

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1681 be amended to read as follows:

- 1 Page 2, delete lines 14 through 42, begin a new paragraph and
2 insert the following:
3 "SECTION 2. IC 20-5-6-9 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 1999]: **Sec. 9. (a) As used in this section, "public school
6 endowment corporation" means a corporation that is:**
7 **(1) organized under the Indiana Nonprofit Corporation Act
8 of 1991 (IC 23-17);**
9 **(2) organized exclusively for educational, charitable, and
10 scientific purposes; and**
11 **(3) formed for the purpose of providing educational
12 resources to:**
13 **(A) a particular school corporation or school
14 corporations; or**
15 **(B) the schools in a particular geographic area.**
16 **(b) As used in this section, "proceeds from riverboat gaming"
17 means tax revenue received by a political subdivision under
18 IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or
19 county's part of the tax revenue.**
20 **(c) As used in this section, "political subdivision" has the
21 meaning set forth in IC 36-1-2-13.**
22 **(d) A political subdivision may donate proceeds from riverboat
23 gaming to a public school endowment corporation under the
24 following conditions:**
25 **(1) The public school endowment corporation retains all
26 rights to the donation, including investment powers.**
27 **(2) The public school endowment corporation agrees to
28 return the donation to the political subdivision if the
29 corporation:**
30 **(A) loses the corporation's status as a public charitable**

1 **organization;**
2 **(B) is liquidated; or**
3 **(C) violates any condition of the endowment set by the**
4 **fiscal body of the political subdivision.**

5 **(e) A public school endowment corporation may distribute**
6 **both principal and income.**

7 SECTION 3. IC 36-1-14-1 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. **(a) This section**
9 **does not apply to donations of proceeds from riverboat gaming to**
10 **a public school endowment corporation under IC 20-5-6-9.**

11 **(b) Notwithstanding IC 8-1.5-2-6(d), a unit may donate the**
12 **proceeds from the sale of a utility or facility or from a grant, a gift, a**
13 **donation, an endowment, a bequest, or a trust to a foundation under the**
14 **following conditions:**

15 (1) The foundation is a charitable nonprofit community
16 foundation.

17 (2) The foundation retains all rights to the donation, including
18 investment powers.

19 (3) The foundation agrees to do the following:

20 (A) Hold the donation as a permanent endowment.

21 (B) Distribute the income from the donation only to the unit
22 as directed by resolution of the fiscal body of the unit.

23 (C) Return the donation to the general fund of the unit if the
24 foundation:

25 (i) loses the foundation's status as a public charitable
26 organization;

27 (ii) is liquidated; or

28 (iii) violates any condition of the endowment set by the
29 fiscal body of the unit.

30 SECTION 4. [EFFECTIVE JULY 1, 1999] **(a) The definitions set**
31 **forth in IC 20-5-6-9, as added by this act, apply throughout this**
32 **SECTION.**

33 **(b) A donation of proceeds of riverboat gaming to a public**
34 **school endowment corporation that:**

35 **(1) was made by a political subdivision before July 1, 1999;**
36 **and**

37 **(2) would have been permitted by IC 20-5-6-9, as added by**
38 **this act, if IC 20-5-6-9 had been in effect before July 1, 1999;**
39 **is legalized and validated."**

40 Delete pages 3 through 4.

(Reference is to EHB 1681 as printed March 30, 1999.)

Senator BORST