

to court after making the Attorney General a party, with written notice, to get approval of a merger. Would you agree with that analysis, Senator Kristensen?

SENATOR KRISTENSEN: Yes, I believe, that's correct.

SENATOR MATZKE: So this would impose quite an obligation on nonprofit corporations who wished to merge by requiring court approval.

SENATOR KRISTENSEN: And those are substantial mergers, and that's the reason for the policy of doing that. Yes, because you've got a number of assets out there, and that's the reason that you also have the provision that allows for the disposition of those assets to be dissimilarly situated or similar types of entities, yes.

SENATOR MATZKE: Let me ask you one further question with regard to Section 126, which says: A corporation may sell, lease, exchange, or otherwise dispose of all or substantially all of its property (with or without the goodwill) other than in the usual and regular course of its activities on the terms and conditions and for the consideration determined by the corporation's board if the proposed transaction is authorized by subsection (b) of this section, and then under subsection, subsequent subsections, it requires notice to be given to the Attorney General at least twenty days before the sale, lease, exchange, or other disposition. Now is it correct to understand that the practical effect would be that if any nonprofit or what's now called the public benefit corporation, under this amendment, would sell, lease, or exchange, they would be required to give twenty days notice to the Attorney General?

SENATOR KRISTENSEN: That's true unless you use the phrase that talks about other than the usual or regular course of its activities, because you may have the buying, selling, and leasing, of day-to-day sorts of activities, so that phrase is in there to give the flexibility of saying, look, you are still going to be allowed to carry on your business. For example, if the nonprofit, and I am trying to think of one that may be involved in the sale of assets or inventory, you want to be able to not have to notify the Attorney General when you do that. I think that's very similar to what current law is, by the way, as well, in terms of disposition of assets.