

Regular Session, 2012

SENATE BILL NO. 736

BY SENATOR PETERSON

SCHOOLS. Authorizes school boards to create public benefit corporations. (8/1/12)

1 AN ACT

2 To enact R.S. 41:1226, relative to public benefit corporations; to provide for the creation of
3 such corporations by local school boards; to provide for the board of directors; to
4 provide for its purpose; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 41:1226 is hereby enacted to read as follows:

7 **§1226. Creation of public benefit corporations by school boards**

8 **A. Notwithstanding any provision of law to the contrary, any local**
9 **school board may create a public benefit corporation and designate it as a**
10 **charitable foundation for the support of public schools within its jurisdiction,**
11 **to be called a public benefit foundation. Such a foundation, as well as its assets,**
12 **shall remain wholly owned by the creating entity. The creating entity may**
13 **transfer usufruct to any property which it owns to that of the foundation or**
14 **transfer title to any property it owns to that of the foundation for the purposes**
15 **of managing, operating, or administering said property. Any profits produced**
16 **by the foundation shall not be required to be returned to the creating entity's**
17 **general fund. The foundation may retain such funds for the operations,**

1 expenses and salaries incurred or paid by the foundation, as may be deemed
2 necessary and proper by its board.

3 B. The president of the school board creating the foundation shall serve
4 as a member of the board of directors of the foundation. The superintendent of
5 schools or a deputy superintendent as designated by the articles of
6 incorporation of the foundation shall serve as a member of the board of
7 directors of the foundation. No more than two additional members of the school
8 board creating the foundation may serve as members of the board of directors
9 of the foundation as provided in the articles of incorporation.

10 C. The foundation shall meet all requirements of the Internal Revenue
11 Code for public foundations, as well as the Nonprofit Corporation Law.

12 D. The foundation shall have as its sole purpose the support of public
13 education in the jurisdiction of the creating entity. The foundation may be
14 designated as the official repository, receiver, and administrator of donations
15 to public education within the physical jurisdiction of the creating local school
16 board.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by James Benton.

DIGEST

Proposed law provides that any local school board may create a public benefit corporation and designate it as a charitable foundation for the support of public schools within its jurisdiction, to be called a public benefit foundation.

Proposed law provides that the superintendent of schools or a deputy superintendent as designated by the articles of incorporation of the foundation shall serve as a member of the board of directors of the foundation.

Proposed law provides that the foundation shall meet all requirements of the Internal Revenue Code for public foundations and the Louisiana Nonprofit Corporation Law.

Proposed law provides that the foundation shall have as its sole purpose the support of public education in the jurisdiction of the creating entity.

Effective August 1, 2012.

(Adds R.S. 41:1226)