

Title

FREQUENTLY ASKED ^ QUESTIONS

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How do I address Bulk Sales requirements in the commitment or policy?

You don't.

Under New Jersey law (N.J.S.A. 54:32B-1 et seq.), whenever a person or entity makes a "bulk sale" (which for these purposes is a sale of all or a part of its business assets other than in the ordinary course of business), the buyer is required to notify the Division of Taxation of such "bulk sale" at least 10 days prior to the close of the transaction. A buyer who fails to do this could become liable to the State for any past due tax obligations of their seller.

The New Jersey Division of Taxation's Technical Bulletin (TB-60) states that business assets ". . .include, but are not limited to, goodwill, materials, supplies, licenses . . . and realty if the primary use of the realty is to support a business on its premises." (emphasis added) Thus, in the proper circumstance, a sale of real property could fall into this category.

Please note, however, that this is not a title issue, and thus requests for affirmative coverage as to the application of or compliance with the bulk sales laws cannot be honored. Furthermore, this is not an appropriate subject of a B-I requirement nor of a B-II exception. This is a matter which is solely within the control of the parties. In addition, it is not a matter which can be discovered nor determined through a reasonable search of the land records.

Should a client or customer need further information on this issue, the Technical Bulletin (TB-60) and the forms for reporting these transactions are available on the Division of Taxation's website.

As always, should you have any questions or require further assistance on this or any other subject, please contact a member of our underwriting staff.