

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 789

Judiciary I Committee Substitute Adopted 4/22/99

House Committee Substitute Favorable 5/26/99

Short Title: Charitable Nonprofit Notice.

(Public)

Sponsors:

Referred to:

April 7, 1999

A BILL TO BE ENTITLED

AN ACT TO MAKE CERTAIN CHANGES TO THE NOTICE TO BE GIVEN UPON THE MERGER OF OR UPON THE SALE, LEASE, OR EXCHANGE OF THE ASSETS OF A CHARITABLE OR RELIGIOUS NONPROFIT CORPORATION UNDER THE NONPROFIT CORPORATION ACT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 55A-11-02(b) reads as rewritten:

"(b) At least ~~20~~30 days before consummation of any merger of a charitable or religious corporation pursuant to subdivision (a)(4) of this section, notice, including a copy of the proposed plan of merger, shall be delivered to the Attorney General. This notice shall include all the information the Attorney General determines is required for a complete review of the proposed transaction. The Attorney General may require an additional 30-day period to review the proposed transaction by providing written notice to the charitable or religious corporation prior to the expiration of the initial notice period. During this 30-day period, the transaction may not be finalized."

Section 2. G.S. 55A-12-02(g) reads as rewritten:

"(g) A charitable or religious corporation shall give written notice to the Attorney General ~~20~~30 days before it sells, leases, exchanges, or otherwise disposes of all, or

1 ~~substantially all, of a majority of,~~ its property if the transaction is not in the usual and
2 regular course of its activities unless the Attorney General has given the corporation a
3 written waiver of this subsection. This notice shall include all the information the
4 Attorney General determines is required for a complete review of the proposed
5 transaction. The Attorney General may require an additional 30-day period to review the
6 proposed transaction by providing written notice to the charitable or religious corporation
7 prior to the expiration of the initial notice period. During this 30-day period, the
8 transaction may not be finalized."

9 Section 3. This act becomes effective October 1, 1999, and applies to notices
10 given on or after that date.