

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5351 (as reported without amendment)
Sponsor: Representative Terry Geiger
House Committee: Education
Senate Committee: Education

CONTENT

The bill would amend the Revised School Code to permit the board of a general powers school district or an intermediate school district (ISD) to receive a gift of real or personal property, and transfer a gift of intangible personal property or proceeds from that gift to a community foundation. The bill also would require that a gift be transferred to a particular fund within the foundation, and require the foundation to appoint a donor advisory board.

Specifically, a school board or an ISD board could receive, own, and enjoy a gift of real or personal property made by grant, devise, bequest, or in any other manner, that was made for school or ISD purposes. A school board or an ISD board could transfer a gift of intangible personal property or the proceeds from that gift to a community foundation.

If a gift received by a school board or ISD board were subject to a condition, limitation, or requirement, the transfer would have to be to a fund within the community foundation that incorporated an identical or substantially similar condition, limitation, or requirement. If a gift were not subject to any condition, limitation, or requirement, the transfer would have to be to a fund within the community foundation that imposed conditions, limitations, or requirements on the use of the gift property for one or more school purposes under the Code.

If a school board or an ISD board transferred a gift to a community foundation, the foundation would have to return the gift to the school board or ISD board if the community foundation failed to meet all of the requirements for certification under the Income Tax Act; the foundation were liquidated; or, the foundation substantially violated any condition, limitation, or requirement on the gift.

Unless waived by the school board or ISD board transferring the gift, the community foundation would have to establish a donor advisory board for that gift before the school board or ISD board could transfer it to the community foundation. The advisory board would have to include at least one representative of the school board or ISD board transferring the gift. The advisory board would be required to monitor the community foundation's compliance with any condition, limitation, or requirement on the use of the gift and make recommendations to the foundation for the use of distributions or other proceeds from the gift.

A transfer of a gift that occurred before the bill's effective date would be ratified, confirmed, and considered valid as if it had been made under the bill.

Proposed MCL 380.15 & 380.602

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 5-12-00

Fiscal Analyst: J. Carrasco