

2A:53A-7.1

**LEGISLATIVE HISTORY CHECKLIST**

**NJSA:** 2A:53A-7.1

(Non-profit  
economic  
development)

**LAWS OF:** 1989

**CHAPTER:** 283

**Bill No:** S235

**Sponsor(s):** O'Connor

**Date Introduced:** Pre-filed

**Committee: Assembly:** Insurance

**Senate:** Judiciary

**Amended during passage:** No

**Date of Passage: Assembly:** January 8, 1990

**Senate:** February 2, 1989

**Date of Approval:** January 12, 1990

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee Statement: Assembly:** Yes

**Senate:** Yes

**Fiscal Note:** No

**Veto Message:** No

**Message on signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** No

1 **AN ACT** exempting volunteers of certain organizations from  
2 liability under certain conditions and amending P.L.1987, c.87  
3 (C.2A:53A-7.1).

4

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

7 1. Section 1 of P.L.1987, c.87 (C.2A:53A-7.1) is amended to  
8 read as follows:

9 1. a. Notwithstanding any other provision of law to the  
10 contrary, no person serving without compensation, other than  
11 reimbursement for actual expenses, as a trustee, director,  
12 officer or voluntary members of any board, council or governing  
13 body of any nonprofit corporation, society or association as  
14 provided in P.L.1959, c.90 (C.2A:53A-7 to 2A:53A-11), or  
15 nonprofit federation council or affiliated group composed of  
16 these organizations or a voluntary association as provided by  
17 P.L.1979, c.172 (C.18A:11-3) or to a conference under the  
18 jurisdiction of such a voluntary association, shall be liable for  
19 damages resulting from the exercise of judgment or discretion in  
20 connection with the duties of his office unless the actions  
21 evidence a reckless disregard for the duties imposed by the  
22 position.

23 b. Notwithstanding any provisions of law to the contrary, no  
24 person who provides volunteer service or assistance for any  
25 nonprofit corporation, society or association as provided in  
26 P.L.1959, c.90 (C.2A:53A-7 to 2A:53A-11), or nonprofit  
27 federation council or affiliated group composed of these  
28 organizations or a voluntary association as provided by P.L.1979,  
29 c.172 (C.18A:11-3) or to a conference under the jurisdiction of  
30 such a voluntary association shall be liable in any action for  
31 damages as a result of his acts of commission or omission arising  
32 out of and in the course of his rendering the volunteer service or  
33 assistance.

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        Nothing in this subsection shall be deemed to grant immunity  
2 to any person causing damage by his willful, wanton or grossly  
3 negligent act of commission or omission.

4        Nothing in this subsection shall be deemed to grant immunity  
5 to any person causing damage as the result of his negligent  
6 operation of a motor vehicle.

7        c. Notwithstanding any other provision of law to the  
8 contrary, the provisions of subsection a. of this section shall be  
9 applicable to any person serving without compensation, other  
10 than reimbursement for actual expenses, as a trustee, director,  
11 officer or voluntary member of the board or governing body of  
12 any nonprofit corporation which is organized pursuant to the  
13 provisions of Title 15A of the New Jersey Statutes and whose  
14 purpose is the encouragement of economic development in a  
15 municipality or a county.

16 (cf: P.L.1987, c.87, s.1)

17        2. This act shall take effect immediately.

18

19

20

## CIVIL JUSTICE

21

### Tort Liability

22

23        Exempts from civil liability under certain circumstances  
24 volunteers serving on the boards of nonprofit corporations  
25 organized for the purpose of encouraging economic development  
26 in a municipality or county.

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Senator O'CONNOR

1 **AN ACT** exempting volunteers of certain organizations from  
liability under certain conditions and amending P.L. 1987, c.  
3 87 (C. 2A:53A-7.1).

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

7 1. Section 1 of P.L. 1987, c. 87 (C. 2A:53A-7.1) is amended to  
read as follows:

9 1. a. Notwithstanding any other provision of law to the  
contrary, no person serving without compensation, other than  
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officer or voluntary members of any board, council or governing  
13 body of any nonprofit corporation, society or association as  
provided in P.L. 1959, c. 90 (C. 2A:53A-7 to 2A:53A-11), or  
15 nonprofit federation council or affiliated group composed of  
these organizations or a voluntary association as provided by  
17 P.L. 1979, c. 172 (C. 18A:11-3) or to a conference under the  
jurisdiction of such a voluntary association, shall be liable for  
19 damages resulting from the exercise of judgment or discretion in  
connection with the duties of his office unless the actions  
21 evidence a reckless disregard for the duties imposed by the  
position.

23 b. Notwithstanding any provisions of law to the contrary, no  
person who provides volunteer service or assistance for any  
25 nonprofit corporation, society or association as provided in P.L.  
1959, c. 90 (C. 2A:53A-7 to 2A:53A-11), or nonprofit federation  
27 council or affiliated group composed of these organizations or a  
voluntary association as provided by P.L. 1979, c. 172 (C.  
29 18A:11-3) or to a conference under the jurisdiction of such a  
voluntary association shall be liable in any action for damages as  
31 a result of his acts of commission or omission arising out of and  
in the course of his rendering the volunteer service or assistance.

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3        negligent act of commission or omission.

4        Nothing in this subsection shall be deemed to grant immunity  
5        to any person causing damage as the result of his negligent  
6        operation of a motor vehicle.

7        c. Notwithstanding any other provision of law to the  
8        contrary, the provisions of subsection a. of this section shall be  
9        applicable to any person serving without compensation, other  
10       than reimbursement for actual expenses, as a trustee, director,  
11       officer or voluntary member of the board or governing body of  
12       any nonprofit corporation which is organized pursuant to the  
13       provisions of Title 15A of the New Jersey Statutes and whose  
14       purpose is the encouragement of economic development in a  
15       municipality or a county.

(cf: P.L. 1987, c. 87, s. 1)

17       2. This act shall take effect immediately.

19

#### CIVIL JUSTICE

21

#### Tort Liability

23       Exempts from civil liability under certain circumstances  
24       volunteers serving on the boards of nonprofit corporations  
25       organized for the purpose of encouraging economic development  
in a municipality or county.

SENATE, No. 235

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Senator O'CONNOR

1 **AN ACT** exempting volunteers of certain organizations from  
liability under certain conditions and amending P.L. 1987, c.  
3 87 (C. 2A:53A-7.1).

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

7 1. Section 1 of P.L. 1967, c. 87 (C. 2A:53A-7.1) is amended to  
read as follows:

9 1. a. Notwithstanding any other provision of law to the  
contrary, no person serving without compensation, other than  
11 reimbursement for actual expenses, as a trustee, director,  
officer or voluntary members of any board, council or governing  
13 body of any nonprofit corporation, society or association as  
provided in P.L. 1959, c. 90 (C. 2A:53A-7 to 2A:53A-11), or  
15 nonprofit federation council or affiliated group composed of  
these organizations or a voluntary association as provided by  
17 P.L. 1979, c. 172 (C. 18A:11-3) or to a conference under the  
jurisdiction of such a voluntary association, shall be liable for  
19 damages resulting from the exercise of judgment or discretion  
in connection with the duties of his office unless the actions  
21 evidence a reckless disregard for the duties imposed by the  
position.

23 b. Notwithstanding any provisions of law to the contrary, no  
person who provides volunteer service or assistance for any  
25 nonprofit corporation, society or association as provided in P.L.  
1959, c. 90 (C. 2A:53A-7 to 2A:53A-11), or nonprofit  
27 federation council or affiliated group composed of these  
organizations or a voluntary association as provided by P.L.  
29 1979, c. 172 (C. 18A:11-3) or to a conference under the  
jurisdiction of such a voluntary association shall be liable in any  
31 action for damages as a result of his acts of commission or  
omission arising out of and in the course of his rendering the  
33 volunteer service or assistance.

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Matter underlined thus is new matter.

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 3 negligent act of commission or omission.

4 Nothing in this subsection shall be deemed to grant immunity  
 5 to any person causing damage as the result of his negligent  
 6 operation of a motor vehicle.

7 c. Notwithstanding any other provision of law to the  
 8 contrary, the provisions of subsection a. of this section shall be  
 9 applicable to any person setting without compensation, other  
 10 than reimbursement for actual expenses, as a trustee, director,  
 11 officer or voluntary member of the board or governing body of  
 12 any nonprofit corporation which is organized pursuant to the  
 13 provisions of Title 15A of the New Jersey Statutes and whose  
 14 purpose is the encouragement of economic development in a  
 15 municipality or a county.

16 2. This act shall take effect immediately.

17

18

#### 19 STATEMENT

20  
 21 Recently enacted P.L. 1987, c. 87 (C. 2A:53A-7.1) provides  
 22 that persons serving without compensation on the boards of  
 23 religious, charitable and educational organizations are not liable  
 24 for damages resulting from the exercise of judgment or  
 25 discretion in connection with that service unless their actions  
 26 evidence a reckless disregard for their duties. The purpose of  
 27 this bill is to extend this exemption for civil liability to persons  
 28 who serve on a volunteer basis on the boards of nonprofit  
 29 corporations organized for the purpose of encouraging municipal  
 30 economic development and to nonprofits organized for the  
 31 purpose of encouraging county economic development.

32

#### 33 CIVIL JUSTICE

34

#### 35 Tort Liability

36  
 37 Exempts from civil liability under certain circumstances  
 38 volunteers serving on the boards of nonprofit corporations  
 39 organized for the purpose of encouraging economic development  
 in a municipality or county.

ASSEMBLY INSURANCE COMMITTEE.

STATEMENT TO

SENATE, No. 235

STATE OF NEW JERSEY

DATED: OCTOBER 13, 1988

The Assembly Insurance Committee reports this bill with a favorable recommendation.

This bill amends P.L.1987, c.87, which gives immunity from civil liability in certain cases to board members and other persons affiliated with nonprofit corporations which are organized for religious, charitable, and educational purposes. Senate Bill No. 235 extends that law to cover persons serving without compensation as a member of the board or governing body of any nonprofit corporation which is organized for the purpose of encouraging economic development in a municipality or county.

During the recent period of disruption in the commercial insurance market many public and quasi-public bodies found it difficult to procure adequate liability insurance coverage at affordable prices to cover volunteers who sit on boards or perform other functions. As a consequence, some individuals who had been serving without compensation on these economic development boards as a public service decided to resign their positions rather than risk their personal assets in the event of a lawsuit against the board. The Legislature has enacted P.L.1987, c.87 to protect boards of corporations which are organized for religious, charitable, or educational purposes. Because boards of public bodies do not fall into this category the members of these economic development boards do not fall within the purview of that law.

The purpose of this bill is to extend that same immunity to individuals who are serving on economic development boards.

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**SENATE JUDICIARY COMMITTEE**

**STATEMENT TO**

**SENATE, No. 235**

**STATE OF NEW JERSEY**

**DATED: JANUARY 28, 1988**

The Senate Judiciary Committee reports favorably Senate Bill No. 235.

Recently enacted P.L. 1987, c. 87 (C. 2A:53A-7.1) provides that persons serving without compensation on the boards of religious, charitable and educational organizations are not liable for damages resulting from the exercise of judgment or discretion in connection with that service unless their actions evidence a reckless disregard for their duties. The purpose of this bill is to extend this exemption from civil liability to persons who serve on a volunteer basis on the boards of nonprofit corporations organized for the purpose of encouraging county or municipal economic development.

This bill was pre-filed for introduction in the 1988 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.