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# HOUSE BILL No. 1476

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 8-14-16-5; IC 36-1-14-1.

**Synopsis:** Donations by local units to community foundations. Allows a unit of local government (unit) to donate money in the unit's local major moves construction fund to a charitable nonprofit community foundation. (Current law allows the proceeds from the sale of a utility or facility or from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to be donated.) Allows a donation by a unit to be held by a charitable nonprofit community foundation as either a permanent endowed designated fund or as a nonendowed designated fund. Requires a unit to specify whether a donation shall be held by the charitable nonprofit community foundation as a permanent endowed designated fund or as a nonendowed designated fund. Provides that if a unit specifies that a donation shall be held as a nonendowed designated fund, the unit has access to the donation and income at any time.

**Effective:** July 1, 2009.

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**Walorski**

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January 14, 2009, read first time and referred to Committee on Commerce, Energy, Technology and Utilities.

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Introduced

First Regular Session 116th General Assembly (2009)

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 2008 Regular Session of the General Assembly.

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## HOUSE BILL No. 1476

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

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

1 SECTION 1. IC 8-14-16-5, AS AMENDED BY P.L.232-2007,  
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2009]: Sec. 5. Money in the fund may be expended only for  
4 the following purposes:

- 5 (1) Construction of highways, roads, and bridges.  
6 (2) In a county that is a member of the northwest Indiana regional  
7 development authority, or in a city or town located in such a  
8 county, any purpose for which the regional development authority  
9 may make expenditures under IC 36-7.5.  
10 (3) Providing funding for economic development projects (as  
11 defined in IC 6-3.5-7-13.1(c)(1) or IC 6-3.5-7-13.1(c)(2)(A)  
12 through IC 6-3.5-7-13.1(c)(2)(K)).  
13 (4) Matching federal grants for a purpose described in this  
14 section.  
15 (5) Providing funding for interlocal agreements under IC 36-1-7  
16 for a purpose described in this section.  
17 (6) Providing the county's, city's, or town's contribution to a



1 regional development authority established under IC 36-7.6-2-3.

2 **(7) Making a donation to a charitable nonprofit community**  
 3 **foundation under IC 36-1-14-1.**

4 SECTION 2. IC 36-1-14-1, AS AMENDED BY P.L.2-2006,  
 5 SECTION 190, IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) This section does not apply  
 7 to donations of proceeds from riverboat gaming to a public school  
 8 endowment corporation under IC 20-47-1-3.

9 (b) As used in this section, "riverboat gaming revenue" means tax  
 10 revenue received by a unit under IC 4-33-12-6, IC 4-33-13, or an  
 11 agreement to share a city's or county's part of the tax revenue.

12 (c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate **money**  
 13 **deposited in the unit's local major moves construction fund under**  
 14 **IC 8-14-16**, the proceeds from the sale of a utility or facility, or **the**  
 15 **proceeds** from a grant, a gift, a donation, an endowment, a bequest, a  
 16 trust, or riverboat gaming revenue to a foundation under the following  
 17 conditions:

18 (1) The foundation is a charitable nonprofit community  
 19 foundation.

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

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

23 (A) Hold the donation as a permanent ~~endowment~~ **endowed**  
 24 **designated fund or as a nonendowed designated fund.**

25 (B) ~~Distribute the income from the donation~~ **Except as**  
 26 **provided in subsection (e), make distributions** only to the  
 27 unit as directed by resolution of the fiscal body of the unit.

28 (C) Return the donation to the general fund of the unit if the  
 29 foundation:

30 (i) loses the foundation's status as a public charitable  
 31 organization;

32 (ii) is liquidated; or

33 (iii) violates any condition of the endowment set by the  
 34 fiscal body of the unit.

35 **(d) A unit shall, at the time the unit makes a donation to a**  
 36 **charitable nonprofit community foundation under this section,**  
 37 **specify whether the donation shall be held by the charitable**  
 38 **nonprofit community foundation as a permanent endowed**  
 39 **designated fund or as a nonendowed designated fund.**

40 **(e) If a unit specifies under subsection (d) that the donation shall**  
 41 **be held by the charitable nonprofit community foundation as a**  
 42 **nonendowed designated fund, the unit is entitled at any time to a**

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1 **return of all or any portion of the remaining donated proceeds or**  
2 **income derived from the donated proceeds.**

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