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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2484 Session of  
2020

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INTRODUCED BY WHITE, MAY 5, 2020

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REFERRED TO COMMITTEE ON FINANCE, MAY 5, 2020

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AN ACT

1 Amending Titles 15 (Corporations and Unincorporated  
2 Associations) and 20 (Decedents, Estates and Fiduciaries) of  
3 the Pennsylvania Consolidated Statutes, establishing  
4 financial restrictions related to the COVID-19 emergency; in  
5 financial matters of domestic nonprofit corporations, further  
6 providing for investment of trust funds; and, in principal  
7 and income, further providing for charitable trusts.

8 The General Assembly of the Commonwealth of Pennsylvania  
9 hereby enacts as follows:

10 Section 1. Section 5548(c)(3) of Title 15 of the  
11 Pennsylvania Consolidated Statutes is amended to read:

12 § 5548. Investment of trust funds.

13 \* \* \*

14 (c) Determination of income.--

15 \* \* \*

16 (3) If an election is made to be governed by this  
17 subsection, all of the following apply:

18 (i) The term "income" shall mean a percentage of the  
19 value of the assets so held by or for the corporation.

20 (ii) The board of directors or other body shall in  
21 a writing maintained as part of the permanent records of

1 the corporation annually select a percentage and  
2 determine that it is consistent with the long-term  
3 preservation of the real value of the assets, but in no  
4 event shall the percentage:

5 (A) except as set forth in clause (B), be less  
6 than 2% nor more than 7% per year[.]; or

7 (B) be less than 2% nor more than 10% for:

8 (I) each calendar year during which the  
9 proclamation of disaster emergency issued by the  
10 Governor on March 6, 2020, published at 50 Pa.B.  
11 1644 (March 21, 2020), and any renewal of the  
12 state of disaster emergency, is in effect; and

13 (II) the succeeding calendar year.

14 \* \* \*

15 Section 2. Section 8113(c) of Title 20 is amended to read:

16 § 8113. Charitable trusts.

17 \* \* \*

18 (c) Effect of election.--If an election is made to be  
19 governed by this section, all of the following apply:

20 (1) The term "income" shall mean a percentage of the  
21 value of the trust.

22 (2) The trustee shall, in a writing maintained as part  
23 of the permanent records of the trust, select the percentage  
24 and determine that it is consistent with the long-term  
25 preservation of the real value of the principal of the trust,  
26 but in no event shall the percentage:

27 (i) except as set forth in subparagraph (ii), be  
28 less than 2% nor more than 7% per year[.]; or

29 (ii) be less than 2% nor more than 10% for:

30 (A) each calendar year during which the

1           proclamation of disaster emergency issued by the  
2           Governor on March 6, 2020, published at 50 Pa.B. 1644  
3           (March 21, 2020), and any renewal of the state of  
4           disaster emergency, is in effect; and  
5           (B) the succeeding calendar year.

6           (3) The term "principal" shall mean all other assets  
7 held by the trustee with respect to the trust.

8           (4) The selection may be made either annually or subject  
9 to change only when the trustee deems such change necessary  
10 and prudent.

11 \* \* \*

12 Section 3. This act shall take effect immediately.