

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 716

H.P. 561

House of Representatives, February 13, 2001

**An Act to Convert Hospital Administrative District No. 1 to a Nonprofit,
Nonstock Private Corporation.**

Reference to the Committee on Health and Human Services suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative CARR of Lincoln.
Cosponsored by Senator CATHCART of Penobscot and
Representatives: BUNKER of Kossuth Township, CLARK of Millinocket, HASKELL of
Milford.

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

2
4 **Sec. 1. P&SL 1967, c. 58, §1-A** is enacted to read:

6 Sec. 1-A. Conversion. Notwithstanding any other provision
8 of this chapter, Hospital Administrative District No. 1, referred
10 to in this Act as the "district," which operates Penobscot Valley
12 Hospital, is authorized to merge, pursuant to the Maine Revised
14 Statutes, Title 13-B, chapter 9 with and into a nonprofit,
nonstock private corporation, without members, referred to in
this Act as the "surviving corporation." Notwithstanding the
Maine Revised Statutes, Title 13-B, section 102, subsection 4,
paragraph C, the district is deemed to be a domestic corporation
for purposes of the merger.

16 The merger may occur only if the trustees of the district
18 approve the merger and if all the indebtedness of the district is
20 paid or adequate provision for the payment of that indebtedness
22 is made, including, without limitation, the assumption of
24 liabilities and indebtedness of the district by the surviving
corporation in the merger. No other vote of the district or of
any town that is a member of the district, or the inhabitants of
either, is required for the merger.

26 The Maine Revised Statutes, Title 13, section 3062 does not
28 apply to the merger authorized in this section.

30 In the merger:

32 1. The assets and liabilities of the district become assets
and liabilities of the surviving corporation and the separate
corporate existence of the district ceases;

34 2. The articles of incorporation and bylaws of the
36 nonprofit, nonstock corporation become the articles of
incorporation and bylaws of the surviving corporation;

38 3. Except for this section, this chapter has no further
40 force or effect;

42 4. All employees of the district become employees of the
44 surviving corporation and employees may not be terminated solely
by virtue of the merger;

46 5. The directors and officers of the surviving corporation
48 are the persons who were directors and officers of the private,
nonprofit, nonstock corporation formed for the purpose of the
merger; and

