

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.

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 organized
9 under this title may, unless otherwise provided by law, be held at a
10 place, within or without this State, as may be provided in the bylaws
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
17 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 reasonable
36 opportunity to participate in the meeting, including an opportunity to
37 vote on matters submitted to the members, and to read or hear the
38 proceedings of the meeting substantially concurrently with those
39 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 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.