

[N.D. Cent. Code § 10-33-144.]

§ 10-33-144. Transaction by a nonprofit corporation operating or controlling a hospital or nursing home -- Notice to attorney general -- Waiting period: Nonprofit Corporations

1. A nonprofit corporation operating or controlling a hospital or nursing home shall notify the attorney general in writing before closing an agreement or a transaction that will:
 - a. Sell, lease, transfer, exchange, option, convey, or otherwise dispose of to a for-profit corporation or entity or a nonprofit corporation or entity if fifty percent or more of the assets of the selling corporation are involved in the agreement or transaction;
 - b. Transfer control, responsibility, or governance of fifty percent or more of the assets or operations of the nonprofit corporation to a for-profit corporation or entity or another nonprofit corporation or entity; or
 - c. Result in any for-profit corporation or entity or another nonprofit corporation or entity having control of, governance of, or the power to direct management and policies of the nonprofit corporation operating or controlling a hospital, nursing home, or related organization.
2. The substitution of a new corporate member that transfers the control of, responsibility for, or governance of the nonprofit corporation, the substitution of a member of the governing body, or any arrangement, written or oral, that would transfer voting control of the entity, is a transfer for purposes of this section.
3. This section applies to a foreign nonprofit corporation that operates or controls a hospital or nursing home within this state.
4. This section does not apply to the following transactions:
 - a. An action involving the enforcement or foreclosure of a security interest, lien, mortgage, judgment, or other creditor rights.
 - b. Agreements or transactions in the usual and regular course of the nonprofit corporation's business and activities.
5. The notice must be provided to the attorney general not less than ninety days before the closing date of the proposed agreement or transaction and must include:
 - a. The names and addresses of all parties to the proposed agreement or transaction;
 - b. The terms of the proposed agreement or transaction, including the proposed sale price;

- c. A copy of the proposed agreement or transaction; and
 - d. Any financial or economic analysis by an expert or independent consultant retained by the nonprofit corporation which addresses the criteria set forth in section 10-33-145.
6. A nonprofit corporation doing business as a hospital or nursing home may neither transfer nor convey any assets or control through an agreement or transaction described in this section until ninety days after the corporation gives the attorney general notice required under this section, unless the attorney general waives all or part of the waiting period. The waiting period may be extended for one or more additional sixty-day periods upon agreement between the corporation and the attorney general, or pursuant to a court order