

Sigma Tau Gamma Fraternity, Inc.  
2022 Grand Conclave  
Constitution and Laws Committee

Proposal No. 22.11

A proposed amendment to the Laws to consolidate all existing provisions related to Chapter Housing into LAW IX.

The Constitution and Laws Committee hereby recommends that the following amendments be made to the Laws and Policies of the Fraternity (deletions in strike through; additions underlined):

1. To amend LAW VII and LAW IX by moving and amending Section 11 of LAW VII and renumbering it as Sections 1 and 3 of LAW IX (and renumbering the existing sections of LAW VII accordingly):

SECTION 14. Purchase of Property: Collegiate chapters may not purchase, lease or otherwise occupy real property for use as a residence or lodge except through an ~~incorporated alumni association or housing corporation~~. An ~~incorporated alumni association or housing corporation that owns real property is charged with the responsibility of maintaining adequate insurance on the property, and shall name the Fraternity as an additional insured.~~

SECTION 34. ~~Insurance: Purchase of Property: Collegiate chapters may not purchase, lease or otherwise occupy real property for use as a residence or lodge except through an incorporated alumni association or housing corporation.~~ An ~~incorporated~~ alumni association or housing corporation that owns real property is charged with the responsibility of maintaining adequate insurance on the property, and shall name the Fraternity as an additional insured.

2. By renumbering the existing Sections 1 and 2 of LAW IX as follows:

SECTION ~~42~~. Establishment: Every Chapter that operates a house for the benefit of its members shall establish and maintain a House Corporation for the purpose of operation and management of its housing activities that is separate and distinct from itself and its Alumni Association. These Chapter House Corporations shall be organized as a separate legal entity.

SECTION ~~24~~. Already in Operation: Every Chapter that already at the time of adoption of this Law operates a house for the benefit of its members through its Alumni Association, shall be allowed to continue its housing operation in this manner; however, upon termination of that housing operation, or change in the real property location, the housing operation shall follow the rules prescribed in the Sections above.

3. To amend LAW IX by creating a new Section 5, which provides:

SECTION 5. Savings Plans: The Fraternity may establish a program through which Chapters and Alumni Associations may deposit funds with the Fraternity or an affiliated entity of the Fraternity to save funds for the purchase of a chapter house or related real estate, or for making improvements thereto.

4. By adopting this Amendment, the House of Delegates hereby rescinds the Chapter Housing Standards Policy, adopted by the 38<sup>th</sup> House of Delegates on August 1, 1998, as the provisions contained therein are all substantially provided for in the Laws of the Fraternity.

For clarity and understanding, a complete clean version of LAW IX as amended herein is attached hereto as Appendix A.

Note on rationale for this legislation:

Provisions related to chapter housing are scattered throughout the Laws and Policies of the Fraternity. For consistency and ease of understanding, this proposed legislation consolidates all of those provisions into LAW IX, and in doing so, wholly eliminates the necessity for the Chapter Housing Policy, which would be rescinded upon the adoption of this proposal.

Additionally, a new Section of LAW IX is added to explicitly allow the Fraternity, or a subsidiary of the Fraternity, to set up a savings program for chapters and alumni associations to acquire or maintain housing.

This legislation was originally proposed by the Board of Directors for the 2020 House of Delegates, and was reviewed and recommended by the Fraternity's outside counsel.

Passage of this legislation requires an affirmative two-thirds vote of the House of Delegates.

Ten minutes have been allocated for the discussion of Proposal 22.11.

## APPENDIX A

### **LAW IX.            CHAPTER HOUSE CORPORATION**

- SECTION 1. Purchase of Property: Collegiate chapters may not purchase, lease or otherwise occupy real property for use as a residence or lodge except through a housing corporation.
- SECTION 2. Establishment: Every Chapter that operates a house for the benefit of its members shall establish and maintain a House Corporation for the purpose of operation and management of its housing activities that is separate and distinct from itself and its Alumni Association. These Chapter House Corporations shall be organized as a separate legal entity.
- SECTION 3. Insurance: An alumni association or housing corporation that owns real property is charged with the responsibility of maintaining adequate insurance on the property, and shall name the Fraternity as an additional insured.
- SECTION 4. Already in Operation: Every Chapter that already at the time of adoption of this Law operates a house for the benefit of its members through its Alumni Association, shall be allowed to continue its housing operation in this manner; however, upon termination of that housing operation, or change in the real property location, the housing operation shall follow the rules prescribed in the Sections above.
- SECTION 5. Savings Plans: The Fraternity may establish a program through which Chapters and Alumni Associations may deposit funds with the Fraternity or an affiliated entity of the Fraternity to save funds for the purchase of a chapter house or related real estate, or for making improvements thereto.