



Nonprofits May Hold Members' Meetings Via Remote Communication

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On January 10, 2022, Governor Phil Murphy signed into law a bill (A5549, now L. 2021, c. 362) that permits New Jersey nonprofit corporations to hold members' meetings in part or solely by means of remote communication, regardless of any state of emergency. The bill passed both houses of the New Jersey State Legislature unanimously on December 20, 2021. The law takes effect immediately.

Previously, members' meetings could be held solely by means of remote communication only during a state of emergency declared by the Governor. In the absence of a declared emergency, the New Jersey Nonprofit Corporation Act required meetings to be held at a physical location, even though one or more members could be permitted to participate remotely.

The new law expands on a prior amendment to the Act, L. 2020, c. 20 (previously S2342), which Governor Murphy signed into law in April of 2020. We discussed that amendment—a breakthrough bill that, for the first time under New Jersey law, permitted members' meetings to be held entirely remotely—in a [prior client alert](#). The new law goes further by removing the requirement of a declared state of emergency. Moreover, regardless of any declared emergency, members participating remotely in any members' meeting shall be deemed present in person and shall be entitled to vote so long as the nonprofit corporation implements reasonable measures to (1) verify that each individual participating remotely is a member or a proxy of a member, (2) provide each member participating remotely with a reasonable opportunity to participate and vote on matters, and (3) record and maintain a record of votes or other actions taken by means of remote communication.

If you have any questions about this bill, or any other questions regarding the governance of for-profit and nonprofit corporations and other business entities, feel free to reach out to [Jason Navarino](#) or any other member of Riker's Corporate Group.

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