

# Calendar No. 834

110TH CONGRESS  
2D SESSION

# S. 2504

[Report No. 110-399]

To amend title 36, United States Code, to grant a Federal charter to the Military Officers Association of America, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 18, 2007

Mr. NELSON of Florida (for himself, Mr. LEAHY, Mr. HAGEL, Mr. CORKER, Mr. AKAKA, Mrs. CLINTON, Mr. INOUE, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mrs. LINCOLN, Mr. MENENDEZ, Ms. MIKULSKI, Mr. OBAMA, Mr. TESTER, Mr. DORGAN, Mr. BROWN, Mr. WHITEHOUSE, Mr. CARDIN, Mr. ALLARD, Mr. SESSIONS, Mr. DODD, Ms. MURKOWSKI, Mr. THUNE, Ms. COLLINS, Mr. FEINGOLD, Mr. SMITH, Mr. ENSIGN, Mr. CRAPO, Mr. SALAZAR, Mr. ISAKSON, Mr. CHAMBLISS, Mr. WICKER, Mr. JOHNSON, Ms. SNOWE, Mrs. BOXER, and Mrs. MCCASKILL) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

JUNE 24 (legislative day, JUNE 23), 2008

Reported by Mr. LEAHY, without amendment

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## A BILL

To amend title 36, United States Code, to grant a Federal charter to the Military Officers Association of America, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. GRANT OF FEDERAL CHARTER TO MILITARY**  
 2 **OFFICERS ASSOCIATION OF AMERICA.**

3 (a) GRANT OF CHARTER.—Part B of subtitle II of  
 4 title 36, United States Code, is amended by inserting after  
 5 chapter 1403 the following new chapter:

6 **“CHAPTER 1404—MILITARY OFFICERS**  
 7 **ASSOCIATION OF AMERICA**

“Sec.

“140401. Organization.

“140402. Purposes.

“140403. Membership.

“140404. Governing body.

“140405. Powers.

“140406. Restrictions.

“140407. Tax-exempt status required as condition of charter.

“140408. Records and inspection.

“140409. Service of process.

“140410. Liability for acts of officers and agents.

“140411. Annual report.

“140412. Definition.

8 **“§ 140401. Organization**

9 “(a) FEDERAL CHARTER.—Military Officers Associa-  
 10 tion of America (in this chapter, the ‘corporation’), a non-  
 11 profit organization that meets the requirements for a vet-  
 12 erans service organization under section 501(c)(19) of the  
 13 Internal Revenue Code of 1986 and is organized under  
 14 the laws of the Commonwealth of Virginia, is a federally  
 15 chartered corporation.

16 “(b) EXPIRATION OF CHARTER.—If the corporation  
 17 does not comply with the provisions of this chapter, the  
 18 charter granted by subsection (a) shall expire.

1   **“§ 140402. Purposes**

2           “(a) GENERAL.—The purposes of the corporation are  
3 as provided in its bylaws and articles of incorporation and  
4 include—

5           “(1) to inculcate and stimulate love of the  
6 United States and the flag;

7           “(2) to defend the honor, integrity, and su-  
8 premacy of the Constitution of the United States  
9 and the United States Government;

10          “(3) to advocate military forces adequate to the  
11 defense of the United States;

12          “(4) to foster the integrity and prestige of the  
13 Armed Forces;

14          “(5) to foster fraternal relations between all  
15 branches of the various Armed Forces from which  
16 members are drawn;

17          “(6) to further the education of children of  
18 members of the Armed Forces;

19          “(7) to aid members of the Armed forces and  
20 their family members and survivors in every proper  
21 and legitimate manner;

22          “(8) to present and support legislative pro-  
23 posals that provide for the fair and equitable treat-  
24 ment of members of the Armed Forces, including the  
25 National Guard and Reserves, military retirees, fam-  
26 ily members, survivors, and veterans; and

1           “(9) to encourage recruitment and appointment  
2           in the Armed Forces.

3   **“§ 140403. Membership**

4           “Eligibility for membership in the corporation, and  
5 the rights and privileges of members of the corporation,  
6 are as provided in the bylaws of the corporation.

7   **“§ 140404. Governing body**

8           “(a) BOARD OF DIRECTORS.—The composition of the  
9 board of directors of the corporation, and the responsibil-  
10 ities of the board, are as provided in the articles of incor-  
11 poration and bylaws of the corporation.

12          “(b) OFFICERS.—The positions of officers of the cor-  
13 poration, and the election of the officers, are as provided  
14 in the articles of incorporation and bylaws.

15   **“§ 140405. Powers**

16          “The corporation has only those powers provided in  
17 its bylaws and articles of incorporation filed in each State  
18 in which it is incorporated.

19   **“§ 140406. Restrictions**

20          “(a) STOCK AND DIVIDENDS.—The corporation may  
21 not issue stock or declare or pay a dividend.

22          “(b) DISTRIBUTION OF INCOME OR ASSETS.—The in-  
23 come or assets of the corporation may not inure to the  
24 benefit of, or be distributed to, a director, officer, or mem-  
25 ber of the corporation during the life of the charter grant-

1 ed by this chapter. This subsection does not prevent the  
 2 payment of reasonable compensation to an officer or em-  
 3 ployee of the corporation or reimbursement for actual nec-  
 4 essary expenses in amounts approved by the board of di-  
 5 rectors.

6 “(c) LOANS.—The corporation may not make a loan  
 7 to a director, officer, employee, or member of the corpora-  
 8 tion.

9 “(d) CLAIM OF GOVERNMENTAL APPROVAL OR AU-  
 10 THORITY.—The corporation may not claim congressional  
 11 approval or the authority of the United States Govern-  
 12 ment for any of its activities.

13 “(e) CORPORATE STATUS.—The corporation shall  
 14 maintain its status as a corporation incorporated under  
 15 the laws of the Commonwealth of Virginia.

16 **“§ 140407. Tax-exempt status required as condition of**  
 17 **charter**

18 “If the corporation fails to maintain its status as an  
 19 organization exempt from taxation under the Internal  
 20 Revenue Code of 1986, the charter granted under this  
 21 chapter shall terminate.

22 **“§ 140408. Records and inspection**

23 “(a) RECORDS.—The corporation shall keep—

24 “(1) correct and complete records of account;

1           “(2) minutes of the proceedings of the mem-  
2           bers, board of directors, and committees of the cor-  
3           poration having any of the authority of the board of  
4           directors of the corporation; and

5           “(3) at the principal office of the corporation,  
6           a record of the names and addresses of the members  
7           of the corporation entitled to vote on matters relat-  
8           ing to the corporation.

9           “(b) INSPECTION.—A member entitled to vote on any  
10          matter relating to the corporation, or an agent or attorney  
11          of the member, may inspect the records of the corporation  
12          for any proper purpose at any reasonable time.

13       **“§ 140409. Service of process**

14           “The corporation shall comply with the law on service  
15          of process of each State in which it is incorporated and  
16          each State in which it carries on activities.

17       **“§ 140410. Liability for acts of officers and agents**

18           “The corporation is liable for any act of any officer  
19          or agent of the corporation acting within the scope of the  
20          authority of the corporation.

21       **“§ 140411. Annual report**

22           “The corporation shall submit to Congress an annual  
23          report on the activities of the corporation during the pre-  
24          ceding fiscal year. The report shall be submitted at the  
25          same time as the report of the audit required by section

1 10101(b) of this title. The report may not be printed as  
 2 a public document.

3 **“§ 140412. Definition**

4 “In this chapter, the term ‘State’ includes the Dis-  
 5 trict of Columbia and the territories and possessions of  
 6 the United States.”.

7 (b) CLERICAL AMENDMENT.—The table of chapters  
 8 at the beginning of subtitle II of title 36, United States  
 9 Code, is amended by inserting after the item relating to  
 10 chapter 1403 the following new item:

“1404. Military Officers Association of America ..... 140401”.

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