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TRANSFER GIFTS TO COMMUNITY FOUNDATIONS

House Bills 5386 and 5389
Sponsor: Rep. Kirk A. Profit
Committee: Local Government

Complete to 5-8-98

A SUMMARY OF HOUSE BILL 5386 AND 5389 AS INTRODUCED 11-13-97 AND 12-2-97

House Bill 5386 would amend Public Act 380 of 1913 (MCL 123.874), the act regulating the receipt and use of gifts of real or personal property made to local governments, to allow a city, village, township, or county to transfer any gift received under the act, or the proceeds of a gift, to a community foundation. If a gift received by a local government was subject to conditions or limitations, the transfer would have to be to a component fund within the community foundation that would incorporate the conditions or limitations of the gift. If the gift was made without conditions, such a transfer to a community foundation would have to be made to a component fund within the community foundation that restricted the use of the gift to those uses allowed under Public Act 380 of 1913, which include economic and community development purposes, public parks, grounds, cemeteries, public buildings, or other public purposes. The bill specifies that a transfer of a gift in accordance with the provisions of the bill that occurred before the effective date of the bill would be ratified and confirmed, and the transfer would be considered valid as if it had been made after the effective date of the bill.

Similarly, House Bill 5389 would amend Public Act 136 of 1921 (MCL 397.381), which authorizes public corporations empowered to maintain public libraries to acquire and dispose of library property, to allow a board of education, library commission, or other public entity that maintains a public library to transfer a gift (other than a federal or state grant) of real or personal property, or the proceeds from such a gift, to a community foundation. As in House Bill 5386, a transfer of a gift would be subject to any condition placed on the gift, and pre-existing transfers would be ratified.

Analyst: D. Martens

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