

Section 1. Notwithstanding the provisions of the Nonprofit Corporation Law, the Corporation Act of 1874, or of any other law, general, special or local, any church or religious corporation which desires to change its corporate name because of or as a result of a union, merger or consolidation of the national or international church body with which such church or religious corporation is an affiliate, subsidiary or component part, such corporation is hereby authorized to file a certificate of change of name with the Department of State, which certificate shall set forth the name and registered office of the corporation and the name the corporation intends to assume under the provisions of this act. If the Department of State finds that the proposed name is available for corporate use, it shall register the name and shall issue to the corporation or its representative a certificate that the proposed change of name has been duly registered. After registration of the certificate of change of name by the Department of State, the corporation shall cause the same to be recorded in the office of the recorder of deeds of the county where it had been incorporated.

Section 2. Upon registration of the certificate of change of name by the Department of State and the recording of such certificate as herein provided, such church or religious corporation shall thereafter be known as and bear the name set forth in its certificate of change of name; but such change of name shall not in any respect change the identity of or affect, abate, defeat, alter or amend any of the powers, rights, privileges, property, duties, liabilities or obligations of any such church or religious corporation, all of which shall remain in full force and effect as though its name had not been so changed.

APPROVED—The 17th day of August, A. D. 1951.

JOHN S. FINE

No. 311

AN ACT

To further amend the act, approved the fifth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 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

Churches or religious corporations authorized to change corporate names as result of the union, merger or consolidation of the national or international church body.

Procedure.

Registration and recording of certificate of change of name.

Church or religious corporation to assume new name thereafter.

Saving clause.

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," by permitting the Department of State to copy and destroy or return certain documents; permitting corporations to borrow money, acquire and dispose of real estate, and make, alter, amend and repeal by-laws with the approval of a majority of the members present and entitled to vote thereon; permitting a change of registered office pursuant to action of directors; permitting directors to fill vacancies in the board of directors resulting from an increase in the number of directors; deleting certain requirements as to the appointment, compensation and duties of agents; providing that meetings of members at which directors are to be elected may be adjourned for periods of fifteen days each; fixing the method of cumulative voting in cases where directors are elected separately by the members of different classes; defining "doing business" by foreign corporations, and further providing for service of process on the Secretary of the Commonwealth with respect to such corporations.

"Nonprofit Corporation Law."

Section 12, act of May 5, 1933, P. L. 289, as added by act of May 24, 1945, P. L. 957, amended.

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

Section 1. Section twelve of the act, approved the fifth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 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," as added by the act, approved the twenty-fourth day of May, one thousand nine hundred forty-five (Pamphlet Laws 957), is hereby amended to read as follows:

Section 12. Powers of Department of State.—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 documents re-

quired by this act to be filed with the Department of State shall be in such form as shall be prescribed by that department. *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 the same.*

Section 2. Section three hundred eight of said act is hereby amended to read as follows:

Section 308, said act, amended.

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 3. Paragraph A of section three hundred sixteen of said act, as last amended by the act, approved the thirty-first day of July, one thousand nine hundred forty-one (Pamphlet Laws 631), is hereby further amended to read as follows:

Paragraph A of section 316, said act, as last amended by act of July 31, 1941, P. L. 631, further amended.

Section 316. Registered Office; Records.—A. Every nonprofit corporation shall maintain an office in this Commonwealth, to be known as its registered office. The

location and post office address of the registered office shall be stated in the articles, as heretofore provided in this act. After incorporation, the location of the registered office may be changed—

(1) From one location to another in the same county, by resolution adopted by a majority of all the [members, including members not entitled by the articles or by-laws to vote] *directors*. On or before the day that such change is made, notice of such change and of the post office address of the new registered office shall be filed with and recorded by the recorder of deeds of the county. At the same time notice of such change shall also be filed with and recorded by the Secretary of the Commonwealth.

(2) From one county to another county, by resolution adopted by a majority of all the [members, including members not entitled by the articles or by-laws to vote] *directors*. On or before the day that such change is made, notice of such change and of the post office address of the new registered office shall be filed with and recorded by the recorder of deeds of the county from which, and of the county to which, the registered office is to be moved. At the same time notice of such change shall be filed with and recorded by the Secretary of the Commonwealth. In addition, a certified copy of the articles of the corporation shall be filed with and recorded by the recorder of deeds of the county, in which the registered office is to be located, before the corporation shall transact any business in such county.

Section 401, said act, as amended by act of July 2, 1937, P. L. 2838, further amended.

Section 4. Section four hundred one of said act, as amended by the act, approved the second day of July, one thousand nine hundred thirty-seven (Pamphlet Laws 2838), is hereby further amended to read as follows:

Section 401. Power to Make By-Laws.—The members of a nonprofit corporation shall have the power to make, alter, amend, and repeal the by-laws of a nonprofit corporation, but the authority to make, alter, amend, and repeal such by-laws may be expressly vested by the articles or the by-laws in the board of directors, subject always to the power of the members to change such action. Unless the articles or by-laws otherwise provide, the powers hereby conferred shall be exercised by a majority vote of the members of the board of directors or of the members of the corporation *who are present in person or by proxy* and entitled to vote thereon, as the case may be, at any regular or special meeting duly convened after notice to the members or directors of that purpose.

Subsection (b) of section 502, said act, amended.

Section 5. Subsection (b) of section five hundred two of said act is hereby amended to read as follows:

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—

* * * * *

(b) Vacancies in the board of directors, *including vacancies resulting from an increase in the number of directors*, shall be filled by a majority of the remaining members of the board, though less than a quorum, and each person so elected shall be a director until his successor is elected by the members, who may make such election at the next annual meeting of the members, or at any special meeting duly called for that purpose and held prior thereto.

Section 6. Section five hundred four of said act, as amended by the act, approved the second day of July, one thousand nine hundred thirty-seven (Pamphlet Laws 2838), is hereby further amended to read as follows:

Section 504, said act, as amended by act of July 2, 1937, P. L. 2838, further amended.

Section 504. Officers [and Agents].—Every non-profit corporation shall have a president, a secretary, and a treasurer, and may have such other officers and assistant officers [and agents] as it shall authorize from time to time. The articles or by-laws may prescribe special qualifications for such officers. The president and secretary shall be natural persons of full age; the treasurer, however, may be a corporation, but if a natural person, shall be of full age. The officers and assistant officers [and agents] shall be elected [or appointed] either by the board of directors or by the members, at such time, in such manner, and for such terms and compensation as the by-laws may prescribe. It shall not be necessary for the officers to be directors. If the by-laws so provide, any two or more offices may be held by the same person, except the offices of president and secretary. The board of directors may secure the fidelity of any or all of such officers by bond or otherwise. Unless otherwise provided in the by-laws, the board of directors shall have power to fill any vacancies in any office occurring from whatever reason. All officers [and agents] of the corporation, as between themselves and the corporation, shall respectively have such authority and perform such duties in the management of the property and affairs of the corporation as may be provided in the by-laws, or, in the absence of controlling provisions in the by-laws, as may be determined by resolution of the board of directors.

Paragraph D of section 603, said act, amended.

Section 7. Paragraph D of section six hundred three of said act is hereby amended to read as follows:

D. Adjournment or adjournments of any annual or special meeting may be taken, but any meeting at which directors are to be elected shall be adjourned only from day to day, or for such longer periods not exceeding fifteen days each, as a majority of the members present in person or by proxy shall direct, until such directors have been elected.

Section 606, said act, amended.

Section 8. Section six hundred six of said act is hereby amended to read as follows:

Section 606. Members' Voting Rights.—Unless otherwise provided in the articles or by-laws, every member of a nonprofit corporation shall be entitled to one vote. Voting by members shall be only in person, unless the by-laws specifically provide for voting by proxy. The manner of voting may be by ballot, mail, or any reasonable means provided in the articles or by-laws. In all elections for directors [or other officers], each member having a right to vote shall have the right to multiply the number of votes to which he may be entitled by the total number of directors of all classes to be elected by either the members of the class or classes of which he is a part or by the members of any other class or classes, and he may cast the whole number of his votes for one candidate, or distribute them upon two or more candidates, as he may prefer. The candidates receiving the highest number of votes from each class or group of classes entitled to elect directors separately up to the number of directors to be elected by such class or group of classes shall be elected. No member shall sell his vote or issue a proxy for money or anything of value. Upon request of a member, the books or records of membership shall be produced at any general or special meeting of the corporation. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such books or records to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be members may vote.

Section 905, said act, as amended by act of July 2, 1937, P. L. 2338, further amended.

Section 9. Section nine hundred five of said act, as amended by the act, approved the second day of July, one thousand nine hundred thirty-seven (Pamphlet Laws 2838), is hereby further amended to read as follows:

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 [file the application and the copy of the articles, and shall] issue to the corporation 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 [issuance of 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 [returned] *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 10. Paragraph C of section nine hundred seven of said act, as last amended by the act, approved the twenty-fourth day of May, one thousand nine hundred forty-five (Pamphlet Laws 957), is hereby further amended to read as follows:

Paragraph C of section 907, said act, as last amended by act of May 24, 1945, P. L. 957, further amended.

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, [shall file the application and] 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.

Section 11. Section nine hundred twelve of said act, as amended by the act, approved the second day of July, one thousand nine hundred thirty-seven (Pamphlet Laws 2838), is hereby *further amended to read as follows:

Section 912, said act, as amended by act of July 2, 1937, P. L. 2838, further amended.

* "further" omitted in original.

Section 912. Service of Process upon the Secretary of the Commonwealth.—A. Service of process against a qualified foreign nonprofit corporation upon the Secretary of the Commonwealth shall be made by the sheriff of Dauphin County by leaving the fee the plaintiff is required by law to pay to the Secretary of the Commonwealth for this service, and two copies of the process, at the office of the Secretary of the Commonwealth. The sheriff shall make due return of his service of the process to the court, magistrate, or justice of the peace issuing the same. Such process may be issued by any court, magistrate, or justice of the peace having jurisdiction of the subject matter of the controversy in any county of the Commonwealth in which the corporation shall have its registered office, or in the county in which the right of action arose. When legal process against any such corporation has been served upon the Secretary of the Commonwealth, he shall immediately send by mail, postage prepaid, one copy of such process directed to the corporation at its registered address. The fee paid by the plaintiff to the Secretary of the Commonwealth at the time of the service shall be taxed in the plaintiff's costs if he prevails in the suit necessitating the service of the process. The Secretary of the Commonwealth shall keep a record of the day and hour of the service of such process on him, and a certified copy of such record shall be sufficient evidence thereof. The service of process on the Secretary of the Commonwealth under this section shall be of the same legal force and validity as if the process had been served on the corporation, and the authority for such service of process shall continue in force as long as any liability remains outstanding against the corporation in this Commonwealth. Nothing herein contained shall limit or affect the right to serve any process, notice, or demand required or permitted by law to be served upon a foreign corporation in any other manner now or hereafter permitted by law.

B. Any foreign nonprofit corporation which shall have done any business in this Commonwealth without procuring a certificate of authority to do so from the Department of State shall be conclusively presumed to have designated the Secretary of the Commonwealth as its true and lawful attorney authorized to accept, on its behalf, service of process in any action arising out of acts or omissions of such corporation within this Commonwealth. On petition, alleging conduct of business within the Commonwealth by any corporation not qualified by the Secretary of the Commonwealth or having otherwise designated him as agent for the service of process, the court of the county in which the action is

instituted shall authorize service to be made upon the Secretary of the Commonwealth. Service shall be made by the sheriff of such county by transmitting to the Secretary of the Commonwealth and to the defendant, at his last known residence or place of business, by registered mail, return receipt requested, a copy of such process, together with a copy of the petition and order of the court, properly certified as such by the prothonotary. The return receipt by the post office department shall be evidence of service under this act. Nothing herein contained shall limit or affect the right to serve any process, notice or demand required or permitted by law to be served upon a foreign nonprofit corporation in any other manner now or hereafter permitted by law.

C. For the purposes of this act, 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".

APPROVED—The 17th day of August, A. D. 1951.

JOHN S. FINE

No. 312

AN ACT

To further amend section 1304 of the act, approved the tenth day of March, one thousand nine hundred forty-nine (Pamphlet Laws 30), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," by changing the provisions relating to admission of beginners.

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

"Public School Code of 1949."

Section 1. Section 1304 of the act, approved the tenth day of March, one thousand nine hundred forty-nine (Pamphlet Laws 30), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," as amended by the act, approved the ninth day of May, one thousand nine hundred forty-nine (Pamphlet Laws 978), is hereby further amended to read as follows:

Section 1304, act of March 10, 1949, P. L. 30, as amended by act of May 9, 1949, P. L. 978, further amended.