

No. 3

A JOINT RESOLUTION

SB 538

Proposing that article sixteen of the Constitution of the Commonwealth of Pennsylvania relating to private corporations, be replaced by a new article.

The General Assembly of the Commonwealth of Pennsylvania hereby resolves as follows:

Section 1. The following amendment to the Constitution of the Commonwealth of Pennsylvania is proposed in accordance with the provisions of the eighteenth article thereof:

That the Constitution of the Commonwealth of Pennsylvania be amended by adding thereto a new article to read:

ARTICLE

Private Corporations

Section 1. Certain Unused Charters Void.—The charters and privileges granted prior to 1874 to private corporations which had not been organized in good faith and commenced business prior to 1874 shall be void.

Section 2. Certain Charters to Be Subject to the Constitution.—Private corporations which have accepted or accept the Constitution of this Commonwealth or the benefits of any law passed by the General Assembly after 1873 governing the affairs of corporations shall hold their charters subject to the provisions of the Constitution of this Commonwealth.

Section 3. Revocation, Amendment and Repeal of Charters and Corporation Laws.—All charters of private corporations and all present and future common or statutory law with respect to the formation or regulation of private corporations or prescribing powers, rights, duties or liabilities of private corporations or their officers, directors or shareholders may be revoked, amended or repealed.

Section 4. Compensation for Property Taken by Corporations Under Right of Eminent Domain.—Municipal and other corporations invested with the privilege of taking private property for public use shall make

just compensation for property taken, injured or destroyed by the construction or enlargement of their works, highways or improvements and compensation shall be paid or secured before the taking, injury or destruction.

Section 2. The existing article sixteen of the Constitution of the Commonwealth of Pennsylvania, which reads as hereinafter set forth, is hereby repealed.

[ARTICLE XVI

Private Corporations

Section 1. All existing charters, or grants of special or exclusive privileges, under which a bona fide organization shall not have taken place and business been commenced in good faith, at the time of the adoption of this Constitution, shall thereafter have no validity.

Section 2. The General Assembly shall not remit the forfeiture of the charter of any corporation now existing, or alter or amend the same, or pass any other general or special law for the benefit of such corporation, except upon the condition that such corporation shall thereafter hold its charter subject to the provisions of this Constitution.

Section 3. The exercise of the right of eminent domain shall never be abridged or so construed as to prevent the General Assembly from taking the property and franchises of incorporated companies, and subjecting them to public use, the same as the property of individuals; and the exercise of the police power of the State shall never be abridged or so construed as to permit corporations to conduct their business in such manner as to infringe the equal rights of individuals or the general well-being of the State.

Section 4. In all elections for directors or managers of a corporation each member or shareholder may cast the whole number of his votes for one candidate, or distribute them upon two or more candidates, as he may prefer.

Section 5. No foreign corporation shall do any business in this State without having one or more known places of business and an authorized agent or agents in the same upon whom process may be served.

Section 6. No corporation shall engage in any business other than that expressly authorized in its charter, nor shall it take or hold any real estate except such as may be necessary and proper for its legitimate business.

Section 7. No corporation shall issue stocks or bonds except for money, labor done, or money or property actually received; and all fictitious increase of stock or indebtedness shall be void. The stock and

indebtedness of corporations shall not be increased except in pursuance of general law.

Section 8. Municipal and other corporations and individuals invested with the privilege of taking private property for public use shall make just compensation for property taken, injured or destroyed by the construction or enlargement of their works, highways or improvements, which compensation shall be paid or secured before such taking, injury or destruction. The General Assembly is hereby prohibited from depriving any person of an appeal from any preliminary assessment of damages against any such corporations or individuals made by viewers or otherwise; and the amount of such damages in all cases of appeal shall on the demand of either party be determined by a jury according to the course of the common law.

Section 9. Every banking law shall provide for the registry and countersigning, by an officer of the State, of all notes or bills designed for circulation, and that ample security to the full amount thereof shall be deposited with the Auditor General for the redemption of such notes or bills.

Section 10. The General Assembly shall have the power to alter, revoke or annul any charter of incorporation now existing and revocable at the adoption of this Constitution, or any that may hereafter be created, whenever in their opinion it may be injurious to the citizens of this Commonwealth, in such manner, however, that no injustice shall be done to the incorporators. No law hereafter enacted shall create, renew or extend the charter of more than one corporation.

Section 11. The General Assembly shall have the power by general law to provide for the incorporation of banks and trust companies, and to prescribe the powers thereof.

Section 12. Any association or corporation organized for the purpose, or any individual, shall have the right to construct and maintain lines of telegraph within this State, and to connect the same with other lines, and the General Assembly shall, by general law of uniform operation, provide reasonable regulations to give full effect to this section. No telegraph company shall consolidate with, or hold a controlling interest in the stock or bonds of, any other telegraph company owning a competing line, or acquire, by purchase or otherwise, any other competing line of telegraph.

Section 13. The term "corporations," as used in this article, shall be construed to include all joint stock companies or associations having any of the powers or privileges of corporations not possessed by individuals or partnerships.]