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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**

No. **543** Session of  
1961

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INTRODUCED BY MESSRS. PECHAN, SHAFER AND BELL,  
APRIL 18, 1961.

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REFERRED TO COMMITTEE ON CORPORATIONS,  
APRIL 18, 1961.

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**AN ACT**

Amending the act of May 5 1933 (P L 289) entitled "An act relating to nonprofit corporations defining and providing for the organization merger consolidation and dissolution of such corporations conferring certain rights powers duties and immunities upon them and their officers and members prescribing the conditions on which such corporations may exercise their powers providing for the inclusion of certain existing corporations of the first class within the provisions of this act prescribing the terms and

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter ~~stricken through~~ is to be omitted from bill. Underscoring indicates new matter added to existing law. [Brackets] indicate matter ~~stricken~~ from existing law.

conditions upon which foreign nonprofit corporations may be admitted or may continue to do business within the Commonwealth conferring powers and imposing duties on the courts of common pleas prothonotaries of such courts recorders of deeds and certain State departments commissions and officers authorizing certain local public officers and State departments to collect fees for services required to be rendered by this act imposing penalties and repealing certain acts and parts of acts relating to corporations" authorizing the borrowing of money or acquisition and disposal of real estate by a vote of less than a majority of all members

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows

- 1 Section 1 Section 308 act of May 5 1933 (P L 289) known as the
- 2 "Nonprofit Corporation Law" amended August 17 1951 (P L 1287) is
- 3 amended to read
- 4 Section 308 Procedure to Borrow Money and to Acquire or Dispose
- 5 of Real Estate Unless its articles or by-laws provide for the approval of
- 6 another body a nonprofit corporation shall not borrow money or purchase

1 sell lease away or otherwise dispose of any real estate unless and until a  
2 resolution authorizing the same shall have been approved by a majority  
3 of the members of the corporation who are present in person or by  
4 proxy and entitled to vote thereon at a regular or special meeting duly  
5 convened upon proper notice of this purpose Unless the by-laws provide  
6 otherwise a majority shall mean one more than one-half of all the votes  
7 actually cast without regard to the total number of members entitled  
8 to vote A resolution of the members authorizing the borrowing of money  
9 need not specify the particular sums rates of interest or times of matur-  
10 ity of the loans but such items may be agreed upon and authorized by  
11 the directors of the corporation Every nonprofit corporation may  
12 mortgage sell lease away or otherwise dispose of any of its real estate  
13 without application to and the authorization or confirmation of any  
14 court except in those cases where the Revised Price Act of one thousand  
15 nine hundred and seventeen approved the seventh day of June one thou-  
16 sand nine hundred seventeen (Pamphlet Laws three hundred eighty-  
17 eight) and its amendments and supplements confers jurisdiction upon the  
18 orphans' court or the court of common pleas of a particular county to  
19 authorize or confirm the selling leasing conveying upon ground rent or  
20 mortgaging of real estate by a corporation All proceeds derived by a

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- 1 nonprofit corporation from any loan sale lease ground rent or mortgage
- 2 shall be faithfully and specifically used for or applied to the lawful
- 3 activities of the corporation and in case such proceeds are derived from
- 4 any real estate subject to a trust the trust shall be impinged upon such
- 5 proceeds

We certify that this bill has passed the Senate and the House of  
Representatives.

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Chief Clerk, Senate

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President pro tempore, Senate

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Speaker, House of Representatives

Approved The ..... day of ..... A. D. 1961.

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Governor