

(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

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

Rwh/cl

P.L. 2020, CHAPTER 20, *approved April 14, 2020*

Senate, No. 2342

1 AN ACT concerning nonprofit corporations and remote meetings and
2 amending N.J.S.15A:5-1 and N.J.S.15A:5-4.

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

6
7 1. N.J.S.15A:5-1 is amended to read as follows:

8 15A:5-1. a. Meetings of members of every corporation
9 organized under this title may, unless otherwise provided by law, be
10 held at a place, within or without this State, as may be provided in
11 the bylaws or as may be fixed by the board pursuant to authority
12 granted by the bylaws. In the absence of such a provision, all
13 meetings of members shall be held at the registered office of the
14 corporation. During a state of emergency declared by the Governor,
15 a meeting of members may be held by means of remote
16 communication to the extent the board authorizes and adopts
17 guidelines and procedures governing such a meeting.

18 b. One or more members may participate in a meeting by means
19 of remote communication to the extent the board authorizes that
20 participation. Meetings conducted in part or solely by means of
21 remote communication in reliance upon this subsection and any
22 member's remote participation in those meetings shall be subject to
23 those guidelines and procedures as the board adopts, and shall be in
24 conformity with subsection c. of this section.

25 c. A member participating in a meeting of members by means of
26 remote communication in reliance upon subsection a. of this section
27 shall be deemed present in person and shall be entitled to vote at the
28 meeting regardless of whether that meeting is held at a designated
29 place or solely by means of remote communication. In any meeting
30 conducted in part or solely by means of remote communication in
31 reliance upon subsection a. of this section, the corporation shall
32 implement reasonable measures to:

33 (1) verify that each person participating remotely is a member or
34 a proxy of a member;

35 (2) provide each member participating remotely with a
36 reasonable opportunity to participate in the meeting, including an
37 opportunity to vote on matters submitted to the members, and to read
38 or hear the proceedings of the meeting substantially concurrently
39 with those proceedings; and

40 (3) record and maintain a record of any votes or other actions
41 taken by remote communication at the meeting.

42 (cf: N.J.S.15A:5-1)

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.

1 shall be subject to such guidelines and procedures as the board
2 adopts. N.J.S.14A:5-1 of the New Jersey Business Corporation Act
3 was further amended in 2020 to remove the requirement that a
4 meeting is required to be held at a physical location during a state of
5 emergency declared by the Governor. This bill makes conforming
6 changes to the New Jersey Nonprofit Corporation Act.

7 This bill will give nonprofit corporations greater flexibility in how
8 they hold their meetings of members. Remote meetings can offer
9 broader accessibility to members and increase member participation.
10 It also offers nonprofit corporations a potential cost savings, as the
11 expense of meetings held solely by means of remote communication
12 is typically less than the expense of meetings held at a designated
13 place.

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18 Permits nonprofit corporations to allow members to participate in
19 meetings by means of remote communication, and permits nonprofit
20 corporations to hold meetings in part or solely by means of remote
21 communication during state of emergency.

SENATE, No. 2342

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED APRIL 9, 2020

Sponsored by:

Senator ANTHONY M. BUCCO

District 25 (Morris and Somerset)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Assemblywoman AURA K. DUNN

District 25 (Morris and Somerset)

Assemblyman BRIAN BERGEN

District 25 (Morris and Somerset)

Assemblywoman YVONNE LOPEZ

District 19 (Middlesex)

Co-Sponsored by:

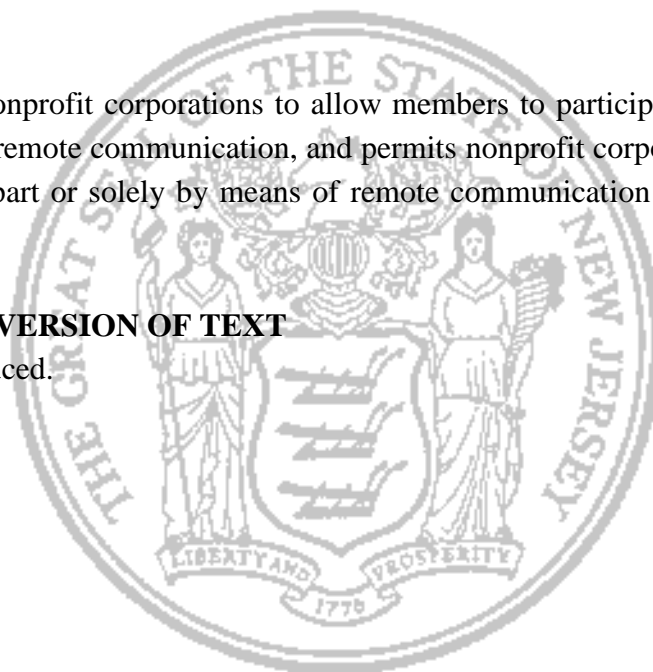
Senators Addiego, Bateman, Cardinale, Corrado, Doherty, Holzapfel, O'Scanlon, Pennacchio, Singer, Testa, Assemblymen DeAngelo, Holley, Zwicker, Assemblywomen Pinkin, DiMasio and McKnight

SYNOPSIS

Permits nonprofit corporations to allow members to participate in meetings by means of remote communication, and permits nonprofit corporations to hold meetings in part or solely by means of remote communication during state of emergency.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 4/13/2020)

1 AN ACT concerning nonprofit corporations and remote meetings and
2 amending N.J.S.15A:5-1 and N.J.S.15A:5-4.

3

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

6

7 1. N.J.S.15A:5-1 is amended to read as follows:

8 15A:5-1. a. Meetings of members of every corporation
9 organized under this title may, unless otherwise provided by law, be
10 held at a place, within or without this State, as may be provided in
11 the bylaws or as may be fixed by the board pursuant to authority
12 granted by the bylaws. In the absence of such a provision, all
13 meetings of members shall be held at the registered office of the
14 corporation. During a state of emergency declared by the Governor,
15 a meeting of members may be held by means of remote
16 communication to the extent the board authorizes and adopts
17 guidelines and procedures governing such a meeting.

18 b. One or more members may participate in a meeting by means
19 of remote communication to the extent the board authorizes that
20 participation. Meetings conducted in part or solely by means of
21 remote communication in reliance upon this subsection and any
22 member's remote participation in those meetings shall be subject to
23 those guidelines and procedures as the board adopts, and shall be in
24 conformity with subsection c. of this section.

25 c. A member participating in a meeting of members by means of
26 remote communication in reliance upon subsection a. of this section
27 shall be deemed present in person and shall be entitled to vote at the
28 meeting regardless of whether that meeting is held at a designated
29 place or solely by means of remote communication. In any meeting
30 conducted in part or solely by means of remote communication in
31 reliance upon subsection a. of this section, the corporation shall
32 implement reasonable measures to:

33 (1) verify that each person participating remotely is a member or
34 a proxy of a member;

35 (2) provide each member participating remotely with a
36 reasonable opportunity to participate in the meeting, including an
37 opportunity to vote on matters submitted to the members, and to read
38 or hear the proceedings of the meeting substantially concurrently
39 with those proceedings; and

40 (3) record and maintain a record of any votes or other actions
41 taken by remote communication at the meeting.

42 (cf: N.J.S. 15A:5-1)

43

44 2. N.J.S.15A:5-4 is amended to read as follows:

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 15A:5-4. a. Except as otherwise provided in this act, written
2 notice of the time, place and purposes of every meeting of members
3 shall be given not less than 10 nor more than 60 days before the date
4 of the meeting, either personally or by mail, to each member of record
5 entitled to vote at the meeting. If the board has authorized
6 participation by members by means of remote communication
7 pursuant to N.J.S.15A:5-1, the notice to members shall describe the
8 means of remote communication to be used.

9 b. When a meeting is adjourned to another time or place, it shall
10 not be necessary, unless the bylaws otherwise provide, to give notice
11 of the adjourned meeting if the time and place to which the meeting
12 is adjourned are announced at the meeting at which the adjournment
13 is taken and at the adjourned meeting only business shall be
14 transacted as might have been transacted at the original meeting. If
15 after the adjournment, the board fixes a new record date for the
16 adjourned meeting, a notice of the adjourned meeting shall be given
17 to each member of record on the new record date entitled to notice
18 under subsection a. of this section.

19 (cf: N.J.S.15A:5-4)

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21 3. This act shall take effect immediately.

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STATEMENT

25

26 This bill allows members to participate in meetings by means of
27 remote communications and permits nonprofit corporations to hold
28 members' meetings in part or solely by means of remote
29 communication.

30 Pursuant to current law, meetings of members are required to be
31 held at a physical location and there is no provision for members to
32 participate by means of remote communication. Under the bill,
33 remote communication of members will be permitted during a state
34 of emergency declared by the Governor. A meeting of members may
35 be held solely by means of remote communication to the extent the
36 board authorizes and adopts guidelines and procedures governing
37 such a meeting.

38 The bill also provides that members participating in a meeting by
39 means of remote communication are deemed to be present in person
40 and are entitled to vote at the meeting, regardless of whether the
41 meeting is held at a designated place or solely by means of remote
42 communication.

43 This bill is based on N.J.S.14A:5-1 and N.J.S.14A:5-4 of the New
44 Jersey Business Corporation Act which were amended in 2013 to
45 permit participation by shareholders in meetings of shareholders by
46 means of remote communication to the extent that the corporation's
47 board of directors authorizes that participation, and participation
48 shall be subject to such guidelines and procedures as the board

1 adopts. N.J.S.14A:5-1 of the New Jersey Business Corporation Act
2 was further amended in 2020 to remove the requirement that a
3 meeting is required to be held at a physical location during a state of
4 emergency declared by the Governor. This bill makes conforming
5 changes to the New Jersey Nonprofit Corporation Act.

6 This bill will give nonprofit corporations greater flexibility in how
7 they hold their meetings of members. Remote meetings can offer
8 broader accessibility to members and increase member participation.
9 It also offers nonprofit corporations a potential cost savings, as the
10 expense of meetings held solely by means of remote communication
11 is typically less than the expense of meetings held at a designated
12 place.

ASSEMBLY, No. 3915

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED APRIL 9, 2020

Sponsored by:

Assemblywoman AURA K. DUNN

District 25 (Morris and Somerset)

Assemblyman BRIAN BERGEN

District 25 (Morris and Somerset)

Assemblywoman YVONNE LOPEZ

District 19 (Middlesex)

Co-Sponsored by:

**Assemblymen DeAngelo, Holley, Zwicker, Assemblywomen Pinkin, DiMaso
and McKnight**

SYNOPSIS

Permits nonprofit corporations to allow members to participate in meetings by means of remote communication, and permits nonprofit corporations to hold meetings in part or solely by means of remote communication during state of emergency.

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2 amending N.J.S.15A:5-1 and N.J.S.15A:5-4.

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11 or as may be fixed by the board pursuant to authority granted by the
12 bylaws. In the absence of such a provision, all meetings of members
13 shall be held at the registered office of the corporation. During a
14 state of emergency declared by the Governor, a meeting of members
15 may be held by means of remote communication to the extent the
16 board authorizes and adopts guidelines and procedures governing
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A3915 DUNN, BERGEN

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Governor Murphy Takes Action on Legislation

04/14/2020

TRENTON – Today, Governor Murphy signed the following bills into law:

A-2371/S-865 (Kennedy, Pinkin, Zwicker/Smith, Bateman) - Requires large food waste generators to separate and recycle food waste and amends definition of "Class I renewable energy"

A-3901/S-2334 (Chiaravalloti, Kennedy, Speight, Dunn/Pou, Vitale, Greenstein, Brown) - Permits professional and occupational licensing boards to reactivate licensure of certain individuals during state of emergency or public health emergency

A-3903/S-2336 (Downey, Houghtaling, Swain/Greenstein, Gopal, Singleton, O'Scanlon) - Allows remote notarial acts during Public Health Emergency and State of Emergency declared by Governor in Executive Order 103 of 2020

A-3904/S-2337 (Burzichelli, Schepisi, Lampitt, Jasey, Stanfield/Cardinale, Beach, Kean) - Permits use of virtual or remote instruction to meet minimum 180-day school year requirement under certain circumstances

S-2333/A-3910 (Kean, Sweeney, Smith, O'Scanlon/Kennedy, Burzichelli, DiMaio, Greenwald) - Provides civil and criminal immunity to certain health care professionals and health care facilities during public health emergency and state of emergency; facilitates issuance of certain temporary licenses and certifications during public health emergency and state of emergency

S-2338/A-3918 (Sarlo, Oroho, Bucco/Pintor Marin, Wirths, Burzichelli) - "COVID-19 Fiscal Mitigation Act"; clarifies filing and payment deadline for CBT and GIT taxpayers, modifies duration of State Fiscal Years 2020 and 2021, requires certain updates and presentation for State Fiscal Years 2020 and 2021

S-2342/A-3915 (Bucco, Greenstein/Dunn, Bergen) - Permits nonprofit corporations to allow members to participate in meetings by means of remote communication, and permits nonprofit corporations to hold meetings in part or solely by means of remote communication during state of emergency

S-2349/A-3922 (Beach/Coughlin, Jimenez, Swain) - Changes date of 2020 primary election from June 2 to July 7

S-2353/A-3938 (Cryan/Quijano) - Excludes from severance requirements under "Millville Dallas Airmotive Plant Job Loss Notification Act" mass layoffs resulting from coronavirus disease 2019 pandemic