

**ASSEMBLY, No. 3823**

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**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

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INTRODUCED JUNE 19, 2003

**Sponsored by:**

**Assemblyman MATT AHEARN**

**District 38 (Bergen)**

**SYNOPSIS**

Limits corporate power and concerns corporate responsibility.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning New Jersey corporations, amending N.J.S.14A:2-  
2 1 and N.J.S.14A:3-1, and supplementing Title 14A of the New  
3 Jersey Statutes.

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

7  
8 1. N.J.S. 14A:2-1 is amended to read as follows:

9 14A:2-1. Purposes. A corporation may be organized under this act  
10 for any lawful business purpose or purposes except to do in this State  
11 any business for which organization is permitted under any other  
12 statute of this State unless such statute permits organization under this  
13 act, provided, however, that no corporation shall be deemed a "natural  
14 person" or a "citizen" for purposes of either State or federal  
15 constitutional law and the Legislature and the Governor reserve their  
16 power to impose laws, restrictions, regulations, responsibilities and  
17 limitations upon corporations that may not be imposed upon natural  
18 persons.

19 (cf: N.J.S.14A:2-1)

20

21 2. N.J.S. 14A:3-1 is amended to read as follows:

22 14A:3-1. General Powers and Limitations.

23 (1) Each corporation, subject to any limitations provided in this act  
24 or any other statute of this State, or in its certificate of incorporation,  
25 shall have power

26 (a) to have perpetual duration unless a limited period is stated in  
27 its certificate of incorporation;

28 (b) to sue and be sued, complain and defend and participate as a  
29 party or otherwise in any judicial, administrative, arbitrate or other  
30 proceeding, in its corporate name;

31 (c) to have a corporate seal which may be altered at pleasure, and  
32 to use the same by causing it, or a facsimile thereof, to be impressed  
33 or affixed or in any other manner reproduced;

34 (d) to purchase, lease or otherwise acquire, own, hold, improve,  
35 use and otherwise deal in and with, real or personal property, or any  
36 interest therein, wherever situated;

37 (e) to sell, convey, mortgage, create a security interest in, lease,  
38 exchange, transfer and otherwise dispose of all or any part of its  
39 property and assets;

40 (f) to purchase, subscribe for, or otherwise acquire, own, hold,  
41 vote, use, employ, sell, exchange, mortgage, lend, create a security  
42 interest in, or otherwise dispose of, and otherwise use and deal in and  
43 with, shares or other interests in, or obligations of, other domestic or

**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 foreign corporations, associations, partnerships or individuals, or  
2 direct or indirect obligations of any domestic or foreign government  
3 or instrumentality thereof;

4 (g) to make contracts and guarantees and incur liabilities, borrow  
5 money, issue its bonds, and secure any of its obligations by mortgage  
6 of or creation of a security interest in all or any of its property,  
7 franchises and income;

8 (h) to lend money, invest and reinvest its funds, and take and hold  
9 real and personal property as security for the payment of funds so  
10 loaned or invested;

11 (i) to conduct its business, carry on its operations, and have offices  
12 and exercise the powers granted by this act anywhere in the universe;

13 (j) to elect or appoint officers, employees and agents of the  
14 corporation, and define their duties and fix their compensation;

15 (k) to make and alter by-laws for the administration and regulation  
16 of the affairs of the corporation;

17 (l) to pay pensions and establish pension, profit-sharing, stock  
18 option, stock purchase, incentive and deferred compensation plans,  
19 and plans of similar nature for, and to furnish medical services, life,  
20 sickness, accident, disability or unemployment insurance and benefits,  
21 education, housing, social and recreational services and other similar  
22 aids and services to, any or all of its directors, officers, employees, and  
23 agents, their families, dependents or beneficiaries;

24 (m) to participate with others in any corporation, partnership,  
25 limited partnership, joint venture, or other association of any kind, or  
26 in any transaction, undertaking or arrangement which the participating  
27 corporation would have power to conduct by itself, whether or not  
28 such participation involves sharing or delegation of control with or to  
29 others;

30 (n) at the request of the United States government or of any of its  
31 agencies, to transact any lawful business in time of war or other  
32 national emergency, notwithstanding the purpose or purposes set forth  
33 in its certificate of incorporation;

34 (o) to provide for its benefit life insurance and other insurance with  
35 respect to the services of any or all of its directors, officers,  
36 employees, and agents, or on the life of any shareholder for the  
37 purpose of acquiring at his death shares of its stock owned by such  
38 shareholder;

39 (p) to have and exercise all other powers necessary or convenient  
40 to effect any or all of the purposes for which the corporation is  
41 organized.

42 (2) Each corporation shall be subject to the following limitations  
43 and shall not have the power:

44 (a) to deny access to corporate property by any governmental  
45 authority or agency involved in the enforcement of environmental,  
46 health, safety or criminal laws;



1 criminal laws. In addition, a corporation is required to pay any  
2 employee at least the living wage, which is defined in the bill as an  
3 hourly wage, which if earned for 35 hours a week for fifty weeks a  
4 year, would provide a single wage earner with income equal to 110%  
5 of the poverty level for a family of four in the State, as determined by  
6 the federal or State government, whichever is higher. Also, a  
7 corporation is not permitted to engage in activities threatening to  
8 human health or the environment unless precautionary measures are  
9 taken to prevent such threats, even if the cause-and-effect relationships  
10 are not fully proven scientifically.

11 Finally, the bill provides that if a corporation is unable to pay all of  
12 its debts in full, then the corporate principals will be liable for the  
13 debts of the corporation.