (i.e. if the seller ever rented the property), the purchaser will not be considered liable for any taxes owed by the seller. NJAR[®] sought this provision in the legislation and was successful in its inclusion and implementation.

For additional information on A-2748 and the bulk sales requirements previously in place on one- and two-family homes and seasonal rental properties, visit NJAR[®]'s [bulk sales webpage](#), or the NJAR[®] Government Affairs [Facebook page](#). If you have any questions on this issue, contact the NJAR[®] Government Affairs Department at (732) 494-5616.