

1997 SESSION

INTRODUCED

973711200

HOUSE BILL NO. 2335

Offered January 17, 1997

A *BILL to amend the Code of Virginia by adding in Title 55 a chapter numbered 30, consisting of sections 55-531, 55-532 and 55-533, relating to disposition of assets by nonprofit health care entities.*

Patrons—Croshaw, Bennett, DeBoer, Hall, Hargrove, Landes, Melvin, Mims, Robinson, Wagner and Woodrum; Senators: Chichester, Houck, Lucas, Martin, Marye, Reasor, Saslaw, Schrock, Stosch, Walker, Wampler and Woods

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 55 a chapter numbered 30, consisting of sections numbered 55-531, 55-532, and 55-533 as follows:

CHAPTER 30.

DISPOSITION OF ASSETS BY NONPROFIT HEALTH CARE ENTITIES.

§ 55-531. *Definitions.*

As used in this chapter, the following words shall have the following meanings:

"Disposition of assets" means any action undertaken by a nonprofit entity to dispose of all of its assets pursuant to agreement to sell, transfer, lease, exchange, option, convey, restructure (including transfer of control, responsibility, or governance), or other means resulting in relinquishment of control of such assets.

"Nonprofit entity" means a hospital licensed under Chapter 5 (§ 32.1-123 et seq.) of Title 32.1 or Chapter 8 (§ 37.1-179 et seq.) of Title 37.1, a health services plan licensed under Chapter 42 (§ 38.2-4200 et seq.) of Title 38.2, or a health maintenance organization licensed under Chapter 43 (§ 38.2-4300 et seq.) of Title 38.2, exempt from taxation under 26 U.S.C. § 501(c)(3).

§ 55-532. *Obligations of nonprofit entity.*

Prior to disposition of assets, any nonprofit entity shall provide the Attorney General with written notice of its intent to dispose of such assets at least sixty days in advance of the effective date of such proposed transaction in order that the Attorney General may exercise his common law and statutory authority over the activities of these organizations.

§ 55-533. *Applicability of chapter.*

This chapter shall apply to all transactions proposed to take effect on or after July 1, 1997.

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