

1:14-12 to 1:14-15

**LEGISLATIVE HISTORY CHECKLIST**

**NJSA:** 1:4-12 to 1:14-15 (Corporation and Business Law--  
establish permanent study commission)

**LAWS OF:** 1989 **CHAPTER:** 163

**Bill No:** A3230

**Sponsor(s):** Shusted and Rocco

**Date Introduced:** May 23, 1988

**Committee: Assembly:** Judiciary

**Senate:** Judiciary

**Amended during passage:** Yes Amendments during passage denoted by  
asterisks.

**Date of Passage: Assembly:** September 8, 1989

**Senate:** June 19, 1989

**Date of Approval:** August 11, 1989

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee Statement: Assembly:** Yes

**Senate:** Yes

**Fiscal Note:** No

**Veto Message:** Yes

**Message on signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** No

[FIRST REPRINT]  
ASSEMBLY, No. 3230

STATE OF NEW JERSEY

INTRODUCED MAY 23, 1988

By Assemblymen SHUSTED and ROCCO

2 AN ACT creating a permanent commission to study the general  
corporate and business law and related statutes, prescribing  
its membership and duties and making an appropriation.

4

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

8 1. a. There is created in the Legislative branch of State  
Government a permanent commission to be known as The New  
Jersey Corporate and Business Law Study Commission.

10 b. The commission shall consist of three members who are  
admitted to practice law in New Jersey, and who are  
12 distinguished in the field of corporate and business law to be  
appointed as follows: one member shall be appointed by the  
14 Governor; one by the President of the Senate; and one by the  
Speaker of the General Assembly. All members shall serve for a  
16 term of three years and shall be eligible for reappointment.

18 c. Vacancies shall be filled in the same manner as the original  
appointment, but for the unexpired term only.

20 d. The members of the commission shall serve without  
compensation, but shall be reimbursed for necessary expenses  
actually incurred in the performance of their duties under this  
22 act.

24 2. The commission shall organize as soon after the  
appointment of its members as is practicable, shall choose a  
chairman from among its members and shall appoint a secretary  
26 who need not be a member of the commission.

28 3. a. It shall be the duty of the commission to study and  
review all aspects of the statutes, legislation and decisions of the  
courts in this State and other states relating to business entities,  
30 including business corporations and partnerships and the issuance  
of ownership interests or securities thereby. In addition the

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:  
1 Assembly AJU committee amendments adopted August 12, 1988.

2 commission shall study and review all aspects of the law  
governing non-profit corporations in this State and other states.

4 b. The commission shall have the power to call to its  
assistance and avail itself of the services of employees of any  
6 State, county or municipal department, board, bureau,  
commission or agency as it may require and as may be available  
8 to it for its purposes, to hold public hearings from time to time,  
and to employ counsel, stenographic and clerical assistants and  
10 incur traveling and other miscellaneous expenses as it may deem  
necessary in order to perform its duties, and as may be within the  
limits of funds appropriated or otherwise made available to it for  
12 its purposes.

4. The commission shall file annually with the Governor and  
14 the Legislature a report containing its findings and  
recommendations, accompanying its report with any proposed  
16 legislation which it may desire to recommend for enactment.

15. There is appropriated from the General Fund the sum of  
18 \$50,000 to effectuate the purposes of this act.<sup>1</sup>

<sup>1</sup>[5.] 6.<sup>1</sup> This act shall take effect immediately.

20

22

CIVIL JUSTICE

Corporations

24

Creates a permanent corporate and business law study  
26 commission; appropriates \$50,000.

1       b. The commission shall have the power to call to its  
assistance and avail itself of the services of employees of any  
3 State, county or municipal department, board, bureau,  
commission or agency as it may require and as may be available  
5 to it for its purposes, to hold public hearings from time to time,  
and to employ counsel, stenographic and clerical assistants and  
7 incur traveling and other miscellaneous expenses as it may deem  
necessary in order to perform its duties, and as may be within the  
9 limits of funds appropriated or otherwise made available to it for  
its purposes.

11       4. The commission shall file annually with the Governor and  
the Legislature a report containing its findings and  
13 recommendations, accompanying its report with any proposed  
legislation which it may desire to recommend for enactment.

15       5. This act shall take effect immediately.

17

#### STATEMENT

19

This bill creates, within the Legislative branch, a commission  
21 to be known as The New Jersey Corporate and Business Law  
Study Commission. The purpose of this commission is to study  
23 and review the laws and legislation of this State and other states  
dealing with business entities, including business corporations and  
25 partnerships, and the issuance of ownership interests, or  
securities, thereby. The commission shall also study the laws  
27 governing non-profit corporations in this and other states.

This commission will consist of three members, admitted to  
29 practice law in New Jersey, and who are distinguished in the field  
of corporate and business law. One member is to be appointed by  
31 the Governor, one by the President of the Senate and one by the  
Speaker of the General Assembly. Members may serve three year  
33 terms and are eligible for reappointment. They will serve  
without compensation, although they may be reimbursed for  
35 expenses.

The commission is to submit an annual report of its findings  
37 and recommendations to the Governor and Legislature and any  
legislative proposals it recommends for enactment.

A3230(25)

ASSEMBLY JUDICIARY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3230

with committee amendments

STATE OF NEW JERSEY

DATED: AUGUST 12, 1988

The Assembly Judiciary Committee reports favorably and with committee amendments Assembly Bill No. 3230.

Assembly Bill No. 3230 creates, within the Legislative branch, a commission to study and review the laws and legislation of New Jersey and other states relating to business entities. In addition, the commission shall study and review all aspects of the law governing non-profit corporations in New Jersey and other states.

This commission, to be known as the New Jersey Corporate and Business Law Study Commission shall consist of three members distinguished in the field of corporate and business law who will serve without compensation. The commission shall report annually to the Governor and Legislature.

The committee amended the bill to add a \$50,000 appropriation.

SENATE JUDICIARY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3230

STATE OF NEW JERSEY

DATED: OCTOBER 20, 1988

The Senate Judiciary Committee reports favorably Assembly Bill No. 3230.

This bill creates, within the Legislative branch, a commission to study and review the laws and legislation of New Jersey and other states relating to business entities. In addition, the commission shall study and review all aspects of the law governing non-profit corporations in New Jersey and other states.

This commission, to be known as the New Jersey Corporate and Business Law Study Commission, shall consist of three members knowledgeable in the field of corporate and business law who will serve without compensation. The Governor, the President of the Senate and the Speaker of the General Assembly would each appoint one member. The commission shall report annually to the Governor and Legislature.

The bill contains an appropriation of \$50,000 for the purpose of establishing the commission.

FISCAL NOTE TO  
ASSEMBLY, No. 3230

STATE OF NEW JERSEY

LAW LIBRARY COPY  
DO NOT REMOVE

DATED: August 10, 1988

Assembly Bill No. 3230 of 1988 creates the New Jersey Corporate and Business Law Study Commission as a permanent legislative commission. Its purpose is to study and review the law and legislation of this and other states dealing with business entities, including business corporations and partnerships, and the issuance of ownership interests or securities thereby. Non-profit corporations in this and other states will also be studied.

The commission shall have three members who are admitted to practice law in New Jersey and who are distinguished in the field of corporate and business law. These members shall serve without compensation, although they may be reimbursed for any expenses which they may incur. The commission is also authorized to employ counsel, stenographic and clerical assistants to assist it in its activities.

The Office of Legislative Services notes that the commission may require the use of one professional at an approximate annual salary of \$30,000 and one secretary at an approximate annual salary of \$15,000 to assist it in its research activities and the development of its annual report to the governor. An additional \$5,000 may be required for miscellaneous expenses, such as office space, equipment and travel, for a total first-year cost of about \$50,000.

This fiscal note has been prepared pursuant to P.L.1980, c.67.

---

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

August 11, 1989

ASSEMBLY BILL NO. 3230 (First Reprint)

Pursuant to Article V, Section I, Paragraph 15 of the Constitution, I am appending Assembly Bill No. 3230 (First Reprint) at the time of signing it my statement of the items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

This bill would create a permanent legislative commission to be known as the "New Jersey Corporate and Business Law Study Commission" (hereinafter referred to as the "Commission"). The Commission would consist of three unsalaried members, one appointed by the Governor, one by the President of the Senate and one by the Speaker of the General Assembly. The purpose of the Commission would be to study and review all aspects of the statutes, legislation, and decisions of the courts of New Jersey and other states relating to business entities, including business corporations, nonprofit corporations, partnerships and the issuance of ownership interests and securities. The results of the Commission's findings would be compiled annually in report form and filed with the Governor and the Legislature. In addition, the Commission would submit any proposed legislation that it recommends for enactment. To assist the Commission in its task, \$50,000 would be appropriated from the General Fund.

I am aware of the generous contributions the Corporate Law Revision Commission has made to New Jersey, in particular, the recent amendments to Title 14A, "The New Jersey Business Corporations Act." Our State's corporate climate depends in substantial part on the quality of its business laws. The Commission's tireless work in updating and improving New Jersey's corporate code thus represents an important asset that will help to ensure the continued economic vitality of the State.

While I recognize that New Jersey needs to remain current in the ever changing business law area, and although I support the continued operation of the Commission, I cannot support the appropriation of \$50,000 to the Commission. Unfortunately, due to our present fiscal constraints, the State is unable to afford this appropriation at this time. Because I have been informed that the Commission could function in a meaningful, though more limited, fashion even without an appropriation, I have signed the bill making the Commission a permanent body into law, but have deleted the appropriation.



STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

2

Accordingly, I herewith append the following statement of objections to the sums, or parts thereof, appropriated by this bill:

Page 2, Section 5, Lines 17-18: Omit in entirety

Page 2, Section 6, Line 19: Omit "6" insert "5"

Respectfully,

/s/ Thomas H. Kean

GOVERNOR

[seal]

Attest:

/s/ Deborah T. Poritz

Chief Counsel