

MAINE STATE LEGISLATURE

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(EMERGENCY)
SECOND REGULAR SESSION

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1942

S. P. 625
The Committee on Judiciary suggested.

Office of the Secretary of the Senate

MAY M. ROSS, Secretary

Presented by Senator Collins of Knox

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-EIGHT

AN ACT to Correct Oversights in the Nonprofit Corporation Act.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the First Regular Session of the 108th Legislature enacted the Maine Nonprofit Corporation Act, effective January 1, 1978; and

Whereas, the Maine Nonprofit Corporation Act contains certain oversights which may result in needless confusion and administrative difficulty; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now therefore,

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 13 MRSA § 902-A is enacted to read:

§ 902-A. Applicability

This chapter shall not apply to any corporation to which Title 13-B is applicable.

Sec. 2. 13 MRSA § 982, first sentence, as amended by PL 1977, c. 522, § 6, is further amended to read:

No charitable institution or association of a private or of a semipublic nature, incorporated by special Act of the Legislature or organized in conformity with **Title 13-B** or section 901 after the 11th day of July, 1913, shall use the name of the State in its title without the approval of the Secretary of State.

Sec. 3. 13 MRSA § 982, 3rd sentence, as amended by PL 1973, c. 653, is further amended to read:

The members of any existing voluntary association established prior to the 11th day of July, 1913, and theretofore using the name of the State in its title may, subsequent to said day, incorporate under the same title in conformity with said **Title 13-B** or section 901.

Sec. 4. 13-B MRSA § 407, as enacted by PL 1977, c. 525, § 13, is amended by adding at the end the following new sentence:

Upon dissolution or liquidation, the assets of a corporation whose purposes and activities have been primarily charitable, religious, eleemosynary, benevolent or educational shall be transferred or conveyed only to one or more domestic or foreign corporations, societies or organizations engaged in activities substantially similar to those of the dissolving or liquidating corporation.

Sec. 5. 13-B MRSA § 713, sub-§ 1, as enacted by PL 1977, c. 525, § 13, is repealed and the following enacted in its place:

1. Transactions voided. No transaction in which a director or officer has a personal or adverse interest, as defined in subsection 2, shall be void or voidable solely for this reason or solely because he is present at or participates in the meeting of the board, or of a committee thereof, which approves that transaction, or because his vote is counted, if the material facts as to his interest and as to the transaction are disclosed or are known to the board of directors or committee.

Sec. 6. 13-B MRSA § 1302-A is enacted to read:

§ 1302-A. Powers of Secretary of State

The Secretary of State shall have the power and authority reasonably necessary to enable him to administer this Act efficiently and to perform the duties therein imposed upon him. These powers shall include, without limitation:

- 1. Make rules.** The power to make rules not inconsistent with this Act;
- 2. Prescribe forms.** The power to prescribe forms for all documents required or permitted to be filed with him and to refuse to file documents not utilizing those forms to the extent possible; and
- 3. Refuse to file.** The power to refuse to file any document which is not clearly legible or which may not be clearly reproducible photographically.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACT

The purpose of this bill is to correct number of errors and oversights in the Maine Nonprofit Corporation Act which, unless corrected, may result in confusion and difficulty in interpretation or application of that Act.