

**PUBLIC LIBRARY; GIFTS AND DONATIONS**  
**Act 136 of 1921**

AN ACT to authorize and facilitate the acquisition and disposal of public library property by public corporations empowered to maintain public libraries.

**History:** 1921, Act 136, Eff. Aug. 18, 1921.

*The People of the State of Michigan enact:*

**397.381 Gifts and donations; acceptance; use; transfer to community foundation; establishment of donor advisory board; definitions.**

Sec. 1. (1) Subject to subsection (2), a board of education, library commission, or other public corporation empowered to maintain a public library may receive and accept gifts and donations of real or personal property, for the library, and shall hold, use, and apply the property received for the purposes, in accordance with the provisions, and subject to the conditions and limitations, if any, set forth in the instrument of gift.

(2) A board of education, library commission, or other public corporation empowered to maintain a public library may transfer a gift of intangible personal property, other than a federal or state grant, described in subsection (1), or the proceeds from that gift to a community foundation. If a gift received by a board of education, library commission, or other public corporation empowered to maintain a public library was subject to certain conditions, limitations, or requirements, the transfer must be to a component fund within the community foundation that incorporates conditions, limitations, or requirements that are substantially similar. If a gift was not subject to conditions, limitations, or requirements, the transfer must be to a component fund of the community foundation that imposes conditions, limitations, or requirements on the use of the property for the purpose of maintaining the public library.

(3) A transfer of a gift described in subsection (1) by a board of education, library commission, or other public corporation empowered to maintain a public library to a component fund within a community foundation that satisfies the conditions under subsection (2), before the effective date of the amendatory act that amended this section, is valid.

(4) A community foundation to which a gift is transferred pursuant to this section shall return the gift to the board of education, library commission, or other public corporation empowered to maintain a public library, that transferred the gift if 1 or more of the following occur:

(a) The community foundation fails to meet all of the requirements for certification as a community foundation set forth in section 261 of the income tax act of 1967, 1967 PA 281, MCL 206.261.

(b) The community foundation is liquidated.

(c) The community foundation substantially violates any condition, limitation, or requirement imposed on the gift.

(5) Except as otherwise provided in subsection (6), a community foundation shall establish a donor advisory board before a gift is transferred to that community foundation under this section. The donor advisory board shall include not less than 1 representative of the board of education, library commission, or other public corporation empowered to maintain a public library transferring the gift. The donor advisory board shall do all of the following:

(a) Determine that any condition, limitation, or requirement on the use of the transferred gift is complied with.

(b) Make recommendations for the use of the transferred gift.

(6) A board of education, library commission, or other public corporation empowered to maintain a public library that transfers a gift to a community foundation under this section may waive the establishment of the donor advisory board under subsection (5).

(7) As used in this section:

(a) "Community foundation" means that term as defined in section 261 of the income tax act of 1967, 1967 PA 281, MCL 206.261.

(b) "Component fund" means a component part of a community trust as described in 26 C.F.R. 1.170A-9.

**History:** 1921, Act 136, Eff. Aug. 18, 1921;—CL 1929, 8103;—CL 1948, 397.381;—Am. 1998, Act 370, Imd. Eff. Oct. 20, 1998.

**397.382 Donations; disposition.**

Sec. 2. Whenever any property, real or personal, now or hereafter held and used for the purpose of a public library by any board of education, library commission or other public corporation shall, in the judgment of such corporation, be no longer needed for such purpose, such property may be sold and disposed of by such corporation unless such sale and disposal be inconsistent with the terms and conditions upon which such

property was acquired, at such price and upon such terms and conditions as said corporation may deem proper, and the proceeds thereof shall by said corporation be used and applied for the purpose of such library.

**History:** 1921, Act 136, Eff. Aug. 18, 1921;—CL 1929, 8104;—CL 1948, 397.382.