



2011 ASSEMBLY BILL 224

1 **AN ACT** *to renumber and amend* 43.58 (7) (b), 118.27 and 119.18 (16); and *to*
2 **create** 43.58 (7) (b) 1., 43.58 (7) (b) 3., 118.27 (1), 118.27 (3), 119.18 (16) (a) and
3 119.18 (16) (c) of the statutes; **relating to:** authorizing school boards and
4 libraries to transfer a gift or grant to certain charitable organizations.

Analysis by the Legislative Reference Bureau

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

5 **SECTION 1e.** 43.58 (7) (b) of the statutes is renumbered 43.58 (7) (b) 2. and
6 amended to read:

7 **43.58 (7) (b) 2.** If a gift, bequest, or endowment is made to any public library,
8 the library board may pay or transfer the gift, bequest, or endowment, or its proceeds,
9 to the treasurer of the municipality or county in which the public library is situated;
10 may entrust the gift, bequest, or endowment to a public depository under ch. 34; may

ASSEMBLY BILL 224**SECTION 1e**

1 pay or transfer the gift, bequest, or endowment to the library board's financial
2 secretary; or may, subject to subd. 3., pay or transfer the gift, bequest, or endowment
3 to a charitable organization, described in section 501 (c) (3) of the Internal Revenue
4 Code and exempt from federal income tax under section 501 (a) of the Internal
5 Revenue Code, the purpose of which is providing financial or material support to the
6 public library or to a community foundation. A payment or transfer of a gift, bequest,
7 or endowment by a library board to a charitable organization described in this
8 paragraph made prior to March 19, 2008, is not invalid as lacking statutory authority
9 to make the payment or transfer. If the library board pays or transfers the gift,
10 bequest, or endowment to the financial secretary, the financial secretary may invest
11 the gift, bequest, or endowment as permitted under s. 66.0603 (1m) or 112.11 (3); or
12 may delegate investment authority for the gift, bequest, or endowment as permitted
13 under s. 66.0603 (2) or 112.11 (5). The financial secretary shall hold office only during
14 membership on the library board and shall be elected annually at the same time and
15 in the same manner as the other officers of the library board.

16 **SECTION 1m.** 43.58 (7) (b) 1. of the statutes is created to read:

17 43.58 (7) (b) 1. In this paragraph, “community foundation” means a charitable
18 organization, described in section 501 (c) (3) of the Internal Revenue Code and
19 exempt from federal income tax under section 501 (a) of the Internal Revenue Code,
20 dedicated to encouraging and assisting charitable activities and enterprises in a
21 designated community in this state and having expertise in finance, fund
22 development, and grantmaking.

23 **SECTION 1s.** 43.58 (7) (b) 3. of the statutes is created to read:

24 43.58 (7) (b) 3. A library board may pay or transfer a gift, bequest, or
25 endowment to a charitable organization described in subd. 2. or to a community

ASSEMBLY BILL 224

1 foundation only if the library board and the charitable organization or the
2 community foundation agree, in writing and at the time of the payment or transfer
3 of the gift, bequest, or endowment, to each of the following:

4 a. The charitable organization or the community foundation agrees to make
5 disbursements from and of the gift, bequest, or endowment to the library board upon
6 the written request of the library board.

7 b. Subject to subd. 3. bm., the library board retains control over the manner in
8 which any disbursement made under subd. 3. a. is used.

9 bm. The library board's use of any disbursement made under subd. 3. a. shall
10 be consistent with the intent of the donor of the gift, bequest, or endowment and with
11 the agreement between the library board and the charitable organization or
12 community foundation.

13 c. The library board exercises its rights over the use of each disbursement made
14 under subd. 3. a. in accordance with the law applicable to trust investments and the
15 provisions of this chapter.

16 **SECTION 2e.** 118.27 of the statutes is renumbered 118.27 (2) and amended to
17 read:

18 118.27 (2) The school board of a district may receive, accept, and use gifts or
19 grants of furniture, books, equipment, supplies, moneys, securities, or other
20 property, real or personal, used or useful for school research and educational
21 purposes. All moneys received as gifts or grants shall be placed in the school district
22 treasury but shall be considered segregated trust funds. Whenever a school board
23 receives gifts or grants under this section, it shall make such use thereof, or invest
24 the same in the case of moneys, as the donor or grantor specifies. In the absence of
25 any specific direction as to the use of such gifts or grants by a donor or grantor, the

ASSEMBLY BILL 224**SECTION 2e**

1 school board may determine the use of or invest the same in accordance with the law
2 applicable to trust investments, or may, subject to sub. (3), transfer any such gift or
3 grant to a community foundation. In the use, control, or investment of such gifts or
4 grants, the school board may exercise the rights and powers generally conferred
5 upon trustees.

6 **SECTION 2m.** 118.27 (1) of the statutes is created to read:

7 118.27 (1) In this section, “community foundation” means a charitable
8 organization, described in section 501 (c) (3) of the Internal Revenue Code and
9 exempt from federal income tax under section 501 (a) of the Internal Revenue Code,
10 dedicated to encouraging and assisting charitable activities and enterprises in a
11 designated community in this state and having expertise in finance, fund
12 development, and grantmaking.

13 **SECTION 2s.** 118.27 (3) of the statutes is created to read:

14 118.27 (3) A school board may transfer a gift or grant to a community
15 foundation only if the school board and the community foundation agree, in writing
16 and at the time of the transfer of the gift or grant, to each of the following:

17 (a) The community foundation agrees to make disbursements from and of the
18 gift or grant to the school board upon the written request of the school board.

19 (b) Subject to par. (bm), the school board retains control over the manner in
20 which any disbursement made under par. (a) is used.

21 (bm) The school board’s use of any disbursement made under par. (a) shall be
22 consistent with the intent of the donor of the gift, bequest, or endowment and with
23 the agreement between the school board and the community foundation.

24 (c) The school board exercises its rights over the use of each disbursement made
25 under par. (a) in accordance with the law applicable to trust investments.

ASSEMBLY BILL 224

1 **SECTION 3e.** 119.18 (16) of the statutes is renumbered 119.18 (16) (b) and
2 amended to read:

3 119.18 **(16)** (b) The board may receive, accept, and use gifts or grants of
4 furniture, books, equipment, supplies, moneys, securities, or other property used or
5 useful for school and educational purposes. The board shall make such use of gifts
6 or grants, or invest the same in the case of moneys, as the donor or grantor specifies.
7 In the absence of any specific direction as to the use of such gifts or grants by a donor
8 or grantor, the board may determine the use of or may invest the same in accordance
9 with the law applicable to trust investments, or may, subject to par. (c), transfer any
10 such gift or grant to a community foundation. In the use, control, or investment of
11 such gifts or grants, the board may exercise the rights and powers generally
12 conferred upon trustees.

13 **SECTION 3m.** 119.18 (16) (a) of the statutes is created to read:

14 119.18 **(16)** (a) In this subsection, “community foundation” means a charitable
15 organization, described in section 501 (c) (3) of the Internal Revenue Code and
16 exempt from federal income tax under section 501 (a) of the Internal Revenue Code,
17 dedicated to encouraging and assisting charitable activities and enterprises in a
18 designated community in this state and having expertise in finance, fund
19 development, and grantmaking.

20 **SECTION 3s.** 119.18 (16) (c) of the statutes is created to read:

21 119.18 **(16)** (c) The board may transfer a gift or grant to a community
22 foundation only if the board and the community foundation agree, in writing and at
23 the time of the transfer of the gift or grant, to each of the following:

24 1. The community foundation agrees to make disbursements from and of the
25 gift or grant to the board upon the written request of the board.

ASSEMBLY BILL 224**SECTION 3s**

1 2. Subject to subd. 2m., the board retains control over the manner in which any
2 disbursement made under subd. 1. is used.

3 2m. The school board’s use of any disbursement made under subd. 1. shall be
4 consistent with the intent of the donor of the gift, bequest, or endowment and with
5 the agreement between the school board and the community foundation.

6 3. The board exercises its rights over the use of each disbursement made under
7 subd. 1. in accordance with the law applicable to trust investments.

8 **SECTION 4. Initial applicability.**

9 (1) The treatment of sections 118.27 and 119.18 (16) of the statutes first applies
10 to a gift or grant made to a school district on the effective date of this subsection.

11 (2) The treatment of section 43.58 (7) (b) of the statutes first applies to a gift,
12 bequest, or endowment made to a public library on the effective date of this
13 subsection.

14 **(END)**