

House Study Bill 220

Bill Text

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1 1 Section 1. Section [279.42](#), Code 2001, is amended to read
1 2 as follows:
1 3 279.42 GIFTS TO SCHOOLS TRUSTS.
1 4 1. The board of directors of a school

~~district~~

~~corporation~~

1 5 which receives funds through gifts, devises, and bequests
1 6 shall deposit these funds in a trust and agency fund and use
1 7 them in accordance with the terms of the gift, devise, or
1 8 bequest.

1 9 2. The board of directors of a school corporation may
1 10 accept and administer trusts and may authorize nonprofit
1 11 foundations acting solely for the support of the school
1 12 corporation to accept and administer trusts deemed by the
1 13 board to be beneficial to the operation of a school
1 14 corporation. Notwithstanding section 633.63, the board and
1 15 the nonprofit foundations may act as trustees in these
1 16 instances. The board shall require that moneys belonging to
1 17 such a nonprofit foundation are audited annually.

1 18 EXPLANATION

1 19 This bill provides that the board of directors of a school
1 20 corporation may accept and administer trusts and may authorize
1 21 nonprofit foundations acting solely for the support of the
1 22 school corporation to accept and administer trusts if
1 23 determined by the board to be beneficial to the school
1 24 corporation. The bill provides that notwithstanding Code
1 25 section 633.63, which authorizes a specified list of
1 26 individuals or entities to serve as a fiduciary, the board and
1 27 the nonprofit foundations may act as trustees. These
1 28 provisions would enable a school district board of directors
1 29 to establish foundations to administer gifts and trusts for
1 30 the benefit of the school corporation. The bill provides that
1 31 the board shall require that moneys belonging to a nonprofit
1 32 foundation are audited annually.

1 33 LSB 3243HC 79

1 34 rn/gg/8