

June 24, 1966

- R.S. 15:1-20

LEGISLATIVE HISTORY OF R.S. 15:1-20
(Non-profit corporations - dissolution)

COPY NO. 1

for material
see copy 2

- L. 1878, Chapter 62 - S174
Introduced by Mr. Rabe.
Not amended during passage.
No statement on bill.

- L. 1898, Chapter 181 - S174
Introduced February 23 by Mr. Vreeland.
Not amended during passage.
No statement on bill.

- L. 1933, Chapter 326 - S445
Introduced June 19 by Mr. Barbour.
Not amended during passage.
Statement on bill (copy of bill and statement enclosed).

- L. 1935, Chapter 57 - A237
Introduced January 28 by Mr. Young.
Not amended during passage.
Statement on bill (copy of bill and statement enclosed).

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SENATE--NO. 174.

STATE OF NEW JERSEY.

By Mr. RABE.

A Supplement to the act entitled "An act to incorporate benevolent and charitable associations," approved April ninth, eighteen hundred and seventy-five.

1 1. BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey,*
2 That it shall be lawful for two or more associations incorporated under the act
3 to which this is a supplement, or under any special act of this State, for benevo-
4 lent and charitable purposes only, to consolidate their corporate rights, powers
5 and privileges into one association, so that by such act of consolidation all the
6 property, rights and privileges by law vested in such associations shall be trans-
7 ferred to and become vested in the association to be formed by such acts of con-
8 solidation, under whichever name as by such agreements of consolidation may
9 be adopted.

1 2. *And be it enacted,* That such consolidation may be agreed upon at a
2 special meeting of the trustees, managers, board of council, or other persons
3 having the lawful control and management of any such association, by what-
4 ever name they may be known, such meeting to be called for that purpose only ;
5 that if at such meeting two-thirds of all the trustees, managers, or other per-
6 sons, as aforesaid, shall be in favor of an agreement to consolidate as aforesaid,
7 then a certificate, reciting fully such facts, shall be made, signed by the secre-
8 tary and president of each association so agreeing to consolidate, who shall cause
9 the same to be filed in the office of the secretary of state, and thereupon the act
10 of consolidation shall be deemed complete, and all the property, powers and

11 privileges theretofore held, possessed and enjoyed by the associations entering
 12 into such agreement of consolidation shall become vested in the association into
 13 which such consolidation has taken place and by whatever name as may have
 14 been agreed upon.

1 3. *And be it enacted*, That any two or more such benevolent and charitable
 2 associations having heretofore agreed to consolidate, and having substantially
 3 carried out such agreement of consolidation in accordance with the provisions
 4 of this, heretofore agreed to consolidate their powers, property and privileges,
 5 and having substantially complied with the provisions of this act, may certify
 6 their acts and proceedings in that respect, and cause such certificate to be filed
 7 in the office of the secretary of state, and thereupon shall be entitled to all the
 8 privileges and benefits conferred by this act.

1 4. *And be it enacted*, That this act shall take effect immediately.

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SENATE, No. 174.

STATE OF NEW JERSEY.

INTRODUCED FEBRUARY 23, 1898.

By Mr. VREELAND.

Referred to the Committee on Corporations.

AN ACT to incorporate associations not for pecuniary profit.

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

1 1. Any five or more persons who shall desire to associate themselves
2 for any lawful purposes other than for pecuniary profit, may make, sign and
3 acknowledge before any person authorized to take the acknowledgment and
4 proof of deeds in this state and file in the office of the secretary of state
5 and record in the office of the clerk of the county in which the principal
6 business of the corporation is to be conducted, a certificate in writing in
7 which shall be stated the name or title by which such corporation is to be
8 known in law, the purpose for which it is formed, the place where it is to be
9 located, or its business conducted, the number of the trustees, which shall
10 be not less than five, and the names of the trustees selected for the first year
11 of its existence.

1 2. The certificate may at the option of the incorporators contain provi-
2 sions prescribing the qualification of officers and members whereby they
3 may be required to be members in good standing of any fraternal, religious
4 or beneficiary order or society or of any fire or police force or have other
5 prescribed qualifications, which provisions shall be binding on the members

6 and officers, and the certificate may contain any other provision for the
7 regulation of the business and conduct of the affairs of the association, and
8 any limitation or regulation of the powers of the corporation and of its
9 officers and members, not inconsistent with law or this act, which the incor-
10 porators may choose to insert.

1 3. Upon filing the certificate as aforesaid, the persons who shall have
2 signed and acknowledged such certificate and their associates and successors,
3 shall thereupon by virtue of this act be a body politic and corporate by the
4 name stated in such certificate, and as such shall have power:

5 I. To have perpetual succession by its corporate name;

6 II. To sue and be sued, complain and defend, in any court of law or
7 equity;

8 III. To make and use a common seal and alter the same at pleasure;

9 IV. To appoint such officers, managers and agents as the business of
10 the corporation may require;

11 V. To make by-laws, not inconsistent with the laws of the state or of
12 the United States, for the management of its property and the regulation of
13 its affairs;

14 VI. To contract and be contracted with;

15 VII. To take and hold by lease, gift, purchase, grant, devise or bequest
16 any property, real or personal, for the objects of the corporation; borrow
17 money for the purposes of the corporation and issue bonds therefor, and to
18 secure the same by mortgage;

19 VIII. To exercise any corporate powers necessary to the exercise of the
20 powers above enumerated and given.

1 4. The business of the association shall be conducted by the trustees,
2 subject to the by-laws which shall be passed by the members; the trustees
3 shall be elected by the members and shall hold office for one year, or such
4 term as the by-laws provide, and until their successors shall be elected; a
5 majority of the trustees must be residents of this state; there shall be a

6 president, secretary and treasurer, to be chosen by the trustees, unless the
7 by-laws provide for the election of any of them by the members; either the
8 president or secretary may be eligible to the office of treasurer, if the by-laws
9 so provide; whenever trustees, managers or directors shall be elected, a
10 certificate under the seal of the corporation, giving the names of those
11 elected and the term of their office, shall be filed in the office of the clerk of
12 the county in which the original certificate was filed; vacancies shall be
13 filled in the manner provided in the by-laws, and upon filling any vacancy
14 a like certificate shall be filed; there shall be paid to the county clerk a
15 fee of twenty-five cents for filing and indexing each certificate, and to the
16 secretary of state a fee of one dollar upon filing each certificate.

1 5. Any corporation not for pecuniary profit, heretofore incorporated
2 under the provisions of any act, general, special or private in this state,
3 may become incorporated under the provisions of this act, in the same
4 manner as if it had not previously been incorporated; in each case the new
5 corporation shall be entitled to and invested with all the real and personal
6 estate of the old corporation, in like manner and to the same extent as the
7 old corporation, subject to all debts and liabilities.

1 6. Any two or more associations not for pecuniary profit, formed for
2 similar objects under this act or any other act, may combine under this act
3 by vote of the managers or trustees, ratified by vote of a majority of the
4 members of each association, which combination shall be effected by certi-
5 ficate made and filed pursuant to the first section of this act, which
6 certificate shall also set forth the names of the companies combined and the
7 terms of the combination and the date and particulars of the approval
8 thereof by the managers or trustees and by the members, and the property
9 of the former associations may be transferred and conveyed to the new one,
10 subject however, to any trusts on which it may be held; the name of any
11 association may be changed by authority of its trustees or managers and of
12 a majority of its members, by certificate made and filed in the office of the

13 secretary of state and county clerk setting forth the facts required in section
14 one and in addition the former name of the company and the date of the
15 approval of the change by the trustees or managers and by the members ;
16 the statement of facts in such certificate of a combination or change of
17 name shall be verified by oath ; no suit by or against any company shall
18 be affected by such combination or change of name.

1 7. When any minor, child or children shall have been abandoned,
2 abused, assaulted or cruelly treated in any manner whatsoever by parents,
3 guardian or custodians, and satisfactory and legal proof of the same shall
4 be produced before a justice of peace or judge of any court of record, it
5 shall be lawful for any justice of the peace, or judge or judges, of any court of
6 record aforesaid, to commit such child or children to the care and custody
7 of any corporation organized under the provisions of this act for the purpose
8 of the prevention of cruelty to children or for the care and custody of chil-
9 dren, and said corporation may indenture said child or children with a view
10 to provide homes suitable for them.

1 8 All judges, justices of the peace, constables, sheriffs and officers of
2 police shall, as occasion may require, aid such corporation, its officers,
3 members and agents in the enforcement of all laws which are now or may
4 hereafter be enacted relating to or affecting children, and for the purpose of
5 bringing offenders against such laws to justice, the like powers shall be and
6 are hereby given to the members, officers and agents of such corporation as
7 are or may be given by law to the members, officers and agents of the
8 society for the prevention of cruelty to animals.

1 9. It shall be lawful for associations incorporated under this act, where
2 their certificate of incorporation so specifies, to provide for the relief of dis-
3 abled or destitute members or their families and to maintain a fund for that
4 purpose, or to contract with their members to pay death benefits according
5 to the rules or by-laws adopted by such associations, and to agree to pay the
6 same to the husband, wife, father, mother, son, daughter, brother, sister or

7 legal representative of such member, after his or her death, which contract
8 the beneficiary therein named shall have full legal power to enforce in pro-
9 ceedings at law or equity.

1 10. Any orphan asylum association, organized under the provisions of
2 this act, in addition to the powers given by section three, shall have power :

3 (A) To apply for and accept the guardianship of orphans, or children
4 who have no mother, upon giving proper security and complying with the
5 laws of this state relative to guardianship ;

6 (B) To bind out such children as shall have been under their care for
7 more than one year, as said association may deem advisable ; *provided*, that
8 when the parent of any such child shall pay anything to the said associa-
9 tion for its support, the consent of such parent to the exercise by said
10 association of such control over the said child shall be required ;

11 (C) To receive and retain all or any such orphan child or children or
12 child having no mother, as may be placed under their charge, subject to
13 such rules, by-laws and regulations as may from time to time be passed by
14 the trustees of said association.

1 11. Whenever in the judgment of any corporation, organized under the
2 provisions of this act, it shall be deemed advisable and most for the benefit
3 of such corporation that the same should be dissolved, it shall and may be
4 lawful for such corporation, within ten days after the adoption of a resolu-
5 tion to that effect by said corporation, to cause written or printed notice of
6 the adoption of such resolution to be mailed to each and every member of
7 said corporation, residing in the United States, and also within ten days to
8 cause a like notice to be published in one or more newspapers published
9 and circulated in the county wherein such corporation shall have their place
10 of meeting, at least four weeks successively, once a week next preceding the
11 time appointed for the same, of a meeting of such members of said corpora-
12 tion, to be held at the usual place of meeting of said corporation, in such
13 county, to take action upon such resolution, and which meeting may, on

14 the day so appointed, by the consent of a majority of the said members
15 present, be adjourned from time to time for not less than one week at any
16 time, of which adjourned meeting notice by advertisement in such paper
17 shall be given; and if at any such meeting two thirds of all the members
18 then present shall consent by resolution that such dissolution shall take
19 place, then and in such case such corporation shall, upon filing a certificate
20 of such consent duly attested by their secretary, in the office of the secretary
21 of state, and receiving from him a certificate that such certificate of consent
22 has been filed, be dissolved, and the said corporation shall cause such certifi-
23 cate to be published four weeks successively, at least once in each week, in
24 one or more of the newspapers published and circulated in the county in
25 which such corporation has had its place of meeting; *provided*, that the
26 secretary of state shall not issue the certificate of dissolution hereinbefore
27 mentioned until satisfied by due proof that the requirements aforesaid have
28 been fully complied with by such corporation; *and provided further*, that no
29 distribution of the assets of any corporation affected by this act shall be
30 made until the debts of such corporation shall have been fully satisfied, nor
31 shall any property be diverted from any trust created by the donor or
32 grantor.

1 12. No corporation, association or society authorized by this act and
2 having no capital stock shall be formed under any other act; this act is
3 subject to any alteration or modification which may be hereafter enacted by
4 general law as to the amount of real and personal property to be held by
5 the corporations herein provided for.

1 13. All acts and parts of acts, general and special, inconsistent with
2 this act are hereby repealed; but no existing corporation shall be thereby
3 dissolved, and nothing herein contained shall impair or annul any vested
4 rights, privileges or powers actually exercised and enjoyed by any corpora-
5 tion under any law hereby repealed.

STATE OF NEW JERSEY

INTRODUCED JUNE 19, 1933

By Mr. BARBOUR

Referred to Committee on Judiciary

AN ACT to amend an act entitled 'An act to incorporate associations not for pecuniary profit,' approved April twenty-first, one thousand eight hundred and ninety-eight.

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

1 1. Section one of the act to which this act is an amendment be and the
2 same is hereby amended to read as follows:

3 1. Any five or more persons, societies, associations, corporations or
4 clubs who or which shall desire to associate themselves for any lawful pur-
5 pose other than for pecuniary profit, may make, sign and acknowledge before
6 any person authorized to take the acknowledgment and proof of deeds in this
7 State and file in the office of the Secretary of State and record in the office
8 of the clerk of the county in which the principal business of the corporation
9 is to be conducted, a certificate in writing in which shall be stated the name
10 or title by which such corporation is to be known in law, the purpose for
11 which it is formed, the place where it is to be located, or its business con-
12 ducted, the number of trustees, which shall not be less than three, and the
13 names of the trustees selected for the first year of its existence; *provided,*
14 that in case the purposes, objects or business of said corporations are to
15 be carried on in whole or in part outside of the State, said corporation shall
16 maintain an office in this State, with a resident agent in charge thereof dur-
17 ing the business hours, upon whom process against said corporation may be

18 served; *and provided, further*, that in that case the said certificate shall set
 19 forth the location of said office and the name of said agent; *and provided*,
 20 *further*, that under this act no certificate of incorporation relating to
 21 eleemosynary or charitable institutions, other than aid societies of properly
 22 organized and accredited churches and fraternal societies organized for aid
 23 and relief of their members, shall be filed as herein prescribed before first
 24 having been certified to and approved by the Commissioner of Charities and
 25 Corrections.

1 2. Section four of the act to which this act is an amendment be and the
 2 same is hereby amended to read as follows:

3 4. The business of the association shall be conducted by the trustees,
 4 subject to the by-laws which shall be passed by the members. The trustees
 5 shall be governed by a majority vote of those present at any duly convened
 6 regular or special meeting, unless otherwise provided by the by-laws. The
 7 trustees shall be elected by the members or as the certificate of incorporation
 8 or the by-laws shall provide, and shall hold office for one year, or such term
 9 as the by-laws provide, and until their successors shall be elected; at least
 10 one trustee shall be a resident of this State; there shall be a president,
 11 secretary and treasurer, to be chosen by the trustees, unless the by-laws pro-
 11 vide for the election of any of them by the members; either the president or
 12 secretary may be eligible to the office of treasurer if the by-laws so provide;
 13 whenever trustees, managers or directors shall be elected, a certificate under
 14 the seal of the corporation, giving the names of those elected and the term
 15 of their office, shall be filed in the office of the clerk of the county in which
 16 the original certificate was filed; vacancies shall be filled in the manner
 17 provided in the by-laws; and upon filling any vacancy a like certificate shall
 18 be filed; there shall be paid to the county clerk a fee of twenty-five cents
 19 (\$.25) for filing and indexing each certificate and to the Secretary of State,
 20 a fee of one dollar (\$1.00) upon filing each certificate.

1 3. Section eleven of the act to which this act is an amendment be and
 2 the same is hereby amended to read as follows:

11. Whenever in the judgment of any corporation, organized under the provisions of this act, it shall be deemed advisable and most for the benefit of such corporation that the same should be dissolved, it shall and may be lawful for such corporation, within ten days after the adoption of a resolution to that effect by said corporation, to cause written or printed notice of the adoption of such resolution to be mailed to each and every member of said corporation, residing in the United States, and also within ten days to cause a like notice to be published in one or more newspapers published and circulated in the county wherein such corporation shall have [their] its place of meeting, at least four weeks successively, once a week, next preceding the time appointed for the same, of a meeting of such members of said corporation, to be held at the usual place of meeting of said corporation, in such county, to take action upon such resolution, and which meeting may, on the day so appointed, by the consent of the majority of the said members present, be adjourned from time to time for not less than one week at any time, of which adjourned meeting notice by advertisement in such paper shall be given; and if at any such meeting two-thirds of all the members then present shall consent by resolution that such dissolution shall take place, then and in such case such corporation shall upon filing a certificate of such consent, duly attested by their secretary, in the office of the Secretary of State, and receiving from him a certificate that such certificate of consent has been filed, be dissolved, and the said corporation shall cause such certificate to be published four weeks successively, at least once in each week, in one or more of the newspapers published and circulated in the county in which such corporation has had its place of meeting; *provided*, that the Secretary of State shall not issue the certificate of dissolution hereinbefore mentioned until satisfied by due proof that the requirements aforesaid have been fully complied with by such corporation; *and provided, further*, that no distribution of the assets of any corporation affected by this act shall be made until the debts of such corporation shall have been fully satisfied, nor shall any property be diverted from any trust created by the donor or grantor. After all debts have been fully satisfied, the assets of the corpora-

35 tion shall be distributed in accordance with the by-laws of the corporation.

36 In the absence of any such provisions, the assets shall be distributed per

37 capita among the membership.

1 4. All acts and parts of acts inconsistent with this act are hereby re-
2 pealed, and this act shall take effect immediately.

STATEMENT

The purpose of this act is to make clear certain provisions of the law concerning corporations not for pecuniary profit.

ASSEMBLY, No. 237

(1 *Comp. Stat.*, p. 128, *Sec.* 11)

(*P. L.* 1933, p. 853)

STATE OF NEW JERSEY

INTRODUCED JANUARY 28, 1935

By Mr. YOUNG

Referred to Committee on Corporations

AN ACT to amend an act entitled "An act to incorporate associations not for pecuniary profit," approved April twenty-first, one thousand eight hundred and ninety-eight.

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

1 1. Section eleven of the act to which this act is an amendment, and which
2 section was amended by act approved June twenty-sixth, one thousand nine
3 hundred and thirty-three (chapter three hundred and twenty-six of the laws
4 of one thousand nine hundred and thirty-three), be and the same is hereby
5 further amended to read as follows:

6 11. Whenever in the judgment of any corporation, organized under the
7 provisions of this act, it shall be deemed advisable and most for the benefit
8 of such corporation that the same should be dissolved, it shall and may be
9 lawful for such corporation, within ten days after the adoption of a resolu-
10 tion to that effect by said corporation, to cause written or printed notice of
11 the adoption of such resolution to be mailed to each and every member of
12 said corporation, residing in the United States, and also within ten days to
13 cause a like notice to be published in one or more newspapers published and
14 circulated in the county wherein such corporation shall have its place of
15 meeting, at least four weeks successively, once a week, next preceding the

16 time appointed for the same, of a meeting of such members of said corpora-
17 tion, to be held at the usual place of meeting of said corporation, in such
18 county, to take action upon such resolution, and which meeting may, on the
19 day so appointed, by the consent of the majority of the said members pres-
20 ent, be adjourned from time to time for not less than one week at any time,
21 of which adjourned meeting notice by advertisement in such paper shall be
22 given; and if at any such meeting two-thirds of all the members then present
23 shall consent by resolution that such dissolution shall take place, then and
24 in such case such corporation shall upon filing a certificate of such consent,
25 duly attested by their secretary, in the office of the Secretary of State, and
26 receiving from him a certificate that such certificate of consent has been
27 filed be dissolved; provided, however, that whenever all the members shall
28 consent in writing to a dissolution, no meeting or notice thereof shall be nec-
29 essary, but on filing said consents in the office of the Secretary of State he
30 shall forthwith issue a dissolution certificate. The said corporation shall in
31 every case cause such certificate of the Secretary of State to be published
32 four weeks successively, at least once in each week, in one or more of the
33 newspapers published and circulated in the county in which such corporation
34 has had its place of meeting; *provided further*, that the Secretary of State
35 shall not issue the certificate of dissolution hereinbefore mentioned until satis-
36 fied by due proof that the requirements aforesaid have been fully complied
37 with by such corporation; *and provided further*, that no distribution of the
38 assets of any corporation affected by this act shall be made until the debts
39 of such corporations shall have been fully satisfied, nor shall any property
40 be diverted from any trust created by the donor or grantor. After all
41 debts have been fully satisfied, the assets of the corporation shall be dis-
41 tributed in accordance with the by-laws of the corporation. In the absence
42 of any such provisions, the assets shall be distributed per capita among the
43 membership.

1 2. All acts and parts of acts inconsistent with this act are hereby re-
2 pealed, and this act shall take effect immediately.

STATEMENT

The object of the above amendment is to simplify the procedure for the dissolution of incorporated associations not for pecuniary profit, where unanimous consent of the membership is obtainable, and to make the practice similar to that under the general corporation act where unanimous consent is obtainable.