

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1581 Session of 2021

INTRODUCED BY NEILSON, STAATS, McNEILL, BOBACK, MALAGARI,
SAINATO, MATZIE AND DELLOSO, JUNE 8, 2021

REFERRED TO COMMITTEE ON FINANCE, JUNE 8, 2021

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
 2 "An act relating to the finances of the State government;
 3 providing for cancer control, prevention and research, for
 4 ambulatory surgical center data collection, for the Joint
 5 Underwriting Association, for entertainment business
 6 financial management firms, for private dam financial
 7 assurance and for reinstatement of item vetoes; providing for
 8 the settlement, assessment, collection, and lien of taxes,
 9 bonus, and all other accounts due the Commonwealth, the
 10 collection and recovery of fees and other money or property
 11 due or belonging to the Commonwealth, or any agency thereof,
 12 including escheated property and the proceeds of its sale,
 13 the custody and disbursement or other disposition of funds
 14 and securities belonging to or in the possession of the
 15 Commonwealth, and the settlement of claims against the
 16 Commonwealth, the resettlement of accounts and appeals to the
 17 courts, refunds of moneys erroneously paid to the
 18 Commonwealth, auditing the accounts of the Commonwealth and
 19 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 certain fraternal organizations
2 as institutions of purely public charity.

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 ORGANIZATIONS AS INSTITUTIONS

9 OF PURELY PUBLIC CHARITY

10 Section 1601-L. Scope of article.

11 This article applies to certain fraternal 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 (26 U.S.C. § 501(c)(2)) that
8 are wholly owned or controlled by one or more fraternal
9 organizations described in paragraph (1).

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