

14A:17-14

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2011 **CHAPTER:** 27

NJSA: 14A:17-14 (Allows professional corporation to use or register an alternate name)

BILL NO: S914 (Substituted for A2809)

SPONSOR(S) Gill and others

DATE INTRODUCED: February 1, 2010

COMMITTEE: **ASSEMBLY:** Commerce and Economic Development

SENATE: Commerce

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** January 10, 2011

SENATE: March 22, 2010

DATE OF APPROVAL: March 1, 2011

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First reprint enacted)

S914

SPONSOR'S STATEMENT: (Begins on page 5 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

A2809

SPONSOR'S STATEMENT: (Begins on page 7 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

LAW/KR

P.L.2011, CHAPTER 27, *approved March 1, 2011*
Senate, No. 914 (*First Reprint*)

1 AN ACT concerning the names ¹and State filings¹ of certain business
2 entities and amending various parts of the statutory law.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 14 of P.L.1969, c.232 (C.14A:17-14) is amended to
8 read as follows:

9 14. a. Corporate name. The corporate name of a professional
10 corporation shall contain the full or last names of one or more of the
11 shareholders or a name descriptive of the type of professional
12 service in which the corporation will be engaged and shall also
13 contain the words "chartered," "professional association" or "a
14 professional corporation," or the abbreviation "P.A.₂" **[or]** "P.C.₂"
15 "PA," or "PC". The use of the word "company," "corporation" or
16 "incorporated," or any other word, words, abbreviations, affix or
17 prefix indicating that it is a corporation, in the corporate name of a
18 professional corporation, other than the words "chartered,"
19 "professional association" or "a professional corporation," or the
20 abbreviation "P.A.₂" **[or]** "P.C.₂," "PA," or "PC" is specifically
21 prohibited. It shall be permissible, however, for the corporation and
22 the shareholders to render professional services or to exercise its
23 authorized powers under a name which is identical to its corporate
24 name except that the words "chartered," "professional association"
25 or "a professional corporation," or the abbreviation "P.A.₂" **[or]**
26 "P.C.₂" "PA," or "PC" is omitted. Nothing in the subsection shall
27 limit the right of a professional corporation to use or register an
28 alternate name pursuant to N.J.S.14A:2-2.1, provided that the
29 alternate name contains the full or last name of one or more of the
30 shareholders or adequately describes the type of professional
31 service in which the professional corporation will be engaged.

32 b. Notwithstanding the provisions of subsection a. of this
33 section, the corporate name of a professional corporation may
34 contain the name of a deceased person only if, at the time of the
35 person's death:

36 (1) that person's name was part of the corporate name; or

37 (2) that person's name was part of the name of an existing
38 partnership and at least two-thirds of that partnership's partners
39 become shareholders of the professional corporation.

40 (cf: P.L.1991, c.50, s.1)

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:

¹Senate SCM committee amendments adopted March 18, 2010.

1 ¹2. Section 5 of P.L.1983, c.489 (C.42:2A-5) is amended to read
2 as follows:

3 5. Definitions. As used in this chapter, unless the context
4 otherwise requires:

5 a. "Certificate of limited partnership" and "partnership
6 certificate" mean the certificate referred to in section 13 of
7 P.L.1983, c.489 (C.42:2A-14) as it may be corrected pursuant to
8 section 48 of P.L.1988, c.130 (C.42:2A-16.1) or amended or
9 restated from time to time.

10 b. "Contribution" means any cash, property, services rendered,
11 or a promissory note or other binding obligation to contribute cash
12 or property or to perform services, which a partner contributes to a
13 limited partnership in his capacity as a partner.

14 c. "Event of withdrawal of a general partner" means an event
15 that causes a person to cease to be a general partner as provided in
16 this chapter, or in the partnership agreement.

17 d. "Foreign limited partnership" means a partnership formed
18 under the laws of any state other than this State and having as
19 partners one or more general partners and one or more limited
20 partners.

21 e. "General partner" means a person who has been admitted to
22 a limited partnership as a general partner in accordance with the
23 partnership agreement and named in the certificate of limited
24 partnership as a general partner.

25 f. "Limited partner" means a person who has been admitted to
26 a limited partnership as a limited partner in accordance with the
27 partnership agreement.

28 g. "Limited partnership" and "domestic limited partnership"
29 mean a partnership formed by two or more persons under the laws
30 of this State and having one or more general partners and one or
31 more limited partners.

32 h. "Partner" means a limited or general partner.

33 i. "Partnership agreement" means any valid agreement, written
34 or oral, of the partners as to the affairs of a limited partnership and
35 the conduct of its business.

36 j. "Partnership interest" means a partner's share of the profits
37 and losses of a limited partnership and the right to receive
38 distributions of partnership assets.

39 k. "Person" means a natural person, partnership, limited
40 partnership (domestic or foreign), limited liability company or other
41 limited liability entity, trust, estate, association, or corporation.

42 l. "State" means a state, territory, or possession of the United
43 States, the District of Columbia, or the Commonwealth of Puerto
44 Rico.

45 m. Unless otherwise provided in the partnership certificate or in
46 the partnership agreement, "in interest" shall mean a vote or
47 percentage of a limited partner (in a class of limited partners) equal
48 to the portion that partner's share in contributions to the partnership

1 bears to the share in contributions to the partnership of all limited
2 partners (of that class).

3 n. "Principal office" means the place designated in the
4 partnership agreement or the place of business of the limited
5 partnership where the chief or principal affairs and business of the
6 partnership are transacted.

7 o. "Secretary of State" refers to the State Treasurer, based upon
8 the transfer of the functions, powers and duties of the Division of
9 Commercial Recording, established pursuant to section 1 of
10 P.L.1982, c.150 (C.52:16A-35) and currently referred to as the
11 Business Services Office, from the Department of State to the
12 Department of the Treasury pursuant to Reorganization Plan No.
13 004-1998.

14 p. "Treasurer" means the State Treasurer of the Department of
15 the Treasury.¹

16 (cf: P.L.2000, c.161, s.57)

17

18 ¹[2.] 3.¹ Section 6 of P.L.1983, c.489 (C.42:2A-6) is amended
19 to read as follows:

20 6. Name of limited partnership. a. The name of each limited
21 partnership as set forth in its certificate of limited partnership or the
22 name of any foreign limited partnership applying for a certificate of
23 authority to transact business in this State:

24 (1) Shall contain the words "limited partnership" or the
25 **[abbreviation]** abbreviations "L.P.," or "LP";

26 (2) May not contain the name of a limited partner unless it is
27 also the name of a general partner or the corporate name of a
28 corporate general partner, or the business of the limited partnership
29 had been carried on under that name before the admission of that
30 limited partner;

31 (3) May not contain any word or phrase indicating or implying
32 that it is organized other than for a purpose stated in its certificate
33 of limited partnership;

34 (4) Shall be such to distinguish it upon the records in the office
35 of the **[Secretary of]** State Treasurer from the names of other
36 domestic limited partnerships, foreign limited partnerships,
37 domestic profit corporations, foreign profit corporations, domestic
38 nonprofit corporations, and foreign nonprofit corporations or a
39 current name reservation or a current name registration unless there
40 is filed a certified copy of a final judgment of a court of competent
41 jurisdiction establishing the prior right of the limited partnership to
42 the use of the name in this State;

43 (5) Shall not contain any word or phrase, or any abbreviation or
44 derivative thereof, the use of which is prohibited or restricted by
45 any other statutes of this State, unless the restrictions have been
46 complied with.

47 b. This section shall not require any domestic limited
48 partnership organized prior to April 1, 1985 to change its name in

1 accordance with this section, if the name is otherwise lawful on
2 March 31, 1985. A limited partnership or foreign limited
3 partnership transacting business in this State shall not change its
4 limited partnership name on or after the effective date of P.L.1988,
5 c.130 to a name which is not available for limited partnership use
6 under this chapter.

7 c. If the name of a foreign limited partnership is not available
8 for use in this State because of paragraphs (1) through (4) of
9 subsection a., the limited partnership may be authorized to transact
10 business in this State under an assumed name by filing in the office
11 of the **【Secretary of】** State Treasurer with its application for an
12 original or amended certificate of authority a certificate of its
13 general partner adopting the assumed name for use in transacting
14 business in this State.

15 d. The limited partnership name of a domestic limited
16 partnership whose certificate of limited partnership has been
17 cancelled, the limited partnership name of a foreign limited
18 partnership whose certificate of limited partnership has been
19 cancelled or withdrawn, and the corporate name of any profit or
20 nonprofit corporation which has been dissolved and any name
21 confusingly similar to the name of a foreign limited partnership
22 whose certificate of limited partnership has been cancelled or
23 withdrawn, domestic limited partnership or profit or nonprofit
24 corporation which has been dissolved or which has been terminated
25 shall not be available for foreign or domestic limited partnership
26 use for two years after the effective time of cancellation,
27 withdrawal or termination, unless, within the two-year period, the
28 written consent of the dissolved, withdrawn or cancelled domestic
29 or foreign limited partnership or corporation to the adoption of its
30 name, or a confusingly similar name, is filed in the office of the
31 **‘【Secretary of】’** State **‘Treasurer’** with the certificate of limited
32 partnership of the new proposed domestic limited partnership or
33 with the application of a foreign limited partnership for an original
34 or amended certificate of authority to transact business in this State.

35 e. The filing in the office of the **【Secretary of】** State Treasurer
36 of the certificate of limited partnership of a domestic limited
37 partnership or the issuance by the **【Secretary of】** State Treasurer of
38 a certificate to a foreign limited partnership authorizing it to
39 transact business in this State shall not preclude an action by this
40 State to enjoin a violation of this section or any action by any
41 person adversely affected to enjoin the violation or the use of a
42 limited partnership name in violation of the rights of that person,
43 whether on principles of unfair competition or otherwise, and the
44 court may grant any other appropriate relief in the action.
45 (cf: P.L.1988, c.130, s.3)

1 4. Section 2 of P.L.1993, c.210 (C.42:2B-2) is amended to read
2 as follows:

3 2. As used in this act unless the context otherwise requires:

4 "Bankruptcy" means an event that causes a person to become
5 dissociated from a limited liability company as provided in section
6 24 of this act.

7 "Certificate of formation" means the certificate referred to in
8 section 11 of this act, and the certificate as amended.

9 "Contribution" means any cash, property, services rendered or a
10 promissory note or other obligation to contribute cash or property or
11 to perform services, which a person contributes to a limited liability
12 company in his capacity as a member; provided however, that
13 services rendered and obligations to perform services are
14 contributions only to the extent designated as contributions in the
15 operating agreement.

16 "Foreign limited liability company" means a limited liability
17 company formed under the laws of any state or under the laws of
18 any foreign country or other foreign jurisdiction and denominated
19 as such under the laws of such state or foreign country or other
20 foreign jurisdiction.

21 "Limited liability company" and "domestic limited liability
22 company" means a limited liability company formed under the laws
23 of this State and having one or more members.

24 "Limited liability company interest" means a member's share of
25 the profits and losses of a limited liability company and a member's
26 right to receive distributions of the limited liability company's
27 assets.

28 "Liquidating trustee" means a person carrying out the winding up
29 of a limited liability company.

30 "Manager" means a person who is named as a manager of a
31 limited liability company in, or designated as a manager of a limited
32 liability company pursuant to, an operating agreement or similar
33 instrument under which the limited liability company is formed.

34 "Member" means a person who has been admitted to a limited
35 liability company as a member as provided in section 21 of this act
36 or, in the case of a foreign limited liability company, in accordance
37 with the laws of the state or foreign country or other foreign
38 jurisdiction under which the foreign limited liability company is
39 organized.

40 "Operating agreement" means a written agreement among the
41 members, or in the case of a limited liability company with only one
42 member, the declaration by that one member of the terms of the
43 operating agreement which shall be deemed an agreement between
44 the member and the limited liability company, as to the affairs of a
45 limited liability company and the conduct of its business.

46 "Person" means a natural person, partnership (whether general or
47 limited and whether domestic or foreign), limited liability company,
48 foreign limited liability company, trust, estate, association,

1 corporation, custodian, nominee or any other individual or entity in
2 its own or any representative capacity.

3 “Secretary of State” refers to the State Treasurer, based upon the
4 transfer of the functions, powers and duties of the Division of
5 Commercial Recording, established pursuant to section 1 of
6 P.L.1982, c.150 (C.52:16A-35) and currently referred to as the
7 Business Services Office, from the Department of State to the
8 Department of the Treasury pursuant to Reorganization Plan No.
9 004-1998.

10 "State" means the District of Columbia or the Commonwealth of
11 Puerto Rico or any state, territory, possession, or other jurisdiction
12 of the United States other than this State.

13 “Treasurer” means the State Treasurer of the Department of the
14 Treasury.¹

15 (cf: P.L.2000, c.161, s.58)

16

17 ¹**[3.] 5.**¹ Section 3 of P.L.1993, c.210 (C.42:2B-3) is amended
18 to read as follows:

19 3. The name of each limited liability company as set forth in its
20 certificate of formation:

21 a. Shall contain the words "Limited Liability Company" or the
22 **[abbreviation]** abbreviations "L.L.C." or "LLC";

23 b. May contain the name of a member or manager;

24 c. Must be such as to distinguish it upon the records in the
25 office of the **[Secretary of]** State Treasurer from the name of any
26 corporation, limited partnership, business trust or limited liability
27 company reserved, registered, formed or organized under the laws
28 of this State or qualified to do business or registered as a foreign
29 corporation, foreign limited partnership or foreign limited liability
30 company in this State; provided, however, that a limited liability
31 company may register under any name which does not distinguish it
32 upon the records in the office of the **[Secretary of]** State Treasurer
33 from the name of any domestic or foreign corporation, limited
34 partnership, business trust or limited liability company reserved,
35 registered, formed or organized under the laws of this State with the
36 written consent of the other corporation, limited partnership,
37 business trust or limited liability company, which written consent
38 shall be filed with the **[Secretary of]** State Treasurer; and

39 d. Shall not contain any word or phrase, or any abbreviation or
40 derivative thereof, the use of which is prohibited or restricted by
41 any other statute of this State, unless the restrictions have been
42 complied with.

43 (cf: P.L.1993, c.210, s.3)

44

45 ¹**[4.] 6.**¹ This act shall take effect immediately.

S914 [1R]

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4

5

Allows professional corporation to use or register an alternate name; allows use of certain abbreviations in certain business names; updates references for certain State business filings.

SENATE, No. 914

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED FEBRUARY, 1 2010

Sponsored by:

Senator NIA H. GILL

District 34 (Essex and Passaic)

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

SYNOPSIS

Allows professional corporation to use or register an alternate name; allows use of certain abbreviations in certain business names.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/19/2010)

S914 GILL, SCUTARI

2

1 AN ACT concerning the names of certain business entities and
2 amending various parts of the statutory law.

3

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

6

7 1. Section 14 of P.L.1969, c.232 (C.14A:17-14) is amended to
8 read as follows:

9 14. a. Corporate name. The corporate name of a professional
10 corporation shall contain the full or last names of one or more of the
11 shareholders or a name descriptive of the type of professional
12 service in which the corporation will be engaged and shall also
13 contain the words "chartered," "professional association" or "a
14 professional corporation," or the abbreviation "P.A.," **[or]** "P.C.,"
15 "PA," or "PC". The use of the word "company," "corporation" or
16 "incorporated," or any other word, words, abbreviations, affix or
17 prefix indicating that it is a corporation, in the corporate name of a
18 professional corporation, other than the words "chartered,"
19 "professional association" or "a professional corporation," or the
20 abbreviation "P.A.," **[or]** "P.C.," "PA," or "PC" is specifically
21 prohibited. It shall be permissible, however, for the corporation and
22 the shareholders to render professional services or to exercise its
23 authorized powers under a name which is identical to its corporate
24 name except that the words "chartered," "professional association"
25 or "a professional corporation," or the abbreviation "P.A.," **[or]**
26 "P.C.," "PA," or "PC" is omitted. Nothing in the subsection shall
27 limit the right of a professional corporation to use or register an
28 alternate name pursuant to N.J.S.14A:2-2.1, provided that the
29 alternate name contains the full or last name of one or more of the
30 shareholders or adequately describes the type of professional
31 service in which the professional corporation will be engaged.

32 b. Notwithstanding the provisions of subsection a. of this
33 section, the corporate name of a professional corporation may
34 contain the name of a deceased person only if, at the time of the
35 person's death:

36 (1) that person's name was part of the corporate name; or

37 (2) that person's name was part of the name of an existing
38 partnership and at least two-thirds of that partnership's partners
39 become shareholders of the professional corporation.

40 (cf: P.L.1991, c.50, s.1)

41

42 2. Section 6 of P.L.1983, c.489 (C.42:2A-6) is amended to read
43 as follows:

44 6. Name of limited partnership. a. The name of each limited

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 partnership as set forth in its certificate of limited partnership or the
2 name of any foreign limited partnership applying for a certificate of
3 authority to transact business in this State:

4 (1) Shall contain the words "limited partnership" or the
5 **【abbreviation】** abbreviations "L.P.," or "LP";

6 (2) May not contain the name of a limited partner unless it is
7 also the name of a general partner or the corporate name of a
8 corporate general partner, or the business of the limited partnership
9 had been carried on under that name before the admission of that
10 limited partner;

11 (3) May not contain any word or phrase indicating or implying
12 that it is organized other than for a purpose stated in its certificate
13 of limited partnership;

14 (4) Shall be such to distinguish it upon the records in the office
15 of the **【Secretary of】** State Treasurer from the names of other
16 domestic limited partnerships, foreign limited partnerships,
17 domestic profit corporations, foreign profit corporations, domestic
18 nonprofit corporations, and foreign nonprofit corporations or a
19 current name reservation or a current name registration unless there
20 is filed a certified copy of a final judgment of a court of competent
21 jurisdiction establishing the prior right of the limited partnership to
22 the use of the name in this State;

23 (5) Shall not contain any word or phrase, or any abbreviation or
24 derivative thereof, the use of which is prohibited or restricted by
25 any other statutes of this State, unless the restrictions have been
26 complied with.

27 b. This section shall not require any domestic limited
28 partnership organized prior to April 1, 1985 to change its name in
29 accordance with this section, if the name is otherwise lawful on
30 March 31, 1985. A limited partnership or foreign limited
31 partnership transacting business in this State shall not change its
32 limited partnership name on or after the effective date of P.L. 1988,
33 c. 130 to a name which is not available for limited partnership use
34 under this chapter.

35 c. If the name of a foreign limited partnership is not available
36 for use in this State because of paragraphs (1) through (4) of
37 subsection a., the limited partnership may be authorized to transact
38 business in this State under an assumed name by filing in the office
39 of the **【Secretary of】** State Treasurer with its application for an
40 original or amended certificate of authority a certificate of its
41 general partner adopting the assumed name for use in transacting
42 business in this State.

43 d. The limited partnership name of a domestic limited
44 partnership whose certificate of limited partnership has been
45 cancelled, the limited partnership name of a foreign limited
46 partnership whose certificate of limited partnership has been
47 cancelled or withdrawn, and the corporate name of any profit or
48 nonprofit corporation which has been dissolved and any name

1 confusingly similar to the name of a foreign limited partnership
2 whose certificate of limited partnership has been cancelled or
3 withdrawn, domestic limited partnership or profit or nonprofit
4 corporation which has been dissolved or which has been terminated
5 shall not be available for foreign or domestic limited partnership
6 use for two years after the effective time of cancellation,
7 withdrawal or termination, unless, within the two-year period, the
8 written consent of the dissolved, withdrawn or cancelled domestic
9 or foreign limited partnership or corporation to the adoption of its
10 name, or a confusingly similar name, is filed in the office of the
11 Secretary of State with the certificate of limited partnership of the
12 new proposed domestic limited partnership or with the application
13 of a foreign limited partnership for an original or amended
14 certificate of authority to transact business in this State.

15 e. The filing in the office of the **【Secretary of】** State Treasurer
16 of the certificate of limited partnership of a domestic limited
17 partnership or the issuance by the **【Secretary of】** State Treasurer of
18 a certificate to a foreign limited partnership authorizing it to
19 transact business in this State shall not preclude an action by this
20 State to enjoin a violation of this section or any action by any
21 person adversely affected to enjoin the violation or the use of a
22 limited partnership name in violation of the rights of that person,
23 whether on principles of unfair competition or otherwise, and the
24 court may grant any other appropriate relief in the action.
25 (cf: P.L.1988, c.130, s.3)

26
27 3. Section 3 of P.L.1993, c.210 (C.42:2B-3) is amended to read
28 as follows:

29 3. The name of each limited liability company as set forth in its
30 certificate of formation:

31 a. Shall contain the words "Limited Liability Company" or the
32 **【abbreviation】** abbreviations "L.L.C.," or "LLC";

33 b. May contain the name of a member or manager;

34 c. Must be such as to distinguish it upon the records in the
35 office of the **【Secretary of】** State Treasurer from the name of any
36 corporation, limited partnership, business trust or limited liability
37 company reserved, registered, formed or organized under the laws
38 of this State or qualified to do business or registered as a foreign
39 corporation, foreign limited partnership or foreign limited liability
40 company in this State; provided, however, that a limited liability
41 company may register under any name which does not distinguish it
42 upon the records in the office of the **【Secretary of】** State Treasurer
43 from the name of any domestic or foreign corporation, limited
44 partnership, business trust or limited liability company reserved,
45 registered, formed or organized under the laws of this State with the
46 written consent of the other corporation, limited partnership,

1 business trust or limited liability company, which written consent
2 shall be filed with the **【Secretary of】** State Treasurer; and

3 d. Shall not contain any word or phrase, or any abbreviation or
4 derivative thereof, the use of which is prohibited or restricted by
5 any other statute of this State, unless the restrictions have been
6 complied with.

7 (cf: P.L.1993, c.210, s.3)

8

9 4. This act shall take effect immediately.

10

11

12

STATEMENT

13

14 This bill expressly provides that a professional corporation may
15 use or register an alternate name in compliance with N.J.S.14A:2-
16 2.1, provided that the alternate name contains the full or last name
17 of one or more of the shareholders or adequately describes the type
18 of professional service in which the professional corporation will be
19 engaged. This bill addresses uncertainty in the Business Services
20 Office (formerly Commercial Recording) of the Division of
21 Revenue, which previously permitted professional corporations to
22 register an alternate name and has more recently changed its
23 position.

24 The bill also allows: (1) a professional association or
25 professional corporation to use the abbreviation "PA" or "PC," in
26 addition to the currently permitted abbreviations "P.A." or "P.C.";
27 (2) a limited partnership to use the abbreviation "LP," in addition to
28 the currently permitted abbreviation "L.P."; and (3) a limited
29 liability company to use the abbreviation "LLC," in addition to the
30 currently permitted abbreviation "L.L.C."

31 The bill also updates current law to reflect that it is no longer the
32 Secretary of State that maintains corporate records, but the State
33 Treasurer (through the Division of Revenue; Business Services
34 Office).

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 914

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 2010

The Senate Commerce Committee reports favorably, and with committee amendments, Senate Bill No. 914.

This bill, as amended, expressly provides that a professional corporation may use or register an alternate name in compliance with N.J.S.14A:2-2.1, provided that the alternate name contains the full or last name of one or more of the shareholders or adequately describes the type of professional service in which the professional corporation will be engaged.

The bill also allows: (1) a professional association or professional corporation to use the abbreviation "PA" or "PC," in addition to the currently permitted abbreviations "P.A." or "P.C."; (2) a limited partnership to use the abbreviation "LP," in addition to the currently permitted abbreviation "L.P."; and (3) a limited liability company to use the abbreviation "LLC," in addition to the currently permitted abbreviation "L.L.C."

Further, the bill updates current law to reflect that the Secretary of State no longer maintains business records. Such activity is now handled by the State Treasurer, pursuant to the transfer of the functions, powers and duties of the Division of Commercial Recording, established pursuant to section 1 of P.L.1982, c.150 (C.52:16A-35) and currently referred to as the Business Services Office, from the Department of State to the Department of the Treasury by Reorganization Plan No. 004-1998.

The committee amendments to the bill:

- provide that references to the Secretary of State throughout the "Uniform Limited Partnership Law (1976)," P.L.1983, c.489 (C.42:2A-1 et seq.), and the "New Jersey Limited Liability Company Act," P.L.1993, c.210 (C.42:2B-1 et seq.), mean the State Treasurer, based upon the assumption of business filing responsibilities by the State Treasurer pursuant to Reorganization Plan 004-1998; and
- make consistent all references under the bill to the State Treasurer in further recognition of Reorganization Plan 004-1998.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE

STATEMENT TO

[First Reprint]
SENATE, No. 914

STATE OF NEW JERSEY

DATED: OCTOBER 18, 2010

The Assembly Commerce and Economic Development Committee reports favorably Senate Bill No. 914 (1R).

This bill, as amended by the Senate Commerce Committee, expressly provides that a professional corporation may use or register an alternate name in compliance with N.J.S.14A:2-2.1, provided that the alternate name contains the full or last name of one or more of the shareholders or adequately describes the type of professional service in which the professional corporation will be engaged.

The bill also allows: (1) a professional association or professional corporation to use the abbreviation "PA" or "PC," in addition to the currently permitted abbreviations "P.A." or "P.C."; (2) a limited partnership to use the abbreviation "LP," in addition to the currently permitted abbreviation "L.P."; and (3) a limited liability company to use the abbreviation "LLC," in addition to the currently permitted abbreviation "L.L.C."

Further, the bill updates current law to reflect that the Secretary of State no longer maintains business records. Such activity is now handled by the State Treasurer, pursuant to the transfer of the functions, powers and duties of the Division of Commercial Recording, established pursuant to section 1 of P.L.1982, c.150 (C.52:16A-35) and currently referred to as the Business Services Office, from the Department of State to the Department of the Treasury by Reorganization Plan No. 004-1998.

The Senate committee amendments to the bill:

- provide that references to the Secretary of State throughout the "Uniform Limited Partnership Law (1976)," P.L.1983, c.489 (C.42:2A-1 et seq.), and the "New Jersey Limited Liability Company Act," P.L.1993, c.210 (C.42:2B-1 et seq.), mean the State Treasurer, based upon the assumption of business filing responsibilities by the State Treasurer pursuant to Reorganization Plan 004-1998; and
- make consistent all references under the bill to the State Treasurer in further recognition of Reorganization Plan 004-1998.

ASSEMBLY, No. 2809

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JUNE 10, 2010

Sponsored by:

Assemblywoman LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Assemblyman ANGEL FUENTES

District 5 (Camden and Gloucester)

Co-Sponsored by:

Assemblyman Diegnan

SYNOPSIS

Allows professional corporation to use or register an alternate name; allows use of certain abbreviations in certain business names; updates references for certain State business filings.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/11/2011)

1 AN ACT concerning the names and State filings of certain business
2 entities and amending various parts of the statutory law.

3

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

6

7 1. Section 14 of P.L.1969, c.232 (C.14A:17-14) is amended to
8 read as follows:

9 14. a. Corporate name. The corporate name of a professional
10 corporation shall contain the full or last names of one or more of the
11 shareholders or a name descriptive of the type of professional
12 service in which the corporation will be engaged and shall also
13 contain the words "chartered," "professional association" or "a
14 professional corporation," or the abbreviation "P.A.," **[or]** "P.C.,"
15 "PA," or "PC". The use of the word "company," "corporation" or
16 "incorporated," or any other word, words, abbreviations, affix or
17 prefix indicating that it is a corporation, in the corporate name of a
18 professional corporation, other than the words "chartered,"
19 "professional association" or "a professional corporation," or the
20 abbreviation "P.A.," **[or]** "P.C.," "PA," or "PC" is specifically
21 prohibited. It shall be permissible, however, for the corporation and
22 the shareholders to render professional services or to exercise its
23 authorized powers under a name which is identical to its corporate
24 name except that the words "chartered," "professional association"
25 or "a professional corporation," or the abbreviation "P.A.," **[or]**
26 "P.C.," "PA," or "PC" is omitted. Nothing in the subsection shall
27 limit the right of a professional corporation to use or register an
28 alternate name pursuant to N.J.S.14A:2-2.1, provided that the
29 alternate name contains the full or last name of one or more of the
30 shareholders or adequately describes the type of professional
31 service in which the professional corporation will be engaged.

32 b. Notwithstanding the provisions of subsection a. of this
33 section, the corporate name of a professional corporation may
34 contain the name of a deceased person only if, at the time of the
35 person's death:

36 (1) that person's name was part of the corporate name; or

37 (2) that person's name was part of the name of an existing
38 partnership and at least two-thirds of that partnership's partners
39 become shareholders of the professional corporation.

40 (cf: P.L.1991, c.50, s.1)

41

42 2. Section 5 of P.L.1983, c.489 (C.42:2A-5) is amended to read
43 as follows:

44 5. Definitions. As used in this chapter, unless the context
45 otherwise requires:

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 a. "Certificate of limited partnership" and "partnership
2 certificate" mean the certificate referred to in section 13 of
3 P.L.1983, c.489 (C.42:2A-14) as it may be corrected pursuant to
4 section 48 of P.L.1988, c.130 (C.42:2A-16.1) or amended or
5 restated from time to time.
- 6 b. "Contribution" means any cash, property, services rendered,
7 or a promissory note or other binding obligation to contribute cash
8 or property or to perform services, which a partner contributes to a
9 limited partnership in his capacity as a partner.
- 10 c. "Event of withdrawal of a general partner" means an event
11 that causes a person to cease to be a general partner as provided in
12 this chapter, or in the partnership agreement.
- 13 d. "Foreign limited partnership" means a partnership formed
14 under the laws of any state other than this State and having as
15 partners one or more general partners and one or more limited
16 partners.
- 17 e. "General partner" means a person who has been admitted to
18 a limited partnership as a general partner in accordance with the
19 partnership agreement and named in the certificate of limited
20 partnership as a general partner.
- 21 f. "Limited partner" means a person who has been admitted to
22 a limited partnership as a limited partner in accordance with the
23 partnership agreement.
- 24 g. "Limited partnership" and "domestic limited partnership"
25 mean a partnership formed by two or more persons under the laws
26 of this State and having one or more general partners and one or
27 more limited partners.
- 28 h. "Partner" means a limited or general partner.
- 29 i. "Partnership agreement" means any valid agreement, written
30 or oral, of the partners as to the affairs of a limited partnership and
31 the conduct of its business.
- 32 j. "Partnership interest" means a partner's share of the profits
33 and losses of a limited partnership and the right to receive
34 distributions of partnership assets.
- 35 k. "Person" means a natural person, partnership, limited
36 partnership (domestic or foreign), limited liability company or other
37 limited liability entity, trust, estate, association, or corporation.
- 38 l. "State" means a state, territory, or possession of the United
39 States, the District of Columbia, or the Commonwealth of Puerto
40 Rico.
- 41 m. Unless otherwise provided in the partnership certificate or in
42 the partnership agreement, "in interest" shall mean a vote or
43 percentage of a limited partner (in a class of limited partners) equal
44 to the portion that partner's share in contributions to the partnership
45 bears to the share in contributions to the partnership of all limited
46 partners (of that class).
- 47 n. "Principal office" means the place designated in the
48 partnership agreement or the place of business of the limited

1 partnership where the chief or principal affairs and business of the
2 partnership are transacted.

3 o. “Secretary of State” refers to the State Treasurer, based upon
4 the transfer of the functions, powers and duties of the Division of
5 Commercial Recording, established pursuant to section 1 of
6 P.L.1982, c.150 (C.52:16A-35) and currently referred to as the
7 Business Services Office, from the Department of State to the
8 Department of the Treasury pursuant to Reorganization Plan No.
9 004-1998.

10 p. “Treasurer” means the State Treasurer of the Department of
11 the Treasury.

12 (cf: P.L.2000, c.161, s.57)

13

14 3. Section 6 of P.L.1983, c.489 (C.42:2A-6) is amended to read
15 as follows:

16 6. Name of limited partnership. a. The name of each limited
17 partnership as set forth in its certificate of limited partnership or the
18 name of any foreign limited partnership applying for a certificate of
19 authority to transact business in this State:

20 (1) Shall contain the words "limited partnership" or the
21 **[abbreviation]** abbreviations "L.P." or "LP";

22 (2) May not contain the name of a limited partner unless it is
23 also the name of a general partner or the corporate name of a
24 corporate general partner, or the business of the limited partnership
25 had been carried on under that name before the admission of that
26 limited partner;

27 (3) May not contain any word or phrase indicating or implying
28 that it is organized other than for a purpose stated in its certificate
29 of limited partnership;

30 (4) Shall be such to distinguish it upon the records in the office
31 of the **[Secretary of]** State Treasurer from the names of other
32 domestic limited partnerships, foreign limited partnerships,
33 domestic profit corporations, foreign profit corporations, domestic
34 nonprofit corporations, and foreign nonprofit corporations or a
35 current name reservation or a current name registration unless there
36 is filed a certified copy of a final judgment of a court of competent
37 jurisdiction establishing the prior right of the limited partnership to
38 the use of the name in this State;

39 (5) Shall not contain any word or phrase, or any abbreviation or
40 derivative thereof, the use of which is prohibited or restricted by
41 any other statutes of this State, unless the restrictions have been
42 complied with.

43 b. This section shall not require any domestic limited
44 partnership organized prior to April 1, 1985 to change its name in
45 accordance with this section, if the name is otherwise lawful on
46 March 31, 1985. A limited partnership or foreign limited
47 partnership transacting business in this State shall not change its
48 limited partnership name on or after the effective date of P.L.1988,

1 c.130 to a name which is not available for limited partnership use
2 under this chapter.

3 c. If the name of a foreign limited partnership is not available
4 for use in this State because of paragraphs (1) through (4) of
5 subsection a., the limited partnership may be authorized to transact
6 business in this State under an assumed name by filing in the office
7 of the **【Secretary of】** State Treasurer with its application for an
8 original or amended certificate of authority a certificate of its
9 general partner adopting the assumed name for use in transacting
10 business in this State.

11 d. The limited partnership name of a domestic limited
12 partnership whose certificate of limited partnership has been
13 cancelled, the limited partnership name of a foreign limited
14 partnership whose certificate of limited partnership has been
15 cancelled or withdrawn, and the corporate name of any profit or
16 nonprofit corporation which has been dissolved and any name
17 confusingly similar to the name of a foreign limited partnership
18 whose certificate of limited partnership has been cancelled or
19 withdrawn, domestic limited partnership or profit or nonprofit
20 corporation which has been dissolved or which has been terminated
21 shall not be available for foreign or domestic limited partnership
22 use for two years after the effective time of cancellation,
23 withdrawal or termination, unless, within the two-year period, the
24 written consent of the dissolved, withdrawn or cancelled domestic
25 or foreign limited partnership or corporation to the adoption of its
26 name, or a confusingly similar name, is filed in the office of the
27 **【Secretary of】** State Treasurer with the certificate of limited
28 partnership of the new proposed domestic limited partnership or
29 with the application of a foreign limited partnership for an original
30 or amended certificate of authority to transact business in this State.

31 e. The filing in the office of the **【Secretary of】** State Treasurer
32 of the certificate of limited partnership of a domestic limited
33 partnership or the issuance by the **【Secretary of】** State Treasurer of
34 a certificate to a foreign limited partnership authorizing it to
35 transact business in this State shall not preclude an action by this
36 State to enjoin a violation of this section or any action by any
37 person adversely affected to enjoin the violation or the use of a
38 limited partnership name in violation of the rights of that person,
39 whether on principles of unfair competition or otherwise, and the
40 court may grant any other appropriate relief in the action.

41 (cf: P.L.1988, c.130, s.3)

42

43 4. Section 2 of P.L.1993, c.210 (C.42:2B-2) is amended to read
44 as follows:

45 2. As used in this act unless the context otherwise requires:

46 "Bankruptcy" means an event that causes a person to become
47 dissociated from a limited liability company as provided in section
48 24 of this act.

1 "Certificate of formation" means the certificate referred to in
2 section 11 of this act, and the certificate as amended.

3 "Contribution" means any cash, property, services rendered or a
4 promissory note or other obligation to contribute cash or property or
5 to perform services, which a person contributes to a limited liability
6 company in his capacity as a member; provided however, that
7 services rendered and obligations to perform services are
8 contributions only to the extent designated as contributions in the
9 operating agreement.

10 "Foreign limited liability company" means a limited liability
11 company formed under the laws of any state or under the laws of
12 any foreign country or other foreign jurisdiction and denominated
13 as such under the laws of such state or foreign country or other
14 foreign jurisdiction.

15 "Limited liability company" and "domestic limited liability
16 company" means a limited liability company formed under the laws
17 of this State and having one or more members.

18 "Limited liability company interest" means a member's share of
19 the profits and losses of a limited liability company and a member's
20 right to receive distributions of the limited liability company's
21 assets.

22 "Liquidating trustee" means a person carrying out the winding up
23 of a limited liability company.

24 "Manager" means a person who is named as a manager of a
25 limited liability company in, or designated as a manager of a limited
26 liability company pursuant to, an operating agreement or similar
27 instrument under which the limited liability company is formed.

28 "Member" means a person who has been admitted to a limited
29 liability company as a member as provided in section 21 of this act
30 or, in the case of a foreign limited liability company, in accordance
31 with the laws of the state or foreign country or other foreign
32 jurisdiction under which the foreign limited liability company is
33 organized.

34 "Operating agreement" means a written agreement among the
35 members, or in the case of a limited liability company with only one
36 member, the declaration by that one member of the terms of the
37 operating agreement which shall be deemed an agreement between
38 the member and the limited liability company, as to the affairs of a
39 limited liability company and the conduct of its business.

40 "Person" means a natural person, partnership (whether general or
41 limited and whether domestic or foreign), limited liability company,
42 foreign limited liability company, trust, estate, association,
43 corporation, custodian, nominee or any other individual or entity in
44 its own or any representative capacity.

45 "Secretary of State" refers to the State Treasurer, based upon the
46 transfer of the functions, powers and duties of the Division of
47 Commercial Recording, established pursuant to section 1 of
48 P.L.1982, c.150 (C.52:16A-35) and currently referred to as the

1 Business Services Office, from the Department of State to the
2 Department of the Treasury pursuant to Reorganization Plan No.
3 004-1998.

4 "State" means the District of Columbia or the Commonwealth of
5 Puerto Rico or any state, territory, possession, or other jurisdiction
6 of the United States other than this State.

7 "Treasurer" means the State Treasurer of the Department of the
8 Treasury.

9 (cf: P.L.2000, c.161, s.58)

10

11 5. Section 3 of P.L.1993, c.210 (C.42:2B-3) is amended to read
12 as follows:

13 3. The name of each limited liability company as set forth in its
14 certificate of formation:

15 a. Shall contain the words "Limited Liability Company" or the
16 **【abbreviation】** abbreviations "L.L.C.," or "LLC";

17 b. May contain the name of a member or manager;

18 c. Must be such as to distinguish it upon the records in the
19 office of the **【Secretary of】** State Treasurer from the name of any
20 corporation, limited partnership, business trust or limited liability
21 company reserved, registered, formed or organized under the laws
22 of this State or qualified to do business or registered as a foreign
23 corporation, foreign limited partnership or foreign limited liability
24 company in this State; provided, however, that a limited liability
25 company may register under any name which does not distinguish it
26 upon the records in the office of the **【Secretary of】** State Treasurer
27 from the name of any domestic or foreign corporation, limited
28 partnership, business trust or limited liability company reserved,
29 registered, formed or organized under the laws of this State with the
30 written consent of the other corporation, limited partnership,
31 business trust or limited liability company, which written consent
32 shall be filed with the **【Secretary of】** State Treasurer; and

33 d. Shall not contain any word or phrase, or any abbreviation or
34 derivative thereof, the use of which is prohibited or restricted by
35 any other statute of this State, unless the restrictions have been
36 complied with.

37 (cf: P.L.1993, c.210, s.3)

38

39 6. This act shall take effect immediately.

40

41

42

STATEMENT

43

44 This bill expressly provides that a professional corporation may
45 use or register an alternate name in compliance with N.J.S.14A:2-
46 2.1, provided that the alternate name contains the full or last name
47 of one or more of the shareholders or adequately describes the type

1 of professional service in which the professional corporation will be
2 engaged.

3 The bill also allows: (1) a professional association or
4 professional corporation to use the abbreviation "PA" or "PC," in
5 addition to the currently permitted abbreviations "P.A." or "P.C.";
6 (2) a limited partnership to use the abbreviation "LP," in addition to
7 the currently permitted abbreviation "L.P."; and (3) a limited
8 liability company to use the abbreviation "LLC," in addition to the
9 currently permitted abbreviation "L.L.C."

10 Further, the bill updates current law to reflect that the Secretary
11 of State no longer maintains business records. Such activity is now
12 handled by the State Treasurer, pursuant to the transfer of the
13 functions, powers and duties of the Division of Commercial
14 Recording, established pursuant to section 1 of P.L.1982, c.150
15 (C.52:16A-35) and currently referred to as the Business Services
16 Office, from the Department of State to the Department of the
17 Treasury by Reorganization Plan No. 004-1998.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2809

STATE OF NEW JERSEY

DATED: OCTOBER 18, 2010

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 2809.

This bill expressly provides that a professional corporation may use or register an alternate name in compliance with N.J.S.14A:2-2.1, provided that the alternate name contains the full or last name of one or more of the shareholders or adequately describes the type of professional service in which the professional corporation will be engaged.

The bill also allows: (1) a professional association or professional corporation to use the abbreviation "PA" or "PC," in addition to the currently permitted abbreviations "P.A." or "P.C."; (2) a limited partnership to use the abbreviation "LP," in addition to the currently permitted abbreviation "L.P."; and (3) a limited liability company to use the abbreviation "LLC," in addition to the currently permitted abbreviation "L.L.C."

Further, the bill updates current law to reflect that the Secretary of State no longer maintains business records. Such activity is now handled by the State Treasurer, pursuant to the transfer of the functions, powers and duties of the Division of Commercial Recording, established pursuant to section 1 of P.L.1982, c.150 (C.52:16A-35) and currently referred to as the Business Services Office, from the Department of State to the Department of the Treasury by Reorganization Plan No. 004-1998.