

§194-C. Notice and approval for conversion transaction

1. Notice or approval required. Prior to completing a conversion transaction, a public charity must:

A. If the fair market value of assets to be converted in the transaction is \$500,000 or more, obtain approval of the court in accordance with section 194-F; [PL 2001, c. 550, Pt. A, §2 (NEW).]

B. If the fair market value of assets to be converted in the transaction is less than \$500,000 but at least \$50,000, obtain approval from the Attorney General in accordance with section 194-E or, if the Attorney General does not approve the transaction, obtain approval from the court in accordance with section 194-F; or [PL 2001, c. 550, Pt. A, §2 (NEW).]

C. If the value of the transaction is less than \$50,000, provide notice to the Attorney General in accordance with section 194-D. [PL 2001, c. 550, Pt. A, §2 (NEW).]
[PL 2001, c. 550, Pt. A, §2 (NEW).]

2. Appraisal required. Fair market value must be determined by an independent appraisal for conversion transactions with a fair market value of \$50,000 or more. If the appraisal provides a range of values, the highest point of the range determines which section of law applies to the transaction pursuant to subsection 1.

[PL 2001, c. 550, Pt. A, §2 (NEW).]

3. Failure to comply with this section or sections 194-D to 194-H. A transaction consummated in violation of any provision of this section or sections 194-D to 194-H is voidable. Officers and directors who receive private inurement or excess benefits from such a transaction are subject to the civil penalties provided in section 194-K.

[PL 2001, c. 550, Pt. A, §2 (NEW).]

4. Applicability to nonprofit hospital or medical service organizations. This section, section 194-B and sections 194-D to 194-K do not apply to a corporation or other entity licensed under Title 24, chapter 19. A conversion of a corporation or other entity licensed under Title 24, chapter 19 is governed by section 194-A and Title 24, section 2301, subsection 9-D.

[PL 2001, c. 550, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 2001, c. 550, §A2 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.