



January 21, 2000

HOUSE BILL No. 1157

DIGEST OF HB 1157 (Updated January 20, 2000 12:23 PM - DI 58)

Citations Affected: IC 20-5; IC 36-1.

Synopsis: Riverboat revenues for endowments and foundations. Allows a political subdivision to donate proceeds from riverboat gaming to public school endowment corporations that meet certain conditions. Permits a local unit of government to donate riverboat gaming revenue to a charitable nonprofit community foundation under certain conditions.

Effective: July 1, 2000.

Bischoff

January 10, 2000, read first time and referred to Committee on Ways and Means.
January 20, 2000, amended, reported — Do Pass.

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HB 1157—LS 6994/DI 44+



January 21, 2000

Second Regular Session 111th General Assembly (2000)

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 *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

HOUSE BILL No. 1157

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 20-5-6-9 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2000]: **Sec. 9. (a) As used in this section, "public school
4 endowment corporation" means a corporation that is:**
5 (1) organized under the Indiana Nonprofit Corporation Act
6 of 1991 (IC 23-17);
7 (2) organized exclusively for educational, charitable, and
8 scientific purposes; and
9 (3) formed for the purpose of providing educational resources
10 to:
11 (A) a particular school corporation or school corporations;
12 or
13 (B) the schools in a particular geographic area.
14 (b) As used in this section, "proceeds from riverboat gaming"
15 means tax revenue received by a political subdivision under
16 IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or
17 county's part of the tax revenue.

HB 1157—LS 6994/DI 44+



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1 (c) As used in this section, "political subdivision" has the
2 meaning set forth in IC 36-1-2-13.

3 (d) A political subdivision may donate proceeds from riverboat
4 gaming to a public school endowment corporation under the
5 following conditions:

6 (1) The public school endowment corporation retains all
7 rights to the donation, including investment powers.

8 (2) The public school endowment corporation agrees to return
9 the donation to the political subdivision if the corporation:

10 (A) loses the corporation's status as a public charitable
11 organization;

12 (B) is liquidated; or

13 (C) violates any condition of the endowment set by the
14 fiscal body of the political subdivision.

15 (e) A public school endowment corporation may distribute both
16 principal and income.

17 SECTION 2. IC 36-1-14-1 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. (a) This section
19 does not apply to donations of proceeds from riverboat gaming to
20 a public school endowment corporation under IC 20-5-6-9.

21 (b) As used in this section, "riverboat gaming revenue" means
22 tax revenue received by a unit under IC 4-33-12-6, IC 4-33-13, or
23 an agreement to share a city's or county's part of the tax revenue.

24 (c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate the proceeds
25 from the sale of a utility or facility or from a grant, a gift, a donation,
26 an endowment, a bequest, or a trust, or riverboat gaming revenue to
27 a foundation under the following conditions:

28 (1) The foundation is a charitable nonprofit community
29 foundation.

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

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

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

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

36 (C) Return the donation to the general fund of the unit if the
37 foundation:

38 (i) loses the foundation's status as a public charitable
39 organization;

40 (ii) is liquidated; or

41 (iii) violates any condition of the endowment set by the
42 fiscal body of the unit.



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1 SECTION 3. [EFFECTIVE JULY 1, 2000] (a) The definitions set
2 forth in IC 20-5-6-9, as added by this act, apply throughout this
3 SECTION.
4 (b) A donation of proceeds of riverboat gaming to a public
5 school endowment corporation that:
6 (1) was made by a political subdivision before July 1, 2000;
7 and
8 (2) would have been permitted by IC 20-5-6-9, as added by
9 this act, if IC 20-5-6-9 had been in effect before July 1, 2000;
10 is legalized and validated.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1157, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-5-6-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 9. (a) As used in this section, "public school endowment corporation" means a corporation that is:**

- (1) organized under the Indiana Nonprofit Corporation Act of 1991 (IC 23-17);**
- (2) organized exclusively for educational, charitable, and scientific purposes; and**
- (3) formed for the purpose of providing educational resources to:**
 - (A) a particular school corporation or school corporations;**
 - or**
 - (B) the schools in a particular geographic area.**

(b) As used in this section, "proceeds from riverboat gaming" means tax revenue received by a political subdivision under IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or county's part of the tax revenue.

(c) As used in this section, "political subdivision" has the meaning set forth in IC 36-1-2-13.

(d) A political subdivision may donate proceeds from riverboat gaming to a public school endowment corporation under the following conditions:

- (1) The public school endowment corporation retains all rights to the donation, including investment powers.**
- (2) The public school endowment corporation agrees to return the donation to the political subdivision if the corporation:**
 - (A) loses the corporation's status as a public charitable organization;**
 - (B) is liquidated; or**
 - (C) violates any condition of the endowment set by the fiscal body of the political subdivision.**

(e) A public school endowment corporation may distribute both principal and income."

Page 1, line 2, after "Sec. 1." insert **"(a) This section does not apply to donations of proceeds from riverboat gaming to a public**

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school endowment corporation under IC 20-5-6-9."

Page 1, line 2, delete "(a)" begin a new paragraph and insert "(b)".

Page 1, line 6, delete "(b)" and insert "(c)".

Page 2, after line 7, begin a new paragraph and insert:

"SECTION 3. [EFFECTIVE JULY 1, 2000] (a) The definitions set forth in IC 20-5-6-9, as added by this act, apply throughout this SECTION.

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

(1) was made by a political subdivision before July 1, 2000; and

(2) would have been permitted by IC 20-5-6-9, as added by this act, if IC 20-5-6-9 had been in effect before July 1, 2000; is legalized and validated."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1157 as introduced.)

BAUER, Chair

Committee Vote: yeas 20, nays 0.

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