

1 SENATE BILL NO. 79

2 INTRODUCED BY D. LEWIS

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS REGARDING NONPROFIT HOSPITAL
5 RECORDS; REQUIRING NONPROFIT HOSPITALS TO PUBLISH NOTICE OF THE AVAILABILITY OF
6 CERTAIN TAX-RELATED FORMS; AND AMENDING SECTIONS 35-2-906 AND 35-2-907, MCA."

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8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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10 **Section 1.** Section 35-2-906, MCA, is amended to read:

11 **"35-2-906. Corporate records.** (1) A corporation shall keep as permanent records minutes of all
12 meetings of its members and board of directors, a record of all actions taken by the members or directors without
13 a meeting, and a record of all actions taken by committees of the board of directors as authorized by 35-2-433(4).

14 (2) A corporation shall maintain appropriate accounting records.

15 (3) A corporation or its agent shall maintain a record of its members in a form that permits preparation
16 of a list of the names and addresses of all members, in alphabetical order by class, showing the number of votes
17 each member is entitled to cast.

18 (4) A corporation shall maintain its records in written form or in another form capable of conversion into
19 written form within a reasonable time.

20 (5) Except as provided in subsection (6), a A corporation shall keep a copy of the following records at
21 its principal office or a location from which the records may be recovered within 2 business days:

22 (a) its articles or restated articles of incorporation and all amendments to them currently in effect;

23 (b) its bylaws or restated bylaws and all amendments to them currently in effect;

24 (c) resolutions adopted by its board of directors relating to the characteristics, qualifications, rights,
25 limitations, and obligations of members or any class or category of members;

26 (d) the minutes of all meetings of members and the records of all actions approved by the members for
27 the past 3 years;

28 (e) the financial statements available to members for the past 3 years under 35-2-911;

29 (f) a list of the names and business or home addresses of its current directors and officers; and

30 (g) its most recent annual report delivered to the secretary of state under 35-2-904.

1 (6) (a) A corporation licensed as a hospital or critical access hospital pursuant to Title 50, chapter 5, shall
2 publish a notice providing that a copy of the corporation's current Internal Revenue Service Form 990 is available
3 for public inspection. The notice must be published quarterly in a newspaper of general circulation in the area in
4 which the corporation is located.

5 (b) The notice must state that the corporation's form includes information regarding the corporation's
6 programs and finances and is available for public inspection during regular office hours or upon written request.
7 If the request is made in person, a copy of the form must be provided immediately. If the request is made in
8 writing, the corporation shall provide a copy of the form within 30 days from the date of the request.

9 (c) The corporation may charge a reasonable fee for any reproduction and mailing costs associated with
10 providing a copy of the information requested pursuant to this subsection (6)."

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12 **Section 2.** Section 35-2-907, MCA, is amended to read:

13 **"35-2-907. Inspection of records by members.** (1) Subject to 35-2-908(3) and subsection (5) of this
14 section, a member is entitled to inspect and copy, at a reasonable time and location specified by the corporation,
15 any of the records of the corporation described in 35-2-906(5) if the member gives the corporation written notice
16 or a written demand at least 5 business days before the date on which the member wishes to inspect and copy.

17 (2) Subject to subsection (5), a member is entitled to inspect and copy, at a reasonable time and
18 reasonable location specified by the corporation, any of the following records of the corporation if the member
19 meets the requirements of subsection (3) and gives the corporation written notice at least 5 business days before
20 the date on which the member wishes to inspect and copy:

21 (a) excerpts from any records required to be maintained under 35-2-906(1), to the extent not subject to
22 inspection under subsection (1);

23 (b) accounting records of the corporation; and

24 (c) subject to 35-2-910, the membership list.

25 (3) A member may inspect and copy the records identified in subsection (2) only if:

26 (a) the member's demand is made in good faith and for a proper purpose;

27 (b) the member describes with reasonable particularity the purpose and the records the member desires
28 to inspect; and

29 (c) the records are directly connected with this purpose.

30 (4) This section does not affect:

1 (a) the right of a member to inspect records under 35-2-535 or, if the member is in litigation with the
2 corporation, to the same extent as any other litigant; or

3 (b) the power of a court, independent of this chapter, to compel the production of corporate records for
4 examination; or

5 (c) a request for corporate records pursuant to 35-2-906(6).

6 (5) The articles or bylaws of a religious corporation may limit or abolish the right of a member under this
7 section to inspect and copy any corporate record."

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