



# The Judiciary Review

## Report from the Senate Judiciary Committee (D)

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### BILLS REPORTED BY THE SENATE JUDICIARY COMMITTEE SIGNED BY THE GOVERNOR

#### CORPORATE LAW

■ **Senate Bill No. 215**  
**Printer's No. 1243**

The bill amends the Corporations and Associations Code and the Names Code.

*The amendments:*

- Create a new test to determine if two business names are distinguishable from each other.
- Authorize corporate directors and officers to receive advances for litigation expenses without the approval of a disinterested director.
- Permit the amendment of articles of incorporation without shareholder approval in specified circumstances that do not affect shareholder rights; e.g. in "triangle mergers, an acquiring corporation would no longer need to formally approve the stock trade between the target corporation and the acquiring corporation's subsidiary being merged into the target.
- Provide that a corporation or subsidiary retaining business activity at the end of the fiscal year of at least 25% of total assets and 25% of either operating income before taxes or revenues of continuing operations, is conclusively deemed not to have been sold, leased or exchanged.
- Authorize that a Pennsylvania organization moving to another

state by filing "domestication" papers would not need a tax clearance certificate in the Commonwealth if it continues to be qualified to do business here as a foreign association.

- Authorize corporations to sell stock with terms tied to outside events controlled by the corporation, such as Dutch auctions, where interest rates currently may be set by brokers under contract to the corporation.
- Permit corporations and shareholders to officially communicate and give notice via e-mail or fax rather than actual written notice, and grants administrative review authority to the Department of State in cases of suspected fraud under the Commercial Code.
- Authorize the Department of State to prescribe certain fee schedules and to publish information in the Pennsylvania Bulletin.
- Standardize provisions between nonprofit corporations and business corporations in specified areas, including the execution of instruments, certain grounds for and defenses to civil suit, notice to creditors on dissolution, and conversion from one form of corporation to the other.
- Provide that Pennsylvania law governs various matters relating

to the dealings of non-Pennsylvania corporations including civil suits, execution of instruments, and specific debts governed by Pennsylvania law or relating to real property in the Commonwealth.

- Authorize professional associations to be formed by other associations when all the ultimate owners are licensed professionals.
- Prohibit termination of limited liability partnerships because of bankruptcy. Limited liability partnerships formed under the laws of other states would be restricted to the protections afforded under Pennsylvania law to discourage Pennsylvania-based associations from registering elsewhere. Partners who participate in the control of a limited liability association would not be liable for corporate debt.
- Provide that the withdrawal of general partner(s) from a limited partnership would not force its dissolution if a majority of the limited partners in interest agree in writing to continuation.
- Authorize notification by publication for meeting to amend by-laws by a mutual insurance companies.

*Current status: Signed by the Governor—Act 34 of 2001*

**POLICE PROTECTION**

■ **House Bill No. 41**  
**Printer's No. 2106**

The bill makes it a misdemeanor of the second degree to intentionally or knowingly conceal a hypodermic needle or similar device when such concealment results in the penetration of a law enforcement officer by the hypodermic needle during the course of a pat down or search.

*Current Status: Signed by the Governor—Act 48 of 2001*

**CIVIL IMMUNITY**

■ **House Bill 59**  
**Printer's No. 1877**

The bill amends the Judicial Code to provide civil immunity to volunteer members of nonprofit or corporate volunteer anti-drug and town-watch crime prevention organizations in certain circumstances. Immunity is granted when the conduct of such volunteers does not fall substantially below standards generally practiced in like circumstances.

*Current status: Signed by the Governor—Act 66 of 2001*

■ **House Bill No. 910**  
**Printer's No. 2631**

The bill provides immunity from civil damages to a design professional who, as a volunteer without compensation provides services that relate to a declared emergency caused by a disaster or catastrophic event. The design professional must be providing those services at the request of a public official, a law enforcement officer, a public safety official, or a building inspector who is acting in his or her official capacity. Design professional is defined as an individual licensed by the Commonwealth as an architect, geologist, land surveyor, landscape architect, or professional engineer.

*Current status: Signed by the Governor—Act 81 of 2001*

**CIVIL DAMAGES**

■ **House Bill No. 279**  
**Printer's No. 280**

The legislation amends Section 8311

of the Judicial Code to add the costs of surveys obtained in connection with an action for the wrongful conversion of timber to the items that may be recovered. Currently, items which may be recovered in such an action include the costs of establishing the value of the cut or removed timber, including compliance with regulations governing erosion, and the market value of the timber.

*Current status: Signed by the Governor—Act 7 of 2001*

**PCCD**

■ **House Bill No. 1048**  
**Printer's No. 1993**

The bill increases the Governor's appointments to the Pennsylvania Commission on Crime and Delinquency. The additional appointees will include representatives of a local correctional facility, county sheriffs office, a local victim service agency and a county commissioner. The bill adds the Secretaries of Public Welfare, Education and Health, the chair of the Board of Probation and Parole, and the Executive Director of the Juvenile Court Judges' Commission as members of the Commission.

*The bill directs PCCD to:*

- Collaborate with all state agencies in the planning and programming

of juvenile delinquency prevention efforts and the reduction of violence by and against children

- Design and promote comprehensive research-based initiatives to assist communities and community-based organizations for reducing risk to and promoting the positive development of children, and in preventing juvenile delinquency and youth violence.
- Provide support to law enforcement and community partnerships whose missions include crime prevention and revitalization of distressed communities.

*Current status: Signed by the Governor—Act 30 of 2001*

■ **House Bill No. 343**  
**Printer's No. 2102**

The legislation requires the Pennsylvania Commission on Crime and Delinquency to prepare a prison population impact analysis of legislation introduced in the General Assembly upon the request of the chairman of the appropriate committee within forty-five (45) days of the request, a copy to the Governor.

*Current status: Signed by the Governor—Act 46 of 2001*

**STATE SENATOR JAY COSTA, JR.**

*Serving the 43rd District*

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