

# HOUSE BILL No. 4970

June 19, 2001, Introduced by Reps. Shackleton, Bovin, Richardville and Allen and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 15 and 602 (MCL 380.15 and 380.602), as  
added by 2000 PA 231.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 15. (1) As part of its powers under section 11a, the  
2 school board of a general powers school district may receive,  
3 own, and enjoy a gift of real or personal property made by grant,  
4 devise, bequest, or in any other manner, that is made for school  
5 purposes under this act. A school board may transfer a gift of  
6 intangible personal property or the proceeds from that gift to a  
7 community foundation OR, SUBJECT TO SUBSECTION (4), TO AN EDUCA-  
8 TIONAL FOUNDATION. If a gift received by the school board was  
9 subject to a condition, limitation, or requirement, the transfer  
10 must be to a fund within the community foundation OR EDUCATIONAL

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1 FOUNDATION that incorporates a condition, limitation, or  
2 requirement that is identical or substantially similar to the  
3 condition, limitation, or requirement the gift was subject to.  
4 If a gift received by the school board was not subject to any  
5 condition, limitation, or requirement, the transfer must be to a  
6 fund within the community foundation OR EDUCATIONAL FOUNDATION  
7 that imposes conditions, limitations, or requirements on the use  
8 of the gift property for 1 or more school purposes under this  
9 act.

10 (2) If a school board transfers a gift to a community foun-  
11 dation OR EDUCATIONAL FOUNDATION pursuant to this section and if  
12 1 or more of the following occur, the community foundation OR  
13 EDUCATIONAL FOUNDATION shall return the gift to the school  
14 board:

15 (a) ~~The~~ IF THE TRANSFER IS TO A COMMUNITY FOUNDATION, THE  
16 community foundation fails to meet all of the requirements for  
17 certification as a community foundation under section 261 of the  
18 income tax act of 1967, 1967 PA 281, MCL 206.261.

19 (b) The community foundation OR EDUCATIONAL FOUNDATION is  
20 liquidated.

21 (c) The community foundation OR EDUCATIONAL FOUNDATION sub-  
22 stantially violates any condition, limitation, or requirement on  
23 the gift.

24 (3) Unless waived by the school board transferring the gift,  
25 before a school board may transfer a gift to a community founda-  
26 tion OR EDUCATIONAL FOUNDATION pursuant to this section, the  
27 community foundation OR EDUCATIONAL FOUNDATION shall establish a

1 donor advisory board for that gift. The donor advisory board  
2 shall include at least 1 representative of the school board  
3 transferring the gift. The donor advisory board shall do all of  
4 the following:

5 (a) Monitor the community foundation's OR EDUCATIONAL  
6 FOUNDATION'S compliance with any condition, limitation, or  
7 requirement on the use of the gift.

8 (b) Make recommendations to the community foundation OR EDU-  
9 CATIONAL FOUNDATION for the use of distributions or other pro-  
10 ceeds from the gift.

11 (4) A SCHOOL BOARD MAY TRANSFER A GIFT TO AN EDUCATIONAL  
12 FOUNDATION UNDER THIS SECTION ONLY IF THE GIFT IS EITHER TO  
13 ESTABLISH OR CONTRIBUTE TO A SCHOLARSHIP FUND AND THE SCHOLARSHIP  
14 FUND IS CLEARLY INTENDED TO BENEFIT A STUDENT OR STUDENTS ATTEND-  
15 ING THE COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY WITH WHICH  
16 THE EDUCATIONAL FOUNDATION IS AFFILIATED.

17 (5) ~~-(4)-~~ A transfer of a gift made in accordance with this  
18 section that occurred before the effective date of this section  
19 OR BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED  
20 SUBSECTION (4) is ratified and confirmed and the transfer is con-  
21 sidered valid as if it had been made under this section.

22 (6) ~~-(5)-~~ As used in this section:

23 (a) "Community foundation" means that term as defined in  
24 section 261 of the income tax act of 1967, 1967 PA 281,  
25 MCL 206.261.

26 (b) "Condition, limitation, or requirement" does not include  
27 a material restriction or condition that violates 26

1 C.F.R. 1.170A-9 or that restricts a community foundation's OR  
2 EDUCATIONAL FOUNDATION'S inherent power of modification described  
3 in 26 C.F.R. 1.170A-9.

4 (C) "EDUCATIONAL FOUNDATION" MEANS A FOUNDATION ORGANIZED  
5 AND OPERATED TO ASSIST THE FUNCTIONS OF A COMMUNITY COLLEGE OR  
6 STATE PUBLIC UNIVERSITY.

7 (D) ~~(c)~~ "Gift" does not include state school aid or  
8 another grant from state or federal sources.

9 Sec. 602. (1) As part of its powers under section 601a, the  
10 intermediate school board of an intermediate school district may  
11 receive, own, and enjoy a gift of real or personal property made  
12 by grant, devise, bequest, or in any other manner, that is made  
13 for intermediate school district purposes under this act. An  
14 intermediate school board may transfer a gift of intangible per-  
15 sonal property or the proceeds from that gift to a community  
16 foundation OR, SUBJECT TO SUBSECTION (4), TO AN EDUCATIONAL  
17 FOUNDATION. If a gift received by the intermediate school board  
18 was subject to a condition, limitation, or requirement, the  
19 transfer must be to a fund within the community foundation OR  
20 EDUCATIONAL FOUNDATION that incorporates a condition, limitation,  
21 or requirement that is identical or substantially similar to the  
22 condition, limitation, or requirement the gift was subject to.  
23 If a gift received by the intermediate school board was not  
24 subject to any condition, limitation, or requirement, the trans-  
25 fer must be to a fund within the community foundation OR EDUCA-  
26 TIONAL FOUNDATION that imposes conditions, limitations, or

1 requirements on the use of the gift property for 1 or more  
2 intermediate school district purposes under this act.

3 (2) If an intermediate school board transfers a gift to a  
4 community foundation OR EDUCATIONAL FOUNDATION pursuant to this  
5 section and if 1 or more of the following occur, the community  
6 foundation OR EDUCATIONAL FOUNDATION shall return the gift to the  
7 intermediate school board:

8 (a) ~~The~~ IF THE TRANSFER IS TO A COMMUNITY FOUNDATION, THE  
9 community foundation fails to meet all of the requirements for  
10 certification as a community foundation under section 261 of the  
11 income tax act of 1967, 1967 PA 281, MCL 206.261.

12 (b) The community foundation OR EDUCATIONAL FOUNDATION is  
13 liquidated.

14 (c) The community foundation OR EDUCATIONAL FOUNDATION sub-  
15 stantially violates any condition, limitation, or requirement on  
16 the gift.

17 (3) Unless waived by the intermediate school board transfer-  
18 ring the gift, before an intermediate school board may transfer a  
19 gift to a community foundation OR EDUCATIONAL FOUNDATION pursuant  
20 to this section, the community foundation OR EDUCATIONAL  
21 FOUNDATION shall establish a donor advisory board for that gift.  
22 The donor advisory board shall include at least 1 representative  
23 of the intermediate school board transferring the gift. The  
24 donor advisory board shall do all of the following:

25 (a) Monitor the community foundation's OR EDUCATIONAL  
26 FOUNDATION'S compliance with any condition, limitation, or  
27 requirement on the use of the gift.

1 (b) Make recommendations to the community foundation OR  
2 EDUCATIONAL FOUNDATION for the use of distributions or other pro-  
3 ceeds from the gift.

4 (4) AN INTERMEDIATE SCHOOL BOARD MAY TRANSFER A GIFT TO AN  
5 EDUCATIONAL FOUNDATION UNDER THIS SECTION ONLY IF THE GIFT IS  
6 EITHER TO ESTABLISH OR CONTRIBUTE TO A SCHOLARSHIP FUND AND THE  
7 SCHOLARSHIP FUND IS CLEARLY INTENDED TO BENEFIT A STUDENT OR STU-  
8 DENTS ATTENDING THE COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY  
9 WITH WHICH THE EDUCATIONAL FOUNDATION IS AFFILIATED.

10 (5) ~~-(4)-~~ A transfer of a gift made in accordance with this  
11 section that occurred before the effective date of this section  
12 OR BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED  
13 SUBSECTION (4) is ratified and confirmed and the transfer is con-  
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20 a material restriction or condition that violates 26  
21 C.F.R. 1.170A-9 or that restricts a community foundation's OR  
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23 in 26 C.F.R. 1.170A-9.

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1       (D) ~~-(c)-~~ "Gift" does not include state school aid or  
2 another grant from state or federal sources.