



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4436

by Rep. Mary E. Flowers

SYNOPSIS AS INTRODUCED:

805 ILCS 105/112.35

from Ch. 32, par. 112.35

805 ILCS 105/112.37 new

Amends the General Not For Profit Corporation Act of 1986. Provides that if (i) a court or administrative agency, in any proceeding properly before the court or agency, finds that a hospital that is incorporated under the General Not For Profit Corporation Act of 1986 has provided substandard care to a member of a minority group, (ii) that finding is incorporated into an order of the court or administrative agency that is final and not appealable, and (iii) the Secretary of State receives notice of that final and nonappealable order, then the Secretary of State shall require the hospital to dissolve voluntarily and, if the hospital wishes to continue to operate as a hospital, organize under the Business Corporation Act of 1983 within a period of time as provided by the Secretary by rule. Provides that if a not-for-profit hospital does not voluntarily dissolve within the period required by rule, the Secretary shall dissolve the corporation administratively. Effective immediately.

LRB095 17141 DRJ 43198 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The General Not For Profit Corporation Act of
5 1986 is amended by changing Section 112.35 and by adding
6 Section 112.37 as follows:

7 (805 ILCS 105/112.35) (from Ch. 32, par. 112.35)

8 Sec. 112.35. Grounds for administrative dissolution. The
9 Secretary of State may dissolve any corporation
10 administratively if:

11 (a) It has failed to file its annual report as required by
12 this Act before the first day of the anniversary month of the
13 corporation of the year in which such annual report becomes
14 due;

15 (b) It has failed to file in the office of the Secretary of
16 State any report after the expiration of the period prescribed
17 in this Act for filing such report;

18 (c) It has failed to pay any fees or charges prescribed by
19 this Act;

20 (d) It has failed to appoint and maintain a registered
21 agent in this State;

22 (e) It has misrepresented any material matter in any
23 application, report, affidavit, or other document filed by the

1 corporation pursuant to this Act; ~~or~~

2 (f) The Secretary of State receives notification from a
3 local liquor commissioner, pursuant to Section 4-4(3) of "The
4 Liquor Control Act of 1934," as now or hereafter amended, that
5 an organization incorporated under this Act and functioning as
6 a club has violated that Act by selling or offering for sale at
7 retail alcoholic liquors without a retailer's license; or -

8 (g) It has failed to dissolve voluntarily as required under
9 Section 112.37.

10 (Source: P.A. 92-33, eff. 7-1-01.)

11 (805 ILCS 105/112.37 new)

12 Sec. 112.37. Not-for-profit hospital; substandard care to
13 member of minority group. If (i) a court or administrative
14 agency, in any proceeding properly before the court or agency,
15 finds that a hospital that is incorporated under this Act has
16 provided substandard care to a member of a minority group, (ii)
17 that finding is incorporated into an order of the court or
18 administrative agency that is final and not appealable, and
19 (iii) the Secretary of State receives notice of that final and
20 nonappealable order, then the Secretary of State shall require
21 the hospital to dissolve voluntarily and, if the hospital
22 wishes to continue to operate as a hospital, organize under the
23 Business Corporation Act of 1983 within a period of time as
24 provided by the Secretary by rule. If a hospital incorporated
25 under this Act does not voluntarily dissolve within the period

1 required by rule, as required under this Section, the Secretary
2 shall dissolve the corporation administratively as provided in
3 this Act.

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.