

HOUSE BILL No. 5386

November 13, 1997, Introduced by Reps. Profit and Palamara and referred to the Committee on Local Government.

A bill to amend 1913 PA 380, entitled

"An act to regulate gifts of real and personal property to cities, villages, townships, and counties, and the use of the those gifts; and to validate all such gifts made before the enactment of this act,"

(MCL 123.871 to 123.873) by adding section 4.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4. (1) A CITY, VILLAGE, TOWNSHIP, OR COUNTY MAY TRANS-
2 FER ANY GIFT RECEIVED PURSUANT TO SECTION 1 OR THE PROCEEDS OF
3 ANY GIFT RECEIVED PURSUANT TO SECTION 1 TO A COMMUNITY
4 FOUNDATION. IF A GIFT RECEIVED BY A CITY, VILLAGE, TOWNSHIP, OR
5 COUNTY PURSUANT TO SECTION 1 WAS SUBJECT TO CONDITIONS, LIMITA-
6 TIONS, OR REQUIREMENTS, THE TRANSFER MUST BE TO A COMPONENT FUND
7 WITHIN THE COMMUNITY FOUNDATION THAT INCORPORATES CONDITIONS,
8 LIMITATIONS, OR REQUIREMENTS THAT ARE SUBSTANTIALLY SIMILAR TO
9 THOSE THE GIFT WAS SUBJECT TO. IF A GIFT WAS NOT SUBJECT TO

1 CONDITIONS, LIMITATIONS, OR REQUIREMENTS, THE TRANSFER MUST BE TO
2 A COMPONENT FUND WITHIN THE COMMUNITY FOUNDATION THAT IMPOSES
3 CONDITIONS, LIMITATIONS, OR REQUIREMENTS ON THE USE OF THE GIFT
4 PROPERTY FOR 1 OR MORE PURPOSES PROVIDED IN SECTION 1.

5 (2) A TRANSFER OF A GIFT IN ACCORDANCE WITH THIS SECTION
6 THAT OCCURRED BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT
7 THAT ADDED THIS SECTION IS RATIFIED AND CONFIRMED AND THE TRANS-
8 FER IS CONSIDERED VALID AS IF IT HAD BEEN MADE UNDER THIS
9 SUBSECTION.

10 (3) AS USED IN THIS SECTION:

11 (A) "COMMUNITY FOUNDATION" MEANS THAT TERM AS DEFINED IN
12 SECTION 261 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL
13 206.261.

14 (B) "COMPONENT FUND" MEANS A COMPONENT PART OF A COMMUNITY
15 TRUST AS DESCRIBED IN 26 C.F.R. 1.170A-9.

16 (C) "GIFT" DOES NOT INCLUDE A GRANT FROM STATE OR FEDERAL
17 SOURCES.