

UNINCORPORATED INSTITUTION, DISPOSAL OF PROPERTY

Act of Jun. 20, 1883, P.L. 132, No. 120

Cl. 10

AN ACT

To provide for the disposal of the property of unincorporated associations, organized for benevolent, charitable or beneficial purposes, upon the dissolution, expulsion, surrender of warrant or charter or vacation of the same under which such associations have been constituted or organized.

WHEREAS, There are in existence in this Commonwealth a large number of unincorporated associations constituted or organized for benevolent, charitable and beneficial purposes under warrants or charters granted by associations which are recognized as the parent or superior body, and themselves acknowledged and recognized as subordinates, and which associations have acquired considerable sums of money or other property,

And whereas, Nearly all of the parent or superior bodies have adopted rules and regulations for the government of the associations subordinate to such parent or superior body, from whom the warrant or charter under which they are or have been constituted or organized, and such rules and regulations of the parent or superior body provide that upon the dissolution, expulsion, surrender of warrant or charter or vacation of the same of any such subordinate associations, that the moneys, property, books and effects of such subordinate associations shall be transmitted and delivered to the parent or superior body from or under which they have received or held their warrants or charters, to be by said parent or superior body used and applied for the uses and purposes for which they have been collected and received, and such subordinate bodies or associations received the warrant or charter under which they became constituted or organized upon the condition that they would comply with the rules and regulations of such superior or parent body, from which they received their warrant or charter,

And whereas, It has occurred that some of these subordinate associations have dissolved, been expelled, surrendered their warrant or charter, or the same has been vacated by the parent or superior body, and that such subordinates have divided the funds or properties which they held at the time of such dissolution, expulsion, surrender of warrant or charter, or the vacation of the same, among a part or the whole of the members of such subordinate association in violation of the conditions upon which they received the warrant or charter from such parent or superior body,

And whereas, Doubts exist as to whether the agreement or condition hereinbefore referred to could be enforced and sustained in the courts of the Commonwealth, for the purpose of removing said doubts and to confer power to enforce the same; therefore,

Section 1. Distribution of funds, etc; of unincorporated beneficial societies

The funds and effects of unincorporated associations for benevolent, charitable or beneficial purposes, constituted or organized under any warrant or charter granted by any association recognized or acknowledged as the parent or superior body, where the rules and regulations of such parent or superior body require that, upon the dissolution, expulsion, surrender of warrant or charter, or vacation of the same by such parent or superior body, the moneys, property and effects of such

subordinate association shall be delivered and paid to the parent or superior body, are hereby declared to be trust property, and it shall be unlawful for any such subordinate association to divide or distribute the moneys, property or effects, or any part thereof, to and among the members of such subordinate association, or any member thereof, either directly or indirectly, or by way of donation; but all such moneys, property and other effects of such subordinate associations, upon the dissolution, expulsion, surrender of warrant or charter, or vacation of the same by the parent or superior body for which they have obtained the warrant or charter, under which they have been constituted or organized, shall be paid and delivered to the proper officers of such parent or superior body; and in case any such subordinate association shall or may have made any division or distribution of the moneys, property or effects held by such subordinate association, or any part thereof, to or among the members thereof, or any number of them, either directly or indirectly, the principal officers or trustees of the parent or superior body, to the use of such parent or superior body, may recover such moneys, property or other effects so divided or distributed contrary to the provisions of this act, from the person or persons to whom the same, or any part thereof, shall or may have been paid or delivered; and the several courts of equity of this Commonwealth are hereby vested with full power and authority to enforce the provisions of this act, as in other cases within their jurisdiction. And the said parent or superior body to whom any moneys, property or other effects of such subordinate association shall be paid and delivered, shall take and hold the same for the purposes and intents for which they were received and held by such subordinate associations: Provided however, That all suits commenced or brought to enforce the provisions of this act shall be commenced or brought within two years next after the time when such division or distribution shall have been made. 1883, June 20, P.L. 132, Sec. 1.