

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.

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