AN ACT

Amending Titles 15 (Corporations and Unincorporated Associations) and 20 (Decedents, Estates and Fiduciaries) of the Pennsylvania Consolidated Statutes, establishing financial restrictions related to the COVID-19 emergency; in financial matters of domestic nonprofit corporations, further providing for investment of trust funds; and, in principal and income, further providing for charitable trusts.

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

Section 1. Section 5548(c)(3) of Title 15 of the Pennsylvania Consolidated Statutes is amended to read:

§ 5548. Investment of trust funds.

* * *

(c) Determination of income.--

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(3) If an election is made to be governed by this subsection, all of the following apply:

(i) The term "income" shall mean a percentage of the value of the assets so held by or for the corporation.

(ii) The board of directors or other body shall in a writing maintained as part of the permanent records of
the corporation annually select a percentage and
determine that it is consistent with the long-term
preservation of the real value of the assets, but in no
event shall the percentage:

(A) except as set forth in clause (B), be less
than 2% nor more than 7% per year[.]; or

(B) be less than 2% nor more than 10% for:

(I) each calendar year during which the
proclamation of disaster emergency issued by the
Governor on March 6, 2020, published at 50 Pa.B.
1644 (March 21, 2020), and any renewal of the
state of disaster emergency, is in effect; and

(II) the succeeding calendar year.

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Section 2. Section 8113(c) of Title 20 is amended to read:

§ 8113. Charitable trusts.

* * *

(c) Effect of election.--If an election is made to be
governed by this section, all of the following apply:

(1) The term "income" shall mean a percentage of the
value of the trust.

(2) The trustee shall, in a writing maintained as part
of the permanent records of the trust, select the percentage
and determine that it is consistent with the long-term
preservation of the real value of the principal of the trust,
but in no event shall the percentage:

(i) except as set forth in subparagraph (ii), be
less than 2% nor more than 7% per year[.]; or

(ii) be less than 2% nor more than 10% for:

(A) each calendar year during which the
proclamation of disaster emergency issued by the Governor on March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of disaster emergency, is in effect; and

(B) the succeeding calendar year.

(3) The term "principal" shall mean all other assets held by the trustee with respect to the trust.

(4) The selection may be made either annually or subject to change only when the trustee deems such change necessary and prudent.

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Section 3. This act shall take effect immediately.