

SENATE, No. 1505

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1996

By Senator ADLER

1 AN ACT concerning the incorporation of certain parks and public
2 places and amending various parts of the statutory law.

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

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7 1. N.J.S.15A:2-1 is amended to read as follows:

8 a. A corporation may be organized under this act for any lawful
9 purpose other than for pecuniary profit including, without being
10 limited to, any one or more of the following purposes: charitable;
11 benevolent; eleemosynary; educational; cemetery; civic; patriotic;
12 political; religious; social; fraternal; literary; cultural; athletic;
13 scientific; agricultural; horticultural; animal husbandry; volunteer fire
14 company; ambulance, first aid or rescue; professional, commercial,
15 industrial or trade association; [and] labor union and cooperative
16 purposes; and park or public place pursuant to R.S.40:61-13.

17 b. A corporation for which organization is permitted under any
18 other statute of this State may not be organized under this act unless
19 that statute permits organization under this act.

20 c. A corporation may be organized under this act for any purpose
21 or purposes for which corporations may be incorporated under Title
22 16 of the Revised Statutes.

23 d. No corporation organized under this act shall have or issue
24 capital stock or shares. No dividend shall be paid and no part of the
25 income or profit of a corporation organized under this act shall be
26 distributed to its members, trustees or officers, but a corporation may
27 pay compensation in a reasonable amount to its members, trustees and
28 officers, for services rendered, may pay interest on loans or other
29 credit advances by members, trustees and officers, may confer benefits
30 on its members in conformity with its purposes, and, upon dissolution,
31 may make distributions to its members as permitted by this act;
32 except the payment, benefit, or distribution shall not be deemed to be
33 a dividend or distribution of income or profit.

34 (cf: N.J.S.15A:2-1)

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 2. R.S.40:61-13 is amended to read as follows:

2 40:61-13. When a park or public place, the title of which is in trustees
3 or in a corporation, all of whose shareholders are trustees, is within
4 the corporate limits of a municipality, the governing body of such
5 municipality may enter into an agreement with such trustees or
6 corporation, as a consideration in whole or in part for a conveyance
7 of the park to the municipality, providing for the expenditure of not
8 less than a designated sum annually for the maintenance, upkeep and
9 improvement thereof, to be specified in such agreement, as arranged
10 upon between the parties, and thereupon accept a conveyance of such
11 park subject to the conditions under which such trustees or
12 corporation hold the same, provided such trustees or corporation have
13 power to make such conveyance.

14 After the making of such conveyance the agreement shall continue
15 to be binding upon the municipality and may be enforced by
16 appropriate civil action or proceeding in lieu of prerogative writ
17 instituted by any of the grantors in the deed, or their heirs or legal
18 representatives or of any taxpayer resident in the municipality.
19 (cf: P.L.1953, c.37, s.209)

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21 3. R.S.40:61-14 is amended to read as follows:

22 40:61-14. Any such municipality, without taking title to such park
23 may appropriate such sum or sums of money as the governing body
24 shall think proper for the maintenance of roads, paths, lakes, bridges,
25 planting of trees, flowers and shrubbery, the erection of shelters,
26 stands, rest houses, seats, and provisions for the comfort and
27 convenience of the persons using the park, but money so appropriated
28 shall be used and expended by the proper officer of the municipality
29 under the direction of the appropriate committee of the governing
30 body thereof, subject to the approval of the trustees of the park or of
31 the corporation, all of whose shareholders are trustees, holding title to
32 the park.

33 (cf: R.S.40:61-14)

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35 4. This act shall take effect immediately.

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STATEMENT

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40 This bill would permit a municipality to appropriate monies for the
41 support of a park or public place, the title of which is in trustees, or in
42 a corporation all of whose shareholders are trustees of the park or
43 public place. Current law does not permit the appropriation of
44 municipal funds for the support of parks or public places titled in a
45 corporate name. This bill would enable trustees of parks and public
46 places to adopt a corporation form, thereby limiting their personal

1 liability exposure for park or public place related incidents, while still
2 permitting a municipality to contribute to the support of the park or
3 public place.

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8 Permits appropriation of municipal funds to support park or public
9 place owned by corporation whose stockholders are trustees.