



January 25, 2000

SENATE BILL No. 110

DIGEST OF SB 110 (Updated January 20, 2000 1:44 PM - DI 44)

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

Synopsis: Donation of riverboat gaming proceeds. Allows a political subdivision to donate proceeds from riverboat gaming to a public school endowment corporation that meets certain conditions. Allows a local unit of government to donate proceeds from riverboat gaming to a charitable nonprofit community foundation that meets certain conditions.

Effective: July 1, 2000.

Nugent, Howard

November 18, 1999, read first time and referred to Committee on Finance.
January 24, 2000, amended, reported favorably — Do Pass.

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SB 110—LS 6040/DI 44+



January 25, 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 a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

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SENATE BILL No. 110



A BILL FOR AN ACT to amend the Indiana Code concerning education.

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, or**
 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.**

SB 110—LS 6040/DI 44+



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, "proceeds from riverboat gaming"
22 means tax revenue received by a unit under IC 4-33-12-6,
23 IC 4-33-13, or an agreement to share a city's or county's part of the
24 tax revenue.

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

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

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

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

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

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

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

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

41 (ii) is liquidated; or

42 (iii) violates any condition of the endowment set by the

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1 fiscal body of the unit.
2 SECTION 3. [EFFECTIVE JULY 1, 2000] (a) **The definitions in**
3 **IC 20-5-6-9, as added by this act, apply throughout this 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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SENATE MOTION

Mr. President: I move that Senator Howard be added as coauthor
of Senate Bill 110.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 110, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 20 and 21, begin a new paragraph and insert:

"(b) As used in this section, "proceeds from riverboat gaming" means tax revenue received by a unit 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."

Page 2, line 21, delete "(b)" and insert "(c)".

Page 2, line 23, strike "or".

Page 2, line 23, after "trust" insert ", **or proceeds from riverboat gaming**".

and when so amended that said bill do pass.

(Reference is to SB 110 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 0.

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