

HOUSE BILL 1444

C1

6lr1182

By: **Delegate Aumann**

Introduced and read first time: February 12, 2016

Assigned to: Ways and Means

Reassigned: Economic Matters, February 18, 2016

Committee Report: Favorable

House action: Adopted

Read second time: March 13, 2016

CHAPTER _____

1 AN ACT concerning

2 **Mary Byrd Wyman Memorial Association of Baltimore City**

3 FOR the purpose of altering the incorporation of the Mary Byrd Wyman Memorial
4 Association of Baltimore City; altering the purpose of the Association; stating the
5 principal address of and the name and address of the resident agent of the
6 Association; prohibiting the Association from issuing capital stock; providing that
7 the business and affairs of the Association is managed by the Board of Trustees;
8 providing for the Board of Trustees; limiting the use of the earnings of the
9 Association and the activities of the Association; providing for the distribution of the
10 Association's income during certain periods; stating certain prohibited acts of the
11 Association; providing for the distribution of the assets of the Association in the event
12 of dissolution of the Association; providing for the perpetual existence of the
13 Association; providing for the limited liability of a Trustee of the Association under
14 certain circumstances; providing that a Trustee is personally liable to the
15 Association under certain circumstances; providing for the amendment or repeal of
16 the charter of the Association; and generally relating to the Mary Byrd Wyman
17 Memorial Association of Baltimore City.

18 BY repealing and reenacting, with amendments,
19 Chapter 262 of the Acts of the General Assembly of 1884
20 Section 1

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Chapter 262 of the Acts of 1884

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That [William W. Taylor, William Keyser, Skipwith Wilmer, H. Irvine Keyser and Charles
F. Taylor, be and they are]:

(A) THERE IS hereby constituted a body corporate, under the name of “The Mary
Byrd Wyman Memorial Association of Baltimore [city,” for the purpose of receiving, holding
and dispensing a fund for the assistance, education or maintenance of such persons as the
said corporation may select as recipients of the benefits thereof; and the said body corporate
is hereby] CITY”.

(B) (1) THE PURPOSE OF THE ASSOCIATION IS TO ASSIST IN MAKING IT
POSSIBLE FOR CHILDREN OF ELEMENTARY AND SECONDARY SCHOOL AGE TO
RECEIVE AN EDUCATION THAT THEY MIGHT OTHERWISE BE UNABLE TO AFFORD.

(2) THE ASSOCIATION IS ORGANIZED EXCLUSIVELY FOR
CHARITABLE, RELIGIOUS, EDUCATIONAL, AND SCIENTIFIC PURPOSES, INCLUDING,
FOR THOSE PURPOSES, THE MAKING OF DISTRIBUTIONS TO ORGANIZATIONS THAT
QUALIFY AS EXEMPT ORGANIZATIONS UNDER § 501(C)(3) OF THE INTERNAL
REVENUE CODE, OR THE CORRESPONDING SECTION OF ANY FUTURE TAX CODE.

(C) THE ASSOCIATION IS authorized [and empowered] to take, hold, transmit
and convey, the property described and granted in a deed dated the fifth day of March, in
the year eighteen hundred and eighty–three, and recorded among the land records of
Baltimore city, in liber R. J. A., number nine hundred and seventy–three, folio nine, etc.,
from Samuel G. Wyman to the said William W. Taylor, William Keyser, Skipwith Wilmer,
H. Irvine Keyser and Charles F. Taylor; and also any other real or personal estate which it
may purchase or otherwise acquire for the purposes of its incorporation, and to make any
contract in reference thereto; to sue and be sued, plead and be impleaded, in all courts and
places whatsoever, and in all manner of suits and actions; to have a common seal, and to
alter and change the same at pleasure[; to appoint such officers and employ such agents as
it may require for the conduct of its affairs and the management of its property, and to
adopt such by–laws and rules as may be needful for its government; to provide for and
regulate the succession of its members, and to perpetuate its existence.]

(D) (1) THE ADDRESS OF THE PRINCIPAL OFFICE OF THE ASSOCIATION
IN MARYLAND IS 601 E. SEMINARY AVENUE, BALTIMORE, MARYLAND 21286.

(2) THE NAME AND ADDRESS OF THE RESIDENT AGENT OF THE
ASSOCIATION IS DOUGLAS G. OBER, 601 E. SEMINARY AVENUE, BALTIMORE,
MARYLAND 21286.

(E) THE ASSOCIATION HAS NO AUTHORITY TO ISSUE CAPITAL STOCK.

1 **(F) (1) THE BUSINESS AND AFFAIRS OF THE ASSOCIATION SHALL BE**
2 **MANAGED BY THE BOARD OF TRUSTEES.**

3 **(2) THERE ARE THREE TRUSTEES.**

4 **(3) THE NUMBER OF TRUSTEES MAY BE ALTERED IN ACCORDANCE**
5 **WITH THE ASSOCIATION'S BYLAWS, BUT MAY NOT BE REDUCED TO LESS THAN**
6 **THREE.**

7 **(4) THE NAMES OF THE TRUSTEES AS OF JANUARY 1, 2016, ARE:**

8 **(I) DOUGLAS G. OBER;**

9 **(II) CHARLES M. OBER; AND**

10 **(III) CALVERT C. McCABE.**

11 **(G) (1) NO PART OF THE NET EARNINGS OF THE ASSOCIATION SHALL**
12 **INURE TO THE BENEFIT OF, OR BE DISTRIBUTABLE TO ITS TRUSTEES, OFFICERS, OR**
13 **OTHER PRIVATE PERSONS, EXCEPT THAT THE ASSOCIATION SHALL BE AUTHORIZED**
14 **AND EMPOWERED TO PAY REASONABLE COMPENSATION FOR SERVICES RENDERED**
15 **AND TO MAKE PAYMENTS AND DISTRIBUTIONS IN FURTHERANCE OF THE PURPOSE**
16 **SET FORTH IN SUBSECTION (B) OF THIS SECTION. NO SUBSTANTIAL PART OF THE**
17 **ACTIVITIES OF THE ASSOCIATION SHALL BE THE CARRYING ON OF PROPAGANDA, OR**
18 **OTHERWISE ATTEMPTING TO INFLUENCE LEGISLATION, AND THE ASSOCIATION MAY**
19 **NOT PARTICIPATE IN, OR INTERVENE IN (INCLUDING THE PUBLISHING OR**
20 **DISTRIBUTION OF STATEMENTS) ANY POLITICAL CAMPAIGN ON BEHALF OF OR IN**
21 **OPPOSITION TO ANY CANDIDATE FOR PUBLIC OFFICE. NOTWITHSTANDING ANY**
22 **OTHER PROVISION OF THIS ACT, THE ASSOCIATION MAY NOT CARRY ON ANY OTHER**
23 **ACTIVITIES NOT PERMITTED TO BE CARRIED ON:**

24 **(I) BY A CORPORATION EXEMPT FROM FEDERAL INCOME TAX**
25 **UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE, OR THE CORRESPONDING**
26 **SECTION OF ANY FUTURE FEDERAL TAX CODE; OR**

27 **(II) BY A CORPORATION, CONTRIBUTIONS TO WHICH ARE**
28 **DEDUCTIBLE UNDER § 170(C)(2) OF THE INTERNAL REVENUE CODE, OR THE**
29 **CORRESPONDING SECTION OF ANY FUTURE FEDERAL TAX CODE.**

30 **(2) DURING ANY PERIOD, OR PERIODS, OF TIME THAT THE**
31 **ASSOCIATION IS TREATED AS A "PRIVATE FOUNDATION" PURSUANT TO § 509 OF THE**
32 **INTERNAL REVENUE CODE, OR THE CORRESPONDING SECTION OF ANY FUTURE**

1 FEDERAL TAX CODE, THE TRUSTEES MUST DISTRIBUTE THE ASSOCIATION'S INCOME
2 AT SUCH TIME AND IN SUCH MANNER SO AS NOT TO SUBJECT THE ASSOCIATION TO
3 TAX ON UNDISTRIBUTED INCOME IMPOSED BY § 4942 OF THE INTERNAL REVENUE
4 CODE, OR THE CORRESPONDING SECTION OF ANY FUTURE FEDERAL TAX CODE. THE
5 ASSOCIATION IS PROHIBITED FROM ENGAGING IN ANY ACT OF SELF-DEALING (AS
6 DEFINED IN § 4941(D) OF THE INTERNAL REVENUE CODE, OR THE CORRESPONDING
7 SECTION OF ANY FUTURE FEDERAL TAX CODE), OR FROM RETAINING ANY EXCESS
8 BUSINESS HOLDINGS (AS DEFINED IN § 4943(C) OF THE INTERNAL REVENUE CODE,
9 OR THE CORRESPONDING SECTION OF ANY FUTURE FEDERAL TAX CODE) WHICH
10 WOULD SUBJECT THE ASSOCIATION TO TAX UNDER § 4943 OF THE INTERNAL
11 REVENUE CODE, OR THE CORRESPONDING SECTION OF ANY FUTURE FEDERAL TAX
12 CODE. DURING SUCH PERIOD, THE ASSOCIATION IS PROHIBITED FROM MAKING ANY
13 INVESTMENTS OR OTHERWISE ACQUIRING ASSETS IN SUCH A MANNER SO AS TO
14 SUBJECT THE ASSOCIATION TO TAX UNDER § 4944 OF THE INTERNAL REVENUE
15 CODE, OR THE CORRESPONDING SECTION OF ANY FUTURE FEDERAL TAX CODE,
16 FROM RETAINING ANY ASSETS WHICH WOULD SUBJECT THE ASSOCIATION TO TAX
17 UNDER § 4944 OF THE INTERNAL REVENUE CODE, OR THE CORRESPONDING
18 SECTION OF ANY FUTURE FEDERAL TAX CODE, IF THE TRUSTEES HAVE ACQUIRED
19 SUCH ASSETS, AND FROM MAKING ANY TAXABLE EXPENDITURES (AS DEFINED IN §
20 4945(D) OF THE INTERNAL REVENUE CODE, OR THE CORRESPONDING SECTION OF
21 ANY FUTURE FEDERAL TAX CODE).

22 (3) IN THE EVENT OF DISSOLUTION OF THE ASSOCIATION, ASSETS
23 SHALL BE DISTRIBUTED FOR ONE OR MORE EXEMPT PURPOSES WITHIN THE
24 MEANING OF § 501(C)(3) OF THE INTERNAL REVENUE CODE, OR THE
25 CORRESPONDING SECTION OF ANY FUTURE FEDERAL TAX CODE, OR SHALL BE
26 DISTRIBUTED TO THE FEDERAL GOVERNMENT, OR TO A STATE OR LOCAL
27 GOVERNMENT, FOR A PUBLIC PURPOSE. ANY SUCH ASSETS NOT SO DISPOSED OF
28 SHALL BE DISPOSED OF BY A COURT OF COMPETENT JURISDICTION OF THE COUNTY
29 IN WHICH THE PRINCIPAL OFFICE OF THE ASSOCIATION IS THEN LOCATED,
30 EXCLUSIVELY FOR SUCH PURPOSES OR TO SUCH ORGANIZATION OR ORGANIZATIONS
31 AS SAID COURT SHALL DETERMINE, WHICH ARE ORGANIZED AND OPERATED
32 EXCLUSIVELY FOR SUCH PURPOSES. IN NO EVENT SHALL ANY OF SUCH ASSETS OR
33 PROPERTY BE DISTRIBUTED TO ANY TRUSTEE OR OFFICER OR ANY PRIVATE
34 INDIVIDUAL.

35 (H) THE DURATION OF THE EXISTENCE OF THE ASSOCIATION IS
36 PERPETUAL.

37 (I) (1) A TRUSTEE OF THE ASSOCIATION SHALL NOT BE PERSONALLY
38 LIABLE TO THE ASSOCIATION FOR MONETARY DAMAGES FOR ANY BREACH OF
39 FIDUCIARY DUTY AS A TRUSTEE, EXCEPT FOR LIABILITY:

1 (I) FOR ANY BREACH OF THE TRUSTEE’S DUTY OF LOYALTY TO
2 THE ASSOCIATION;

3 (II) FOR ACTS OR OMISSIONS NOT IN GOOD FAITH OR WHICH
4 INVOLVE INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW; OR

5 (III) FOR ANY TRANSACTION FROM WHICH THE TRUSTEE
6 DERIVED AN IMPROPER PERSONAL BENEFIT.

7 (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION,
8 RELIEF FROM LIABILITY FOR WHICH A TRUSTEE MAY BE PERSONALLY LIABLE TO
9 THE ASSOCIATION MAY NOT APPLY IN ANY INSTANCE WHERE SUCH RELIEF IS
10 INCONSISTENT WITH ANY PROVISION OF THE INTERNAL REVENUE CODE
11 APPLICABLE TO CORPORATIONS DESCRIBED IN § 501(C)(3) OF THE INTERNAL
12 REVENUE CODE, OR THE CORRESPONDING SECTION OF ANY FUTURE FEDERAL TAX
13 CODE.

14 (J) FROM TIME TO TIME, AND IN FURTHERANCE OF THE PURPOSES FOR
15 WHICH THE ASSOCIATION EXISTS, ANY OF THE PROVISIONS OF THIS CHARTER MAY
16 BE AMENDED, ALTERED, OR REPEALED, AND OTHER PROVISIONS AUTHORIZED BY
17 THE LAWS OF THE STATE OF MARYLAND AT THE TIME IN FORCE MAY BE ADDED OR
18 INSERTED BY A UNANIMOUS VOTE OF THE BOARD OF TRUSTEES, AND ALL RIGHTS
19 AT ANY TIME CONFERRED ON THE TRUSTEES OF THE ASSOCIATION BY THIS
20 CERTIFICATE OF INCORPORATION ARE GRANTED SUBJECT TO THE PROVISIONS OF
21 THIS SUBSECTION.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2016.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.