

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 944 Session of 2009

INTRODUCED BY GREENLEAF, RAFFERTY, ALLOWAY AND COSTA, JUNE 5, 2009

REFERRED TO JUDICIARY, JUNE 5, 2009

AN ACT

1 Amending Title 15 (Corporations and Unincorporated Associations)
2 of the Pennsylvania Consolidated Statutes, extensively
3 regulating unincorporated nonprofit associations in the areas
4 of organic nature, structure, formation, alteration,
5 management, participation, functions, liability and
6 dissolution.

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

9 Section 1. Section 153(a) of Title 15 of the Pennsylvania
10 Consolidated Statutes is amended to read:

11 § 153. Fee schedule.

12 (a) General rule.--[(Repealed).] The fees of the bureau,
13 including fees for the public acts and transactions of the
14 Secretary of the Commonwealth administered through the bureau,
15 shall be as follows:

- 16 (1) Unincorporated nonprofit associations:
17 (i) Statement appointing an agent to receive
18 service of process..... 70
19 (ii) Resignation of appointed agent..... 40
20 (iii) Amendment or cancellation of statement

2 (2) (Reserved.)

3 Section 2. Chapter 91 heading and sections 9101, 9102 and  
4 9103 of Title 15 are amended to read:

5 CHAPTER 91

6 [UNINCORPORATED ASSOCIATIONS GENERALLY]

7 UNINCORPORATED NONPROFIT

8 ASSOCIATIONS

9 [§ 9101. Customary parliamentary law applicable.

10 Except as otherwise provided by statute or by the organic  
11 documents under which an unincorporated association is  
12 constituted, each unincorporated association shall be governed  
13 by customary usages and principles of parliamentary law and  
14 procedure.

15 § 9102. Funeral and similar benefits.

16 Members of unincorporated associations paying periodic or  
17 funeral benefits shall not be individually liable for the  
18 payment of periodic or funeral benefits or other similar  
19 liabilities of the association. The liabilities shall be payable  
20 only out of the treasury of the association.

21 § 9103. Nontransferable membership interests.

22 (a) General rule.--For the purpose of encouraging lawful  
23 associational activity among agricultural and industrial workers  
24 through the organization of unincorporated associations for  
25 mutual benefit insurance, saving or other lawful objects where  
26 the persons so organizing derive benefits from the preservation  
27 and continuance of the membership and interest among persons  
28 engaged in a common calling, labor or enterprise, the  
29 unincorporated association may provide, in its organic  
30 documents, that membership in the association or interest in its

1 funds or property shall be nontransferable without the consent  
2 of the association.

3 (b) Assignments and pledges.--No attempted assignment,  
4 transfer or pledge of a membership or interest made in violation  
5 of a transfer restriction adopted pursuant to subsection (a)  
6 shall pass any right or interest, legal or equitable, to the  
7 person to whom it is attempted to be made if the transfer  
8 restriction is brought to the knowledge of that person.

9 (c) Knowledge of nontransferability.--Whenever the interest  
10 of a member in the funds or property of any unincorporated  
11 association subject to subsection (a) is evidenced by a  
12 certificate, an endorsement thereon that the certificate is  
13 nontransferable shall be conclusive evidence that the person to  
14 whom any attempted assignment, transfer or pledge of the  
15 certificate is made has knowledge of the nontransferable  
16 character of the interest of the member.]

17 Section 3. Title 15 is amended by adding sections to read:  
18 § 9111. Short title and application of chapter.

19 (a) Short title.--This chapter shall be known and may be  
20 cited as the Pennsylvania Uniform Unincorporated Nonprofit  
21 Association Law.

22 (b) Transitional provisions concerning property.--

23 (1) If, before {the Legislative Reference Bureau shall  
24 insert here the effective date of this chapter}, an interest  
25 in property was by the terms of a transfer purportedly  
26 transferred to a nonprofit association but under the law of  
27 this Commonwealth the interest did not vest in the nonprofit  
28 association, or in one or more persons on behalf of the  
29 nonprofit association under paragraph (2), on {the  
30 Legislative Reference Bureau shall insert here the effective

1 date of this chapter}, the interest vests in the nonprofit  
2 association, unless the parties to the transfer have treated  
3 the transfer as ineffective.

4 (2) If, before {the Legislative Reference Bureau shall  
5 insert here the effective date of this chapter}, an interest  
6 in property was by the terms of a transfer purportedly  
7 transferred to a nonprofit association but the interest was  
8 vested in one or more persons to hold the interest for the  
9 nonprofit association, its members or both, on or after {the  
10 Legislative Reference Bureau shall insert here the effective  
11 date of this chapter}, the persons, or their successors in  
12 interest, may transfer the interest to the nonprofit  
13 association in its name; or the nonprofit association may  
14 require that the interest be transferred to it in its name.

15 (c) Savings provisions.--

16 (1) This chapter supplements the law of this  
17 Commonwealth that applies to nonprofit associations operating  
18 in this Commonwealth, but if a conflict exists between this  
19 chapter and other law, the other law applies.

20 (2) Nothing in this chapter shall be deemed to repeal or  
21 supersede any provision in section 7 of the act of April 26,  
22 1855 (P.L.328, No.347), entitled "An act relating to  
23 Corporations and to Estates held for Corporate, Religious and  
24 Charitable uses."

25 (d) Cross reference.--See section 5331 (relating to  
26 unincorporated associations).

27 § 9112. Definitions.

28 The following words and phrases when used in this chapter  
29 shall have the meanings given to them in this section unless the  
30 context clearly indicates otherwise:

1 "Governing principles." The agreements, whether oral, in  
2 record form or implied from course of conduct, that govern the  
3 purpose or operation of a nonprofit association and the rights  
4 and obligations of its members and managers. The term includes  
5 any amendment or restatement of the agreements constituting the  
6 governing principles.

7 "Manager." A person that is responsible, alone or in concert  
8 with others, for the management of a nonprofit association.

9 "Member." A person that, under the governing principles, may  
10 participate in the selection of persons authorized to manage the  
11 affairs of the nonprofit association or in the development of  
12 policies and activities of the nonprofit association.

13 "Nonprofit association." An unincorporated organization  
14 consisting of two or more members joined for one or more common,  
15 nonprofit and lawful purposes. The term does not include:

16 (1) a trust;

17 (2) a marriage, domestic partnership, common law  
18 domestic relationship, civil union or other domestic living  
19 arrangement;

20 (3) an organization formed under any other statute that  
21 governs the organization and operation of unincorporated  
22 associations;

23 (4) a professional association subject to Chapter 93  
24 (relating to professional associations);

25 (5) a limited liability company operating or formed for  
26 a nonprofit purpose;

27 (6) a joint tenancy, tenancy in common or tenancy by the  
28 entireties, even if the co-owners share use of the property  
29 for a nonprofit purpose; or

30 (7) a relationship under an agreement in record form

1 that expressly provides that the relationship between the  
2 parties does not create a nonprofit association.

3 § 9113. Governing law.

4 (a) Operations.--Except as provided in subsection (b), the  
5 law of this Commonwealth governs the operation in this  
6 Commonwealth of all nonprofit associations formed or operating  
7 in this Commonwealth.

8 (b) Internal affairs.--Unless the governing principles  
9 specify a different jurisdiction, the law of the jurisdiction in  
10 which a nonprofit association has its main place of activities  
11 governs the internal affairs of the nonprofit association.

12 § 9114. Entity status.

13 (a) Legal entity.--A nonprofit association is a legal entity  
14 distinct from its members and managers.

15 (b) Perpetual duration.--A nonprofit association has  
16 perpetual duration unless the governing principles specify  
17 otherwise.

18 (c) Powers.--A nonprofit association has the same powers as  
19 an individual to do all things necessary or convenient to carry  
20 on its purposes.

21 (d) Profits.--A nonprofit association may engage in profit-  
22 making activities, but profits from any activities must be used  
23 or set aside for the nonprofit purposes of the nonprofit  
24 association.

25 § 9115. Ownership and transfer of property.

26 (a) General rule.--A nonprofit association may acquire,  
27 hold, encumber or transfer in its name an interest in real or  
28 personal property.

29 (b) Testamentary and fiduciary dispositions.--A nonprofit  
30 association may be a beneficiary of a trust or contract, a

1 legatee or a devisee.

2 § 9116. Statement of authority as to real property.

3 (a) General rule.--An interest in real property held in the  
4 name of a nonprofit association may be encumbered or transferred  
5 by a person authorized to do so in a statement of authority  
6 recorded by the nonprofit association in the office of the  
7 recorder of deeds for the county in which a transfer of the  
8 property would be recorded.

9 (b) Contents of statement.--The statement of authority must  
10 set forth:

11 (1) the name of the nonprofit association;

12 (2) the address in this Commonwealth, including the  
13 street and number, if any, of the nonprofit association or,  
14 if the nonprofit association does not have an address in this  
15 Commonwealth, its address outside of this Commonwealth;

16 (3) that the association is a nonprofit association; and

17 (4) the name, title or position of a person authorized  
18 to encumber or transfer an estate or interest in real  
19 property held in the name of the nonprofit association.

20 (c) Execution.--A statement of authority must be executed in  
21 the same manner as a deed by a person other than the person  
22 authorized in the statement to encumber or transfer an estate or  
23 interest.

24 (d) Recording fee.--The recorder of deeds may collect a fee  
25 for recording a statement of authority in the amount authorized  
26 for recording a transfer of real property, but the mere  
27 recording of a statement of authority does not constitute a  
28 transfer of an interest in the real property for the purpose of  
29 the taxation of real property transfers.

30 (e) Changes.--A document amending, revoking or canceling a

1 statement of authority or stating that the statement is  
2 unauthorized or erroneous must meet the requirements for  
3 executing and recording an original statement.

4 (f) Cancellation by operation of law.--Unless canceled  
5 earlier, a recorded statement of authority and its most recent  
6 amendment expire five years after the date of the most recent  
7 recording.

8 (g) Effect of filing.--If the record title to real property  
9 is in the name of a nonprofit association and a statement of  
10 authority is recorded in the office of the recorder of deeds for  
11 the county in which a transfer of the property would be  
12 recorded, the authority of the person named in the statement to  
13 encumber or transfer is conclusive in favor of a person that  
14 gives value without notice that the person lacks authority.  
15 § 9117. Liability.

16 (a) General rule.--A debt, obligation or other liability of  
17 a nonprofit association, whether arising in contract, tort or  
18 otherwise:

19 (1) is solely the debt, obligation or other liability of  
20 the nonprofit association; and

21 (2) does not become a debt, obligation or other  
22 liability of a member or manager solely:

23 (i) because of a person's status as a member or  
24 manager; or

25 (ii) because:

26 (A) a member acts as a member; or

27 (B) a manager acts as a manager.

28 (b) Liability for conduct.--A person's status as a member or  
29 manager does not prevent or restrict law other than this chapter  
30 from imposing liability on the person or the nonprofit

1 association because of the person's conduct.

2 (c) Agents.--A person that makes a contract or incurs an  
3 obligation on behalf of a nonprofit association after {the  
4 Legislative Reference Bureau shall insert here the effective  
5 date of this chapter} is not liable for performance or breach of  
6 the contract or other obligation if the fact that the person was  
7 acting for the nonprofit association was disclosed to, was known  
8 by or reasonably should have been known by the other party to  
9 the contract or to the party owed performance.

10 § 9118. Assertion and defense of claims.

11 (a) General rule.--A nonprofit association may sue or be  
12 sued in its own name.

13 (b) Permissible claims.--A member or manager may assert a  
14 claim the member or manager has against the nonprofit  
15 association. A nonprofit association may assert a claim it has  
16 against a member or manager.

17 (c) Representational status.--A nonprofit association may  
18 assert a claim in its name on behalf of its members if one or  
19 more members of the nonprofit association have standing to  
20 assert a claim in their own right, the interests the nonprofit  
21 association seeks to protect are germane to its purposes and  
22 neither the claim asserted nor the relief requested requires the  
23 participation of a member.

24 § 9119. Effect of judgment or order.

25 A judgment or order against a nonprofit association is not by  
26 itself a judgment or order against a member or manager.

27 § 9120. Appointment of agent to receive service of process.

28 (a) General rule.--A nonprofit association may deliver to  
29 the department for filing a statement appointing an agent to  
30 receive service of process.

1 (b) Contents of statement.--A statement appointing an agent  
2 to receive service of process must set forth:

3 (1) the name of the nonprofit association; and

4 (2) the name of the person in this Commonwealth  
5 authorized to receive service of process and the person's  
6 address, including street and number, in this Commonwealth.

7 (c) Signature of statement.--A statement appointing an agent  
8 to receive service of process must be signed by a person  
9 authorized to manage the affairs of the nonprofit association  
10 and by the person appointed as the agent. By signing the  
11 statement the person becomes the agent.

12 (d) Amendment or cancellation.--An amendment to or  
13 cancellation of a statement appointing an agent to receive  
14 service of process must meet the requirements for signature of  
15 an original statement. An agent may resign by delivering a  
16 resignation to the department for filing and giving notice to  
17 the nonprofit association.

18 (e) Cross references.--See section 135 (relating to  
19 requirements to be met by filed documents).

20 § 9121. Action or proceeding not abated by change of members or  
21 managers.

22 An action or proceeding against a nonprofit association does  
23 not abate merely because of a change in its members or managers.

24 § 9122. Member not agent.

25 A member is not an agent of the nonprofit association solely  
26 by reason of being a member.

27 § 9123. Approval by members.

28 (a) General rule.--Except as provided in the governing  
29 principles, a nonprofit association must have the approval of  
30 its members to:

- 1           (1) admit, suspend, dismiss or expel a member;  
2           (2) select or dismiss a manager;  
3           (3) adopt, amend or repeal the governing principles;  
4           (4) sell, lease, exchange or otherwise dispose of all or  
5 substantially all, of the association's property, with or  
6 without the association's goodwill, outside the ordinary  
7 course of its activities;  
8           (5) dissolve under section 9134 (relating to  
9 dissolution);  
10           (6) undertake any other act outside the ordinary course  
11 of the association's activities; or  
12           (7) determine the policy and purposes of the  
13 association.

14       (b) Other actions.--A nonprofit association must have the  
15 approval of the members to do any other act or exercise a right  
16 that the governing principles require to be approved by members.  
17 § 9124. Action by members.

18       (a) General rule.--Except as provided in the governing  
19 principles:

20           (1) approval of a matter by the members requires the  
21 affirmative vote of at least a majority of the votes cast at  
22 a meeting of members; and

23           (2) each member is entitled to one vote on each matter  
24 that is submitted for approval by the members.

25       (b) Procedural matters.--The governing principles may  
26 provide for the:

27           (1) calling, location and timing of meetings of the  
28 members;

29           (2) notice and quorum requirements for member meetings;

30           (3) conduct of member meetings;

1           (4) taking of action by the members by consent without a  
2 meeting or by ballot; and

3           (5) participation by members in a meeting of the members  
4 by telephone or other means of electronic communication.

5       (c) Absence of governing principles.--If the governing  
6 principles do not provide for a matter described in subsection  
7 (b), customary usages and principles of parliamentary law and  
8 procedure apply.

9 § 9125. Duties of member.

10       (a) No fiduciary duties generally.--A member does not have a  
11 fiduciary duty to a nonprofit association or to another member  
12 solely by being a member.

13       (b) Discharge of duties and exercise of rights.--A member  
14 shall discharge duties to the nonprofit association and the  
15 other members under the governing principles and shall exercise  
16 any rights under the governing principles and this chapter  
17 consistent with the governing principles and the obligation of  
18 good faith and fair dealing.

19 § 9126. Membership.

20       (a) Admission, suspension, dismissal and expulsion of  
21 member.--

22           (1) A person becomes a member and may be suspended,  
23 dismissed or expelled in accordance with the governing  
24 principles. If there are no applicable governing principles,  
25 a person may become a member or be suspended, dismissed or  
26 expelled only with the approval of the members. A person may  
27 not be admitted as a member without the person's consent.

28           (2) Except as provided in the governing principles, the  
29 suspension, dismissal or expulsion of a member does not  
30 relieve the member from any unpaid capital contribution,

1 dues, assessments, fees or other obligation incurred or  
2 commitment made by the member before the suspension,  
3 dismissal or expulsion.

4 (b) Resignation of member.--

5 (1) A member may resign as a member in accordance with  
6 the governing principles. In the absence of applicable  
7 governing principles, a member may resign at any time.

8 (2) Except as provided in the governing principles,  
9 resignation of a member does not relieve the member from any  
10 unpaid capital contribution, dues, assessments, fees or other  
11 obligation incurred or commitment made by the member before  
12 resignation.

13 § 9127. Membership interest not transferable.

14 (a) General rule.--Except as set forth in subsection (b) or  
15 the governing principles, a member's interest or any right under  
16 the governing principles is not transferable.

17 (b) Certain nonprofit associations formed prior to effective  
18 date.--

19 (1) This subsection applies to a nonprofit association:

20 (i) which was formed before {the Legislative  
21 Reference Bureau shall insert here the effective date of  
22 this chapter};

23 (ii) which was formed for the purpose of encouraging  
24 lawful associational activity among agricultural and  
25 industrial workers through the organization of a  
26 nonprofit association for mutual benefit insurance,  
27 saving or other lawful objects; and

28 (iii) in which the persons that organized the  
29 nonprofit association derive benefits from the  
30 preservation and continuance of the membership and

1 interest among persons engaged in a common calling, labor  
2 or enterprise.

3 (2) For a nonprofit association under paragraph (1), the  
4 following apply:

5 (i) Except as set forth in subparagraph (ii), a  
6 member's interest or any right under the governing  
7 principles is transferable.

8 (ii) A member's interest or any right under the  
9 governing principles is nontransferable if the governing  
10 principles so provide.

11 (c) Assignments and pledges.--No legal or equitable right or  
12 interest shall pass as a result of an attempted assignment,  
13 transfer or pledge of a membership or an interest in violation  
14 of:

15 (1) subsection (a); or

16 (2) a transfer restriction under subsection (b) (2) (ii).

17 (d) Knowledge of nontransferability.--Whenever the interest  
18 of a member in a nonprofit association is evidenced by a  
19 certificate, an endorsement on the certificate that the  
20 certificate is nontransferable shall be conclusive evidence that  
21 the person to whom any attempted assignment, transfer or pledge  
22 of the certificate is made has knowledge of the nontransferable  
23 character of the interest of the member.

24 § 9128. Selection and management rights of managers.

25 Except as provided in this chapter or the governing  
26 principles:

27 (1) if a manager is not selected, all members are  
28 managers;

29 (2) only the members may select a manager;

30 (3) a manager may be a member or a nonmember; and

1           (4) all matters relating to the activities of the  
2 nonprofit association are decided by its managers except for  
3 matters reserved for approval by the members in section 9123  
4 (relating to approval by members).

5 § 9129. Duties of managers.

6 (a) Standard of care.--

7           (1) A manager shall perform the duties for which a  
8 manager is responsible or which the manager undertakes in  
9 good faith; in a manner the manager reasonably believes to be  
10 in the best interests of the nonprofit association and in  
11 accordance with its purposes; and with such care, including  
12 reasonable inquiry, skill and diligence, as a person of  
13 ordinary prudence would use under similar circumstances.

14           (2) A manager may rely in good faith upon any opinion,  
15 report, statement or other information provided by another  
16 person that the manager reasonably believes is a competent  
17 and reliable source for the information.

18 (b) Conflicts of interest.--

19           (1) A manager owes a duty of loyalty to the nonprofit  
20 association with respect to the responsibilities of the  
21 manager.

22           (2) After full disclosure of all material facts, a  
23 specific act or transaction, that would otherwise violate the  
24 duty of loyalty by a manager, may be authorized or ratified  
25 by a majority of the members that are not interested directly  
26 or indirectly in the act or transaction.

27 (c) Presumption.--A manager that makes a judgment in good  
28 faith satisfies the duties specified in subsection (a) if the  
29 manager:

30           (1) is not interested, directly or indirectly, in the

1 subject of the judgment and is otherwise able to exercise  
2 independent judgment;

3 (2) is informed with respect to the subject of the  
4 judgment to the extent the manager reasonably believes to be  
5 appropriate under the circumstances; and

6 (3) believes that the judgment is in, or not opposed to,  
7 the best interests of the nonprofit association.

8 (d) Limitation of liability.--

9 (1) Except as set forth in paragraph (2), the governing  
10 principles in record form may provide that a manager shall  
11 not be personally liable, as a manager, for monetary damages  
12 for any action taken unless:

13 (i) the manager has breached or failed to perform  
14 the manager's duties under this chapter; and

15 (ii) the breach or failure to perform constitutes  
16 self-dealing, willful misconduct or recklessness.

17 (2) Paragraph (1) shall not apply to:

18 (i) the responsibility or liability of a manager  
19 under a criminal statute; or

20 (ii) the liability of the manager for the payment of  
21 taxes under Federal, State or local law.

22 § 9130. Action by managers.

23 (a) General rule.--Except as provided in the governing  
24 principles:

25 (1) approval of a matter by the managers requires the  
26 affirmative vote of at least a majority of the votes cast at  
27 a meeting of managers; and

28 (2) each manager is entitled to one vote on each matter  
29 that is submitted for approval by the managers.

30 (b) Procedural matters.--The governing principles may

1 provide for the:

2 (1) delegation to a manager of authority to act without  
3 a meeting of the managers;

4 (2) creation and authority of committees of the  
5 managers;

6 (3) calling, location and timing of meetings of the  
7 managers or a committee of the managers;

8 (4) notice and quorum requirements for meetings of the  
9 managers or a committee of the managers;

10 (5) conduct of meetings of the managers or a committee  
11 of the managers;

12 (6) taking of action by the managers or a committee of  
13 the managers by consent without a meeting or by ballot;

14 (7) participation by managers in a meeting of the  
15 managers or a committee of the managers by telephone or other  
16 means of electronic communication; and

17 (8) taking of action by a manager by proxy.

18 (c) Absence of governing principles.--If the governing  
19 principles do not provide for a matter described in subsection  
20 (b), customary usages and principles of parliamentary law and  
21 procedure apply.

22 § 9131. Right of member or manager to information.

23 (a) Inspection.--On reasonable notice, a member or manager  
24 of a nonprofit association may inspect and copy, at a reasonable  
25 time and location specified by the nonprofit association, any  
26 record maintained by the nonprofit association regarding its  
27 activities, financial condition and other circumstances, to the  
28 extent the information is material to the rights and duties of  
29 the member or manager under the governing principles.

30 (b) Restrictions.--A nonprofit association may impose

1 reasonable restrictions on access to and use of information to  
2 be furnished under this section, including designating the  
3 information confidential and imposing on the recipient  
4 obligations of nondisclosure and safeguarding.

5 (c) Costs.--A nonprofit association may charge a person that  
6 makes a demand under this section reasonable copying costs.

7 (d) Former member or manager.--A former member or manager is  
8 entitled to information to which the member or manager was  
9 entitled while a member or manager if:

10 (1) the information pertains to the period during which  
11 the person was a member or manager;

12 (2) the former member or manager seeks the information  
13 in good faith; and

14 (3) the former member or manager satisfies subsections  
15 (a), (b) and (c).

16 § 9132. Distributions prohibited; compensation and other  
17 permitted payments.

18 (a) General rule.--Except as provided in subsection (b), a  
19 nonprofit association may not pay dividends or make  
20 distributions to a member or manager.

21 (b) Permitted payments.--A nonprofit association may:

22 (1) pay reasonable compensation or reimburse reasonable  
23 expenses to a member or manager for services rendered;

24 (2) confer benefits on or make contributions to a member  
25 or manager in conformity with its nonprofit purposes;

26 (3) repurchase a membership and repay a capital  
27 contribution made by a member to the extent authorized by its  
28 governing principles;

29 (4) repay indebtedness to a member or manager; and

30 (5) make distributions of property to members upon

1 winding up and termination to the extent permitted by section  
2 9135 (relating to winding up and termination).

3 § 9133. Reimbursement, indemnification and advancement of  
4 expenses.

5 (a) Reimbursement.--Except as provided in the governing  
6 principles, a nonprofit association shall reimburse a member or  
7 manager for authorized expenses reasonably incurred in the  
8 course of the activities of the member or manager on behalf of  
9 the nonprofit association.

10 (b) Indemnification and advancement of expenses.--

11 (1) A nonprofit association is subject to Ch. 57 Subch.  
12 D (relating to indemnification).

13 (2) For purposes of applying Ch. 57 Subch. D, references  
14 to the "articles" or "bylaws," "directors" and "members"  
15 shall mean the "governing principles," "managers" and  
16 "members," respectively.

17 § 9134. Dissolution.

18 (a) General rule.--A nonprofit association may be dissolved  
19 as follows:

20 (1) if the governing principles provide a time or method  
21 for dissolution, at that time or by that method;

22 (2) if the governing principles do not provide a time or  
23 method for dissolution, upon approval by the members;

24 (3) if no member can be located and the operations of  
25 the nonprofit association have been discontinued for at least  
26 three years, by:

27 (i) the managers; or

28 (ii) if the nonprofit association has no current  
29 manager, its last manager;

30 (4) by court order; or

1           (5) under law other than this chapter.

2           (b) Continuation during winding up.--After dissolution, a  
3 nonprofit association continues in existence until its  
4 activities have been wound up and it is terminated under section  
5 9135 (relating to winding up and termination).

6 § 9135. Winding up and termination.

7           Winding up and termination of a nonprofit association must  
8 proceed in accordance with the following rules:

9           (1) All known debts and liabilities must be paid or  
10 adequately provided for.

11           (2) Any property subject to a condition requiring return  
12 to the person designated by the donor must be transferred to  
13 that person.

14           (3) Any property subject to a trust must be distributed  
15 in accordance with the trust agreement.

16           (4) Any property committed to a charitable purpose shall  
17 be distributed in accordance with that purpose unless the  
18 nonprofit obtains a court order under 20 Pa.C.S. Ch. 77  
19 (relating to trusts) specifying the disposition of the  
20 property.

21           (5) Any remaining property shall be distributed as  
22 follows:

23           (i) Distribution shall be made:

24                   (A) in accordance with the governing principles  
25 of the nonprofit association; or

26                   (B) in the absence of applicable governing  
27 principles, to the members of the nonprofit  
28 association:

29                           (I) per capita; or

30                           (II) as the members direct.

1           (ii) If subparagraph (i) does not apply,  
2           distribution shall be made under Article XIII.1 of the  
3           act of April 9, 1929 (P.L.343, No.176), known as The  
4           Fiscal Code.

5 § 9136. Subordination of chapter to canon law.

6       If and to the extent canon law or similar principles  
7 applicable to a nonprofit association organized for religious  
8 purposes sets forth provisions relating to the government and  
9 regulation of the affairs of the nonprofit association that are  
10 inconsistent with the provisions of this chapter on the same  
11 subject, the provisions of canon law or similar principles shall  
12 control except to the extent prohibited by the Constitution of  
13 the United States or the Constitution of Pennsylvania.

14       Section 4. This act shall take effect in 60 days.

SOURCE NOTES

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15 Pa.C.S. § 9111: Subsection (a) patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 1. Subsection (b) patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 31. Subsection (c)(1) patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 3(c). Subsection (c)(2) patterned after 15 Pa.C.S. § 5106(b)(4).

15 Pa.C.S. § 9112: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 2.

15 Pa.C.S. § 9113: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 4.

15 Pa.C.S. § 9114: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 5.

15 Pa.C.S. § 9115: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 6.

15 Pa.C.S. § 9116: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 7.

15 Pa.C.S. § 9117: Subsections (a) and (b) patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 8.

15 Pa.C.S. § 9118: Subsections (a) and (b) patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 9. Subsection (c) patterned after Uniform Unincorporated Nonprofit Association Act (1996) § 7(b).

15 Pa.C.S. § 9119: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 10.

15 Pa.C.S. § 9120: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 11.

15 Pa.C.S. § 9121: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 13.

15 Pa.C.S. § 9122: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 15.

15 Pa.C.S. § 9123: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 16.

15 Pa.C.S. § 9124: Subsections (a) and (b) patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 17. Subsection (c) derived from former 15 Pa.C.S. § 9101.

15 Pa.C.S. § 9125: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 18.

15 Pa.C.S. § 9126: Subsection (a) patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 19. Subsection (b) patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 20.

15 Pa.C.S. § 9127: Subsection (a) patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 21. Subsections (b), (c) and (d) derived from former 15 Pa.C.S. § 9103.

15 Pa.C.S. § 9128: Patterned after Uniform Unincorporated Nonprofit Association Act (2008) § 22.

1       15 Pa.C.S. § 9129: Patterned after Uniform Unincorporated  
2 Nonprofit Association Act (2008) § 23. Subsection (a) patterned  
3 after 15 Pa.C.S. § 1712(a). Subsection (d) patterned after 15  
4 Pa.C.S. § 1713.  
5       15 Pa.C.S. § 9130: Patterned in general after Uniform  
6 Unincorporated Nonprofit Association Act (2008) § 24.  
7       15 Pa.C.S. § 9131: Patterned after Uniform Unincorporated  
8 Nonprofit Association Act (2008) § 25.  
9       15 Pa.C.S. § 9132: Patterned after Uniform Unincorporated  
10 Nonprofit Association Act (2008) § 26.  
11       15 Pa.C.S. § 9133: Subsection (a) patterned after Uniform  
12 Unincorporated Nonprofit Association Act (2008) § 27(a).  
13       15 Pa.C.S. § 9134: Patterned after Uniform Unincorporated  
14 Nonprofit Association Act (2008) § 28.  
15       15 Pa.C.S. § 9135: Patterned after Uniform Unincorporated  
16 Nonprofit Association Act (2008) § 29. Subsection (a)(4)  
17 patterned in part after 15 Pa.C.S. § 5547(b).  
18       15 Pa.C.S. § 9136: Patterned after 15 Pa.C.S. § 5107.