

118TH CONGRESS  
1ST SESSION

# S. 2694

To amend title 36, United States Code, to revise the Federal charter for the Foundation of the Federal Bar Association.

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IN THE SENATE OF THE UNITED STATES

JULY 27, 2023

Mr. KENNEDY (for himself and Mr. WHITEHOUSE) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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## A BILL

To amend title 36, United States Code, to revise the Federal charter for the Foundation of the Federal Bar Association.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Foundation of the Fed-  
5 eral Bar Association Charter Amendments Act of 2023”.

6 **SEC. 2. ORGANIZATION.**

7 Section 70501 of title 36, United States Code, is  
8 amended—

9 (1) by striking subsection (b); and

1           (2) by redesignating subsection (c) as sub-  
2           section (b).

3 **SEC. 3. MEMBERSHIP.**

4           Section 70503 of title 36, United States Code, is  
5 amended—

6           (1) by striking subsections (a) and (b) and in-  
7           serting the following:

8           “(a) ELIGIBILITY.—Except as provided in this chap-  
9           ter, eligibility for membership in the corporation and the  
10           rights and privileges of members are as provided in the  
11           bylaws.”; and

12           (2) by redesignating subsection (c) as sub-  
13           section (b).

14 **SEC. 4. GOVERNING BODY.**

15           Section 70504 of title 36, United States Code, is  
16 amended to read as follows:

17 **“§ 70504. Governing body**

18           “(a) BOARD OF DIRECTORS.—The board of directors  
19 is the governing body of the corporation. The board may  
20 exercise, or provide for the exercise of, the powers of the  
21 corporation. The board of directors and the responsibilities  
22 of the board are as provided in the bylaws.

23           “(b) OFFICERS.—The officers and the election of the  
24 officers are as provided for in the bylaws.”.

1 **SEC. 5. RESTRICTIONS.**

2 Section 70507 of title 36, United States Code, is  
3 amended to read as follows:

4 **“§ 70507. Restrictions**

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

7 “(b) POLITICAL ACTIVITIES.—

8 “(1) IN GENERAL.—The activities, funds, in-  
9 come, and property of the corporation may not be  
10 used to carry on political activity or attempt to in-  
11 fluence legislation.

12 “(2) NO CONTRIBUTION, SUPPORT, OR PARTICI-  
13 PATION.—The corporation or a director or officer in  
14 the corporate capacity of the director or officer may  
15 not contribute to, support, or participate in any po-  
16 litical activity or in any manner attempt to influence  
17 legislation.

18 “(c) DISTRIBUTION OF INCOME OR ASSETS.—

19 “(1) IN GENERAL.—The income or assets of the  
20 corporation may not inure to the benefit of, or be  
21 distributed to, a director, officer, or member during  
22 the life of the charter granted by this chapter. This  
23 subsection does not prevent the payment, in  
24 amounts approved by the board of directors, of—

25 “(A) reasonable compensation; or

1           “(B) reimbursement for expenses incurred  
2           in undertaking the corporation’s business, to of-  
3           ficers, directors, or members.

4           “(2) RULE OF CONSTRUCTION.—This sub-  
5           section shall not be construed to—

6           “(A) prevent the award of a grant to a  
7           Federal Bar Association chapter of which an of-  
8           ficer, director, or member may be a member; or

9           “(B) prevent the payment of reasonable  
10          compensation to the corporation’s employees for  
11          services undertaken on behalf of the corpora-  
12          tion.

13          “(d) LOANS.—The corporation may not make a loan  
14          to a director, officer, member, or employee.

15          “(e) IMMUNITY FROM LIABILITY.—Members and pri-  
16          vate individuals are not liable for the obligations of the  
17          corporation.

18          “(f) CLAIM OF GOVERNMENTAL APPROVAL OR AU-  
19          THORITY.—The corporation—

20                 “(1) may not claim congressional approval or  
21                 the authority of the United States Government for  
22                 any of its activities; and

23                 “(2) may acknowledge this charter.”.

1 **SEC. 6. PRINCIPAL OFFICE.**

2 Section 70508 of title 36, United States Code, is  
3 amended by striking “the District of Columbia,” and in-  
4 serting “a United States location decided by the board of  
5 directors and specified in the bylaws,”.

6 **SEC. 7. SERVICE OF PROCESS.**

7 Section 70510 of title 36, United States Code, is  
8 amended to read as follows:

9 **“§ 70510. Service of process**

10 “The corporation shall comply with the law on service  
11 of process of the State or District in which it is incor-  
12 porated.”.

13 **SEC. 8. DEPOSIT OF ASSETS ON DISSOLUTION OR FINAL**  
14 **LIQUIDATION.**

15 Section 70512 of title 36, United States Code, is  
16 amended to read as follows:

17 **“§ 70512. Deposit of assets on dissolution or final liq-**  
18 **uidation**

19 “On dissolution or final liquidation of the corpora-  
20 tion, any assets of the corporation remaining after the dis-  
21 charge of all liabilities shall be distributed—

22 “(a) as provided by the board of directors; and

23 “(b) in compliance with the charter and bylaws.”.

24 **SEC. 9. DETERMINATION OF BUDGETARY EFFECTS.**

25 The budgetary effects of this Act, for the purpose of  
26 complying with the Statutory Pay-As-You-Go Act of 2010,

1 shall be determined by reference to the latest statement  
2 titled “Budgetary Effects of PAYGO Legislation” for this  
3 Act, submitted for printing in the Congressional Record  
4 by the Chairman of the Senate Budget Committee, pro-  
5 vided that such statement has been submitted prior to the  
6 vote on passage.

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