

HOUSE BILL NO. 576

INTRODUCED BY D. BEDEY

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO GIFTS TO SCHOOL DISTRICTS AND THE ENDOWMENT FUND; ~~ALLOWING TRUSTEES TO TRANSFER CERTAIN GIFTS TO A NONPROFIT ORGANIZATION UNDER CERTAIN CONDITIONS~~ PROVIDING TRUSTEES INCREASED FLEXIBILITY FOR GIFTS NOT OTHERWISE SPECIFIED BY THE DONOR; AMENDING SECTION 20-9-604, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE ~~AND A RETROACTIVE APPLICABILITY DATE.~~"

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-9-604, MCA, is amended to read:

"20-9-604. Gifts, legacies, devises, and administration of endowment fund. (1) The trustees of a district may accept gifts, legacies, and devises, subject to the conditions imposed by the deed of the donor or the will of the testator or without any conditions imposed. Unless otherwise specified by the donor, devisor, or testator, when a district receives a gift, legacy, or devise, the trustees ~~shall~~ may deposit the gift, legacy, devise, or the proceeds in ~~an endowment fund~~ any budgeted or nonbudgeted fund at the discretion of the trustees and may thereafter transfer any portion of the gift, legacy, devise, or proceeds to any other fund at the discretion of the trustees.

(2) If THE TRUSTEES ACCEPT A GIFT, LEGACY, OR DEVISE PURSUANT TO SUBSECTION (1) AND IF the donor, devisor, or testator specifies the gift, legacy, or devise for an endowment, the trustees shall deposit the gift, legacy, devise, or proceeds in an endowment fund. ~~The trustees~~ AND shall administer the endowment fund so as to preserve the principal from loss, and only the income from the fund may be appropriated for any purpose.

~~(2) Unless the conditions of the endowment instrument require an immediate disbursement of the money, the money~~ MONEY deposited in the endowment fund must be invested by the trustees according to the provisions of the Uniform Management of Institutional Funds Act, Title 72, chapter 30.

~~(3) All interest collected on the deposits or investments must be credited to the endowment fund. No portion of the endowment fund may be loaned to the district, nor may any money of the fund be invested in warrants of the district.~~

~~(4)~~(3) Whenever a district has been abandoned, the endowment fund of the abandoned district must be

1 transferred and placed in the endowment fund in the district to which the territory is attached.

2 (5)(4) As the custodian of the endowment fund, the county treasurer is liable on the treasurer's official
3 bond for the endowment fund of any district of the county. By July 20, the county treasurer shall report to the
4 trustees of each district on the condition of its endowment fund, including the status of the investments that have
5 been made with the money of the fund. The county treasurer shall also include the endowment fund in the
6 treasurer's reports to the board of county commissioners.

7 (6)(5) The trustees of any district having an endowment fund shall provide suitable memorials for all
8 persons or associations of persons making gifts to the district that become a part of the endowment fund.

9 (6) THE TRUSTEES OF A DISTRICT THAT PREVIOUSLY DEPOSITED DONATED FUNDS IN AN ENDOWMENT FUND
10 WITHOUT SPECIFIC INSTRUCTION BY THE DONOR, DEVISOR, OR TESTATOR MAY MOVE THE DONATED FUNDS AND ANY
11 ACCUMULATED INTEREST TO ANY OTHER BUDGETED OR NONBUDGETED FUND OF THE DISTRICT AND MAY SPEND DONATED
12 FUNDS AND ANY ACCUMULATED INTEREST UNLESS RESTRICTED BY CONDITION IMPOSED BY THE DONOR, DEVISOR, OR
13 TESTATOR.

14 (7) THE LEGISLATURE ENCOURAGES SCHOOL DISTRICT TRUSTEES TO ADOPT A GIFT ACCEPTANCE POLICY TO
15 DETERMINE THE SUITABILITY OF ACCEPTING GIFTS UNDER THIS SECTION."

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17 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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19 ~~NEW SECTION. Section 3. Retroactive applicability.~~ [This act] ~~applies retroactively, within the~~
20 ~~meaning of 1-2-109, to occurrences on or after July 1, 2014.~~

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