

tions in which the capital subscribed shall alone be responsible for the debts of the associations, except under certain circumstances,' approved June second, one thousand eight hundred and seventy-four, providing for the continuance of such associations after the expiration of the original term, prescribing the manner of electing managers thereof, and conferring authority to adopt by-laws for the regulation and government thereof, fixing the number of managers and designating the title of the principal executive officer."

(5) Act of July 24, 1913 (P. L. 969), entitled "An act supplementing an act, entitled 'An act authorizing the formation of partnership associations in which the capital subscribed shall alone be responsible for the debts of the association, except under certain circumstances,' approved the second day of June, Anno Domini one thousand eight hundred and seventy-four; providing for increase of capital stock and amendment of the articles, and continuing the term ¹ of existing associations, and providing for certain additional officers in such associations."

Section 51. This act shall take effect January 1, 1966.

APPROVED—The 18th day of January, A. D. 1966.

WILLIAM W. SCRANTON

No. 520

AN ACT

SB 735

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 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," amending the title; changing certain

¹ "of" not in original.

definitions and the scope and applicability of the act; providing for the automatic acceptance of the Constitution of Pennsylvania and of the act; eliminating the requirement that certain documents be approved as to legality by the Department of State; validating the title to certain real estate; revising, adding and repealing specific provisions of the act; and making repeals.

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

Section 1. The title, act of May 5, 1933 (P. L. 289), known as the "Nonprofit Corporation Law," is amended to read:

AN ACT

Relating to [nonprofit] corporations; defining and providing for the organization, merger, consolidation, and dissolution of [such] certain corporations not for profit; 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 conditions upon which certain 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 and other entities.

Section 2. Section 2 of the act, amended July 11, 1957 (P. L. 692), is amended to read:

Section 2. Definitions.—The following words or phrases, unless the context clearly indicates otherwise, shall have the meanings ascribed to them in this section:

(1) "Articles" [includes both] ¹mean the original articles of incorporation, [and any and] all amendments thereto, and articles of merger [or] and consolidation, and [also include,] includes what have heretofore been designated by law as certificates of incorporation or charters. If an amendment or articles of merger or consolidation made in the manner permitted by this act restates articles in their entirety, thenceforth the "articles" shall not include any prior documents.

¹"means" in original.

(2) "Business" in the case of a domestic nonprofit corporation, [includes] means any or all of the activities for which it has been [organized] incorporated, and, in the case of a foreign nonprofit corporation, any or all of the activities in which its certificate of authority authorizes it to engage within this Commonwealth.

(3) "Corporation Not for Profit" means a corporation ¹ incorporated for a purpose or purposes not involving pecuniary profit, incidental or otherwise, to its members.

(4) "Court" means the court of common pleas of the county where the registered office of the corporation is or is to be located.

(5) "Directors" [includes] ² mean persons designated in the articles as such, and persons designated, elected or appointed, by any other name or title, to act as directors, and their successors.

The term, when used in relation to any power or duty requiring collective action, shall be construed to mean "Board of Directors."

(6) "Domestic Nonprofit Corporation" or "Nonprofit Corporation" means a corporation [formed] not for profit incorporated under this act, or [a corporation] heretofore [organized or created] or hereafter incorporated in this Commonwealth which has become or becomes subject to this act.

(7) "Foreign Nonprofit Corporation" means a corporation not for [pecuniary] profit [formed] incorporated under any laws other than those of this Commonwealth and not excluded from the scope of this act by section 4 of this act.

(8) "Incorporator" [is] means one of the signers of the original articles of incorporation.

(9) "Member" [includes] means each person signing the articles of incorporation, and each person admitted to membership in the corporation. The term "member" shall be construed to include "shareholder," if the corporation issues shares of stock.

["Nonprofit Corporation" means a corporation organized for a purpose or purposes not involving pecuniary profit, incidental or otherwise, to its members.]

¹ "incorporated" in original.

² "means" in original.

(10) "Registered Office" means [in the case of a domestic nonprofit corporation,] that office maintained by a domestic or foreign nonprofit corporation in this Commonwealth [at which its books and records are kept, and] the address of which is [filed] recorded in the office of the recorder of deeds. [as required by this act, and, in the case of a foreign nonprofit corporation authorized to do business within this Commonwealth, that office in this Commonwealth the address of which is filed with the Secretary of the Commonwealth, as required by this act.]

(11) "Trust Instrument" [includes] means any lawful deed of gift, grant, last will and testament, or other document, by which the donor, grantor, or testator shall give, grant, devise, or bequeath any real or personal property, or the income therefrom, in trust, for any charitable, religious, benevolent, educational, scientific or literary purpose, or public benefaction, of whatever name or nature.

(12) "Written" includes printed, typewritten, engraved, lithographed, telegraphed, cabled, radiogrammed, photographed, photostated, telephotographed, or other form of recordation.

[Section headings shall not be taken to govern or limit the scope of the sections of this act.

The singular shall include the plural, and the masculine shall include the feminine and neuter.]

Section 3. Section 3 of the act, amended August 26, 1953 (P. L. 1453), is amended to read:

Section 3. Applicability and Acceptance of Act.—A. [Every corporation of the first class, heretofore organized and incorporated under the Corporation Act of 1874, its amendments and supplements, and every corporation heretofore created by any special act or formed under any general act, which has accepted in any manner whatsoever the Constitution of Pennsylvania, and which, if not existing, would be required to incorporate under this act, shall hereafter be subject to the provisions of this act without formal reorganization hereunder, and shall be deemed to exist under this act. The provisions of this act shall govern all such corporations heretofore incorporated in this Commonwealth.] Except as provided in section 4 of this act, the provisions of this act shall apply to:

(1) Every domestic corporation not for profit incorporated under any general or special act since October 13, 1857; and

(2) Every domestic corporation not for profit incorporated under

any general or special act prior to October 14, 1857, which (i) by the terms of its charter or the act under which it was incorporated, holds a charter subject to alteration or revocation, or (ii) accepts or has since October 13, 1857, accepted the Constitution of Pennsylvania in any manner whatsoever.

B. [Any corporation incorporated prior to one thousand eight hundred and seventy-four by any general or special act, which has not accepted the Constitution of Pennsylvania in any manner whatsoever, and which, if not existing, would be required to incorporate under this act, shall be] (1) Except as provided in section 4 of this act, every domestic corporation not for profit which is not brought within the scope of this act by subsection A of this section, shall after January 1, 1967, be conclusively deemed to exist under and shall be governed by the provisions of this act, [upon filing] unless on or before January 1, 1967, such corporation shall have filed with the Department of State a certificate [accepting] declining to accept the provisions of the Constitution of Pennsylvania and of this act. The certificate shall be executed under the seal of the corporation, shall be signed by two duly authorized officers of the corporation, and shall set forth:

[(1)] (i) The name and address of the corporation,

[(2)] (ii) The act of Assembly by or under which it was [created] incorporated,

[(3)] (iii) A statement that the corporation [accepts] declines to accept the Constitution of Pennsylvania and the provisions of this act, and

[(4)] (iv) A statement that the [acceptance] nonacceptance of the Constitution of Pennsylvania and of the provisions of this act was duly authorized [by a] at a special meeting of the members called for that purpose or at an annual meeting of the members.

No fee shall be charged for the filing of such a certificate.

(2) The names of all corporations filing such certificates shall be listed on a register maintained for that purpose by the Department of State. Such register shall be combined with any similar register established by any other act. Whenever any corporation named on

such register shall file any other document under this act or do any other act amounting to acceptance of the Constitution of Pennsylvania, the department shall remove such corporation's name from the register. The acceptance for filing such a certificate shall not preclude the Commonwealth or any interested person from directly or collaterally establishing, in any proceeding to which the corporation is a party, that such acceptance for filing was improper.

(3) Whenever the Department of State shall reject a certificate tendered for filing under this subsection B on the ground that the corporation named therein has theretofore accepted the Constitution of Pennsylvania, or shall remove a corporation's name from such register, on the ground either that such corporation was improperly included thereon or that it has accepted the Constitution of Pennsylvania, it shall notify the corporation thereof by certified mail and such notice shall be accompanied by a brief statement by the department of its finding as to the manner in which acceptance of the Constitution was effected.

(4) The filing of a certificate of nonacceptance under this subsection shall be deemed to be in compliance with the police power of the Commonwealth and shall not of itself constitute acceptance of the Constitution of Pennsylvania.

C. [Every] Except as provided in section 4 of this act, every foreign [nonprofit] corporation [heretofore admitted to do business in this Commonwealth, which, if now seeking admission, would be required to comply with the provisions of this act, shall, within ninety days after the effective date of this act, secure a certificate of authority from the Department of State and] not for profit shall [thereafter] be subject to the provisions of this act. If a foreign corporation not for profit is on January 1, 1966, admitted to do business in this Commonwealth by the filing of a power of attorney and statement under the act of June 8, 1911 (P. L. 710), such power of attorney and statement shall be deemed an approved application for a certificate of authority issued

under this act, and such corporation shall be deemed a holder of such a certificate. Such corporation shall include in its initial application, if any, for an amended certificate of authority under this act the information required by this act to be set forth in an application for a certificate of authority.

D. [This] Except as provided in this section, this act shall not be construed as attempting to deprive any existing corporation of any corporate power, right, privilege or franchise which such corporation now enjoys [except that such]. A corporation not for profit shall not hereafter operate in any manner resulting in pecuniary profit or gain to its members.

[E. Any corporation incorporated prior to one thousand eight hundred seventy-four by any general or special act which has not filed with the Department of State a certificate accepting the provisions of the Constitution of Pennsylvania and of the act herein amended may amend its charter for the purpose of changing its name, as provided in article seven of this act, in the same manner and to the same extent as if it had filed the certificate of acceptance provided for in the section herein amended.]

Section 4. Section 4 of the act, amended April 18, 1949 (P. L. 583), and May 12, 1949 (P. L. 1274), is amended to read:

Section 4. Scope of Act.—This act does not [relate to, does not affect, and does not] apply to:

[(1) Cooperative associations, whether for profit or not for profit.

(2) Beneficial, benevolent, fraternal or fraternal benefit societies, having a lodge system and a representative form of government, or transacting any type of insurance whatsoever.

(3) Any corporation whatsoever organized for any purpose or purposes involving pecuniary profit to its members or shareholders.

(4) Any corporation which by the laws of this Commonwealth is subject to the supervision of the Department of Banking, the Insurance Department, the Pennsylvania Public Utility Commission, or the Water and Power Resources Board: Provided, however, That corporations, subject by law to the limited supervision of the Insurance Department, may be incorporated under, and in accordance with, the provisions of this act, for the purpose of establishing, maintaining and operating a nonprofit hospital plan, whereby hospitalization may be provided to subscribers of such plan by any hospital with which such corporations have a contract for such hospitalization, or for the purpose of establishing, maintaining, and operating a nonprofit medical and osteopathic and

dental service plan, whereby medical or osteopathic or dental services may be provided through any doctor of medicine or any doctor of osteopathy or any doctor of dental surgery in his capacity as a staff member of an accredited hospital to subscribers of low income and over-income and their dependents.]

(1) Any domestic corporation not for profit incorporated under one of the following acts or which, if not existing, would be required to incorporate under one of such acts, unless and only to the extent otherwise provided in the act under which it was incorporated:

(i) the act of June 12, 1919 (P. L. 466) relating to agricultural associations without capital stock;

(ii) the act of July 17, 1935 (P. L. 1092) relating to fraternal benefit societies;

(iii) the Electric Cooperative Corporation Act;

(2) Except with respect to section 913B of this act, any foreign corporation not for profit qualified to do business in this Commonwealth under one of the following acts:

(i) the act of July 17, 1935 (P. L. 1092) relating to fraternal benefit societies;

(ii) any other act hereafter enacted requiring as a condition for qualification the appointment within this Commonwealth of an agent for the receipt of service on behalf of the foreign corporation of all lawful process in any action against it.

Section 5. Sections 7 and 8 of the act are repealed.

Section 6. Section 9 and subsections A and B of section 10 of the act are amended to read:

Section 9. [Construction of References] Interpretation of Act.—A. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of this act, and the application of such provision to other persons or circumstances, shall not be affected thereby, and to this end the provisions of this act are declared to be severable.

B. Whenever in this act reference is made to any act by title [or otherwise], such references shall be construed to apply to and include

any codification wherein the provisions of the act referred to are substantially reenacted.

C. No corporation which might be incorporated under this act shall hereafter be incorporated except under the provisions of this act.

D. This act shall not be deemed to curtail in any manner whatsoever the law or equity jurisdiction of the courts of this Commonwealth.

E. Section headings shall not be taken to govern or limit the scope of the sections of this act. The singular shall include the plural, and the masculine shall include the feminine and neuter.

Section 10. Notice of Meetings.—A. Whenever written notice is required to be given to any person under the provisions of this act or by the articles or by-laws of any nonprofit corporation, it may be given to such person either by sending a copy thereof through the mail, or by telegram, charges prepaid, to his address ¹ appearing on the books of the corporation or supplied by him to the corporation for the purpose of notice. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office for transmission to such person. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting of members, the general nature of the business to be transacted.

B. Whenever any written notice is required to be given under the provisions of this act or the articles or by-laws of any nonprofit corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except in the case of a special meeting of members, neither the business to be transacted at nor the purpose of the meeting need be specified in the waiver of notice of such meeting.

* * *

Section 7. Section 12 of the act, amended August 17, 1951 (P. L. 1287), is amended to read:

Section 12. Powers of Department of State; Filing of Documents.—

A. The Department of State shall have the power and authority reasonably necessary to enable it to administer this act efficiently, and to perform the duties imposed upon it by this act. All articles, papers and other

¹“appearing” in original.

documents required by this act to be filed with the Department of State shall be in such [form] format as to size, shape and other physical characteristics as shall be prescribed by that department.

B. If the Department of State finds:

(1) That any document delivered to it for filing under this act appears to be properly executed and to relate to matters authorized or required to be filed by any section of this act.

(2) That in the case of applications for registration of a corporate name or for a certificate of authority or an amended such certificate changing a corporate name, the proposed name is available, and

(3) That all fees and taxes or certificates relating thereto and proofs of publication required by law in connection with the filing of such documents have been tendered; then the Department of State shall, except as otherwise provided in sections 3B (3), 902 (4) and 902 (5) of this act, forthwith or on such date as is requested by the person delivering the document or as is specified in any accompanying advertisement required by this act, whichever is later, file such document, certify that such document has been filed by endorsing upon such document the fact and date of filing, make and retain a copy thereof, and return the document or a copy thereof so endorsed to the person who delivered the same to the department.

C. The Department of State may make a copy, on microfilm or otherwise, of any document filed with or by it pursuant to [this act or] any act hereby repealed, and thereafter destroy such document or return it to the person who [filed] delivered the same to the department.

Section 8. Section 202 of the act, amended May 24, 1945 (P. L. 957), July 11, 1957 (P. L. 692), June 13, 1963 (P. L. 137), August 24, 1963 (P. L. 1163) and September 30, 1965 (Act No. 294) (P. L. 570), is amended to read:

Section 202. The Corporate Name.—A. The corporate name may be in any language, but must be expressed in English letters or characters. The corporate name shall not imply that the corporation is a governmental agency of the Commonwealth or of the United States, or [is subject to the supervision of the Department of Banking, the Public

Utility Commission or of the Insurance Department, and shall not contain the word "bank," "banking," "banker," "savings," "trust," "deposit," "insurance," "mutual," "assurance," "indemnity," "casualty," "fiduciary," "benefit," "beneficial," "public service," "public utility," "building and loan," "surety," "security," "guaranty," "guarantee," "cooperative," "State," "Commonwealth," "United States," or "Federal," except where the use of such words by ordinary and common interpretation could not imply that the corporation is a governmental agency of the Commonwealth or the United States or is subject to the supervision of the Department of Banking, the Public Utility Commission or the Insurance Department] a bank, bank and trust company, savings bank, private bank, or trust company as defined in the Banking Code, an insurance company of any of the classes which might be incorporated under The Insurance Company Law of 1921, or a public utility as defined in the Public Utility Law, nor shall the corporate name contain the word "college" or "university" when used in such a way as to give the impression that it is an educational institution conforming to the standards and qualifications prescribed by the State Board of Education, unless there be submitted a certificate from the Superintendent of Public Instruction certifying that the corporation or proposed corporation is entitled to use such designation.

B. The corporate name shall not be the same as, or deceptively similar to,

(1) The name of any other domestic corporation, or of any foreign corporation authorized to do business in this Commonwealth, or the name of any unincorporated body whatsoever, voluntarily registered with the Department of State under any act of Assembly, unless (i) where the name is the same or deceptively similar, such other domestic or foreign corporation or unincorporated body (a) is about to change its name, or to cease to do business, or is being wound up, or such foreign corporation is about to withdraw from doing business in this Commonwealth, and the written consent of such other domestic or foreign corporation or unincorporated body to the adoption of [its] such name, [or a deceptively similar name, has been given and] is filed with the [application to the] Department of State [for the registration of the name,] or [unless such other domestic or foreign corporation] (b) has filed with the Department of Revenue a certificate of out of existence, or [unless such domestic or foreign corporation] has failed

for a period of three successive years to file with the Department of Revenue or with the Department of State a report or return required by law, and such failure to file with the Department of Revenue has been certified by the Department of Revenue to the Department of State [Provided, That nothing herein contained shall be construed to refer or apply to] or (ii) where the name is deceptively similar, the consent of such other domestic or foreign corporation or unincorporated body to the adoption of such name is filed with the Department of State.

The consent of the corporation or unincorporated body shall be evidenced by a certificate to that effect executed under the seal, if any, of the corporation or body and signed by two duly authorized officers thereof.

A name shall not be rendered unavailable for corporate use by reason of the filing with the Department of State of any assumed or fictitious name required by law to be filed with the [Department of State] department.

(2) The name of any administrative department, board, or commission, or other agency of the Commonwealth.

(3) A name the exclusive right to which is, at the time, reserved by any other corporation whatsoever in the manner provided in this act or any other act of Assembly.

C. Nothing in this act shall abrogate or limit the law as to unfair competition or unfair practices, nor derogate from the common law, the principles of equity, or the statutes of this Commonwealth with respect to the right to acquire and protect trade names.

D. The use of a name in violation of this section shall not vitiate or otherwise affect the corporate existence, but the court of common pleas of Dauphin County may, upon the application of the Attorney General acting on his own motion or at the instance of any administrative department, board, or commission of the Commonwealth, and the court of common pleas of any county having jurisdiction over the corporation may, upon the application of any person, unincorporated association, or corporation adversely affected, enjoin the corporation from using or continuing to use a name used in violation of this section.

E. Where a corporate name is made available on the basis that the corporation which formerly registered such name has failed for a period of three successive years to file with the Department of Revenue

or the Department of State a report or a return required by law or where the corporation has filed with the Department of Revenue a certificate of out of existence, the said corporation shall cease to have by virtue of its prior registration any right to the use of such name, and said corporation upon withdrawal of the certificate of out of existence or upon the removal of its delinquency in the filing of the required reports and returns, must make inquiry with the Department of State with regard to the availability of its name, and if such name has been made available to another corporation by virtue of the above conditions, must adopt a new name in accordance with the provisions of this act for changing corporate names before resuming its activities.

[D.1] F. If a domestic or foreign nonprofit corporation has used a name the same as or deceptively similar to the name of another corporation as permitted by subsection B (1) (i) hereof [with the consent of such other corporation,] and the other corporation continues to use its name in this Commonwealth and does not change its name, cease to do business, be wound up, or withdraw as it proposed to do in its consent or change its name as required by subsection E hereof, the court of common pleas of Dauphin County may, upon the application of the Attorney General, acting on his own motion or at the instance of the Commonwealth, and the court of common pleas of any county having jurisdiction over the other corporation may, upon the application of any person, unincorporated body or corporation adversely affected, enjoin the other corporation from continuing to use its name or a name deceptively similar thereto.

[D.2] G. The corporate name shall not contain the words “engineer” or “engineering” or “surveyor” or “surveying,” or any other word implying that any form of the practice of engineering or surveying, as defined in the [Act of May 23, 1945 (P. L. 913), known as the] “Professional Engineers Registration Law” is provided unless the use of such name shall first have been approved by the State Registration Board for Professional Engineers and there is submitted a certificate from the board that the corporation or proposed corporation is entitled to use such designation in its corporate name. The State Registration Board for Professional Engineers shall approve the corporate name: Provided, That at least one of the incorporators of a proposed nonprofit

corporation or the directors of a domestic or foreign nonprofit corporation has been properly registered with said board in the practice of engineering or surveying.

[E.] H. The exclusive right to the use of a corporate name may be reserved by,

(1) Any foreign nonprofit corporation intending to transact business in this Commonwealth, or intending to change its name, or

(2) Any persons intending to organize a foreign nonprofit corporation and intending to have such corporation make application for a certificate of authority to do business in this Commonwealth.

Such reservation shall be made by filing with the Department of State an application to reserve a specified corporate name, executed by the applicant. If the department finds that such name is available for corporate use, it shall reserve the name for the exclusive use of the applicant for a period of sixty days. The right to the exclusive use of a specified corporate name so reserved may be transferred to any person by filing with the Department of State a notice of such transfer executed by the person for whom such name was reserved and specifying the name and address of the transferee.

Section 9. Clause (9) of section 203 of the act, amended August 24, 1963 (P. L. 1163), is amended to read:

Section 203. Articles of Incorporation.—Articles of incorporation shall be signed by each of the incorporators, and shall set forth, in the English language:

* * *

(9) Any [lawful provision desired for the regulation of the affairs of the corporation, including restrictions upon the power to amend all or any part of the articles.] other provisions which the incorporators may choose to insert if:

(i) any section of this act authorizes or requires provisions pertaining to the subject matter thereof to be set forth in the articles or by-laws of a nonprofit corporation or in an agreement or other instrument; or

(ii) such provisions, whether or not specifically authorized by this act, relate to the regulation of the internal affairs or business of the corporation, or to the rights, powers or duties of its members, bondholders, directors or officers.

The authorized number and qualifications of its members, the different

classes of membership, if any, the property, voting and other rights and privileges of each class of membership, and the liability of each class or all classes to dues or assessments, and the method of collection thereof, may be set forth either in the articles or in the by-laws.

Section 10. Section 207 of the act, amended June 20, 1947 (P. L. 642), is amended to read:

Section 207. Court to Decree or Refuse Incorporation.—On the day specified in the advertisement, or as soon thereafter as the matter may be heard, the incorporators shall present an application for a [charter] certificate of incorporation to the court, and shall present to the court the articles of incorporation, proof of the advertisement required by the preceding section, and the certificate of the Department of State pertaining to the registration of the corporate name. The court shall consider the application. It may hear evidence, if any there be, on behalf of the applicants and against the application, or it may refer the application to a master to make report as to the propriety of granting the application. In such case, upon the filing of the master's report, the court shall grant the applicants and protestants a hearing, if exceptions are filed by either of them. If the court shall find the articles to be in proper form and within the provisions of this act, and the purpose or purposes given in the articles to be lawful and not injurious to the community, and that the name is presently available for corporate use, as evidenced by certificate from the Secretary of the Commonwealth issued within [six months] one year, the court shall so certify on the articles, and shall order and decree thereon that the articles are approved and that, upon the recording of the articles and the order, the corporation shall come into existence for the purpose or purposes and upon the terms stated therein; otherwise, the court shall refuse the application for a [charter] certificate of incorporation.

Section 11. Section 308 of the act, amended August 17, 1951 (P. L. 1287), is amended to read:

Section 308. Procedure to Borrow Money and to Acquire or Dispose of Real Estate.—Unless its articles or by-laws provide for the approval of another body, a nonprofit corporation shall not borrow money, or purchase, sell, lease away, or otherwise dispose of any real estate, unless and until a resolution authorizing the same shall have been approved by a majority of the members of the corporation, who are present in person or by proxy and entitled to vote thereon, at a regular or special meeting, duly convened upon proper notice of this purpose. A resolution of the members authorizing the borrowing of money need not specify

the particular sums, rates of interest, or times of maturity of the loans, but such items may be agreed upon and authorized by the directors of the corporation. Every nonprofit corporation may mortgage, sell, lease away, or otherwise dispose of any of its real estate without application to, and the authorization or confirmation of, any court [, except in those cases where the Revised Price Act of one thousand nine hundred and seventeen, approved the seventh day of June, one thousand nine hundred seventeen (Pamphlet Laws, three hundred eighty-eight), and its amendments and supplements, confers jurisdiction upon the orphans' court or the court of common pleas of a particular county to authorize or confirm the selling, leasing, conveying upon ground rent, or mortgaging of real estate by a corporation]. All proceeds derived by a nonprofit corporation from any loan, sale, lease, ground rent, or mortgage, shall be faithfully and specifically used for or applied to the lawful activities of the corporation, and in case such proceeds are derived from any real estate subject to a trust, the trust shall be impinged upon such proceeds.

Section 12. Section 402 of the act is amended to read :

Section 402. Persons Bound by By-laws.—The by-laws of a nonprofit corporation shall operate merely as regulations among the members of the corporation, and shall not affect contracts or other dealings with other persons, unless such persons have actual knowledge of such by-laws. Any form of execution provided in the by-laws to the contrary notwithstanding, any note, mortgage, evidence of indebtedness, contract, or other instrument of writing, or any assignment or endorsement thereof, executed or entered into between any corporation and any other person, copartnership, association or corporation, when signed by the president or vice president and secretary or assistant secretary, or treasurer or assistant treasurer, of such corporation shall be held to have been properly executed for and in behalf of such corporation. Except as otherwise required by act of Assembly, the affixation of the corporate seal shall not be necessary to the valid execution, assignment or endorsement by a domestic or foreign nonprofit corporation of any instrument in writing.

Section 13. Clause (h) of section 502 of the act, amended August 24, 1963 (P. L. 1163), is amended to read :

Section 502. Number, Qualifications and Election of Directors.—Subject to the provisions of this act, the number, qualifications, terms of office, manner of election, the compensation, and the powers and duties of the directors, the time, place and manner of calling, giving

notice of, and conducting directors' meetings, and the number of directors which shall constitute a quorum may be prescribed by the articles or by-laws. If the by-laws so provide, meetings of directors may be held outside of the Commonwealth. Except as otherwise provided in the articles or by-laws—

* * *

(h) Any action which may be taken at a meeting of the directors may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all directors and shall be filed with the secretary of the corporation.

Section 13.1. Section 507 of the act is amended to read:

Section 507. Boards of Trustees of Young Men's Christian Associations.—Every Young Men's Christian Association, incorporated under this act shall have, in addition to a board of directors, six or more trustees, who, together with the president of the association, shall form a board of trustees. [Each member of the board of trustees shall be a member of one of the protestant evangelical denominations, but a majority of such members, exclusive of the president of the association, shall not be members of any one denomination.] The number, terms of office, manner of election, time and place of meeting, and the powers and duties of the trustees may, subject to the provisions of this act, be prescribed by the articles or the by-laws. Vacancies in the board of trustees shall be filled by a majority vote of the remaining trustees from nominations to be made by the board of directors. All real property which shall be given to or acquired by a Young Men's Christian Association, and all gifts and bequests of money to be held in trust, shall be held by the board of trustees; but the real property of the association shall be managed by the board of directors, and real property belonging to such association shall not be conveyed, disposed of, or mortgaged by the board of trustees, except with the consent of the board of directors. The property of the association and all income received therefrom by the board of trustees shall be devoted to the purpose or purposes of the corporation and to no other purpose. The income received from such property shall be paid over by the board of trustees to the treasurer of the board of directors, so long as the directors expend the income for the purpose or purposes of the association.

Section 14. The act is amended by adding after section 510, two new sections to read:

Section 511. Indemnification of Directors and Officers.—Unless the articles provide otherwise, a nonprofit corporation shall have power to

indemnify its current and former directors and officers against expenses reasonably incurred by them in connection with the defense of any action to which they are made parties by reason of being or having been directors or officers, except in relation to matters as to which they shall be adjudged in such action liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which they may be entitled under any by-law, agreement, vote of members or otherwise.

Section 512. Informal Action by Members.—Unless the articles or by-laws otherwise provide, any action which may be taken at a meeting of members may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken shall be signed by all of the members who would be entitled to vote at a meeting for such purpose, and shall be filed with the secretary of the corporation.

Section 15. Section 605 of the act is amended to read:

Section 605. Quorum of and Actions by Members.—A. A members' meeting duly called shall not be organized for the transaction of business unless a quorum is present. Unless otherwise provided in the articles or [by-laws] in a by-law adopted by the members.—

(1) The presence in person or by proxy, if the by-laws permit voting by proxy, of a majority of the members entitled to vote shall constitute a quorum and, unless otherwise provided in this act, the acts at a duly organized meeting, of the members present in person or by proxy if the by-laws permit voting by proxy entitled to cast at least a majority of the votes which all members present are entitled to cast shall be the acts of the members.

(2) The members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

(3) If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in this act, adjourn the meeting to such time and place as they may determine, but in the case of any meeting called for the election of directors those who attend the second of such adjourned meetings, although less than a quorum as fixed in this section, or in the articles or by-laws, shall, never-

theless, constitute a quorum for the purpose of electing directors.

B. Whenever in this act a specified percentage of votes of members or of a class of members is required for the taking of any action, a nonprofit corporation may prescribe in its articles or in a by-law adopted by its members that a higher percentage of votes shall be required for such action.

Section 16. Section 707 of the act, amended June 13, 1963 (P. L. 137), is amended to read:

Section 707. Court to Approve or Refuse Amendments.—On the day specified in the advertisement, or as soon thereafter as the matter may be heard, the corporation or its representative shall present an application for the amendment of its [charter] articles to the court, and shall present to the court the articles of amendment, a certified copy of the resolution authorizing the proposed amendments, proof of the advertisement required by the preceding section, and, in the case of a proposed change of the corporate name, a certificate of registration from the Department of State. The court shall consider the application. It may hear the evidence on behalf of the applicants and against the application, if any there be, or it may refer the application to a master to make report as to the propriety of granting the application. In such case, upon the filing of the master's report, the court shall grant the applicants and protestants a hearing if exceptions are filed by either of them. If the court shall be of the opinion that the amendments are lawful, will be beneficial and not injurious to the community, and do not conflict with the requirements of this act, the court shall so certify on the articles of amendment, and shall order and decree thereon that the articles of amendment are approved. [and that, upon the recording of the articles and the order, the amendments specified in the petition shall be a part of the charter. However, the] The court shall not approve articles of amendment presented by or on behalf of an educational corporation with power to confer degrees or a nonsectarian charitable corporation, unless and until the court shall receive the approval or recommendation of the Superintendent of Public Instruction or the Department of Welfare, as the case may be, in a manner similar to that prescribed by this act in the case of the formation of such corporations.

Section 17. Section 708 of the act is amended to read:

Section 708. Recording of Articles of Amendment.—After the court shall have approved the articles of amendment as required by the pre-

ceding section, the prothonotary shall transmit the articles approved by the court to the office of the recorder of deeds of the county, where they shall be recorded. Upon the recording of the articles, or upon the effective date specified in the articles of amendment, whichever is later, the amendment shall become effective. The articles, upon being ¹ recorded, shall be returned to the prothonotary, who shall retain and file them as part of the records of the court, and who shall issue a certified copy ² thereof to the corporation or its representative. Certified copies of the articles so recorded shall be competent evidence for all purposes in the courts of this Commonwealth.

Section 18. Sections 801 and 808 of the act, amended May 23, 1949 (P. L. 1763), are amended to read:

Section 801. Merger or Consolidation Authorized.—A. Any two or more domestic nonprofit corporations [formed] incorporated for kindred purposes, or any one or more domestic nonprofit corporations, and any one or more foreign nonprofit corporations may, in the manner hereinafter provided in this article, either be merged into one of such nonprofit corporations, either domestic or foreign, hereinafter designated as the surviving corporation, or be consolidated into a new domestic or foreign nonprofit corporation, provided such foreign nonprofit corporations are authorized by the law or laws of the jurisdiction under which they were [formed] incorporated to effect such merger or consolidation. If a proposed merger or consolidation will result in a surviving domestic corporation or a new domestic corporation, such application shall be made to the court of common pleas of the county in which the registered office of such surviving corporation is located or the registered office of such new corporation is to be located. If any proposed merger or consolidation will result in a surviving foreign corporation or a new foreign corporation, such application shall be made to the court of common pleas of the county in which the registered office of the constituent domestic corporation is located unless there are two or more constituent domestic corporations to such merger or consolidation in which case such application shall be made to the court of common pleas of the county in which the registered office of any one of such constituent domestic corporations is located. The merger or consolidation of one or more domestic corporations into a foreign corporation shall be effective according to the provisions of law of the jurisdiction in which such foreign corporation was [formed] incorporated,

¹ "rcorded" in original.

² "therof" in original.

but not until articles of merger or articles of consolidation have been [adopted and filed] approved and recorded as provided in this act.

Section 808. Recording of Articles of Merger or Consolidation.—After the court shall have approved the articles of merger or articles of consolidation, as required by the preceding section, the prothonotary shall transmit the articles approved by the court to the office of the recorder of deeds of the county, where they shall be recorded. The laws of the jurisdiction of the surviving corporation shall also be complied with if the surviving corporation is a foreign nonprofit corporation. Upon the recording of the articles, or upon the effective date specified in the articles of merger or articles of consolidation, whichever is later, the merger or consolidation shall become effective. In case the surviving or new corporation is a domestic corporation, the merger or consolidation of one or more domestic corporations into a foreign corporation shall be effective according to the provisions of law of the jurisdiction in which such foreign corporation was [formed] incorporated, but not until articles of merger or articles of consolidation have been approved by the court and recorded as provided in this act. The articles, upon being recorded, shall be returned to the prothonotary, who shall retain and file them as part of the records of the court, and [who shall] issue a certified copy thereof to the surviving or new corporation, as the case may be, or its representative. Certified copies of articles so recorded shall be competent evidence for all purposes in the courts of this Commonwealth. In event any constituent domestic corporation to the merger or consolidation was incorporated in another county, the aforesaid prothonotary shall certify in writing to the recorder of deeds of such other county the fact of such merger or consolidation and the recorder of deeds of such other county shall record such certificate.

Section 19. Section 902 of the act, amended July 1, 1957 (P. L. 692) and June 13, 1963 (P. L. 137), is amended to read:

Section 902. Restrictions on Admission of Foreign Nonprofit Corporations.—The Department of State shall not issue a certificate of an authority to any foreign nonprofit corporation:

(1) If the application for the certificate of authority, hereinafter required by this article to be filed, sets forth any kind of business [for] which a [domestic] foreign nonprofit corporation [could not be formed under the laws of the] may not lawfully transact in this Commonwealth.

(2) If the name of the corporation is [the same as or deceptively similar to the name of any domestic corporation or any other foreign

corporation authorized to do business in this Commonwealth, or the name of any unincorporated body whatsoever voluntarily registered with the Department of State under any act of Assembly, unless such other domestic or foreign corporation or unincorporated body is about to change its name, or to cease to do business, or is being wound up, or such foreign corporation is about to withdraw from doing business in this Commonwealth, and the written consent of such other domestic or foreign corporation or unincorporated body to the adoption of its name or a deceptively similar name has been given and is filed with the application for a certificate of authority hereinafter provided for in this article, or unless such other domestic or foreign corporation has filed with the Department of Revenue a certificate of out of existence, or unless such domestic or foreign corporation has failed for a period of three successive years to file with the Department of Revenue or with the Department of State a report or return required by law, and failure to file with the Department of Revenue has been certified by the Department of Revenue to the Department of State: Provided, That nothing herein contained shall be construed to refer or apply to any assumed or fictitious name required by law to be filed with the Department of State] not available through consent or otherwise for use by a domestic corporation.

(3) If the name of the corporation contains words not permitted by [this act] law to be part of the name of a domestic [nonprofit] corporation.

(4) If the corporation is a college, university, theological seminary or other nonprofit corporation, which, if formed under the provisions of this act, would require the approval of the Superintendent of Public Instruction, unless the approval of the Superintendent shall be annexed thereto. Whenever the Department of State shall receive an application for a certificate of authority from this type of corporation, it shall be the duty of the department to submit the application [together with the certified copy of the articles or special law, as the case may be,] to the Superintendent of Public Instruction and thereafter the procedure shall be the same as that heretofore prescribed by this act for the approval or disapproval of applications for the incorporation of similar domestic nonprofit corporations, except that the documents and the findings of the Superintendent of Public Instruction shall be returned to the Department of State. It shall be unlawful for the Department of State to issue a certificate of authority to such a corporation without the approval of the Superintendent.

(5) If the corporation is one which if [formed] incorporated under the provisions of this act would require the approval of the Department of Welfare, unless the approval of the Department of Welfare shall be annexed thereto. Whenever an application for a certificate of authority is filed with the Department of State by this type of corporation, it shall be the duty of the department to submit all the documents to the Department of Welfare, and thereafter the procedure shall be the same as that heretofore prescribed by this act for the approval or disapproval by the Department of Welfare of applications for the incorporation of similar domestic nonprofit corporations, except that the Department of Welfare shall return the documents, together with its recommendation, to the Department of State. It shall be unlawful for the Department of State to issue a certificate of authority to such a corporation without the favorable recommendation of the Department of Welfare.

[If a foreign nonprofit corporation which has procured a certificate of authority to do business in this Commonwealth has a name the same as or deceptively similar to the name of another corporation, as permitted by subparagraph (2) hereof, with the consent of such other corporation, and the other corporation does not change its name, cease to do business, be wound up or withdraw as it proposed to do in its consent, the court of common pleas of Dauphin County may, upon application of the Attorney General acting on his own motion, or at the instance of any administrative department or commission of the Commonwealth, and the court of common pleas of any county having jurisdiction over the other corporation may, upon the application of any person, unincorporated body or corporation adversely affected, enjoin the other corporation from continuing to use its name or a name descriptively similar thereto.]

Section 20. Section 904 of the act, amended July 11, 1957 (P. L. 692) and September 23, 1959 (P. L. 965), is amended to read:

Section 904. Application for a Certificate of Authority.—A. The foreign nonprofit corporation, or its representative, shall deliver to the Department of State a certificate of the appropriate official of the jurisdiction under the laws of which it was incorporated, dated within sixty days of delivery of the application to the Department of State, to the effect that it is a corporation duly incorporated and existing under the laws of such jurisdiction, the registry statement specified in subsection B of this section, and an application for a certificate of authority, executed under the seal of the corporation, and signed and verified by at least two duly authorized officers thereof, which shall set forth:

(1) The name of the corporation.

(2) The name of the state or country under the laws of which it is [formed] incorporated.

(3) The address, including street and number, if any, of its principal office in the state or country under the laws of which it is [formed] incorporated.

(4) The address, including street and number, if any, of its proposed registered office in this Commonwealth.

(5) A designation of the Secretary of the Commonwealth and his successor in office as the true and lawful attorney of the corporation upon whom all lawful process in any action [or proceeding] against it may be served, [and] providing that the service of process upon the secretary of the Commonwealth shall be of the same legal force and validity as if served on the corporation, and that the authority for such service of process shall continue in force as long as any liability remains outstanding against the corporation in this Commonwealth.

(6) A brief statement of the business it proposes to do within this Commonwealth and a statement that such business is authorized by its articles.

(6.1) A statement that it is a corporation incorporated for a purpose or purposes not involving pecuniary profit, incidental or otherwise, to its members.

(7) Such further and additional information as the Department of State may from time to time require for the purpose of ascertaining whether or not the applicant corporation is entitled to a certificate of authority.

B. A registry statement shall be submitted in triplicate (except that only one statement need include a copy of the stated purposes of the corporation) for information purposes with the application for a certificate of authority. The registry statement shall be executed under seal of the corporation by two duly authorized officers thereof and shall set forth:

(1) The name of the corporation;

(2) The post office address to which the corporation desires correspondence to be directed by the Department of Revenue and other Commonwealth agencies in connection with the affairs of the corporation;

(3) The date of its incorporation and the authority under which it was incorporated;

(4) The kind or kinds of business in which it actually intends to engage in this Commonwealth within one year of the execution of the registry statement;

(5) The text of its purposes as stated in its articles.

The Department of State shall note the fact and date of the issuance of the certificate of authority upon the registry statement and shall transmit a copy of the same to the Department of Revenue.

C. If the registry statement delivered to the Department of State sets forth any kind of business in which a corporation may not engage without the approval of or a license from any department, board or commission of the Commonwealth, the Department of State shall, upon the issuance of the certificate of authority, promptly transmit a copy of the registry statement to each such department, board or commission.

Section 21. Section 905 of the act, amended August 17, 1951 (P. L. 1287), is amended to read:

Section 905. Issuance and Recording of Certificate of Authority.— [If the Department of State finds that the provisions of this article have been complied with and that the applicant corporation is entitled to a certificate of authority to do business in this Commonwealth, it shall forthwith but not prior to the day specified in the advertisement heretofore required in this article, endorse its approval upon the application for a certificate of authority, and when all fees and charges have been paid, as required by law, shall] Upon filing the certificate and application prescribed by section 904 of this act, the Department of State shall issue to the corporation, or its representative, a certificate of authority to do business in this Commonwealth [to which the application may be attached, and shall make and retain a copy thereof]. The certificate of authority shall set forth the name of the corporation, the address of its initial registered office in this Commonwealth, and the business which the corporation is authorized to transact in this Commonwealth. [Upon the approval of the application for a certificate of authority by the Department of State, the corporation may do, in this Commonwealth, any or all of the kinds of business referred to in

the certificate of authority and no other, subject, however, to the right of the Commonwealth to cancel or revoke such right to transact business in this Commonwealth, as provided in this act.] The certificate of authority [shall be delivered to the corporation, or its representative, and such certificate,] and a [verified] copy of its articles, shall be recorded in the office of the recorder of deeds of the county in which the registered office of the corporation in this Commonwealth is located. The certificate of authority, upon being recorded by the recorder of deeds, shall be returned to the corporation or its representative.

Section 22. Subsections A and C of section 907 of the act, amended July 11, 1957 (P. L. 692), are amended to read:

Section 907. Amended Certificate of Authority.—A. After receiving a certificate of authority, a foreign nonprofit corporation may, subject to the provisions of this act, change its name, or be authorized to do in this Commonwealth other or additional business than that authorized by its certificate of authority, by filing with the Department of State an application for an amended certificate of authority, and if the application is for or includes a change of name, a certificate of the appropriate official of the jurisdiction under the laws of which it was incorporated, dated within sixty days of the delivery of the application to the Department of State, to the effect that it is a corporation duly incorporated and existing under the laws of such jurisdiction under the new name, and proof of the advertisement hereinafter required by this section. Such application shall be executed under the seal of the corporation, signed and verified by two duly authorized officers thereof, and shall set forth the changes desired by the corporation, and shall state:

(1) The name under which the applicant corporation received a certificate of authority to do business within the Commonwealth of Pennsylvania.

(2) The name of the state or country under the laws of which the corporation is formed and the address of its principal office in said state or country.

(3) The address of its present registered office in Pennsylvania.

(4) The change in the corporation's certificate of authority which is desired and a statement that the change of name reflects a change effected in the state or country of incorporation, or that the amended statement of the business proposed to be done in Pennsylvania is such as is authorized by the corporation's articles in its domiciliary state.

* * *

C. [If the Department of State finds that the provisions of this article have been complied with, that the certificate herein required evidencing payment of all taxes or bonus or charges is in proper form, and that the applicant corporation is entitled to an amended certificate of authority, it shall, upon payment of the filing fee, forthwith, but not prior to the day specified in the advertisement heretofore required by this section, endorse its approval upon the application,] The Department of State shall, upon filing such application, issue to the applicant corporation an amended certificate of authority setting forth the desired changes [, to which the application shall be attached, and shall make and retain a copy thereof]. The amended certificate of authority shall be recorded in the office of the recorder of deeds of the county in which the original certificate of authority was recorded. The amended certificate of authority upon being recorded by the recorder of deeds, shall be returned to the corporation or its representative.

Section 23. Section 910 of the act is amended to read:

Section 910. General Powers of Foreign Nonprofit Corporations.—
[A] A. Except as provided in subsection B of this section, a foreign nonprofit corporation which shall have received a certificate of authority under this act, so long as such certificate of authority shall not be revoked or cancelled, shall enjoy the same, but no greater, rights and privileges as a domestic nonprofit corporation, and, except as in this act otherwise provided, shall be subject to the same liabilities, restrictions, duties and penalties now in force or hereafter imposed upon domestic corporations of like character, to the same extent as if it had been [organized] incorporated under this act to transact the business set forth in its certificate of authority.

B. A foreign nonprofit corporation which shall have received a certificate of authority under this act setting forth a kind or kinds of business for the transaction of which a domestic corporation not for profit, if not existing, would be required to incorporate under one of the acts specified in section 4 of this act, so long as such certificate of authority shall not be revoked or cancelled, shall, except as in this article IX otherwise provided, with respect to such business, enjoy only the rights and privileges and shall be subject to the liabilities, restrictions, duties and penalties provided in such act for foreign corporations not for profit.

Section 24. Subsection C of section 912 of the act, amended August 17, 1951 (P. L. 1287), is amended to read:

Section 912. Service of Process upon the Secretary of the Commonwealth.—* * *

C. For the purposes of [this act] determining jurisdiction of courts within this Commonwealth, the entry of any corporation into this Commonwealth for the doing of a series of similar acts for the purpose of [thereby realizing pecuniary benefit, or otherwise] accomplishing an object or doing a single act in this Commonwealth for such purpose, with the intention of thereby initiating a series of such acts, shall constitute "doing business."

Section 25. Section 913 of the act, amended May 24, 1945 (P. L. 957), is amended to read:

Section 913. Penalty for Doing Business Without Certificate of Authority.—[Any foreign nonprofit corporation which is required by the provisions of this act to procure a certificate of authority, but has not done so, or any person, agent, officer or employe, who shall transact any business within this Commonwealth for any foreign nonprofit corporation which has failed to secure a certificate of authority, or any foreign nonprofit corporation, or any person, agent, officer or employe of such foreign nonprofit corporation, who transacts any business within this Commonwealth after a certificate of authority issued by the Department of State has been revoked, cancelled, or withdrawn, as provided by this act, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by imprisonment not exceeding thirty days, or by a fine not exceeding one thousand dollars (\$1,000.00), or both, in the discretion of the court trying the same, but the failure of any such corporation to apply for and secure a certificate of authority from the Department of State shall not impair or affect the validity of any contract with such corporation, and actions or proceedings at law or in equity may be instituted and maintained on any such contract. No such action, however, shall be instituted or recovery had by any such corporation on any such contract, either expressed or implied, in any of the courts of this Commonwealth, or before any justice of the peace or magistrate thereof, until such corporation shall obtain a certificate of authority, and shall pay to the Department of State a fine of two hundred fifty dollars (\$250.00).] A. No foreign nonprofit corporation transacting business in this Commonwealth without a certificate of authority shall be permitted to maintain any action in any court of this Commonwealth until such corporation shall have obtained

a certificate of authority. Nor, except as provided in subsection B of this section, shall any action be maintained in any court of this Commonwealth by any successor or assignee of such corporation on any right, claim or demand arising out of the transaction of business by such corporation in this Commonwealth until a certificate of authority shall have been obtained by such corporation or by a corporation which has acquired all or substantially all of its assets.

The failure of a foreign nonprofit corporation to obtain a certificate of authority to transact business in this Commonwealth shall not impair the validity of any contract or act of such corporation and shall not prevent such corporation from defending any action in any court of this Commonwealth.

B. The title to any real estate situate in this Commonwealth which is derived through any foreign corporation not for profit not authorized under the laws of this Commonwealth to hold the same, and which has vested or vests in any foreign corporation authorized to hold such real estate or in any citizen or citizens of the United States or domestic corporation shall be good and valid and free and clear of any right of escheat by the Commonwealth; and the holder thereof may convey an estate indefeasible as to any right of escheat which the Commonwealth might otherwise have by reason of unauthorized holding and conveyance by such foreign corporation not for profit.

Section 26. The act is amended by adding, after section 1102, a new section to read:

Section 1103. Additional Acts and Parts of Acts Specifically Repealed.—(a) The following acts and parts of acts, are hereby specifically repealed absolutely:

(1) Act of April 20, 1869 (P. L. 82, No. 58), entitled “An act to enable Courts of Common Pleas of this Commonwealth to change the name, style and title of corporations.”

(2) Act of March 23, 1876 (P. L. 9), entitled “An act empowering camp meeting associations to employ a police force.”

(3) Act of April 17, 1878 (P. L. 21), entitled "An act to extend to park, glen and picnic associations the rights and privileges conferred upon camp meeting associations, by an act, entitled 'An act empowering camp meeting associations to employ a police force,' approved March twenty-third, eighteen hundred and seventy-six."

(4) Act of May 16, 1895 (P. L. 83), entitled "An act to regulate the manner of electing trustees of academies chartered by acts of Assembly of the Commonwealth of Pennsylvania."

(5) Act of June 24, 1895 (P. L. 238), entitled "An act to enable foreign corporations engaged in this State in the publication and sale of books, tracts, newspapers, et cetera, the net profits of which are by its charter or governing body required to be applied to religious and charitable uses, to hold real estate in this Commonwealth."

(6) Act of April 14, 1905 (P. L. 159), entitled "An act relating to church charters which have been granted without incorporating the provisions of section seven of act of twenty-sixth of April, one thousand eight hundred and fifty-five, validating the same for the period of two years, and authorizing amendments to said charters containing the provisions of said section seven of act of twenty-sixth April, one thousand eight hundred and fifty-five."

(7) Act of April 23, 1909 (P. L. 167), entitled "An act to provide that when a receiver of a corporation is appointed in any court, on motion of the Attorney General, at the instance of either the Commissioner of Banking or the Insurance Commissioner, such receiver shall supersede any receiver previously appointed by decree of any court, and shall supersede any assignee or trustee previously appointed by such corporation; and requiring such superseded receiver, assignee, or trustee to pay over and deliver to the receiver appointed on motion of the Attorney General the money, assets, and property of such corporation in his or their possession, and to file his or their account in the proper court; and providing for the appointment of auditors of the

accounts of receivers appointed on the motion of the Attorney General, and defining their duties.”

(8) Section 5 of the act of May 16, 1923 (P. L. 246), entitled “An act to provide for the registration and protection of names, titles, or designations of associations, societies, orders, foundations, federations, organizations, and corporations of the first class.”

(9) Act of March 5, 1925 (P. L. 21), entitled “An act to validate acts done, and contracts, conveyances, transfers, and mortgages of property, made to, or by any corporation of the first class, created, or intended to be created, by decree of the courts of common pleas; granting a charter where the applicants for incorporation had failed to register its proposed name as required by law, and to validate charters of corporations of the first class granted since the sixteenth day of May, one thousand nine hundred and twenty-three, where there was a failure to register the name or title of the proposed corporation at the time of filing its application for a charter as required by law; providing for the subsequent filing of such registration; and providing for the amendment of names or titles of such corporations in certain cases.”

(10) Act of March 17, 1927 (P. L. 43), entitled “An act to validate acts done and contracts, conveyances, transfers, and mortgages of property made to or by any corporation of the first class created or intended to be created by decree of the courts of common pleas, granting a charter where the applicants for incorporation had failed to register its proposed name as required by law; and to validate charters of corporations of the first class granted since the sixteenth day of May, one thousand nine hundred and twenty-three, where there was a failure to register the name or title of the proposed corporation at the time of filing its application for a charter as required by law; providing for the subsequent filing of such registration; and providing for the amendment of names or titles of such corporations in certain cases.”

(11) Act of March 28, 1929 (P. L. 100), entitled “An act to validate

acts done and contracts, conveyances, transfers, and mortgages of property made, to or by any corporation of the first class, created or intended to be created by decree of the courts of common pleas, granting a charter, where the applicants for incorporation had failed to register its proposed name as required by law; and to validate charters of corporations of the first class, granted since the sixteenth day of May, one thousand nine hundred and twenty-three, where there was a failure to register the name or title of the proposed corporation at the time of filing its application for a charter as required by law; providing for the subsequent filing of such registration; and providing for the amendment of names or titles of such corporations in certain cases."

(12) Act of April 24, 1931 (P. L. 59), entitled "An act to validate acts done and contracts, conveyances, transfers, and mortgages of property made, to or by any corporation of the first class, created or intended to be created by decree of the courts of common pleas, granting a charter, where the applicants for incorporation had failed to register its proposed name as required by law; and to validate charters of corporations of the first class, granted since the sixteenth day of May, one thousand nine hundred and twenty-three, where there was a failure to register the name or title of the proposed corporation at the time of filing its application for a charter as required by law; providing for the subsequent filing of such registration; and providing for the amendment of names or titles of such corporations in certain cases."

(13) Act of April 1, 1935 (P. L. 9), entitled "An act to validate acts done and contracts, conveyances, transfers and mortgages of property made to, or by any corporation of the first class created, or intended to be created, by decree of the courts of common pleas granting a charter where the applicants for incorporation had failed to register its proposed name as required by law; and to validate charters of corporations of the first class, granted since the sixteenth day of May, one thousand nine hundred and twenty-three, where there was a failure to register the name or title of the proposed corporation at the time of

filing its application for a charter, as required by law providing for the subsequent filing of such registration, and providing for the amendment of names or titles of such corporations in certain cases.”

(14) Section 2, act of September 30, 1965 (Act No. 294) (P. L. 570), entitled “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 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,’ requiring approval by the State Registration Board for Professional Engineers prior to the use of certain words in corporate names.”

(b) The following acts and parts of acts are hereby specifically repealed insofar as they relate to corporations not for profit:

(1) Sections III and IV, act of February 6, 1731 (1 Sm. L. 192), entitled “An act for the enabling religious societies of Protestants, within this province, to purchase lands for burying-grounds, churches, houses for worship, schools, etc.”

(2) Section 32, act of August 2, 1842 (P. L. 458), entitled “An act annexing the county of Schuylkill to the Eastern District of the Supreme Court, and for other purposes.”

(3) Section 5, act of April 26, 1855 (P. L. 328), entitled “An act

relating to Corporations and to Estates held for Corporate, Religious, and Charitable uses."

(4) Act of January 9, 1861 (P. L. 2), entitled "An act to enable citizens to hold title which had been held by Aliens and Corporations."

(5) Act of May 1, 1861 (P. L. 433), entitled "A supplement to an act relating to Corporations, passed the twenty-sixth day of April, one thousand eight hundred and fifty-five."

(6) Section 2, act of March 23, 1865 (P. L. 631), entitled "A supplement to an act, approved the first day of May, Anno Domini one thousand eight hundred and sixty-one, entitled 'A supplement to an act relating to corporations, passed the twenty-sixth day of April, Anno Domini one thousand eight hundred and fifty-five,' and to extend the benefit of the said act to purchases, or sales, of real estate, for, or by, aliens, before that date."

(7) Section 1, act of April 26, 1869 (P. L. 96), entitled "A further supplement to the act, entitled 'An Act to enable citizens to hold title which had been held by aliens and corporations,' approved the ninth day of January, Anno Domini one thousand eight hundred and sixty-one."

(8) Act of May 8, 1876 (P. L. 127), entitled "An act to enable citizens of the United States and corporations chartered under the laws of this Commonwealth, and authorized to hold real estate, to hold and convey title which had been held by aliens and corporations not authorized by law to hold the same."

(9) Act of May 22, 1878 (P. L. 85), entitled "A supplement to an act, entitled 'An act to enable citizens to hold title which has been held by aliens and corporations,' approved the ninth day of January, Anno Domini one thousand eight hundred and sixty-one."

(10) Act of April 8, 1881 (P. L. 9), entitled "A supplement to the act, entitled, 'An act to enable citizens of the United States and corporations chartered under the laws of this Commonwealth, and authorized

to hold real estate, to hold and convey title, which had been held by aliens and corporations not authorized by law to hold the same,' approved the eighth day of May, Anno Domini one thousand eight hundred and seventy-six."

(11) Act of May 23, 1887 (P. L. 176), entitled "An act to authorize certain corporations, incorporated and existing under the laws of any other State of the United States, to purchase certain real estate at judicial sales, and to hold and convey the same under certain conditions."

(12) Act of June 6, 1887 (P. L. 350) entitled "An act to enable the citizens of the United States and corporations, chartered under the laws of this Commonwealth and authorized to hold real estate, to hold and convey title which had been held by aliens and corporations not authorized by law to hold the same."

(13) Act of June 24, 1895 (P. L. 264), entitled "An act to enable the citizens of the United States, and corporations chartered under the laws of this Commonwealth and authorized to hold real estate, to hold and convey title which had been held by aliens and corporations not authorized by law to hold the same."

(14) Act of July 2, 1895 (P. L. 426), entitled "An act regulating the advertisement of all notices required to be published by law in cities of the first and second class."

(15) Act of May 3, 1909 (P. L. 386), entitled "An act to provide that notice, wherever required by law, in connection with the formation, amendment, increase or reduction of capital stock, conduct of business, merger, transfer of franchises, or dissolution of corporations, joint-stock companies, limited partnerships, or partnership association, shall be published in the legal journal, of the proper county, in which court notices usually appear."

(16) Act of June 8, 1911 (P. L. 710), entitled "An act to regulate the doing of business in this Commonwealth by foreign corporations; the registration thereof and service of process thereon; and providing

punishment and penalties for the violation of its provisions; and repealing previous legislation on the subject.”

(17) Act of June 23, 1911 (P. L. 1114), entitled “An act enabling corporations, not authorized by law to hold real estate in Pennsylvania, to convey and make title to such real estate as may have been purchased and held by them prior to the passage of this act.”

(18) Act of May 13, 1915 (P. L. 296), entitled “An act validating contracts, bonds, or obligations of or belonging to corporations of other States, made, entered into, or acquired prior to the passage of an act, entitled ‘An act to regulate the doing of business in this Commonwealth by foreign corporations; the registration thereof and service of process thereon; and providing punishment and penalties for the violation of its provisions; and repealing previous legislation on the subject,’ approved the eighth day of June, Anno Domini one thousand nine hundred and eleven (Pamphlet Laws, seven hundred and ten), without such corporations first having established known places of business and designated authorized agents for the transaction of their business within this Commonwealth, and providing for the enforcement of such contracts, bonds, or obligations upon the payment of a penalty and taxes to the Commonwealth.”

(19) Act of July 19, 1917 (P. L. 1122), entitled “An act providing that every advertisement and notice required by authority of law or rules of court to be published in any county in the Commonwealth, or in any city coincident to the boundaries of a county, may, in addition to the publication of such advertisements or notices required to be made in newspapers published and printed in the English language, be also published, by the public officer, body, or court directed by law or rules of court to publish such advertisement or notice in newspapers printed in the English language, in one or more daily newspapers printed in a foreign language, or languages; such newspapers printed in a foreign language, or languages, to be printed in and have general circulation in the county, or the city coincident to the boundaries of

said county, for at least three years continuously before the publication of such advertisements or notices; and further providing for the prices to be charged for publishing such advertisements or notices in any such foreign newspapers, how often the same shall be published, and the stipulation and regulations under which the same shall be published."

(20) Act of May 24, 1923 (P. L. 438), entitled "An act authorizing corporations incorporated under the laws of any other State of the United States to acquire, use, encumber, and dispose of such real estate, and rights, and interests in, in the nature of or in respect to real estate, in Pennsylvania, as may be necessary and proper for the exercise of such of their corporate purposes as it may be lawful for them to exercise in this State; defining certain of their powers, rights, and liabilities in connection therewith; regulating the exercise of said rights by foreign public service corporations; repealing certain acts; and validating certain titles, rights, and interests heretofore acquired."

(21) Act of June 15, 1939 (P. L. 344), entitled "An act to validate mortgages on real estate in this Commonwealth given by a foreign corporation unauthorized to hold title to the said real estate."

(22) Act of January 14, 1952 (P. L. 1946), entitled "An act to validate and quiet the title to real estate in this Commonwealth held by a foreign corporation not authorized to transact business in Pennsylvania, and heretofore conveyed to a citizen or citizens of the United States or a corporation authorized to hold such real estate."

(23) Act of November 19, 1959 (P. L. 1541), entitled "An act to validate and quiet the title to real estate in this Commonwealth held by a foreign corporation not authorized to transact business in Pennsylvania and heretofore conveyed to a citizen or citizens of the United States or a corporation authorized to hold such real estate."

(c) The act of July 11, 1957 (P. L. 691), entitled "An act to eliminate the requirement of certificates evidencing payment of bonus taxes and charges in cases of merger or consolidation of certain corporations whenever the surviving or new corporation is a domestic corporation or

a foreign corporation duly authorized to do business in Pennsylvania,"
is hereby specifically repealed insofar as it relates to nonprofit corpora-
tions and foreign nonprofit corporations.

(d) As much of the last paragraph of section 1, act of June 8, 1923
(P. L. 685), entitled "An act prescribing the fees for the office of
Secretary of the Commonwealth," as authorizes or requires a determina-
tion by the Secretary of the Commonwealth that papers to be received
or filed by him are in accordance with law is repealed insofar as it
relates to domestic and foreign nonprofit corporations.

(e) As much of section 805, act of April 9, 1929 (P. L. 177), known
as "The Administrative Code of 1929," as authorizes or requires a
determination by the Department of State that papers or documents to
be received or filed by it conform to law is repealed insofar as it relates
to domestic and foreign nonprofit corporations.

(f) Section 730, act of April 9, 1929 (P. L. 343), known as "The
Fiscal Code," is hereby specifically repealed insofar as it relates to
foreign nonprofit corporations.

(g) All acts and parts of acts heretofore repealed insofar as they
relate to nonprofit corporations by section 1102 of this act or by any
act amendatory of this act are hereby repealed insofar as they relate
to foreign nonprofit corporations.

Section 27. This act shall take effect January 1, 1966.

APPROVED—The 18th day of January, A. D. 1966.

WILLIAM W. SCRANTON

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No. 521

AN ACT

SB 736

For the registration of certain pre-1858 corporations; providing that such corporations shall be conclusively deemed to have accepted the Constitution of Pennsylvania unless such corporations file a certificate of nonacceptance with the Department of State.