



January 24, 2017

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## SENATE BILL No. 346

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DIGEST OF SB 346 (Updated January 18, 2017 3:21 pm - DI 84)

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

**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.

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### Grooms, Ford, Becker

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January 9, 2017, read first time and referred to Committee on Local Government.  
January 23, 2017, reported favorably — Do Pass.

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SB 346—LS 7020/DI 75





January 24, 2017

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

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- 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.**



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 346, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 346 as introduced.)

BUCK, Chairperson

Committee Vote: Yeas 9, Nays 0

