

ASSEMBLY BILL 224 (LRB -1349)

An Act to amend 43.58 (7) (b), 118.27 and 119.18 (16) of the statutes; relating to: authorizing school boards and libraries to transfer a gift or grant to certain charitable organizations.

2011

08-25. A. Introduced by Representatives **Kaufert, Hintz, Thiesfeldt, Brooks, Petrowski, Molepske Jr, A. Ott, Strachota, Mursau and Ringhand**; cosponsored by Senators **Schultz, Taylor, Wanggaard and Lassa**.

08-25. A. Read first time and referred to committee on Education 486

09-16. A. Representative Ballweg added as a coauthor 518

10-04. A. Public hearing held.

10-18. A. Assembly amendment 1 offered by Representative Knudson (**LRB a1628**) 566

10-19. A. Executive action taken.

10-25. A. Report Assembly Amendment 1 adoption recommended by committee on Education, Ayes 11, Noes 0 601

10-25. A. Report passage as amended recommended by committee on Education, Ayes 11, Noes 0 601

10-25. A. Referred to committee on Rules 601

10-27. A. Placed on calendar 11-1-2011 by committee on Rules.

11-01. A. Read a second time 642

11-01. A. **Assembly amendment 1 adopted** 642

11-01. A. Representative Spanbauer added as a coauthor 642

11-01. A. Ordered to a third reading 642

11-01. A. Rules suspended 642

11-01. A. Read a third time and **passed** 642

11-01. A. Ordered immediately messaged 642

11-02. S. Received from Assembly 567

11-02. S. Read first time and referred to committee on Education 568

12-14. S. Public hearing held.

12-16. S. Senate amendment 1 offered by Senator Olsen (**LRB a2027**) 629

2012

01-11. S. Executive action taken.

01-12. S. Report introduction of Senate Amendment 2 recommended by committee on Education, Ayes 7, Noes 0 (**LRB a2063**) 649

01-12. S. Report adoption of Senate Amendment 2 recommended by committee on Education, Ayes 7, Noes 0 649

01-12. S. Report concurrence as amended recommended by committee on Education, Ayes 7, Noes 0 649

01-12. S. Available for scheduling.

02-13. S. Placed on calendar 2-14-2012 pursuant to Senate Rule 18(1) 698

02-14. S. Read a second time 708

02-14. S. **Senate amendment 2 adopted** 708

02-14. S. Ordered to a third reading 708

02-14. S. Rules suspended 708

02-14. S. Read a third time and **concurred in** as amended 708

02-14. S. Ordered immediately messaged 709

02-16. A. Received from Senate amended and concurred in as amended (Senate amendment 2 adopted) 801

02-16. A. Referred to committee on Rules 802

02-16. A. Placed on calendar 2-21-2012 by committee on Rules.

02-21. A. Senate amendment 2 **concurred in**, Ayes 93, Noes 2.

02-21. A. Action ordered immediately messaged.

SB

2011
ENROLLED BILL

11en A B-224

ADOPTED DOCUMENTS:

Orig Engr SubAmdt

11-1349/3

Amendments to above (if none, write "NONE"): AA1 - a 1628/1
SA2 - a 2063/1

Corrections - show date (if none, write "NONE"): _____

CCC (in enrolling) to AA1 (3-1-12)

Topic Rel

2-23-12

Date

J. R. Miller

Enrolling Drafter



2011 ASSEMBLY BILL 224

August 25, 2011 - Introduced by Representatives KAUFERT, HINTZ, THIESFELDT, BROOKS, PETROWSKI, MOLEPSKE JR, A. OTT, STRACHOTA, MURSAU and RINGHAND, cosponsored by Senators SCHULTZ, TAYLOR, WANGGAARD and LASSA. Referred to Committee on Education.

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

Analysis by the Legislative Reference Bureau

Under current law, the school board of a school district may receive gifts or grants of money, furniture, and other property, and must use or invest the gift or grant in the manner specified by the donor or grantor. In the absence of specific direction regarding the use or investment of the gift or grant, the school board may determine how to use the gift or grant in accordance with the law applicable to trust investments.

This bill allows a school board to transfer unrestricted donations made to the school board to a charitable organization exempt from federal income tax under the Internal Revenue Code (IRC), provided the organization agrees in writing to use the donation to provide financial or material support for the school district and to comply with any terms of the donation.

Under current law, the library board of a public library may transfer donations made to the library to the treasurer of the municipality or county in which the library is located; entrust them to a public depository; transfer them to the library board's financial secretary; or transfer them to a charitable organization exempt from federal income tax under the IRC that has as its purpose providing financial or material support to the public library. This bill permits the library to transfer a donation to any charitable organization exempt from federal income tax, provided

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the organization agrees in writing to use the donation to provide financial or material support for the public library and to comply with any terms of the donation.

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

1

SECTION 1. 43.58 (7) (b) of the statutes is amended to read:

INS. AA1-1 ✓✓

2

43.58 (7) (b) ^{INS-AA1-2 ✓✓} If a gift, bequest, or endowment is made to any public library, the

3 library board may pay or transfer the gift, bequest, or endowment, or its proceeds,

4 to the treasurer of the municipality or county in which the public library is situated;

5 may entrust the gift, bequest, or endowment to a public depository under ch. 34; may

6 pay or transfer the gift, bequest, or endowment to the library board's financial

7

secretary; or may pay or transfer the gift, bequest, or endowment to a charitable

INS. AA1-3 ✓✓

STET

SA2-1
INS
AA1-1 ✓✓

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

the purpose of which is providing if the charitable organization agrees in writing to

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use the gift, bequest, or endowment to provide financial or material support to the

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public library and to comply with the terms of the gift, bequest, or endowment. A

STET

SA2-2
INS
AA1-5 ✓✓

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payment or transfer of a gift, bequest, or endowment by a library board to a

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charitable organization described in this paragraph made prior to March 19, 2008,

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is not invalid as lacking statutory authority to make the payment or transfer. If the

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library board pays or transfers the gift, bequest, or endowment to the financial

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secretary, the financial secretary may invest the gift, bequest, or endowment as

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permitted under s. 66.0603 (1m) or 112.11 (3); or may delegate investment authority

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for the gift, bequest, or endowment as permitted under s. 66.0603 (2) or 112.11 (5).

20

The financial secretary shall hold office only during membership on the library board

See CCC in envelope to AA1 ✓✓

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1 and shall be elected annually at the same time and in the same manner as the other
2 officers of the library board.

3 SECTION 2. 118.27 of the statutes is amended to read:

4 118.27 Gifts and grants. The school board of a district may receive, accept

5 and use gifts or grants of furniture, books, equipment, supplies, moneys, securities

6 or other property, real or personal, used or useful for school research and educational

7 purposes. All moneys received as gifts or grants shall be placed in the school district

8 treasury but shall be considered segregated trust funds. Whenever a school board

9 receives gifts or grants under this section, it shall make such use thereof, or invest

10 the same in the case of moneys, as the donor or grantor specifies. In the absence of

11 any specific direction as to the use of such gifts or grants by a donor or grantor, the

12 school board may determine the use of or invest the same in accordance with the law

13 applicable to trust investments, or may transfer any such gift or grant to a charitable

14 organization described in section 501 (c) (3) of the Internal Revenue Code and exempt

15 from federal income tax under section 501 (a) of the Internal Revenue Code if the

16 charitable organization agrees in writing to use the gift or grant to provide financial

17 or material support to the school district and to comply with any terms of the gift or

18 grant. In the use, control, or investment of such gifts or grants, the school board may

19 exercise the rights and powers generally conferred upon trustees.

20 SECTION 3. 119.18 (16) of the statutes is amended to read:

21 119.18 (16) GIFTS AND GRANTS. The board may receive, accept, and use gifts or

22 grants of furniture, books, equipment, supplies, moneys, securities or other property

23 used or useful for school and educational purposes. The board shall make such use

24 of gifts or grants, or invest the same in the case of moneys, as the donor or grantor

25 specifies. In the absence of any specific direction as to the use of such gifts or grants

INS. AAI-6

INS. AAI-7

INS. AAI-8

INS. AAI-9

INS. AAI-10

INS. AAI-11

INS. AAI-12

INS. AAI-14

INS. AAI-15

INS. AAI-17

INS. AAI-16

INS. AAI-18

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SECTION 3

✓✓

1 by a donor or grantor, the board may determine the use of or may invest the same in
 2 accordance with the law applicable to trust investments, or may transfer any such
 3 gift or grant to a charitable organization described in section 501 (c) (3) of the
 4 Internal Revenue Code and exempt from federal income tax under section 501 (a) of
 5 the Internal Revenue Code if the charitable organization agrees in writing to use the
 6 gift or grant to provide financial or material support to the school district and to
 7 comply with any terms of the gift or grant. In the use, control or investment of such
 8 gifts or grants, the board may exercise the rights and powers generally conferred
 9 upon trustees.

INS. AAI-19

INS. AAI-20

INS AAI-21

INS AAI-22

✓✓

SECTION 4. Initial applicability.

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

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

(END)



State of Wisconsin
2011-2012 LEGISLATURE

CORRECTIONS IN:

**ASSEMBLY AMENDMENT 1,
TO 2011 ASSEMBLY BILL 224**

Prepared by the Legislative Reference Bureau
(March 1, 2012)

In enrolling, the following correction was made:

1. Page 1, line 11: after "foundation." insert "A".

(END)



ASSEMBLY AMENDMENT 1,
TO 2011 ASSEMBLY BILL 224

October 18, 2011 - Offered by Representative KNUDSON.

1 At the locations indicated, amend the bill as follows:

2 ✓✓ 1. Page 2, line 1: delete that line and substitute:

3 "SECTION 1e. 43.58 (7) (b) of the statutes is renumbered 43.58 (7) (b) 2. and
4 amended to read:"

5 ✓✓ 2. Page 2, line 2: after "(b)" insert "2".

*6 ✓✓ 3. Page 2, line 7: after "or may" insert "subject to subd. 3."

*7 ✓✓ 4. Page 2, line 7: delete "charitable" and substitute "charitable".

*8 ✓✓ 5. Page 2, line 8: delete lines 8 to 12 and substitute "organization, described
9 in section 501 (c) (3) of the Internal Revenue Code and exempt from federal income
10 tax under section 501 (a) of the Internal Revenue Code, the purpose of which is
11 providing financial or material support to the public library community foundation."

12 ✓✓ 6. Page 3, line 2: after that line insert:

AA1-1

AA1-2

AA1-3

AA1-4

AA1-5

A

CCC in enrolling

AAI-6

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

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

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

43.58 (7) (b) 3. A library board may pay or transfer a gift, bequest, or endowment to a community foundation only if the library board and the community foundation agree, in writing and at the time of the payment or transfer of the gift, bequest, or endowment, to each of the following:

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

b. The library board retains control over the manner in which any disbursement made under subd. 3. a. is used.

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

7. Page 3, line 3: delete that line and substitute:

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

AAI-7

INS SA 2-5 ✓

INS SA 2-6 ✓

INS SA 2-7 ✓✓

INS. SA 2-3 ✓

INS. SA 2-4 ✓

EDITOR ITEM 13. NOT GIVEN EFFECT.

AA1-8

1 ✓ 8. Page 3, line 4: delete that line and substitute "118.27 (2) The school board
2 of a district may receive, accept".

AA1-9

3 ✓✓ 9. Page 3, line 5: delete "securities" and substitute "securities".

AA1-10

4 ✓✓ 10. Page 3, line 13: after "or may" insert ", subject to sub. (3)".

5 ✓✓ 11. Page 3, line 13: delete the material beginning with "charitable" and ending
6 with "grant" on line 18 and substitute "community foundation".

AA1-11 ✓

7 ✓✓ 12. Page 3, line 18: after "control" insert "s".

AA1-12

8 ✓✓ ~~13.~~ Page 3, line 18: delete "control" and substitute "control".

AA1-13

9 ✓✓ 14. Page 3, line 19: after that line insert:

AA1-14

10 SECTION 2m. 118.27 (1) of the statutes is created to read:
11 118.27 (1) In this section, "community foundation" means a charitable
12 organization, described in section 501 (c) (3) of the Internal Revenue Code and
13 exempt from federal income tax under section 501 (a) of the Internal Revenue Code,
14 dedicated to encouraging and assisting charitable activities and enterprises in a
15 designated community in this state and having expertise in finance, fund
16 development, and grantmaking.
17 SECTION 2s. 118.27 (3) of the statutes is created to read:
18 118.27 (3) A school board may transfer a gift or grant to a community
19 foundation only if the school board and the community foundation agree, in writing
20 and at the time of the transfer of the gift or grant, to each of the following:
21 (a) The community foundation agrees to make disbursements from and of the
22 gift or grant to the school board upon the written request of the school board.

1 (b) ^{INS. SA 2-8 ✓} ~~The~~ school board retains control over the manner in which any
 2 disbursement made under par. (a) is used. ^{INS. SA 2-9 ✓}

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

5 ✓✓ 15. Page 3, line 20: delete that line and substitute:

AA1-15

6 “SECTION 3e. 119.18 (16) of the statutes is renumbered 119.18 (16) (b) and
 7 amended to read”.

8 ✓✓ 16. Page 3, line 21: delete “GIFTS AND GRANTS.” and substitute (b).

AA1-16

9 ✓✓ 17. Page 3, line 21: delete “accept” substitute “accept.”

AA1-17

10 ✓✓ 18. Page 3, line 22: delete “securities” substitute “securities.”

AA1-18

11 ✓✓ 19. Page 4, line 2: after “or may” insert “, subject to par. (c).”

AA1-19

12 ✓✓ 20. Page 4, line 3: delete the material beginning with “charitable” and ending
 13 with “grant” on line 7 and substitute “community foundation”.

AA1-20

14 ✓✓ 21. Page 4, line 7: delete “control” substitute “control.”

AA1-21

15 ✓✓ 22. Page 4, line 9: after that line insert:

AA1-22

16 “SECTION 3m. 119.18 (16) (a) of the statutes is created to read:
 17 119.18 (16) (a) In this subsection, “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 3s. 119.18 (16) (c) of the statutes is created to read:

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

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

2. ^{INS. SA 2-10 ✓} The board retains control over the manner in which any disbursement made under subd. 1. is used. _{← INS. SA 2-11 ✓}

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

(END)



SENATE AMENDMENT 2,
TO 2011 ASSEMBLY BILL 224

January 12, 2012 - Offered by COMMITTEE ON EDUCATION.

1 At the locations indicated, amend the bill as follows:

2 (y) 1. Page 2, line 7: delete the material inserted by assembly amendment 1 and
3 substitute charitable. SA2-1

4 ✓✓ 2. Page 2, line 8: on page 1 of the material inserted by assembly amendment SA2-2
5 1, delete the material beginning with "~~organization~~" on line 8 and ending with
6 "foundation." on line 11 and substitute "organization, described in section 501 (c) (3)
7 of the Internal Revenue Code and exempt from federal income tax under section 501
8 (a) of the Internal Revenue Code, the purpose of which is providing financial or
9 material support to the public library or to a community foundation".

10 ✓✓ 3. Page 3, line 2: after that line, on page 2, line 16, of the material inserted by SA2-3
11 assembly amendment 1, delete "The" and substitute "Subject to subd. 3. bm., the". ✓

12 ✓✓ 4. Page 3, line 2: after that line, after page 2, line 17, of the material inserted
13 by assembly amendment 1, insert:

MARKUP
ON AAI-6

SA2-4

1 (bm. The library board's use of any disbursement made under subd. 3. a. shall
2 be consistent with the intent of the donor of the gift, bequest, or endowment and with
3 the agreement between the library board and the charitable organization or
4 community foundation.)

5 ✓✓ 5. Page 3, line 2: after that line, on page 2, line 10, of the material inserted by
6 assembly amendment 1, after "to a" insert "charitable organization described in
7 subd. 2. or to a".

SA2-5

8 ✓✓ 6. Page 3, line 2: after that line, on page 2, line 10, of the material inserted by
9 assembly amendment 1, after "board and the" insert "charitable organization or the".

SA2-6

10 ✓✓ 7. Page 3, line 2: after that line, on page 2, line 13, of the material inserted by
11 assembly amendment 1, before "community" insert "charitable organization or the".

SA2-7

12 ✓✓ 8. Page 3, line 19: after that line, on page 4, line 1, of the material inserted by
13 assembly amendment 1, delete "The" and substitute "Subject to par. (bm), the".

SA2-8

14 ✓✓ 9. Page 3, line 19: after that line, after page 4, line 2, of the material inserted
15 by assembly amendment 1, insert:

SA2-9

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

19 ✓✓ 10. Page 4, line 9: after that line, on page 5, line 6, of the material inserted
20 by assembly amendment 1, delete "The" and substitute "Subject to subd. 2m., the".

SA2-10

21 ✓✓ 11. Page 4, line 9: after that line, after page 5, line 7, of the material inserted
22 by assembly amendment 1, insert:

SA2-11

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

4 (END)