

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 1478 Session of  
2019

---

INTRODUCED BY NEILSON, M. K. KELLER, READSHAW AND SAYLOR,  
JUNE 3, 2019

---

REFERRED TO COMMITTEE ON FINANCE, JUNE 3, 2019

---

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,  
2 as amended, "An act relating to the finances of the State  
3 government; providing for cancer control, prevention and  
4 research, for ambulatory surgical center data collection, for  
5 the Joint Underwriting Association, for entertainment  
6 business financial management firms, for private dam  
7 financial assurance and for reinstatement of item vetoes;  
8 providing for the settlement, assessment, collection, and  
9 lien of taxes, bonus, and all other accounts due the  
10 Commonwealth, the collection and recovery of fees and other  
11 money or property due or belonging to the Commonwealth, or  
12 any agency thereof, including escheated property and the  
13 proceeds of its sale, the custody and disbursement or other  
14 disposition of funds and securities belonging to or in the  
15 possession of the Commonwealth, and the settlement of claims  
16 against the Commonwealth, the resettlement of accounts and  
17 appeals to the courts, refunds of moneys erroneously paid to  
18 the Commonwealth, auditing the accounts of the Commonwealth  
19 and all agencies thereof, of all public officers collecting  
20 moneys payable to the Commonwealth, or any agency thereof,  
21 and all receipts of appropriations from the Commonwealth,  
22 authorizing the Commonwealth to issue tax anticipation notes  
23 to defray current expenses, implementing the provisions of  
24 section 7(a) of Article VIII of the Constitution of  
25 Pennsylvania authorizing and restricting the incurring of  
26 certain debt and imposing penalties; affecting every  
27 department, board, commission, and officer of the State  
28 government, every political subdivision of the State, and  
29 certain officers of such subdivisions, every person,  
30 association, and corporation required to pay, assess, or  
31 collect taxes, or to make returns or reports under the laws  
32 imposing taxes for State purposes, or to pay license fees or  
33 other moneys to the Commonwealth, or any agency thereof,  
34 every State depository and every debtor or creditor of the

1 Commonwealth," providing for fraternal and agricultural  
2 organizations.

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

5 Section 1. The act of April 9, 1929 (P.L.343, No.176), known  
6 as The Fiscal Code, is amended by adding an article to read:

7 ARTICLE XVI-L

8 FRATERNAL AND AGRICULTURAL ORGANIZATIONS

9 Section 1601-L. Scope of article.

10 This article applies to certain fraternal and agricultural  
11 organizations.

12 Section 1602-L. Nature of organizations.

13 Notwithstanding a provision to the contrary in the act of  
14 November 26, 1997 (P.L.508, No.55), known as the Institutions of  
15 Purely Public Charity Act, the following shall be deemed an  
16 institution of purely public charity under the Institutions of  
17 Purely Public Charity Act:

18 (1) Fraternal beneficiary societies, orders or  
19 associations operating under the lodge system and providing  
20 for the payment of life, sick, accident or other benefits to  
21 the members of the society, order or association or their  
22 dependents and domestic fraternal societies, orders or  
23 associations operating under the lodge system, the net  
24 earnings of which are devoted exclusively to religious,  
25 charitable, scientific, literary, educational and fraternal  
26 purposes, in each case if the following apply:

27 (i) the organization has been operating in this  
28 Commonwealth for not less than 100 years;

29 (ii) the organization qualifies for an exemption  
30 from taxation under section 501(c)(8) or (10) of the  
31 Internal Revenue Code of 1986 (Public Law 99-514, 26

1 U.S.C. § 501(c)(8) and (10)); and

2 (iii) the organization has not been issued a license  
3 under the act of April 12, 1951 (P.L.90, No.21), known as  
4 the Liquor Code.

5 (2) Title holding organizations that qualify for an  
6 exemption from taxation under section 501(c)(2) of the  
7 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §  
8 501(c)(2)) that are wholly owned or controlled by one or more  
9 fraternal organizations described in paragraph (1).

10 (3) An agricultural organization if the following apply:

11 (i) the organization has been operating in this  
12 Commonwealth for not less than 100 years;

13 (ii) the organization qualifies for exemption from  
14 taxation under section 501(c)(5) of the Internal Revenue  
15 Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(5));

16 and

17 (iii) the organization has not been issued a license  
18 under the Liquor Code.

19 Section 2. This act shall take effect in 60 days.