

**CORPORATIONS AND ESTATES HELD FOR CORPORATE, RELIGIOUS AND
CHARITABLE USES**

Act of Apr. 26, 1855, P.L. 328, No. 347

Cl. 15

AN ACT

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

Section 4. Limitation upon right of unincorporated societies
to hold property; title to property held in excess of limitation

It shall not be lawful for any unincorporated literary,
religious or charitable society, church, association or
congregation, hereafter to acquire and hold, either in the
associate name or that of trustees or otherwise, real or
personal property that in the aggregate is of a greater yearly
value than if incorporated it would be allowed to hold under
the general laws of this Commonwealth for incorporating such
associations; nor shall it be lawful for any corporation
incorporated under any law of this State, hereafter to acquire
and hold through any trustee or trustees, or by any other device
whatsoever, real or personal estate to a greater amount or value
than such incorporation is by its charter allowed to hold:
Provided, That any property now held as aforesaid, in excess
of such value, shall not be hereby invalidated or prejudiced,
in title or otherwise. 1855, April 26, P.L. 328, Sec. 4.

Section 7. Church property to be subject to control of
officers or authorities thereof; validation of certain charters

Whensoever any property, real or personal, has heretofore
been or shall hereafter be bequeathed, devised, or conveyed to
any ecclesiastical corporation, bishop, ecclesiastic, or other
person, for the use of any church, congregation, or religious
society, for or in trust for religious worship or sepulture,
or for use by said church, congregation, or religious society,
for a school, educational institution, convent, rectory,
parsonage, hall, auditorium, or the maintenance of any of these,
the same shall be taken and held subject to the control and
disposition of such officers or authorities of such church,
congregation, or religious society, having a controlling power
according to the rules, regulations, usages, or corporate
requirements of such church, congregation, or religious society,
which control and disposition shall be exercised in accordance
with and subject to the rules and regulations, usages, canons,
discipline and requirements of the religious body, denomination
or organization to which such church, congregation, or religious
society shall belong, but nothing herein contained shall
authorize the diversion of any property from the purposes, uses,
and trusts to which it may have been heretofore lawfully
dedicated, or to which it may hereafter, consistently herewith,
be lawfully dedicated: And provided, All charters heretofore
granted for any church, congregation, or religious society,
without incorporating therein the requirement that the property,
real and personal, of such corporation, shall be taken, held,
and enure subject to the control and disposition as herein
provided, but which are in other respects good and valid, and
shall be in all respects as good and valid, for all purposes,
as if the said requirement had been inserted therein when the
said charters were originally granted; and the title to all
property, real and personal, heretofore bequeathed, devised,
or conveyed to such church, congregation, or religious society,
or which may have heretofore been granted or conveyed by such
corporation, shall be firm and stable forever, with like effect
as though the said requirements had been contained in the

charter of such corporation when the same was originally granted: Provided, That all property, real and personal, held by such existing corporation, shall enure, and be taken and held, subject to the control and disposition as herein provided, with like effect as though such provision had been inserted in the charter of such corporation when originally granted, any other or different provision therein notwithstanding. 1855, April 26, P.L. 328, Sec. 7; 1887, June 2, P.L. 298, Sec. 1., 1907, May 1, P.L. 132, Sec. 1; 1913, May 20, p.L. 242, Sec. 1., 1935, June 20, P.L. 353, Sec. 1.

Section 8. That any literary, religious, charitable or beneficial society, congregation, association or corporation having capacity to take and hold real and personal estate within this commonwealth, may acquire and hold the same to the extent in the aggregate of the clear annual value of five thousand dollars, and to no greater extent, without an express legislative sanction; and in ascertaining such value, all vacant lots or lands shall be taken to be of the annual value at which such lots or lands could be let upon ground rent, or at the interest of the price at which they would sell for cash, and without sacrifice; and if occupied and yielding rent or income, then as if the annual value of such rent or income, or of the valuation as vacant ground, in manner aforesaid, whichever shall be of the greater amount; but no edifice used for worship, education, or an hospital, or the unproductive ground contained within the curtilage of such building, shall be included in such valuation: Provided, That no bona fide purchaser, for a valuable consideration, shall take a defeasible title by reason of the grantors having held property in excess of the limit aforesaid: And provided, That any property now held as aforesaid, in excess of such value, shall not be hereby invalidated or prejudiced in title or otherwise.

Section 9. Property aliened in mortmain to escheat; proceedings

All property hereafter acquired and held by persons, corporations or associations, forbidden by this act to hold the same, or held contrary to the intent of this act, and all such hereafter acquired, and held beyond the limit prescribed as aforesaid by this act, shall escheat to this Commonwealth, and upon the same being adjudged to have escheated, under proceedings in court by quo warranto in all respects as is provided by law in the case of the usurpation of any corporate franchise, the same shall be taken in possession and disposed of, and with the like compensation to the person or persons informing and procuring the inquisition as in cases of property escheated for defect of heirs: Provided, That no property now held, or hereafter lawfully acquired, shall afterwards become defeasible in title by reason of any subsequent rise in the value thereof; but such rise, after it shall occur, shall be taken into view to preclude a further acquisition and holding beyond the limit aforesaid: And provided, That the Legislature may relieve upon such terms as may be deemed just and for the public good, from any forfeiture as aforesaid, upon the payment to the party informing or prosecuting his actual expenses, and such further reasonable compensation as the Legislature may prescribe. 1855, April 26, P.L. 328, Sec. 9.

Section 12. Restrictions upon converting income into capital or invested estate; disposition of surplus

To avert the evil of an indefinite increase of the property in mortmain and perpetuity, it shall not be lawful for any religious, charitable, literary or scientific society, association or corporation, present or future, to accumulate

income into capital or invested estate, so as that the clear annual value thereof, as regards future acquisitions with those now held, shall exceed the limitation hereinbefore contained, and as regards acquisitions now held by or for any such body, shall not exceed said annual amount, except as the property now held does or, being made more productive, may exceed such amount, but all such clear income, after such amount of capital or invested estate shall be attained, shall be expended annually in and for the purposes, uses and trusts upon and for which the property producing it is held; and if there be not objects within the intent of such purposes, uses and trusts sufficient to exhaust such income, it shall be the duty of such body or association holding such property to apply to the Legislature for authority to expend the income thereof upon such practicable objects as shall most nearly conform to the intent of the uses and trusts upon which such property is held, and in default thereof such income as shall not be so expended in execution of its trust shall be paid into the Treasury of the Commonwealth: Provided, That this section shall not be taken as intended to apply to any corporation or trust, if any there be, placed by contract beyond such legislative requisition. 1855, April 26, P.L. 328, Sec. 12.

Section 13. Accounts of money from escheat of corporate property

It shall be the State Treasurer and Auditor General to keep distinct and clear accounts of all moneys which shall accrue to the Treasury under this act, that the same may, by the Legislature, be applied to objects within the purpose of the trust thereof, should such objects arise, or to other objects as near as practicable to the intent of such trust, but without interest to be paid thereon by the Treasury. 1855, April 26, P.L. 328, Sec. 13.

Section 14. That it shall be the duty of the auditor general, whenever he shall have reason to believe that any property shall be defeasibly held, and liable upon office found to accrue to the treasury, or that the income of any corporation or association, as aforesaid, shall exceed the limit allowed by law, to call upon any and all officers or trustees thereof, to make within thirty days a true return and exhibit of all their property, and the annual income thereof; and if no return be made within such time, or the same be unsatisfactory to him, it shall be further his duty, to cause to be filed a bill of discovery in the supreme court, or in any court of the proper county having equity jurisdiction, against the officers or trustees of any such corporation or association, which the defendants therein shall answer under the compulsion usual in such cases, and their answers may be used in any proceeding to assert the rights of the commonwealth.

Section 15. All gifts to charities to be subject to act

All dispositions of property hereafter made to religious, charitable, literary or scientific uses, and all incorporations or associations formed for such objects, shall be taken to have been made and formed under and in subordination to all the duties and requisitions of this act, as rules of property and laws for their government. 1855, April 26, P.L. 328, Sec. 15.