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Sens. Bushweller, Henry, Sokola; Reps. Briggs King,
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DELAWARE STATE SENATE
149th GENERAL ASSEMBLY

SENATE BILL NO. 156

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO CONVERSION TRANSACTIONS FOR NOT-FOR-PROFIT HEALTHCARE ENTITIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 2532, Title 29 of the Delaware Code by making deletions as shown by strikethrough and
2 insertions as shown by underline as follows:

3 § 2532. Notice to the Attorney General.

4 A not-for-profit healthcare entity seeking to engage in a not-for-profit healthcare conversion transaction is required
5 to provide written notice of its intent to enter into the transaction to the Attorney General of the State ~~within~~ at least 180
6 days prior to the closing date of the proposed transaction.

SYNOPSIS

This Act amends § 2532 of Title 29, in the Not-for-Profit Healthcare Conversion Act, to ensure that the Attorney General has sufficient time to review a proposed not-for-profit healthcare conversion and, if appropriate, take action to protect the charitable assets being held for public benefit.

Due to an apparent drafting error, the Not-for-Profit Healthcare Conversion Act currently permits a not-for-profit healthcare entity to provide notice to the Attorney General of a proposed not-for-profit healthcare conversion as late as the day of the proposed transaction, which would prevent the Attorney General from performing the functions intended by the General Assembly when it enacted the Not-for-Profit Healthcare Conversion Act.

Author: Senator Townsend