

SENATE BILL No. 110

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-5-6-9; IC 36-1-14-1.

Synopsis: Public school endowment corporations. Allows a political subdivision to donate proceeds from riverboat gaming to public school endowment corporations that meet certain conditions.

Effective: July 1, 2000.

Nugent

November 18, 1999, read first time and referred to Committee on Finance.

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Second Regular Session 111th General Assembly (2000)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

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SENATE BILL No. 110



A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-5-6-9 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2000]: **Sec. 9. (a) As used in this section, "public school**
4 **endowment corporation"** means a corporation that is:
5 (1) **organized under the Indiana Nonprofit Corporation Act**
6 **of 1991 (IC 23-17);**
7 (2) **organized exclusively for educational, charitable, or**
8 **scientific purposes; and**
9 (3) **formed for the purpose of providing educational resources**
10 **to:**
11 (A) **a particular school corporation or school corporations;**
12 **or**
13 (B) **the schools in a particular geographic area.**
14 (b) **As used in this section, "proceeds from riverboat gaming"**
15 **means tax revenue received by a political subdivision under**
16 **IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or**
17 **county's part of the tax revenue.**



1 (c) As used in this section, "political subdivision" has the
2 meaning set forth in IC 36-1-2-13.

3 (d) A political subdivision may donate proceeds from riverboat
4 gaming to a public school endowment corporation under the
5 following conditions:

6 (1) The public school endowment corporation retains all
7 rights to the donation, including investment powers.

8 (2) The public school endowment corporation agrees to return
9 the donation to the political subdivision if the corporation:

10 (A) loses the corporation's status as a public charitable
11 organization;

12 (B) is liquidated; or

13 (C) violates any condition of the endowment set by the
14 fiscal body of the political subdivision.

15 (e) A public school endowment corporation may distribute both
16 principal and income.

17 SECTION 2. IC 36-1-14-1 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. (a) **This section
19 does not apply to donations of proceeds from riverboat gaming to
20 a public school endowment corporation under IC 20-5-6-9.**

21 (b) Notwithstanding IC 8-1.5-2-6(d), a unit may donate the proceeds
22 from the sale of a utility or facility or from a grant, a gift, a donation,
23 an endowment, a bequest, or a trust to a foundation under the following
24 conditions:

25 (1) The foundation is a charitable nonprofit community
26 foundation.

27 (2) The foundation retains all rights to the donation, including
28 investment powers.

29 (3) The foundation agrees to do the following:

30 (A) Hold the donation as a permanent endowment.

31 (B) Distribute the income from the donation only to the unit as
32 directed by resolution of the fiscal body of the unit.

33 (C) Return the donation to the general fund of the unit if the
34 foundation:

35 (i) loses the foundation's status as a public charitable
36 organization;

37 (ii) is liquidated; or

38 (iii) violates any condition of the endowment set by the
39 fiscal body of the unit.

40 SECTION 3. [EFFECTIVE JULY 1, 2000] (a) **The definitions in
41 IC 20-5-6-9, as added by this act, apply throughout this SECTION.**

42 (b) **A donation of proceeds of riverboat gaming to a public**

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1 **school endowment corporation that:**
2 **(1) was made by a political subdivision before July 1, 2000;**
3 **and**
4 **(2) would have been permitted by IC 20-5-6-9, as added by**
5 **this act, if IC 20-5-6-9 had been in effect before July 1, 2000;**
6 **is legalized and validated.**

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