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## GRANT OF FEDERAL CHARTER TO THE MILITARY OFFICERS ASSOCIATION OF AMERICA ACT OF 2008

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JUNE 24 (legislative day JUNE 23), 2008.—Ordered to be printed

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Mr. LEAHY, from the Committee on the Judiciary,  
submitted the following

### R E P O R T

[To accompany S. 2504]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to which was referred the bill (S. 2504), to amend title 36, United States Code, to grant a Federal charter to the Military Officers Association of America, and for other purposes, having considered the same, reports favorably thereon, without amendment, and recommends that the bill do pass.

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#### I. BACKGROUND AND PURPOSE OF THE GRANT OF FEDERAL CHARTER TO THE MILITARY OFFICERS ASSOCIATION OF AMERICA ACT OF 2008

The Grant of Federal Charter to the Military Officers Association of America Act of 2008 would establish a Federal charter for the Association by amending title 36 of the United States Code by inserting a new chapter (1404) in Part B—Organizations, subtitle II. Subtitle II lists patriotic and national organizations that have been granted a Federal charter. National organizations that qualify as

a veterans service organization under section 501(c)(19) of the Internal Revenue Code of 1986 and are otherwise eligible may be granted a Federal charter. The Military Officers Association of America is a 501(c)(19) veterans service organization and is organized under the laws of the Commonwealth of Virginia.

The Military Officers Association of America (MOAA) was founded in Los Angeles, California in 1929 to give retired officers, their family members, and survivors a collective voice in matters relating to all officers retirement status and benefits. Today, MOAA has approximately 370,000 members nationwide, including 63,000 surviving spouses of deceased members and is the largest veterans association representing military officers and their families. Membership in MOAA is open to any person who holds or has ever held a warrant or a commission in any of the uniformed services, including National Guard and Reserve. Surviving spouses of deceased members or other individuals who had been eligible for membership qualify for auxiliary membership in the association.

The National Headquarters, located in Alexandria, Virginia, oversees and administers a variety of programs that MOAA offers its members. These services include legislative and policy advocacy focused on benefits for veterans, a scholarship fund that offers interest-free loans and grants to students of military families, supplemental health coverage, occupational resources and training, and financial services.

About a quarter of all MOAA members belong to a local MOAA Chapter, that work with state and local governments on issues affecting all the uniformed services. Unfortunately, some local MOAA Chapters are unable to participate in State advisory boards on veterans' issues because of State law requirements mandating that groups wishing to participate on these panels have a Federal Charter.

The Military Officers Association of America has been an invaluable resource to Congress by providing bipartisan recommendations on matters affecting our armed service members. Senator Bill Nelson of Florida introduced this bill to ensure that all members of MOAA have a voice in policy matters that affect veterans.

## II. HISTORY OF THE BILL AND COMMITTEE CONSIDERATION

### A. INTRODUCTION OF THE BILL

The Grant of Federal Charter to the Military Officers Association of America Act of 2008 is a bipartisan measure introduced on December 18, 2007 by Senator Nelson of Florida and original cosponsors Senators Leahy, Hagel, Corker, Akaka, Clinton, Inouye, Kennedy, Kerry, Lautenberg, Lincoln, Menendez, Mikulski, Obama, and Tester. Senators Allard, Brown, Cardin, Collins, Dodd, Dorgan, Ensign, Feingold, Murkowski, Sessions, Smith, Thune, and Whitehouse have also joined the bill as cosponsors.

### B. COMMITTEE CONSIDERATION

The bill was introduced and referred to the Judiciary Committee on December 18, 2007. On May 8, 2008, the Committee voted to report the Grant of Federal Charter to Military Officers Association of America Act of 2008, without amendment, favorably to the Senate, by voice vote.

### III. SECTION-BY-SECTION SUMMARY OF THE BILL

#### *Section 1. Short title*

This section amends part B of subtitle II of title 36 by inserting after chapter 1403, “Chapter 1404—Grant of Federal Charter to the Military Officers Association of America”.

#### CHAPTER 1404—GRANT OF FEDERAL CHARTER TO THE MILITARY OFFICERS ASSOCIATION OF AMERICA

Section 140401 establishes the Military Officers Association of America as a federally chartered corporation.

Section 140402 sets out the purposes of the corporation as provided in its bylaws and articles of incorporation.

Section 140403 contains a membership eligibility provision.

Section 140404 contains a provision on the corporation’s governing body.

Section 140405 contains a provision on the powers of the corporation as provided in its bylaws and articles of incorporation.

Section 140406 contains restrictions to which the corporation is subject.

Section 140407 contains a provision concerning the tax-exempt status of the corporation.

Section 140408 defines records and inspection requirements.

Section 140409 requires the corporation to comply with the law on service of process of each State in which it is incorporated and each State in which it carries on activities.

Section 140410 contains a provision that the corporation is liable for the acts of any officer or agent of the corporation acting within the scope of the authority of the corporation.

Section 140411 requires an annual report from the corporation.

Section 140412 sets out definitions used in the chapter.

### IV. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

The cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not available for inclusion in this report. The estimate will be printed in the Congressional Record. The Committee believes that the grant of a Federal charter does not impose any cost to the United States other than routine administrative costs.

MAY 23, 2008.

Hon. PATRICK J. LEAHY,  
*Chairman, Committee on the Judiciary,*  
*U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 2504, 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.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Dawn Regan.

Sincerely,

PETER R. ORSZAG.

Enclosure.

*S. 2504—To amend title 36, United States Code, to grant a Federal charter to the Military Officers Association of America, and for other purposes*

S. 2504 would amend title 36 of the U.S. Code to grant a federal charter to the Military Officers Association of America, a nonprofit, tax-exempt, veterans organization. Because chartered organizations listed in title 36 are not agencies of the U.S. government and are conferred no federal benefits, CBO estimates that enacting this bill would have no impact on the federal budget.

S. 2504 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Dawn Regan. This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.

#### V. REGULATORY IMPACT EVALUATION

In compliance with rule XXVI of the Standing Rules of the Senate, the Committee finds that no significant regulatory impact will result from the enactment of S. 2504.

#### VI. CONCLUSION

Since 1929, the Military Officers Association of America has provided service to its members, the military community, and the broader public. The Military Officers Association of America has a record of public service and deserves to be listed with other patriotic and national organizations in title 36 and granted a federal charter.

#### VII. CHANGES TO EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by S. 2504 as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

## UNITED STATES CODE

### **TITLE 36—Patriotic and National Observances, Ceremonies, and Organizations**

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#### **CHAPTER 1404—GRANT OF FEDERAL CHARTER TO MILITARY OFFICERS ASSOCIATION OF AMERICA**

- 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.

**§ 140401. Organization**

(a) *FEDERAL CHARTER.*—*Military Officers Association of America (in this chapter, the 'corporation'), a nonprofit organization that meets the requirements for a veterans service organization under section 501(c)(19) of the Internal Revenue Code of 1986 and is organized under the laws of the Commonwealth of Virginia, is a federally chartered corporation.*

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

**§ 140402. Purposes**

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

(1) *to inculcate and stimulate love of the United States and the flag;*

(2) *to defend the honor, integrity, and supremacy of the Constitution of the United States and the United States Government;*

(3) *to advocate military forces adequate to the defense of the United States;*

(4) *to foster the integrity and prestige of the Armed Forces;*

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

(6) *to further the education of children of members of the Armed Forces;*

(7) *to aid members of the Armed Forces and their family members and survivors in every proper and legitimate manner;*

(8) *to present and support legislative proposals that provide for the fair and equitable treatment of members of the Armed Forces, including the National Guard and Reserves, military retirees, family members, survivors, and veterans; and*

(9) *to encourage recruitment and appointment in the Armed Forces.*

**§ 140403. Membership**

*Eligibility for membership in the corporation, and the rights and privileges of members of the corporation, are as provided in the bylaws of the corporation.*

**§ 140404. Governing body**

(a) *BOARD OF DIRECTORS.*—*The composition of the board of directors of the corporation, and the responsibilities of the board, are as provided in the articles of incorporation and bylaws of the corporation.*

(b) *OFFICERS.*—*The positions of officers of the corporation, and the election of the officers, are as provided in the articles of incorporation and bylaws.*

**§ 140405. Powers**

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

**§ 140406. Restrictions**

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

(b) *DISTRIBUTION OF INCOME OR ASSETS.*—*The income or assets of the corporation may not inure to the benefit of, or be distributed to, a director, officer, or member of the corporation during the life of the charter granted by this chapter. This subsection does not prevent the payment of reasonable compensation to an officer or employee of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.*

(c) *LOANS.*—*The corporation may not make a loan to a director, officer, employee, or member of the corporation.*

(d) *CLAIM OF GOVERNMENTAL APPROVAL OR AUTHORITY.*—*The corporation may not claim congressional approval or the authority of the United States Government for any of its activities.*

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

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

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

**§ 140408. Records and inspection**

(a) *RECORDS.*—*The corporation shall keep—*

(1) *correct and complete records of account;*

(2) *minutes of the proceedings of the members, board of directors, and committees of the corporation having any of the authority of the board of directors of the corporation; and*

(3) *at the principal office of the corporation, a record of the names and addresses of the members of the corporation entitled to vote on matters relating to the corporation.*

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

**§ 140409. Service of process**

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

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

*The corporation is liable for any act of any officer or agent of the corporation acting within the scope of the authority of the corporation.*

**§ 140411. Annual report**

*The corporation shall submit to Congress an annual report on the activities of the corporation during the preceding fiscal year. The report shall be submitted at the same time as the report of the audit required by section 10101(b) of this title. The report may not be printed as a public document.*

**§ 140412. Definition**

*In this chapter, the term ‘State’ includes the District of Columbia and the territories and possessions of the United States.”.*

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

*1404. Military Officers Association of America ..... 140401*

