

§194-F. Court approval

1. Filing of court action. To obtain approval of a conversion transaction when the independent appraisal of the fair market value of the assets to be converted is \$500,000 or more, a public charity must file an action in Superior Court in the county in which the public charity's service area is located or in Kennebec County. Concurrent with filing an action in Superior Court, a public charity must file with the court and the Attorney General a conversion plan and a plan for distributing proceeds of the conversion consistent with section 194-H. The Attorney General must be made a party to the action. [PL 2001, c. 550, Pt. A, §2 (NEW).]

2. Court action. The court shall approve a proposed conversion transaction under subsection 1 if the court finds by a preponderance of the evidence that the criteria set forth in section 194-G have been satisfied. The court may deny approval of a conversion transaction or may approve the transaction with or without modifications or conditions. The court may require any entity that receives the assets of the public charity as a result of the conversion to report annually to the Attorney General and the public and may require the entity to submit to monitoring and oversight by the Attorney General. [PL 2001, c. 550, Pt. A, §2 (NEW).]

3. Public notice. Within 5 days of filing an action under subsection 1, a public charity shall publish notice to the public of its intent to enter into a conversion transaction. Notice must be published once per week for 3 weeks in a newspaper of general circulation in the charity's service area and must meet the following criteria.

A. A notice under this subsection must describe the proposed transaction, including the parties, the value of the transaction, the timing of the transaction, the potential impact on services to the public and the proposed plan for utilizing the proceeds. The public notice must also include the court docket number and provide information on opportunities for the public to provide comment on the proposal to the Attorney General. [PL 2001, c. 550, Pt. A, §2 (NEW).]

B. The notice must be published in languages other than English whenever a significant number or percentage of the population eligible to be served or likely to be directly affected by the service or purpose of the public charity needs information in a language other than English to communicate effectively. For purposes of this paragraph, "significant number" is defined as 5% or 1,000, whichever is less, of the population of persons eligible to be served or likely to be directly affected. [PL 2001, c. 550, Pt. A, §2 (NEW).]

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4. Public access to conversion plan. The Attorney General shall make a conversion plan, the plan for distribution of proceeds, the valuation and any other documents filed under subsection 1 that are public records under Title 1, chapter 13, subchapter I and that are available electronically available for viewing on the Attorney General's publicly accessible site on the Internet as soon as feasible after the documents are filed with the Attorney General.

[PL 2001, c. 550, Pt. A, §2 (NEW).]

5. Contracts with consultants; reimbursement for costs. To assist in the review of a proposed conversion transaction pursuant to this section, the Attorney General, at the Attorney General's sole discretion, may contract with experts or consultants the Attorney General considers appropriate.

A. Contract costs incurred by the Attorney General pursuant to this subsection may not exceed an amount that is reasonable and necessary to conduct the review of the proposed conversion transaction. Costs must be approved in advance by the court. The public charity filing an action under subsection 1 shall pay the Attorney General promptly upon request for all costs of contracts entered into by the Attorney General and approved by the court pursuant to this subsection. [PL 2001, c. 550, Pt. A, §2 (NEW).]

B. The Attorney General is exempt from the provisions of applicable state laws regarding public bidding procedures for purposes of entering into contracts pursuant to this subsection. [PL 2001, c. 550, Pt. A, §2 (NEW).]

[PL 2001, c. 550, Pt. A, §2 (NEW).]

6. Filing with Secretary of State. A public charity shall file a copy of the court's approval under this section with the Secretary of State.

[PL 2001, c. 550, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 2001, c. 550, §A2 (NEW).

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