

~~the assets of nonprofit health entities are properly accounted for and distributed to the State as set forth in this title; now, therefore,~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - State Government

TITLE 6.5. ATTORNEY GENERAL - ACQUISITION OF NONPROFIT HEALTH ENTITIES.

SUBTITLE 1. DEFINITIONS ~~AND~~; GENERAL PROVISIONS.

6.5-101.

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

~~(B) (1) "ACQUISITION" MEANS THE SALE, LEASE, TRANSFER, MERGER, CREATION OF A JOINT VENTURE, OR OTHER DISPOSITION OF AN OWNERSHIP OR CONTROLLING INTEREST IN THE PRINCIPAL OPERATING ASSETS OF A NONPROFIT HEALTH ENTITY THAT RESULTS IN:~~

~~(I) A CHANGE OF OWNERSHIP OR CONTROL OF A 20% OR GREATER INTEREST OR CONTROL IN THE NONPROFIT HEALTH ENTITY; OR~~

~~(II) A TRANSFEREE HOLDING A 50% OR GREATER INTEREST IN THE OWNERSHIP OR CONTROL OF A NONPROFIT HEALTH ENTITY.~~

~~(2) "ACQUISITION" INCLUDES:~~

~~(I) A PUBLIC OFFERING OF STOCK; AND~~

~~(II) A CONVERSION TO A FOR-PROFIT ENTITY.~~

~~(3) "ACQUISITION" DOES NOT INCLUDE THE SALE, LEASE, TRANSFER, MERGER, CREATION OF A JOINT VENTURE, OR OTHER DISPOSITION OF AN OWNERSHIP OR CONTROLLING INTEREST IN A NONPROFIT HEALTH ENTITY IF THE TRANSFEREE:~~

~~(I) IS EXEMPT FROM FEDERAL INCOME TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE OR AS A GOVERNMENTAL ENTITY;~~

~~(II) WILL MAINTAIN REPRESENTATION FROM THE AFFECTED COMMUNITY ON THE LOCAL BOARD;~~

~~(III) 1. IS A GOVERNMENTAL ENTITY; OR~~

~~2. IS A NONPROFIT CORPORATION HAVING A SUBSTANTIALLY SIMILAR CHARITABLE HEALTH CARE PURPOSE AS THE TRANSFEROR; AND~~

~~(IV) AGREES THAT ALL OF THE ASSETS WILL BE USED BY THE TRANSFEROR TO PROVIDE HEALTH CARE IN THE STATE.~~

(B) "ACQUISITION" MEANS: