

MICHIGAN COMMUNITY FOUNDATION ACT (EXCERPT)
Act 38 of 2017

***** 123.907.new THIS NEW SECTION IS EFFECTIVE AUGUST 21, 2017 *****

123.907.new Transfer of property from municipality, school board, intermediate school board, or public library to community foundation.

Sec. 7. (1) Subject to subsections (2), (3), and (7), a municipality, school board, intermediate school board, or public library may do the following:

(a) Transfer any gift of intangible personal property received pursuant to section 5 or the proceeds of any gift received pursuant to section 5 to a community foundation.

(b) Transfer any intangible personal property to a community foundation.

(2) If the gift or the intangible personal property to be transferred to a community foundation pursuant to this section was not subject to conditions, limitations, or requirements, the transfer shall be to an endowed or nonendowed component fund within the community foundation that imposes conditions, limitations, or requirements on the use of the property for 1 or more purposes provided in section 5 for municipalities, school boards, intermediate school boards, and public libraries, respectively.

(3) If a gift or the intangible personal property to be transferred to a community foundation pursuant to this section was subject to conditions, limitations, or requirements, the transfer shall be to an endowed or nonendowed component fund within the community foundation that incorporates conditions, limitations, or requirements that are substantially similar to those to which the gift or intangible personal property was subject.

(4) A transfer in accordance with this section that occurred before the effective date of this act is ratified and confirmed, and the transfer is considered valid as if it had been made under this act.

(5) A community foundation to which property is transferred pursuant to this act shall return the property to the entity that transferred the property if 1 or more of the following occur:

(a) The community foundation fails to meet all of the requirements for certification as a community foundation set forth in section 3.

(b) The community foundation is liquidated.

(c) The community foundation substantially violates any condition, limitation, or requirement imposed on the property.

(6) A municipality, school board, intermediate school board, or public library transferring property to a community foundation pursuant to this act may request that the community foundation establish a donor advisory committee for the component fund holding the transferred property. The donor advisory committee for the component fund that holds the property shall include a representative of the entity transferring the property and have advisory rights only with the investment, management, and use of the transferred property at the sole discretion of the community foundation in accordance with the purposes of the component fund holding the transferred property. The donor advisory committee may do the following:

(a) Report to the community foundation on whether any condition, limitation, or requirement on the use of the transferred property is being complied with.

(b) Make recommendations for the use of the transferred property.

(7) A school board or intermediate school board that transfers property to a community foundation pursuant to this act shall not impose any deed restriction prohibiting, or otherwise prohibit, property sold or transferred by the school board or intermediate school board from being used for any lawful public education purpose unless approved by the state board of education created by section 3 of article VIII of the state constitution of 1963. A municipality or public library that transfers property to a community foundation pursuant to this act shall not impose any deed restriction prohibiting, or otherwise prohibit, property sold or transferred by the municipality or public library from being used for any lawful public education purpose.

History: 2017, Act 38, Eff. Aug. 21, 2017.