

SENATE BILL NO. 2375

Introduced by

Senators Wogsland, Mathern

1 A BILL for an Act to create and enact a new subsection to section 26.1-17-01 and a new
2 section to chapter 26.1-17, relating to nonprofit health service corporation transactions out of
3 the ordinary course of business; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new subsection to section 26.1-17-01 of the North Dakota Century Code
6 is created and enacted as follows:

7 "Transaction" includes any contract, conversion, merger, transfer, lease, exchange,
8 or consolidation.

9 **SECTION 2.** A new section to chapter 26.1-17 of the North Dakota Century Code is
10 created and enacted as follows:

11 **Transactions out of the ordinary course of business.**

- 12 1. If a transaction out of the ordinary course of business of a nonprofit health service
13 corporation organized under this chapter results in voluntary liquidation and
14 dissolution of the nonprofit health service corporation, or in the transfer,
15 conversion, merger, or any other change in the control, responsibility, or
16 governance of any of the nonprofit health service corporation's assets to any
17 person other than a person required by law to use the the assets for charitable and
18 benevolent purposes, an amount of money equal to the fair market value of the
19 assets transferred, converted, merged, or otherwise affected must be turned over
20 to the attorney general for deposit in the Bank of North Dakota.
- 21 2. The money deposited under subsection 1 must remain with the Bank until the
22 legislative assembly appropriates the money in a manner that best meets the
23 unmet health needs of residents of this state.

1 3. The attorney general shall determine whether a transaction meets the
2 requirements of subsection 1. Upon determining a transfer subject to subsection 1
3 has occurred, the attorney general shall determine the amount of money turned
4 over under subsection 1. A determination of how much money must be turned
5 over under subsection 1 must also take into account the financial advantages the
6 nonprofit health service corporation recognized as a result of its nonprofit status.
7 The legislative assembly may reassess the amount of money turned over to the
8 attorney general if the reassessment is initiated within twenty-four months of
9 receipt of the money by the attorney general.

10 4. Appeals from any decision made under this section by the attorney general or the
11 legislative assembly may be made to the district court of Burleigh County.

12 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.