

The board of directors may adopt bylaws, policies, and procedures for the corporation and may take any other action that it considers necessary for the management and operation of the corporation.

(2) The board shall have at least 9 directors.

(3) The term of office of a director is 2 years. A director may be reappointed.

(4) A vacancy on the board of directors shall be filled by a majority vote of the remaining directors.

(b) DIRECTOR OF CIVILIAN MARKSMANSHIP.—(1) The board of directors shall appoint the Director of Civilian Marksmanship.

(2) The Director is responsible for—

(A) the daily operation of the corporation; and

(B) the duties of the corporation under subchapter II of this chapter.

(Pub. L. 105–225, Aug. 12, 1998, 112 Stat. 1335.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40702(a)(1) ..	36:5501(c)(2).	Feb. 10, 1996, Pub. L. 104–106, title XVI, §1611(c)(1)–(4), (d), 110 Stat. 516.
40702(a)(2) ..	36:5501(c)(1).	
40702(a)(3) ..	36:5501(c)(3).	
40702(a)(4) ..	36:5501(c)(4).	
40702(b)(1) ..	36:5501(d)(1).	
40702(b)(2) ..	36:5501(d)(2).	

In subsection (a)(1), the words “The board of directors is the governing body of the corporation” are added for consistency in the revised title.

In subsection (a)(3), the words “The term of office of a director is 2 years” are substituted for “Each member of the Board of Directors shall serve for a term of two years”, and the words “A director may be reappointed” are substituted for “Members of the Board of Directors are eligible for reappointment”, for consistency in the revised title and to eliminate unnecessary words.

In subsection (b)(1), the words “an individual to serve as” are omitted as unnecessary.

In subsection (b)(2), before clause (A), the words “is responsible for” are substituted for “shall be responsible for the performance of” to eliminate unnecessary words. In clause (B), the words “duties of the corporation under subchapter II of this chapter” are substituted for “functions described in section 5502” because subchapter II of this chapter restates 36:5502–5504 and 5507 and all of these sections provide for duties of the corporation that are the responsibility of the Director of Civilian Marksmanship.

Statutory Notes and Related Subsidiaries

INITIAL BOARD OF DIRECTORS

Pub. L. 104–106, div. A, title XVI, §1611(c)(5), Feb. 10, 1996, 110 Stat. 516 [former 36 U.S.C. 5501(c)(5)], provided that: “The Secretary of the Army shall appoint the initial Board of Directors. Four of the members of the initial Board of Directors, to be designated by the Secretary at the time of appointment, shall (notwithstanding paragraph (3)) [now 36 U.S.C. 40702(a)(3)] serve for a term of one year.”

§ 40703. Powers

The corporation may—

(1) adopt, use, and alter a corporate seal, which shall be judicially noticed;

(2) make contracts;

(3) acquire, own, lease, encumber, and transfer property as necessary or convenient to carry out the activities of the corporation;

(4) incur and pay obligations;

(5) charge fees to cover the corporation’s costs in carrying out the Civilian Marksmanship Program; and

(6) do any other act necessary and proper to carry out the activities of the corporation.

(Pub. L. 105–225, Aug. 12, 1998, 112 Stat. 1336.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40703(1)	36:5508(b).	Feb. 10, 1996, Pub. L. 104–106, title XVI, §1618(a)(1), (2), (b)–(e), 110 Stat. 520.
40703(2)	36:5508(c) (less “leases”).	
40703(3)	36:5508(a)(1), (c) (related to leases).	
40703(4)	36:5508(d).	
40703(5)	36:5508(a)(2).	
40703(6)	36:5508(e).	

In clause (2), the words “make contracts” are substituted for “enter into contracts” for consistency in the revised title. The words “agreements, or other transactions” are omitted as included in “contracts”.

Clause (3) is substituted for “The Corporation may solicit, accept, hold, use, and dispose of donations of money, property, and services received by gift, devise, bequest, or otherwise” in 36:5508(a)(1) and “enter into . . . leases” in 36:5508(c) for consistency in the revised title.

Clause (4) is substituted for “determine the character of, and necessity for, its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid and may incur, allow, and pay such obligations and expenditures” to eliminate unnecessary words.

In clause (5), the words “charge fees to cover the corporation’s costs” are substituted for “impose, collect, and retain such fees as are reasonably necessary to cover the direct and indirect costs of the Corporation” to eliminate unnecessary words.

Clause (6) is substituted for “take such other actions as are necessary or appropriate to carry out the authority provided in this section” for consistency in the revised title.

§ 40704. Restrictions

(a) PROFIT.—The corporation may not operate for profit.

(b) USE OF AMOUNTS COLLECTED.—Amounts collected under section 40703(3) and (5) of this title, including proceeds from the sale of firearms, ammunition, repair parts, and other supplies, may be used only to support the Civilian Marksmanship Program.

(Pub. L. 105–225, Aug. 12, 1998, 112 Stat. 1336.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40704(a)	36:5501(a) (related to nonprofit).	Feb. 10, 1996, Pub. L. 104–106, title XVI, §§1611(a) (related to nonprofit), 1618(a)(3), 110 Stat. 515, 520.
40704(b)	36:5508(a)(3).	

In subsection (b), the words “ammunition, repair parts, and other supplies” are substituted for “ammunition, targets, and other supplies and appliances” for consistency in the revised title.

§ 40705. Duty to maintain tax-exempt status

The corporation shall be operated in a manner and for purposes that qualify the corporation for

exemption from taxation under section 501(a) of the Internal Revenue Code of 1986 (26 U.S.C. 501(a)) as an organization described in section 501(c)(3) of that Code (26 U.S.C. 501(c)(3)).

(Pub. L. 105-225, Aug. 12, 1998, 112 Stat. 1336.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40705	36:5501(b)(2).	Feb. 10, 1996, Pub. L. 104-106, title XVI, §1611(b)(2), 110 Stat. 516.

§ 40706. Distribution of assets on dissolution

(a) SECRETARY OF THE ARMY.—On dissolution of the corporation, title to the following items, and the right to possess the items, vest in the Secretary of the Army:

(1) Firearms stored at Defense Distribution Depot, Anniston, Anniston, Alabama on the date of dissolution.

(2) M-16 rifles under control of the corporation.

(3) Trophies received from the National Board for the Promotion of Rifle Practice through the date of dissolution.

(b) TAX-EXEMPT ORGANIZATIONS.—(1) On dissolution of the corporation, an asset not described in subsection (a) of this section may be distributed to an organization that—

(A) is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 (26 U.S.C. 501(a)) as an organization described in section 501(c)(3) of that Code (26 U.S.C. 501(c)(3)); and

(B) performs functions similar to the functions described in section 40722 of this title.

(2) An asset distributed under this subsection may not be distributed to an individual.

(c) TREASURY.—On dissolution of the corporation, any asset not distributed under subsection (a) or (b) of this section shall be sold and the proceeds shall be deposited in the Treasury.

(Pub. L. 105-225, Aug. 12, 1998, 112 Stat. 1336; Pub. L. 113-237, §3(c)(3), Dec. 18, 2014, 128 Stat. 2840.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40706(a)	36:5509(a)(1).	Feb. 10, 1996, Pub. L. 104-106, title XVI, §1619, 110 Stat. 520; Sept. 23, 1996, Pub. L. 104-201, title X, §1073(c)(3), 110 Stat. 2657.
40706(b)(1) ..	36:5509(a)(2).	
40706(b)(2) ..	36:5509(b).	
40706(c)	36:5509(a)(3).	

In subsection (a), before clause (1), the words “title to the following items, and the right to possess the items, vest in the Secretary of the Army” are substituted for “title to [specified items] . . . shall vest in the Secretary of the Army, and the Secretary shall have the immediate right to the possession of such items” to eliminate unnecessary words. In clause (2), the words “M-16 rifles under control of the corporation” are substituted for “M-16 rifles that are transferred to the Corporation under section 1615(a)(2), that are referred to in section 1616(a)(3), or that are otherwise under the control of the Corporation” to eliminate unnecessary words.

In subsection (b), paragraph (2) is applied only to subsection (b) because the prohibition is not relevant to 36:5509(a)(1) or (3).

Editorial Notes

AMENDMENTS

2014—Subsec. (a). Pub. L. 113-237 substituted colon for dash at end of introductory provisions, “Firearms” for “firearms” in par. (1) and “Trophies” for “trophies” in par. (3).

§ 40707. Nonapplication of audit requirements

The audit requirements of section 10101 of this title do not apply to the corporation.

(Pub. L. 105-225, Aug. 12, 1998, 112 Stat. 1337.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40707	(no source).	

The section is added to except the Corporation for the Promotion of Rifle Practice and Firearms Safety from the application of section 10101 of the revised title, restating 36:1101-1103, which imposes audit requirements on certain federally chartered corporations. The corporation is not included in the list of corporations set out in 36:1101 to which the audit requirements apply.

SUBCHAPTER II—CIVILIAN MARKSMANSHIP PROGRAM

§ 40721. Responsibility of corporation

The corporation shall supervise and control the Civilian Marksmanship Program.

(Pub. L. 105-225, Aug. 12, 1998, 112 Stat. 1337.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40721	36:5502(a) (words before cl. (1)).	Feb. 10, 1996, Pub. L. 104-106, title XVI, §1612(a) (words before cl. (1)), 110 Stat. 516.

The words “shall supervise and control the Civilian Marksmanship Program” are substituted for “shall have responsibility for the overall supervision, oversight, and control of the Civilian Marksmanship Program, pursuant to the transfer of the program under subsection (d), including the performance of the following” to eliminate unnecessary words.

§ 40722. Functions

The functions of the Civilian Marksmanship Program are—

(1) to instruct citizens of the United States in marksmanship;

(2) to promote practice and safety in the use of firearms;

(3) to conduct competitions in the use of firearms and to award trophies, prizes, badges, and other insignia to competitors;

(4) to secure and account for firearms, ammunition, and other equipment for which the corporation is responsible;

(5) to issue, loan, or sell firearms, ammunition, repair parts, and other supplies under sections 40731 and 40732 of this title; and

(6) to procure necessary supplies and services to carry out the Program.