

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2313 Session of 2020

INTRODUCED BY NEILSON, M. K. KELLER, READSHAW, SAYLOR, McNEILL, KENYATTA, BERNSTINE, MATZIE, MARSHALL, CIRESI, HILL-EVANS, GILLESPIE, MEHAFFIE, DELLOSO, YOUNGBLOOD, SAINATO, JAMES, DAY, HEFFLEY, DIAMOND, JOZWIAK AND ROEBUCK, FEBRUARY 24, 2020

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 24, 2020

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

1 other moneys to the Commonwealth, or any agency thereof,  
2 every State depository and every debtor or creditor of the  
3 Commonwealth," providing for certain fraternal organizations  
4 as institutions of purely public charity.

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

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

9 ARTICLE XVI-L

10 FRATERNAL ORGANIZATIONS AS INSTITUTIONS

11 OF PURELY PUBLIC CHARITY

12 Section 1601-L. Scope of article.

13 This article applies to certain fraternal organizations.

14 Section 1602-L. Nature of organizations.

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

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

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

31 (ii) the organization qualifies for an exemption  
32 from taxation under section 501(c)(8) or (10) of the

1 Internal Revenue Code of 1986 (Public Law 99-514, 26  
2 U.S.C. § 501(c)(8) and (10)); and

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

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

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