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SENATE, No. 1224

STATE OF NEW JERSEY

216th LEGISLATURE

INTRODUCED JANUARY 30, 2014

Sponsored by:

Senator LORETTA WEINBERG

District 37 (Bergen)

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

Co-Sponsored by:

Senators Bateman, Stack, P.Barnes, III and Allen

SYNOPSIS

Establishes the "New Jersey Family Collaborative Law Act."

CURRENT VERSION OF TEXT

As reported by the Senate Judiciary Committee on March 24, 2014, with amendments.



(Sponsorship Updated As Of: 6/27/2014)

AN ACT concerning ¹ [collaborative] ¹ family ¹ collaborative ¹ law and supplementing Title 2A of the New Jersey Statutes.

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

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1. This act shall be known and may be cited as the "New Jersey ¹ [Collaborative] ¹ Family ¹ Collaborative ¹ Law Act."

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- 2. The Legislature finds and declares:
- a. Since at least 2005, attorneys in New Jersey have participated in the dispute resolution method known as ¹family¹ collaborative law, in which an attorney is retained for the limited purpose of assisting his client in resolving ¹family¹ disputes in a voluntary, non-adversarial manner, without court intervention.
- The ¹family ¹ collaborative law process is distinct from other dispute resolution mechanisms because the parties intend to resolve their dispute without litigation. Instead, each party, represented by his attorney, meets together with the other party to the dispute, that party's attorney, and, as needed, one or more nonparty participants who are not attorneys but are professionals in their fields, such as certified financial planners, certified public accountants, licensed clinical social workers, psychologists, licensed professional counselors, licensed marriage and family therapists, psychiatrists. All participants in the ¹family ¹ collaborative law process understand and agree that the process is intended to replace litigation and that the process will terminate if either party or either attorney commences a proceeding related to the subject matter to be addressed through the ¹family ¹ collaborative process before a court or other tribunal other than to seek incorporation of a settlement agreement into a final judgment.
- c. In order to facilitate full and fair disclosure by the parties to the ¹family ¹ collaborative ¹law ¹ process, the parties must have an evidentiary privilege to protect them from disclosure of any collaborative law communication. The nonparty participants in the ¹family ¹ collaborative law process, who serve as neutral experts, need a privilege from disclosure of communications made by them during the process similar to the privilege created for mediators in the "Uniform Mediation Act," P.L.2004, c.157 (C.2A:23C-1 et seq.). This will enable nonparty participants to participate candidly in the process and thereby facilitate resolution of the family law dispute.

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3. As used in this act:

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

¹Assembly SJU committee amendments adopted March 24, 2014.

- a. ¹["Collaborative family] "<u>Family collaborative</u>" law
- 2 communication" means a statement, whether oral or in a record, that
- 3 is made in the course of a '[collaborative]' family 'collaborative'
- 4 law process and occurs after the parties sign a ¹[collaborative]¹
- 5 family ¹collaborative ¹ law participation agreement but before the
- 6 ¹[collaborative] family ¹collaborative law process is concluded.
- 7 b. ¹["Collaborative family] "Family collaborative¹
- 8 participation agreement" means a written agreement by the parties
- 9 to participate in a '[collaborative]' family 'collaborative' law
- 10 process, in accordance with section 5 of P.L. , c. (C.
- 11 (pending before the Legislature as this bill) in order to resolve their
- 12 family law dispute.
- 13 c. ¹["Collaborative family] "Family collaborative law
- 14 process" means a procedure intended to resolve the family law
- 15 dispute without intervention by a tribunal provided that the
- individuals in the dispute: (1) sign a [collaborative] family
- 17 ¹collaborative ¹ law participation agreement; and (2) are represented
- by '[collaborative]' family 'collaborative' lawyers.
- d. ¹["Collaborative family] "Family collaborative lawyer"
- 20 means a lawyer who represents a party in a ¹ [collaborative] ¹ family
- 21 ¹collaborative 1 law process and whom the party acknowledges is
- 22 retained for that limited purpose.
- e. "Family law dispute" means a dispute, claim or issue which
- is described in a participation agreement and arises under the family
- or domestic relations law of this State, including but not limited to:
- 26 (1) marriage, civil union, domestic partnership, divorce, 27 dissolution, annulment, or property distribution;
 - (2) child custody, visitation, or parenting time;
 - (3) alimony, maintenance, or child support; or
- 30 (4) premarital, marital or post-marital agreements, or
- 31 comparable agreements affecting civil unions or domestic
- 32 partnerships.

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- f. "Nonparty participant" means a person, other than a party
- and the party's '[collaborative]' family 'collaborative' lawyer,
- who participates in a ¹[collaborative] family ¹collaborative law
- process. ¹This includes, but is not limited to, financial practitioners,
- 37 including certified financial planners and certified public
- 38 accountants, and mental health professionals, including licensed
- 39 <u>clinical social workers, psychologists, licensed professional</u>
- 40 counselors, licensed marriage and family therapists, and
- 41 psychiatrists.¹
- g. "Party" means an individual who signs a ¹ [collaborative]¹
- 43 family ¹collaborative ¹ law participation agreement and whose
- consent is necessary to resolve a family law dispute under P.L.
- 45 c. (C.) (pending before the Legislature as this bill).

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- h. "Proceeding" means a judicial or arbitral or adjudicative 1 2 process before a tribunal.
 - "Prospective party" means an individual who discusses with a prospective ¹[collaborative] family ¹collaborative ¹ lawyer the possibility of signing a ¹[collaborative] family ¹collaborative law participation agreement.
 - "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
- 10 k. "Related to the family law dispute" means involving the same parties, transaction or occurrence, nucleus of operative fact, 12 claim, matter or issue as the family law dispute.
 - "Settlement agreement" means a signed agreement entered into by the parties to a ¹[collaborative] family ¹collaborative ¹ law participation agreement that sets forth a resolution of the parties' family law dispute.
 - m. "Sign" means, with present intent to authenticate or adopt a record to execute or adopt a tangible symbol; or attach to or logically associate with the record an electronic symbol, sound, or process.
 - n. "Tribunal" means a court, arbitrator, or administrative agency, as applicable, that after presentation of evidence or legal argument, has jurisdiction to render a decision affecting a party's interests in a matter.

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- 4. P.L., c. (C.) (pending before the Legislature as this bill) applies to a '[collaborative]' family 'collaborative' law process that is subject to a ¹[collaborative] family ¹collaborative ¹ law participation agreement, meets the requirements set forth in section 5 of P.L., c. (C.) (pending before the Legislature as this bill), and is signed on or after the effective date of this act.
- 32 (C.) (pending before the Legislature as this 33 bill) does not apply to any other collaborative law process or any 34 other collaborative law participation agreement.
- 35 or any other collaborative law participation agreement.

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- 37 ¹[collaborative]¹ family ¹collaborative¹ 5. a. law 38 participation agreement shall:
 - (1) be in a record;
 - (2) be signed by the parties;
- 41 (3) state the parties' intention to resolve a family law dispute through a ¹[collaborative] family ¹collaborative 1 law process 42 43 pursuant to P.L., c. (C.) (pending before the Legislature as this bill); 44
- (4) describe the nature and scope of the family law dispute; 45
- (5) identify the ¹[collaborative] family ¹collaborative ¹ lawyer 46 47 who represents each party in the process;

- (6) contain a statement that a [collaborative] family 1 2 ¹collaborative ¹ lawyer's role is limited as defined in P.L. 3) (pending before the Legislature as this bill), consistent with the Rules of Professional Conduct promulgated by 4 5 the Supreme Court of New Jersey; (7) set forth the manner by which a ¹[collaborative]¹ family 6 7 ¹collaborative 1 law process begins and the manner by which it 8 terminates or concludes in accordance with sections 6 and 7 of 9 P.L., c. (C.) (pending before the Legislature as this bill); (8) state that any ¹[collaborative] ¹ family ¹collaborative ¹ law 10 communication of a party or a nonparty participant is confidential 11 12 and subject to an evidentiary privilege under section ¹[12] 13¹ of) (pending before the Legislature as this bill), 13 14 and that the privilege may be waived only expressly and by both parties or in the case of a nonparty participant, by the nonparty 15 16 participant having the right to exercise the privilege; and (9) state that the conduct of the ¹[collaborative]¹ family 17 ¹collaborative ¹ lawyer is governed by P.L. 18 , c. 19 (pending before the Legislature as this bill), the Rules of Court 20 adopted by the Supreme Court of New Jersey, and the Rules of 21 Professional Conduct promulgated by the Supreme Court of New 22 Jersey and that P.L.) (pending before the , c. (C. Legislature as this bill) does not alter the ¹[collaborative]¹ family 23 ¹collaborative ¹ lawyer's responsibilities to the client under the 24 Rules of Professional Conduct and any other applicable Rules of 25 26 b. Parties may agree to include in a ¹[collaborative]¹ family 27 ¹collaborative ¹ law participation agreement additional provisions 28 not inconsistent with P.L. , c. 29 (C.) (pending before the Legislature as this bill) or other applicable law. 30 31 6. a. A '[collaborative]' family 'collaborative' law process 32 begins when the parties sign a [collaborative] family 33 34 ¹collaborative ¹ law participation agreement. b. Participation in a ¹[collaborative] family ¹collaborative ¹ 35 law process is voluntary and may not be compelled by a tribunal. 36
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- 7. a. A ¹[collaborative] ¹ family ¹collaborative ¹ law process is 38 39 concluded by either:
- 40 (1) resolution of a family law dispute as evidenced by a signed 41 settlement agreement; or
- (2) termination of the process. 42
- b. A '[collaborative]' family 'collaborative' law process 43 44 terminates when:
- 45 (1) a party gives notice to other parties in a record that the 46 process is ended, which a party may do with or without cause; or

- 1 (2) a party files a document without the agreement of all parties 2 that initiates a proceeding related to the family law dispute; or
- (3) either party is subject to, or obtains, a temporary or final restraining order ¹against the other party ¹ in accordance with the "Prevention of Domestic Violence Act of 1991," P.L.1991, c.261 (C.2C:25-17 et seq.); or
 - (4) an action is commenced requesting that a tribunal issue emergency relief to protect the health, safety, welfare, or interests of a party or the defense against such a request is commenced; or
- 10 (5) except as provided by section ¹[8] <u>9</u>¹ of P.L., c. (C.) 11 (pending before the Legislature as this bill), a party discharges a 12 ¹[collaborative] ¹ family ¹collaborative ¹ lawyer; or
- 13 (6) a party fails to provide information pursuant to section ¹[9] 14 10 of P.L., c. (C.) (pending before the Legislature as 15 this bill) that is necessary to address the issues in dispute, and one 16 of the parties chooses to terminate the collaborative process as a 17 result; or
 - (7) a ¹[collaborative] ¹ family ¹collaborative ¹ lawyer ceases further representation of a party.
 - c. A '[collaborative]' family 'collaborative' law process does not terminate if, with the consent of the parties, a party, or the party's '[collaborative]' family 'collaborative' lawyer on the party's behalf, requests a tribunal to incorporate a settlement agreement into a final judgment.
 - d. A '[collaborative]' family 'collaborative' law participation agreement may provide additional methods of terminating or concluding a '[collaborative]' family 'collaborative' law process consistent with P.L., c. (C.) (pending before the Legislature as this bill) and the Rules of Professional Conduct promulgated by the Supreme Court of New Jersey.
 - e. In the event the '[collaborative]' family 'collaborative' law process does not result in a judgment resolving the family law dispute and the dispute is, instead, submitted to a tribunal for adjudication, the '[collaborative]' family 'collaborative' lawyer and the lawyers in the law firm with whom the collaborative family lawyer is associated' shall not continue to represent the party in that family law dispute.

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¹8. A lawyer in a law firm with which the family collaborative lawyer is associated in a partnership, professional corporation, sole proprietorship, limited liability company, or law association is disqualified from appearing before a tribunal to represent a party in a proceeding related to a family collaborative law matter if the family collaborative lawyer is disqualified from doing so in subsection e. of section 7 of P.L. , c. (C.) (pending before

46 the Legislature as this bill).¹

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- b. Notwithstanding the provisions of paragraph (5) of subsection b. of section 7 of P.L. , c. (C.) (pending before the Legislature as this bill), and subject to this subsection, if a ¹[collaborative] family ¹collaborative] lawyer is discharged or ceases representation of a party, the ¹[collaborative] family ¹collaborative] law process continues if, not later than 30 days after the date of notice of the discharge or cessation of representation is sent to the parties pursuant to subsection a. of this section, the unrepresented party:
- (1) retains a successor ¹[collaborative] ¹ family ¹collaborative ¹ lawyer who is identified in an amended ¹[collaborative] ¹ family ¹collaborative ¹ law participation agreement; and
- (2) in that amended ¹ [collaborative] ¹ family ¹ collaborative ¹ law participation agreement, the parties consent to continue the process and the successor lawyer confirms representation of the party.

¹[9.] 10.¹ Except as otherwise provided by law, during the ¹[collaborative] family ¹collaborative law process a party shall, in good faith, provide timely, full, and candid disclosure of information related to the family law dispute without formal discovery. A party shall also promptly update previously disclosed information that has materially changed. The parties may define the scope of disclosure during the collaborative family law process except as provided by law.

¹[10.] 11. P.L., c. (C.) (pending before the Legislature as this bill) does not affect, waive or supersede:

- a. The professional responsibility obligations and standards applicable to a lawyer or other licensed professional in this State, including but not limited to the Rules of Professional Conduct promulgated by the Supreme Court of New Jersey; or
- b. The obligation of a person to report abuse or neglect, abandonment, or exploitation of a child or adult under the law of this State.

¹[11.] <u>12.</u>¹ A ¹[collaborative] family ¹collaborative law communication is confidential to the extent agreed to by the parties in a signed record or as provided by law.

¹[12.] 13.¹ a. Subject to sections ¹[13] 14¹ and ¹[14] 15¹ of P.L., c. (C.) (pending before the Legislature as this bill), a ¹[collaborative] family ¹collaborative law communication made by a party or any nonparty participant is privileged under subsection

1 b. of this section, is not subject to discovery, and is not admissible 2 in evidence.

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- b. In a proceeding, and in addition to application of the lawyerclient privilege provided under the laws of this State, the following privileges apply:
 - (1) A party may refuse to disclose, and may prevent the party's lawyer, or a nonparty participant, or any other person from ¹[collaborative] family ¹collaborative disclosing, communication.
 - (2) A nonparty participant may refuse to disclose, and may prevent a party, a party's lawyer or any other person from a ¹[collaborative] family ¹collaborative¹ disclosing, communication of the nonparty participant.
 - The privilege created by this section may be claimed by the party or nonparty participant in person, or if the party or nonparty participant is incapacitated or deceased, by his guardian or personal representative. Where a corporation or association or other legal entity is the nonparty participant claiming the privilege, and the corporation, association or other entity has been dissolved, the privilege may be claimed by its successors, assigns or trustees in dissolution.
 - d. Evidence or information that is otherwise admissible, readily available from other sources, or subject to discovery does not become inadmissible or protected from discovery solely because of its disclosure or use in a ¹[collaborative] family ¹collaborative ¹ law process.

¹[13.] 14. ¹ a. A privilege under section ¹[12] 13 of P.L.) (pending before the Legislature as this bill) may be waived in a record or orally during a proceeding if it is expressly waived by both parties and, in the case of the privilege of a nonparty participant, it is also expressly waived by the nonparty participant.

b. A person who discloses or makes a representation about a ¹[collaborative]¹ family ¹collaborative¹ law communication that prejudices another person in a proceeding is precluded from asserting a privilege under section ¹[12] <u>13</u>¹ of P.L., c. (C. (pending before the Legislature as this bill), but this preclusion applies only to the extent necessary for the person prejudiced to respond to the disclosure or representation.

¹[14.] 15. a. There is no privilege under section ¹[12] 13 of

- 42 P.L., c. (C.) (pending before the Legislature as this bill) for a 43
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- 45 (1) made during a session of a ¹[collaborative]¹ family 46 ¹collaborative ¹ law process that is open, or is required by law to be 47 open, to the public; or

1 (2) sought, obtained, or used to threaten or plan to inflict bodily 2 injury or a crime, or to commit or attempt to commit a crime, or to 3 conceal an ongoing crime or ongoing criminal activity; or

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- (3) in a settlement agreement resulting from the ¹[collaborative] family ¹collaborative law process, evidenced by a record signed by both parties to the agreement; or
- (4) a disclosure in a report of suspected domestic violence or suspected child abuse to an appropriate agency under the laws of this State.
- b. There is no privilege under section ¹[12] 13¹ of P.L. 10 11 c. (C.) (pending before the Legislature as this bill) if a 12 tribunal finds, after a hearing in camera, that the party seeking 13 discovery or the proponent of the evidence has shown the evidence 14 is not otherwise available, the need for the evidence substantially 15 outweighs the interest in protecting confidentiality, and the ¹[collaborative]¹ family ¹collaborative¹ law communication is 16 sought or offered in: 17
 - (1) a court proceeding involving a crime; or
 - (2) a proceeding seeking rescission or reformation of a contract arising out of the ¹[collaborative]¹ family ¹collaborative¹ law process or in which a defense to avoid liability on the contract is asserted.
 - c. The privileges under section ¹[12] <u>13</u>¹ of P.L., c. (C.) (pending before the Legislature as this bill) for a ¹[collaborative]¹ family ¹collaborative¹ law communication do not apply to the extent that a communication is:
 - (1) sought or offered to prove or disprove a claim or complaint of professional misconduct or malpractice or the unreasonableness of a ¹[collaborative]¹ family ¹collaborative¹ lawyer's fee arising from or related to a ¹[collaborative]¹ family ¹collaborative¹ law process; or
 - (2) sought or offered to prove or disprove abuse, neglect, abandonment, or exploitation of a child or adult, unless the appropriate protective services agency is a party to or otherwise participates in the process.
 - d. If a '[collaborative]' family 'collaborative' law communication is subject to an exception under subsection b. or c. of this section, only the part of the communication necessary for the application of the exception may be disclosed or admitted.
 - e. Disclosure or admission of evidence excepted from the privilege under subsection b. or c. of this section does not make the evidence or any other ¹ [collaborative] ¹ family ¹ collaborative ¹ law communication discoverable or admissible for any other purpose.
- f. The privileges under section ¹[12] <u>13</u>¹ of P.L., c. (C.) (pending before the Legislature as this bill) do not apply if the parties agree in advance in a signed record that all or part of a

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	¹ [collaborative] ¹ family ¹ collaborative ¹ law process is not
2	privileged.
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4	¹ [15.] <u>16.</u> ¹ If a ¹ [collaborative] family ¹ collaborative law
5	participation agreement fails to meet the requirements of section 5
6	of P.L. , c. (C.) (pending before the Legislature as this
7	bill), the parties may be found to have intended to enter into a
8	¹ [collaborative] ¹ family ¹ collaborative ¹ law participation
9	agreement if they signed a record indicating an intention to enter
10	into a ¹ [collaborative] family ¹ collaborative law participation
11	agreement and reasonably believed they were participating in a
12	¹ [collaborative] ¹ family ¹ collaborative ¹ law process.
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14	¹ [16.] 17. In applying and construing this act, consideration
15	shall be given to the need to promote uniformity of the law with
16	respect to its subject matter among states that enact a
17	¹ [collaborative] family collaborative law act.
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19	¹ [17. This act modifies, limits, and supersedes the federal
20	"Electronic Signatures in Global and National Commerce Act," 15
21	U.S.C. s.7001 et seq., but this act does not modify, limit, or
22	supersede section 101(c) of that act, or authorize electronic delivery
23	of any of the notices described in section 103(b) of that act. I
24	of any of the notices described in section 105(b) of that act.
25	18. If any provision of P.L. , c. (C.) (pending before
26	the Legislature as this bill), or its application to any person or
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28	circumstance is held invalid, the invalidity shall not affect other provisions or applications of P.L. , c. (C.) (pending before
29	the Legislature as this bill) which can be given effect without the
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31	invalid provision or application, and to this end the provisions of P.L., c. (C. (pending before the Legislature as this bill)
32	are severable.

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19. This act shall take effect on the 90th day after enactment.