

MAINE STATE LEGISLATURE

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L.D. 720
(Filing No. S-164)

STATE OF MAINE
SENATE
114TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A" to S.P. 274, L.D. 720, Bill, "An Act to Clarify the Immunity Provisions for Nonprofit Corporations"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 14. MRSA §158-A, sub-§1, ¶A, as enacted by PL 1987, c. 646, §2, is amended to read:

A. "Charitable organization" means any nonprofit organization organized or incorporated in this State or having a principal place of business in this State:

(1) That is exempt from federal income taxation under the United States Internal Revenue Code, Section 501(a), because it is described in Section 501(c)(3), (4), (6) as it pertains to chambers of commerce only, (10), (13) or (14)(A), including all subsequent amendments to those paragraphs. An organization is included in this subparagraph if it would be exempt from taxation under Section 501(c)(3) but for its engaging in attempting to influence legislation to the extent that it is disqualified from tax exemption under Section 501(c)(3); or

(2) That is:

(a) Organized under the Maine Nonprofit Corporation Act for any of the purposes listed in Title 13-B, section 201, subsection 1, paragraph A;

(b) Organized under the provisions set forth in Title 13-B, section 201, subsection 2, paragraph A; or

(c) Organized under the provisions of Title 13-B, section 201, subsection 3, paragraph D or E; or

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(d) Organized in Maine as a nonprofit corporation before January 1, 1978, for any of the purposes listed in Title 13-B, section 201, subsection 1, paragraph A, and to which the Maine Nonprofit Corporation Act applies.

This subparagraph applies to all subsequent amendments to the statutes covered by divisions (a), (b) and (c) and (d).

STATEMENT OF FACT

This amendment deletes the changes proposed by the original bill, but adds language to clarify the application of the immunity provisions.

The current law covers charitable organizations formed under the Maine Nonprofit Corporation Act, Maine Revised Statutes, Title 13-B, which became effective January 1, 1978. Although the Maine Nonprofit Corporation Act applies to corporations organized before that Act's effective date, the law providing charitable immunity is not clear on its face that corporations organized before January 1, 1978, are covered by the grant of charitable immunity.

This amendment clarifies that if the Maine Nonprofit Corporation Act applies to a nonprofit corporation which was organized before January 1, 1978, and the corporation was organized for any of the purposes listed in Title 13-B, section 201, subsection 1, paragraph A, then the directors, officers and volunteers enjoy the same immunity from liability as similar organizations formed under the Maine Nonprofit Corporation Act.

Reported by Senator Hobbins for the Committee on Judiciary.
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