

# ASSEMBLY JUDICIARY COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 2844**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 1, 1997

The Assembly Judiciary Committee reports favorably and with committee amendments Assembly Bill No. 2844.

Currently, any nonprofit corporation which has had its certificate of incorporation or certificate of authority revoked for failure to file an annual report with the Secretary of State may, within two years of the revocation, make an application for reinstatement. The corporation must also pay double the amount of the fee and file a current annual report. This bill eliminates the two year limitation on when a reinstatement can be effected and makes the procedures for reinstating a nonprofit corporation similar to the procedures in N.J.S. 14A:4-6 of the "New Jersey Business Corporation Act."

Under the provisions of the bill as originally drafted, a certificate of incorporation or certificate of authority will be reinstated if the corporation pays double the amount of the annual fee for each year for which it failed to file an annual report and upon filing of a current annual report. The committee amendments change this provision. The committee amendments make changes in subsection c. of N.J.S. 15A:4-5 to omit the language of the bill concerning payment of double the amount of the annual fee. The amendments provide that any corporation having its certificate of incorporation or its certificate of authority revoked may cause a reinstatement of the certificate upon payment to the Secretary of State of : the fee then payable upon the filing of the certificate of incorporation; a current annual report fee; and payment of the \$50.00 reinstatement filing assessment as set forth in N.J.S.15A:15-1. The amendments also provide that the Secretary of State shall provide the necessary forms for annual report reinstatements to insure uniformity in filing submissions.

The bill provides that the reinstatement would relate back to the date of revocation of the certificate and all action taken in the interim would be validated. These modifications will prevent nonprofit corporations, which include charities, from being dissolved solely as a result of the failure to file an annual report, which is inconsistent with the treatment of business corporations.

This bill also makes provisions for a situation in which the corporate name becomes unavailable in the interim. The bill provides

that if the name becomes unavailable, in the case of a domestic corporation, the Secretary of State is authorized to issue a certificate of incorporation to change the corporate name to an available name. In the case of a foreign corporation, the Secretary would issue a certificate upon the filing of an amended certificate of authority adopting an alternate name.

The committee also amended the bill to add two new sections. N.J.S.15A:4-3 is amended to omit subsection d. N.J.S.15A:15-1, the section setting forth various fees, is amended to include the reinstatement filing assessment of \$50.00 as referred to in subsection c. of N.J.S.15A:4-5.