

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2883 Session of
1986

INTRODUCED BY CAPPABIANCA, VAN HORNE, CAWLEY, D. W. SNYDER,
MICHLOVIC, E. Z. TAYLOR, JOHNSON AND LASHINGER, NOVEMBER 18,
1986

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE,
NOVEMBER 18, 1986

AN ACT

1 Amending Title 15 (Corporations and Unincorporated Associations)
2 of the Pennsylvania Consolidated Statutes, further
3 restricting the use of income from corporate activities.

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

6 Section 1. Section 7546 of Title 15 of the Pennsylvania
7 Consolidated Statutes is amended to read:

8 § 7546. Income from corporate activities.

9 A nonprofit corporation whose lawful activities involve among
10 other things the charging of fees or prices for its services or
11 products, shall have the right to receive such income and, in so
12 doing, may make an incidental profit. All such incidental
13 profits shall be applied to the maintenance and operation of the
14 lawful activities of the corporation, and in no case shall be
15 divided or distributed in any manner whatsoever to an affiliated
16 nonprofit or for-profit entity within the organizational
17 structure, including a parent or subsidiary, or in any manner

1 whatsoever among the members, directors, or officers of the
2 corporation. All surplus and unrestricted funds shall remain
3 with the nonprofit corporation which generated the income. As
4 used in this section the terms fees or prices do not include
5 rates of contribution, fees or dues levied under an insurance
6 certificate issued by a fraternal benefit society, so long as
7 the distribution of profits arising from said fees or prices is
8 limited to the purposes set forth in this section and section
9 7553 (relating to dividends prohibited; compensation and certain
10 payments authorized).

11 Section 2. This act shall take effect immediately.