

SENATE BILL No. 346

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-1-14-1.

Synopsis: Donation of certain local funds to a foundation. Provides that when a county, municipality, or township (unit) donates the proceeds of the sale of a utility or a facility, or the amount of a gift, to a foundation, the unit and the foundation may agree that distribution of the proceeds is governed by the Uniform Prudent Management of Institutional Funds Act (IC 30-2-12). Provides that this authority applies only to the donation of proceeds that occurs after December 31, 2015. Provides that department of local government finance may not reduce a unit's property tax levy because of: (1) the donation of the proceeds of money from the sale of a utility or a facility; (2) a distribution from the endowment to the unit; or (3) a return of the donation to the general fund of the unit.

Effective: July 1, 2017.

Grooms, Ford, Becker

January 9, 2017, read first time and referred to Committee on Local Government.



First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

SENATE BILL No. 346

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 36-1-14-1, AS AMENDED BY P.L.142-2009,
- 2 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2017]: Sec. 1. (a) This section does not apply to donations of
- 4 gaming revenue to a public school endowment corporation under
- 5 IC 20-47-1-3.
- 6 (b) As used in this section, "gaming revenue" means either of the
- 7 following:
- 8 (1) Tax revenue received by a unit under IC 4-33-12-6,
- 9 IC 4-33-13, or an agreement to share a city's or county's part of
- 10 the tax revenue.
- 11 (2) Revenue received by a unit under IC 4-35-8.5 or an agreement
- 12 to share revenue received by another unit under IC 4-35-8.5.
- 13 (c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate the proceeds
- 14 from the sale of a utility or facility or from a grant, a gift, a donation,
- 15 an endowment, a bequest, a trust, or gaming revenue to a foundation
- 16 under the following conditions:
- 17 (1) The foundation is a charitable nonprofit community



- 1 foundation.
- 2 (2) The foundation retains all rights to the donation, including
- 3 investment powers.
- 4 (3) The foundation agrees to do the following:
- 5 (A) Hold the donation as a permanent endowment.
- 6 (B) Distribute the income from the donation only to the unit as
- 7 directed by resolution of the fiscal body of the unit.
- 8 (C) Return the donation to the general fund of the unit if the
- 9 foundation:
- 10 (i) loses the foundation's status as a public charitable
- 11 organization;
- 12 (ii) is liquidated; or
- 13 (iii) violates any condition of the endowment set by the
- 14 fiscal body of the unit.
- 15 **(d) This subsection applies only to the donation of proceeds**
- 16 **described in subsection (c) that occurs after December 31, 2015.**
- 17 **Notwithstanding subsection (c)(3)(B), the unit and the foundation**
- 18 **may agree that distribution of the proceeds is governed by**
- 19 **IC 30-2-12.**
- 20 **(e) The department of local government finance may not reduce**
- 21 **a unit's property tax levy under IC 6-1.1-18.5 or any other law**
- 22 **because of any of the following:**
- 23 **(1) The donation of the proceeds of money from the sale of a**
- 24 **utility or a facility as provided in this section.**
- 25 **(2) A distribution from the endowment to the unit as provided**
- 26 **in this section.**
- 27 **(3) A return of the donation to the general fund of the unit as**
- 28 **provided in this section.**

